

ELIZABETH PARK AND
RECREATION DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2021

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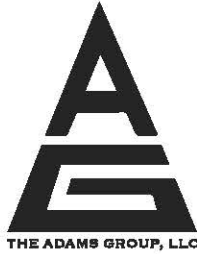
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Elizabeth Park and Recreation District (the District), as of and for the year ended December 31, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, and each major fund of the Elizabeth Park and Recreation District, as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

For the year ended December 31, 2021, the District recorded a prior period adjustment to remove previously recorded interfund balances that were the result of the District not accurately recording cash receipts and payments across the general and enterprise funds. As a result, the general fund balance was understated and the enterprise fund net position was overstated in 2020.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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.

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 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 GAAS 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 GAAS, 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 judgement, 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 management's discussion on and analysis on pages 4-8, budgetary comparison information on pages 50 and the District's proportionate share of the net pension liability, net OPEB liability and schedules of employer contributions and related ratios on pages 51-54 be presented to

supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were 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 budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

April 19, 2022
Denver, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Elizabeth Parks and Recreation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2021.

FINANCIAL HIGHLIGHTS

- At the government-wide level, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of 2021 by \$3,127,397, a decrease of \$198,278 compared to the net position in 2020. Of this amount, the unrestricted net position of \$122,684 may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District's governmental fund reported an ending fund balance of \$682,883, a decrease of \$116,146. This significant decrease is due to costs paid to create the design and master plan for the Casey Jones Park and recreation center construction plan.
- As of December 31, 2021, fund balance of the District included restricted fund balance of \$275,560, assigned fund balance of \$300,108, and unassigned fund balance of \$79,948.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

Government Funds

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

General Fund

Administration of general District operations is accomplished through the General Fund. At the end of 2021, the fund balance was \$682,883, compared to the beginning balance of \$799,029, a decrease of \$116,146.

Proprietary Funds

The District has one Enterprise Fund.

The Proprietary Fund, an *Enterprise Fund*, is used to account for the proceeds from recreational services and park access fees. The net gain for the year was \$139,889, which resulted in an ending net position of \$129,565.

Schedules and Notes to the Financial Statements

- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial statements can be found on pages 18 through 49 of this report.
- The General Fund budget schedule can be found at 50 and the pension and OPEB required supplementary information can be found on 51 through 54.
- The proprietary fund budget schedule is shown on page 55.

FINANCIAL ANALYSIS OF THE DISTRICT

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

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current and other assets	\$ 1,440,660	\$ 946,269	\$ 60,481	\$ 365,968	\$ 1,501,141	\$ 1,312,237
Capital assets	<u>4,005,743</u>	<u>4,160,012</u>	<u>165,703</u>	<u>175,613</u>	<u>4,171,446</u>	<u>4,335,625</u>
Total Assets	<u>5,446,403</u>	<u>5,106,281</u>	<u>226,184</u>	<u>541,581</u>	<u>5,672,587</u>	<u>5,647,862</u>
Deferred outflows of resources	<u>94,138</u>	<u>60,814</u>	<u>30,822</u>	<u>20,991</u>	<u>124,960</u>	<u>81,805</u>
Liabilities						
Current liabilities	199,074	101,997	7,798	6,211	206,872	108,208
Long-term liabilities	<u>1,381,886</u>	<u>1,511,889</u>	<u>60,143</u>	<u>81,220</u>	<u>1,442,029</u>	<u>1,593,109</u>
Total Liabilities	<u>1,580,960</u>	<u>1,613,886</u>	<u>67,941</u>	<u>87,431</u>	<u>1,648,901</u>	<u>1,701,317</u>
Deferred inflows of resources	<u>832,184</u>	<u>681,643</u>	<u>59,500</u>	<u>31,356</u>	<u>891,684</u>	<u>712,999</u>
Net Position:						
Net investment in capital assets	2,729,153	2,807,269	165,703	175,613	2,894,856	2,982,882
Restricted	275,560	182,253	-	-	275,560	182,253
Unrestricted	<u>122,684</u>	<u>(117,956)</u>	<u>(36,138)</u>	<u>268,172</u>	<u>86,546</u>	<u>150,216</u>
Total Net Position	<u>\$ 3,127,397</u>	<u>\$ 2,871,566</u>	<u>\$ 129,565</u>	<u>\$ 443,785</u>	<u>\$ 3,256,962</u>	<u>\$ 3,315,351</u>

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

As seen in the Statement of Net Position, the District's overall net position ended 2021 at \$3,127,397. Capital assets saw the largest change as a result of trail expansions and bathroom construction, and the sales of 15 acres of land for \$262,640. The restricted component of net position totals \$275,560, which was an increase of \$93,325 from 2020. The restrictions include the 3 percent of fiscal spending reserve for emergencies regarding the Taxpayer's Bill of Rights (TABOR) and restrictions related to the unspent Conservation Trust Funds.

While the Statement of Net Position shows the change in financial position of the District, the

Statement of Activities provides the information as to the source of this overall change. The following schedule summarizes the changes in the District's net position during 2021 and 2020:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ -	\$ -	\$ 359,014	\$ 369,093	\$ 359,014	\$ 369,093
Operating grants and contributions	91,553	77,448	2,205	-	93,758	77,448
Capital grants and contributions	96,930	67,500	-	-	96,930	67,500
General revenues:						
Property taxes	590,730	578,352	-	-	590,730	578,352
Specific ownership taxes	105,702	101,701	-	-	105,702	101,701
Internal Balances	(75,000)	-	75,000	-	-	-
Interest and other income	6,236	14,021	-	-	6,236	14,021
Total revenues	<u>816,151</u>	<u>839,022</u>	<u>436,219</u>	<u>369,093</u>	<u>1,252,370</u>	<u>1,208,115</u>
Expenses:						
General government	793,318	580,764	-	-	793,318	580,764
Parks and recreation	182,719	164,253	296,330	304,642	479,049	468,895
Interest and fiscal charges	38,392	70,169	-	-	38,392	70,169
Total expenses	<u>1,014,429</u>	<u>815,186</u>	<u>296,330</u>	<u>304,642</u>	<u>1,310,759</u>	<u>1,119,828</u>
Change in Net Position	(198,278)	23,836	139,889	64,451	(58,389)	88,287
Net Position, January 1 (As Restated)	<u>3,325,675</u>	<u>2,847,730</u>	<u>(10,324)</u>	<u>379,334</u>	<u>3,315,351</u>	<u>3,227,064</u>
Prior period adjustment*	<u>-</u>	<u>454,109</u>	<u>-</u>	<u>(454,109)</u>	<u>-</u>	<u>-</u>
Net Position, December 31	<u>\$ 3,127,397</u>	<u>\$ 3,325,675</u>	<u>\$ 129,565</u>	<u>\$ (10,324)</u>	<u>\$ 3,256,962</u>	<u>\$ 3,315,351</u>

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

For 2021, total revenues were 3.7 percent higher when compared to 2021. This increase is mainly attributed to an increase in property taxes. While the business-type activities saw similar totals for program revenues in 2021 when compared to 2020, there was also a transfer of cash from the general fund for the opening of a new checking account in the enterprise fund.

Fund Financial Analysis

Fund balance at year-end for the General Fund showed a decrease of \$116,146 which was a direct result of approximately \$228,000 paid by the District for the design and planning of the future recreation center and Casey Jones Park construction project. General Fund revenues increased by 6.2 percent with the main increase being related to property taxes from 2020 to 2021.

Proprietary Fund charges for services decreased \$10,079 or 2.7 percent from 2020 to 2021. However, this decrease was offset by a transfer of \$75,000 from the general fund for the opening of an enterprise fund checking account.

Budget Variances and Amendments

The District amended its original budget in 2021. The budget presentations are presented on pages 50 and 55.

CAPITAL ASSETS

The District's capital assets for its governmental activities as of December 31, 2021 was \$4,005,743 and \$165,703 related to its business-type activities. During 2021, the District purchased machinery and equipment for \$53,780, installed new bathrooms and signs for \$194,110, and installed trail expansions for \$43,200, however, this increase in capital assets was offset by the sale of \$262,640 of land and 2021 depreciation expense of \$182,719.

See additional information related to capital assets in Note 3 of the financial statements.

LONG-TERM DEBT

During the year ended December 31, 2020, the District entered into a lease purchase agreement in the amount of \$1,390,000. At year-end December 31, 2021, the District had \$1,276,590 in outstanding long-term debt related to the lease purchase agreement. The District had an additional \$4,042 outstanding related to compensated absences.

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

NEXT YEAR'S BUDGET AND RATES

The District's General Fund balance at the end of fiscal year 2021 was \$682,883. The District's 2022 budget outlined total expenditures over total revenues in the amount of \$300,108. The District's Board considered many factors when setting the District's budget, including fees and charges. The Covid-19 pandemic continues to be of concern and the financial impact cannot be reasonably estimated at this time.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

ELIZABETH PARK AND RECREATION DISTRICT
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and investments	\$ 504,537	\$ 60,481	\$ 565,018
Cash and investments - restricted	248,831	-	248,831
Cash with County Treasurer	9,568	-	9,568
Property taxes receivable	650,457	-	650,457
Prepaid items	27,267	-	27,267
Total Current Assets	1,440,660	60,481	1,501,141
Capital Assets			
Capital assets, not being depreciated	1,701,560	81,000	1,782,560
Capital assets, net of accumulated depreciation	2,304,183	84,703	2,388,886
Total Capital Assets	4,005,743	165,703	4,171,446
Total Assets	5,446,403	226,184	5,672,587
Deferred Outflows of Resources			
Related to pension	86,368	28,278	114,646
Related to OPEB	7,770	2,544	10,314
Total Deferred Outflows of Resources	94,138	30,822	124,960
Liabilities			
Current Liabilities			
Accounts payable	97,292	6,076	103,368
Accrued liabilities	10,028	1,722	11,750
Accrued interest	9,319	-	9,319
Long-term liabilities - current	82,435	-	82,435
Total Current Liabilities	199,074	7,798	206,872
Long-term Liabilities			
Long-term liabilities	1,198,197	-	1,198,197
Net pension liability	161,257	52,798	214,055
Net OPEB liability	22,432	7,345	29,777
Total Long-term Liabilities	1,381,886	60,143	1,442,029
Total Liabilities	1,580,960	67,941	1,648,901
Deferred Inflows of Resources			
Deferred property taxes	650,457	-	650,457
Related to pension	174,391	57,098	231,489
Related to OPEB	7,336	2,402	9,738
Total Deferred Inflows of Resources	832,184	59,500	891,684
Net Position			
Net investment in capital assets	2,729,153	165,703	2,894,856
Restricted for:			
Emergency reserve	26,729	-	26,729
Conservation trust funds	248,831	-	248,831
Unrestricted	122,684	(36,138)	86,546
Total Net Position	\$ 3,127,397	\$ 129,565	\$ 3,256,962

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

ELIZABETH PARK AND RECREATION DISTRICT
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities							
General government	\$ 793,318	\$ -	\$ -	\$ -	\$ (793,318)	\$ -	\$ (793,318)
Parks and recreation	182,719	-	91,553	96,930	5,764	-	5,764
Interest and fiscal charges	38,392	-	-	-	(38,392)	-	(38,392)
Total Governmental Activities	1,014,429	-	91,553	96,930	(825,946)	-	(825,946)
Business-type Activities							
Park programs	296,330	359,014	2,205	-	-	64,889	64,889
Total Business Type Activities	\$ 1,310,759	\$ 359,014	\$ 93,758	\$ 96,930	(825,946)	64,889	(761,057)
General Revenues:							
Property taxes					590,730	-	590,730
Specific ownership taxes					105,702	-	105,702
Investment earnings					574	-	574
Internal Balances					(75,000)	75,000	-
Other income					5,662	-	5,662
Total General Revenues					627,668	75,000	702,668
Change in Net Position					(198,278)	139,889	(58,389)
Net Position - Beginning (as Restated)					3,325,675	(10,324)	3,315,351
Net Position - Ending					\$ 3,127,397	\$ 129,565	\$ 3,256,962

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

ELIZABETH PARK AND RECREATION DISTRICT
Governmental Fund – Balance Sheet
December 31, 2021

	General
Assets	
Cash and investments	\$ 504,537
Cash and investments - restricted	248,831
Accounts receivable:	
Due from County Treasurer	9,568
Property taxes	650,457
Prepaid items	27,267
Total Assets	\$ 1,440,660
Liabilities	
Accounts payable	\$ 97,292
Accrued payroll	10,028
Total Liabilities	107,320
Deferred Inflows of Resources	
Deferred property taxes	650,457
Total Deferred Inflows of Resources	650,457
Fund Balances	
Nonspendable:	
Prepaid items	27,267
Restricted for:	
Emergencies	26,729
Conservation Trust	248,831
Assigned for:	
Subsequent Year Budgeted Expenditures	300,108
Unassigned	79,948
Total Fund Balance	682,883
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,440,660

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

ELIZABETH PARK AND RECREATION DISTRICT
 Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
 December 31, 2021

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

Fund balance of Governmental funds	\$ 682,883
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	4,005,743
Long-term liabilities and related items are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	
Lease payable	(1,276,590)
Accrued interest payable	(9,319)
Compensated absences	(4,042)
Pension and OPEB liabilities and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements:	
Net pension liability	(161,257)
Net OPEB liability	(22,432)
Deferred outflows related to pension	86,368
Deferred outflows related to OPEB	7,770
Deferred inflows related to pension	(174,391)
Deferred inflows related to OPEB	(7,336)
	(331,278)
Net Position of Governmental Activities	\$ 3,127,397

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

ELIZABETH PARK AND RECREATION DISTRICT
 Governmental Fund – Statement of Revenues, Expenditures,
 And Changes in Fund Balance
 For the Year Ended December 31, 2021

	General
Revenues	
Taxes	\$ 696,432
Intergovernmental revenues	91,553
Charges for services	96,930
Miscellaneous income	6,236
Total Revenues	891,151
Expenditures	
General government	522,175
Capital outlay	557,661
Debt service:	
Principal	76,153
Interest	38,948
Total Expenditures	1,194,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	(303,786)
Other Financing Sources (Uses)	
Sale of Land	262,640
Transfers Out	(75,000)
Total Other Financing Sources (Uses)	187,640
Net Change In Fund Balance	(116,146)
Fund Balance - Beginning of Year (As Restated)	799,029
Fund Balance - End of Year	\$ 682,883

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

ELIZABETH PARK AND RECREATION DISTRICT
 Reconciliation of the Governmental Fund Statement of Revenues, Expenditures
 And Changes in Fund Balance to the Statement of Activities
 For the Year Ended December 31, 2021

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

Net change in fund balance - Total governmental fund	\$ (116,146)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	291,090
Depreciation expense	(182,719)
Sale of Land	(262,640)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental funds.	
Change in accrued interest payable	556
Change in accrued compensated absences	1,380
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	76,153
Net pension liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of pension expense.	(5,745)
Net OPEB liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of OPEB expense.	(207)
Change in Net Position of Governmental Activities	<u>\$ (198,278)</u>

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

ELIZABETH PARK AND RECREATION DISTRICT
 PROPRIETARY FUND
 Statement of Net Position
 For the Year Ended December 31, 2021

Assets	
Current Assets	
Cash and investments	\$ 60,481
Total Current Assets	<u>60,481</u>
Capital Assets	
Land	81,000
Buildings	207,044
Machinery and equipment	17,491
Parks	249,572
Total Capital Assets	<u>555,107</u>
Less accumulated depreciation	<u>(389,404)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>165,703</u>
Total Assets	<u>226,184</u>
Deferred Outflows of Resources	
Deferred outflows relating to pensions	28,278
Deferred outflows relating to OPEB	2,544
Total Deferred Outflows of Resources	<u>30,822</u>
Liabilities	
Current Liabilities	
Accounts payable	6,076
Accrued payroll	1,722
Total Current Liabilities	<u>7,798</u>
Long-term Liabilities	
Net pension liability	52,798
Net OPEB liability	7,345
Total Long-term Liabilities	<u>60,143</u>
Total Liabilities	<u>67,941</u>
Deferred Inflows of Resources	
Deferred inflows of resources relating to pensions	57,098
Deferred inflows of resources relating to OPEB	2,402
Total Deferred Inflows of Resources	<u>59,500</u>
Net Position	
Net investment in capital assets	165,703
Unrestricted	(36,138)
Total Net Position	<u>\$ 129,565</u>

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

ELIZABETH PARK AND RECREATION DISTRICT
 PROPRIETARY FUND
 Statement of Revenues, Expenses, and Change in Net Position
 For the Year Ended December 31, 2021

Operating Revenues	
Program revenue	\$ 359,014
	<u>359,014</u>
Total Operating Revenues	<u>359,014</u>
Operating expenses	
Payroll and related costs	76,252
Other operating costs	210,168
Depreciation	9,910
	<u>296,330</u>
Total Operating Expenses	<u>296,330</u>
Income From Operations	<u>62,684</u>
Nonoperating Revenues (Expenses)	
Other Income	2,205
	<u>2,205</u>
Total Nonoperating Revenues (Expenses)	<u>2,205</u>
Transfers	
Transfers In	75,000
	<u>75,000</u>
Change in Net Position	139,889
Net Position - Beginning of Year	<u>(10,324)</u>

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

ELIZABETH PARK AND RECREATION DISTRICT
 PROPRIETARY FUND
 Statement of Cash Flows
 For the Year Ended December 31, 2021

Cash Flows From Operating Activities:	
Receipts from customers	\$ 359,014
Payments to suppliers	(202,738)
Payments to employees and related expenses	(78,810)
Payments to contract labor	(6,049)
Other cash receipts (payments)	<u>(85,936)</u>
Net Cash Provided by Operating Activities	<u>(14,519)</u>
Cash flows from Financing activities	
Transfers In/(Out)	<u>75,000</u>
Net cash provided (used) by Financing activities	<u>75,000</u>
Net Change in Cash and Cash Equivalents	60,481
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 60,481</u></u>
Reconciliation Of Operating Income To Net Cash Provided By Operating Activities	
Net income from operations	<u>\$ 62,684</u>
Adjustments To Reconcile Operating Income To Net Cash (Required) By Operating Activities	
Depreciation	9,910
Changes in Assets and Liabilities:	
Increase (decrease) in accounts payable	1,381
Increase (decrease) in accrued payroll	206
Increase (decrease) in Pension and OPEB - related items	
Net pension liability and OPEB liability	(21,077)
Deferred outflows of resources	(9,831)
Deferred inflows of resources	<u>28,144</u>
Net Adjustments	<u>8,733</u>
Net Cash Provided By Operating Activities	<u><u>\$ 71,417</u></u>

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Definition of Reporting Entity

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

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

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

Basis of Presentation

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

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental fund:

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

The District reports the following major proprietary fund:

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting

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

Statement of Cash Flows

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

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

Deposits and Investments

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

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

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

Interfund Balances

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

Property Tax

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Prepaid Items

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

Capital Assets

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

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

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

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

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

Compensated Absences

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations

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

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

Net Pension Liability

The District reports a net pension liability as of December 31, 2021. The District is required to report their proportionate share of PERA's unfunded pension liability. See Note 6 for additional information.

Postemployment Benefits Other than Pensions (OPEB)

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

Deferred Outflows/Inflows of Resources

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

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

Fund Balance

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Nonspendable Fund Balance

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

The nonspendable fund balance in the General Fund in the amount of \$27,267 represents prepaid items.

Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$26,729 of the General Fund balance has been restricted in compliance with this requirement. In addition, a total of \$248,831 is shown as restricted which accounts for the Conservation Trust Fund revenues received and restricted for a specific purpose.

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Director. The District's balance of committed fund balance is \$0 at December 31, 2021.

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority. At December 31, 2021, the District has \$300,108 in assigned fund balance related to subsequent year's budgeted expenditures.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds,

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

as needed unless the District Board has provided otherwise in its commitment or assignment actions.

Net Position

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

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

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

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

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District. The business-type activities reported a negative unassigned fund balance of (\$36,138) due to the balance of net investment in capital assets.

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

Estimates

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

NOTE 2 - CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and investments	\$ 565,018
Cash and investments - restricted	248,831
Total	<u>\$ 813,849</u>

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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

Deposits with financial institutions	313,097
Investments - ColoTrust	500,752
Total	<u>\$ 813,849</u>

Deposits

Custodial Credit Risk

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

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

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

At December 31, 2021, the carrying amount of the District's deposits was \$444,237 and the bank balance was \$313,097 of which \$250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments

The District follows State statutes which allow the following investments:

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

Credit risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado Statutes specify the types of

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

investments meeting defined rating and risk criteria in which local governments may invest.

Custodial and Concentration of Credit Risk

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

Interest Rate Risk

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

As of December 31, 2021, the District had \$500,752 invested in ColoTrust. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The local government investment pool is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+.

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

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

Investment Valuation

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

<u>Governmental Activities:</u>	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
Capital assets not being depreciated:				
Land	\$ 1,921,000	\$ 43,200	\$ (262,640)	\$ 1,701,560
Total capital assets not being depreciated:	1,921,000	43,200	(262,640)	1,701,560
Capital assets being depreciated:				
Land and park improvements	3,814,877	194,110	(25,000)	3,983,987
Machinery, equipment	206,082	44,500	-	250,582
Parks, equipment	797,211	9,280	-	806,491
Total capital assets being depreciated:	4,818,170	247,890	(25,000)	5,041,060
Accumulated Depreciation	(2,579,158)	(182,719)	25,000	(2,736,877)
Net capital assets being depreciated:	2,239,012	65,171	-	2,304,183
Government assets, net	<u>\$ 4,160,012</u>	<u>\$ 108,371</u>	<u>\$ (262,640)</u>	<u>\$ 4,005,743</u>

The District recognized depreciation of \$182,719 for the year ended December 31, 2021, of which, 100% was allocated to the Parks and Recreation expense function on the Statement of Activities.

<u>Business Type Activities:</u>	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
Capital assets, not being depreciated:				
Land	\$ 81,000	\$ -	\$ -	\$ 81,000
Capital assets being depreciated:				
Land and buildings	207,044	-	-	207,044
Equipment	16,091	-	-	16,091
Park	249,572	-	-	249,572
Total capital assets	553,707	-	-	553,707
Accumulated Depreciation	(378,094)	(9,910)	-	(388,004)
Business type activities assets, net	<u>\$ 175,613</u>	<u>\$ (9,910)</u>	<u>\$ -</u>	<u>\$ 165,703</u>

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

NOTE 4 - INTERGOVERNMENTAL AGREEMENTS

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

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

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

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

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

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

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

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

In the year ended December 31, 2021, \$96,930 in fees were paid to Elizabeth Park and Recreation District from various developments.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - LONG-TERM DEBT

On March 27, 2020, the District entered into a Lease Purchase Agreement in the amount of \$1,390,000 for the acquisition of real property. The interest rate per annum on the interest component of the base rentals is 2.92% per annum, provided that: (i) the interest rate per annum may be increased to 3.06% per annum following any Bank Qualification Adjustment Date (as defined in the Lease); and (ii) interest rate per annum may be increased to 3.59% per annum following any Determination of Taxability (as defined in the lease). Principal and interest payments are made semiannually with a maturity of December 31, 2035.

Long-term liability activity for the year ended December 31, 2021, was as follows:

	<u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2021</u>	<u>Due in One Year</u>
Lease Purchase Agreement	\$ 1,352,743	\$ -	\$ (76,153)	\$ 1,276,590	\$ 78,393
Compensated absences	5,422	4,042	(5,422)	4,042	4,042
Total	<u>\$ 1,358,165</u>	<u>\$ 4,042</u>	<u>\$ (81,575)</u>	<u>\$ 1,280,632</u>	<u>\$ 82,435</u>

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 78,393	\$ 36,708	\$ 115,102
2023	80,699	34,403	115,102
2024	83,073	32,029	115,102
2025	85,516	29,585	115,102
2026	88,031	27,070	115,102
2027-2031	480,554	94,954	575,508
2032-2035	380,323	22,533	402,856
	<u>\$ 1,276,590</u>	<u>\$ 277,282</u>	<u>\$ 1,553,872</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, were in effect as of December 31, 2021.

General Information about the Pension Plan

Plan Description

Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

Contribution Provisions

Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8.5 percent of their PERA-includable salary during the period of January 1, 2021 through December 31, 2021.

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The employer contribution requirements during the period of January 1, 2021 through December 31, 2021 are summarized in the table below:

	For the Year Ended December 31, 2021
	10.50 %
Employer Contribution Rate ¹	10.50 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	9.48 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	1.50 %
DC Supplement	0.02 %
Total Employer Contribution Rate to the LGDTF ¹	13.20 %

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$39,218 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 \$214,055 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 the District's 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 0.04106 percent, which was an increase of 0.00236 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021 the District recognized pension expense of \$4,952. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 10,349	\$ -
Changes of Assumptions or other Inputs	51,729	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	231,489
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	13,350	-
Contributions Subsequent to the Measurement Date	39,218	-
Total	\$ 114,646	\$ 231,489

\$39,218 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,	Amount
2022	\$ (15,975)
2023	(25,081)
2024	(78,471)
2025	(36,534)
2026	-
Thereafter	-

Actuarial assumptions

The total pension 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 Inflation	3.50% - 10.45%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Compounded Annually)	1.25%
PERA Benefit Structure hired after December 31, 2006 ¹	Financed by the Annual Increase Reserve

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.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

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

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

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.

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	
Members other than State Troopers	3.20% - 11.30%
State Troopers ¹	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 January 1, 2007; and DPS Benefit Structure (Compounded Annually)	1.25%
PERA Benefit Structure hired after December 31, 2006 ²	Financed by the Annual Increase Reserve

¹ 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.

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.

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 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.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

- **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.

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:

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- 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 .50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 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 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 493,098	\$ 214,055	\$ (18,909)

Pension plan fiduciary net position

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

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS

General Information about the OPEB Plan

Plan description

Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies.

Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided

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

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

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

Eligibility to enroll in the PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses, and guardians. Eligible benefit recipients may enroll into the program upon

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Elizabeth Park and Recreation District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$3,035 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 \$29,777 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's proportion of the net OPEB liability was based the District's

ELIZABETH PARK AND RECREATION DISTRICT
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NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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's proportion was 0.00313 percent, which was a decrease of 0.00002 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the District recognized OPEB income of \$35. 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	\$ 79	\$ 6,546
Changes of Assumptions or other Inputs	222	1,826
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	1,218
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	6,978	148
Contributions Subsequent to the Measurement Date	3,035	-
Total	\$ 10,314	\$ 9,738

\$3,035 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,	Amount
2022	\$ 43
2023	213
2024	(580)
2025	(1,687)
2026	(421)
Thereafter	(26)

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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 Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2020, gradually increasing to 4.50% in 2029

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

<u>Medicare Plan</u>	<u>Initial Costs for Members without Medicare Part A</u>		
	<u>Monthly Cost</u>	<u>Monthly Premium</u>	<u>Monthly Cost Adjusted to Age 65</u>
Medicare Advantage/Self-Insured Rx	\$ 588	\$ 227	\$ 550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (in 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 heuristics developed by health plan actuaries

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 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 for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

- 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-214 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.

ELIZABETH PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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.

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 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.

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.

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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:

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

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	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%
Proportionate Share of the Net OPEB Liability	\$ 29,007	\$ 29,777	\$ 30,673

Discount rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate

determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 34,110	\$ 29,777	\$ 26,075

OPEB plan fiduciary net position

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

NOTE 8 - TAX SPENDING AND DEBT LIMITATION

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

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

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

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

The District's management believes it is in compliance with provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions,

ELIZABETH PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2021

NOTE 8 - TAX SPENDING AND DEBT LIMITATION (CONTINUED)

including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

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

NOTE 9 - RISK MANAGEMENT

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

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

NOTE 10 - PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2021 the District determined a prior period adjustment was necessary to adjust internal balances reported during previous fiscal years for governmental and business type activities. The prior period adjustment removed the historical, internal due to/from balances that represented payments made on behalf of the other funds, that were not scheduled to be repaid internally. See the table below for the impact of the prior period adjustment.

	<u>As Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>As Adjusted</u>
Government-wide Financial Statements			
Governmental Activities Net Position	\$ 2,871,566	\$ 454,109	\$ 3,325,675
Goivernmental Fund Balance Sheet			
General Fund, Fund Balance	344,920	454,109	799,029
Proprietary Fund Statement of Net Position			
Net Position	443,785	(454,109)	(10,324)

REQUIRED SUPPLEMENTARY INFORMATION

ELIZABETH PARK AND RECREATION DISTRICT
 Budgetary Comparison Schedule - General Fund
 For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 590,802	\$ 590,730	\$ (72)
Ownership taxes	101,745	105,702	3,957
Conservation trust grant	75,400	91,553	16,153
Development fees	67,450	96,930	29,480
Miscellaneous income	4,500	5,662	1,162
Interest income	7,580	574	(7,006)
Total Revenues	847,477	891,151	43,674
Expenditures			
Payroll	259,938	257,180	2,758
Payroll taxes	6,678	10,588	(3,910)
PERA	83,467	31,831	51,636
Health insurance	39,545	60,855	(21,310)
Insurance	27,750	25,560	2,190
Supplies	5,000	7,264	(2,264)
Accounting and auditing	10,250	15,207	(4,957)
Directors fees	7,000	5,000	2,000
Memberships and associations	-	2,803	(2,803)
Training and professional development	2,500	681	1,819
Gas and oil	3,850	4,460	(610)
Legal	18,000	12,999	5,001
Internet / Telephone / Tech	6,750	10,496	(3,746)
Printing and copier	1,500	1,335	165
Professional services	38,000	46,790	(8,790)
Utilities	84,300	10,906	73,394
Repair and maintenance	26,500	-	26,500
Miscellaneous	500	945	(445)
Treasurer's fees	25,000	17,275	7,725
Capital outlay	821,352	557,661	263,691
Emergency reserve	19,396	-	19,396
Debt service:			
Principal	-	76,153	(76,153)
Interest	-	38,948	(38,948)
Issuance Costs	-	-	-
Total Expenditures	1,487,276	1,194,937	292,339
Excess (Deficiency) of Revenues Over Expenditures	(639,799)	(303,786)	336,013
Other Financing Sources (Uses)			
Sale of Land	262,240	262,640	400
Transfers Out	-	(75,000)	(75,000)
Total Other Financing Sources (Uses)	262,240	187,640	(74,600)
Net Change In Fund Balance	(377,559)	(116,146)	261,413
Fund Balance:			
Beginning of Year (As Restated)	418,983	799,029	380,046
End of Year	\$ 41,424	\$ 682,883	\$ 641,459

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

Plan Measurement Date, as of December 31,	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.041075%	0.038719%	0.038485%	0.030955%	0.027503%	0.021928%	0.018752%
District's proportional share of the net pension liability	\$ 214,055	\$ 283,188	\$ 483,844	\$ 344,661	\$ 371,387	\$ 241,557	\$ 168,074
District's covered payroll	290,538	256,293	254,937	204,301	166,704	181,673	116,604
District's proportionate share of the net pension liability as a percentage of its covered payroll	73.68%	110.49%	189.79%	168.70%	222.78%	132.96%	144.14%
Plan fiduciary net position as a percentage of the total pension	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily Required Contribution	\$ 39,218	\$ 37,567	\$ 32,498	\$ 32,326	\$ 25,871	\$ 21,138	\$ 23,036	\$ 14,785
Contributions in Relation to the Statutorily Required Contribution	<u>39,218</u>	<u>37,567</u>	<u>32,498</u>	<u>32,326</u>	<u>25,871</u>	<u>21,138</u>	<u>23,036</u>	<u>14,785</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 297,106	\$ 290,538	\$ 256,293	\$ 254,937	\$ 204,031	\$ 166,704	\$ 181,673	\$ 116,604
Contributions as a percentage of Covered Payroll	13.20%	12.93%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

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

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

Plan Measurement Date, as of December 31,	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.00313%	0.00297%	0.00298%	0.00241%
District's proportional share of the net OPEB liability	\$ 29,777	\$ 33,331	\$ 40,570	\$ 31,260
District's covered payroll	290,538	256,293	254,937	204,031
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.25%	13.01%	15.91%	15.32%
Plan fiduciary net position as a percentage of the total OPEB	32.78%	24.49%	17.03%	17.53%

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 3,035	\$ 2,963	\$ 2,614	\$ 2,600	\$ 2,081	\$ 1,700	\$ 1,853	\$ 1,189
Contributions in Relation to the Statutorily Required Contribution	3,035	2,963	2,614	2,600	2,081	1,700	1,853	1,189
Contributions Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 297,106	\$ 290,538	\$ 256,293	\$ 254,937	\$ 204,031	\$ 166,704	\$ 181,673	\$ 116,604
Contributions as a percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

SUPPLEMENTARY INFORMATION

ELIZABETH PARK AND RECREATION DISTRICT
Schedule of Revenues, Expenditures, and Changes
In Funds Available – Budget and Actual – Budgetary Basis
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Program revenue	\$ 429,640	\$ 429,640	\$ 359,014	\$ (70,626)
Miscellaneous income	500	500	2,205	1,705
Total Revenues	430,140	430,140	361,219	(68,921)
Expenditures				
Contract labor	21,350	21,350	1,354	19,996
Concession costs	5,500	5,500	3,004	2,496
Cleaning supplies	350	350	1,195	(845)
Refunds	16,000	16,000	24,820	(8,820)
Dues, memberships	1,200	1,200	223	977
Professional development	1,200	1,200	941	259
Facility rental fees	2,000	2,000	0	2,000
Payroll	73,928	73,928	64,280	9,648
PERA	-	-	10,422	(10,422)
Payroll taxes	-	-	4,314	(4,314)
Miscellaneous expense	500	500	15.00	485
Utilities	-	45,452	70,491	(25,039)
Sales tax	500	500	1,161	(661)
Program supplies	28,000	28,000	15,711	12,289
Professional services	56,500	56,500	40,063	16,437
Recreation equipment	6,850	6,850	5,256	1,594
Repairs and maintenance	37,000	37,000	45,934	(8,934)
Total Expenditures	250,878	296,330	289,184	7,146
Transfers in	-	-	75,000	75,000
Excess (Deficiency) of Revenues				
Over Expenditures Before Reconciling Items	<u>\$ 179,262</u>	<u>\$ 133,810</u>	147,035	<u>\$ 13,225</u>
Depreciation			(9,910)	
Non cash pension and OPEB transactions			<u>2,764</u>	
Change in net position			139,889	
Net position beginning of year (As Restated)			<u>(10,324)</u>	
Net position end of year			<u>\$ 129,565</u>	