MONTROSE RECREATION DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

DONALD R. MORELAND & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Montrose Recreation District
Montrose, Colorado 81401

Opinion

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

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of Montrose Recreation District as of December 31, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Montrose Recreation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Montrose Recreation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Telephone (970) 249-3424 Facsimile (970) 249-3425
1675 East Niagara Road * Montrose, Colorado 81401

Board of Directors
Montrose Recreation District
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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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on these financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a text 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 Montrose Recreation District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Montrose Recreation'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.

Report on Summarized Comparative Information

We have previously audited the Montrose Recreation District's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and Schedule of Activity - Net Pension Liability and Schedule of Activity - Employer Pension Contribution on pages 4 through 10, and pages 55 through 65 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 Montrose Recreation District's basic financial statements. The supplementary information - schedule of revenues, expenditures and changes in fund balance - budget and actual for the Sales Tax Fund, Capital Improvement Fund and Capital Reserve Fund 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 was derived from and relate 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, based on our audit, the information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Donald R. Moreland & Associates, P.C.

Montrose, Colorado
August 15, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Montrose Recreation 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 & Operational Highlights

The Montrose Recreation District (MRD) provides vital, community-building services to our community residents by offering activities that foster active lifestyles, social interaction and positive life skills. The result of this service is a healthier community, physically, socially and economically, with an overall higher quality of life than if the MRD did not exist.

MRD continued with it fiscal austerity in 2021, spending $3,472,039 in its general fund. This compares with $4,305,295 in general fund revenue. As of the close of the year, the District has $7,844,542 in combined ending cash and investment balances. This compares to $6,856,737 in combined ending cash and investment balances for the 2020.

MRD's assessed valuation was $475,588,029 for 2020 and $534,796,696 for 2021. The 2020 and 2021 mill levy was 4.5 and 5.00, respectively. Specific ownership tax and the property tax generated in 2021 was $2,475,717. There was a new assessed valuation done for 2021 and 2021.

Montrose's economy continues to improve. This is evidenced by sales tax revenues exceeding projections. In 2021, the City of Montrose collected $2,385,625 in sales tax for MRD per the Rec. Center IGA with the City. MRD budgeted $1,856,788 in MRD's 30 year budget presentation, which was used to plan the finances for MRD with the CRC online. In 2020, the City of Montrose collected $1,988,673 in sales tax for MRD. MRD had budgeted $1,843,040.

Facilities and programs services

Service at MRD sites included Ute, McNeil, Holly, the Montrose Community Recreation Center (CRC), and the Montrose Field House, both which opened in 2017. Service at non-MRD facilities included Montrose County School District gyms and Cerise Park. In general, the year 2021 experienced strong resurgence from the downturns during and following the Covid pandemic, yet throughout the year did not consistently attain pre-pandemic levels. By year end, fees collected in 2021 were about 160% of those collected in 2020. The CRC and Field House combined noted 199,300 paid visits; the CRC brought just shy of 5,000 annual members. 325 programs and classes were held in the year, serving 23,620 participants. Hundreds of other program hours were held as a benefit of facility membership which are not included above. Program scholarship contributions remained strong through the fundraising generated by the Montrose Recreation Foundation, which continues to serve as the non-profit arm and partner in complement to the MRD. Program scholarships accounted for $10,000, providing access to 298 youth and seniors over 32 different programs by offsetting program fees.

Human Resources

The MRD employed 350 part time and 23 core time staff members (full time and 3/4 time) who were centrally involved in providing services in the areas of parks and facilities maintenance, recreation programming (youth, adult, fitness/wellness, 50+, aquatics), customer service, internal support services (accounting, human resources) and facilities management. Total FTEs for the organization were slightly over 80, twice that of 2020.

Capital Development
As for capital development, funds were spent to continue with irrigation system improvements at McNeil and Ute parks; purchase replacement, portable field backstops; replace the outdoor pool boiler; purchase a new maintenance vehicle; invest in the District's comprehensive master plan; make partner grants; and to contribute to the community amphitheater.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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 liabilities, with the difference between the two reported as net position. 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 MRD'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.

The government-wide financial statements of the District distinguish only the functions of the District that are largely supported by taxes and intergovernmental revenues and not from other functions that are intended to recover all or a significant portion of their costs through user fees and charges as the District does not have any business type activities. The District does recover a large portion of direct programming costs. The governmental activities of MRD include administrative, park maintenance, concessions, the CRC, recreational programs and the Field House.

The government-wide financial statements can be found on pages 11 and 12 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 uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are only in the governmental fund category.

Governmental funds
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all five funds. Although all funds do not meet the criteria of a major fund, the District has elected to report all funds as major funds in the governmental fund statements.

The District adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the General Fund, Sales Tax Fund, Capital Improvement Fund, Capital Reserve Fund and Conservation Trust Fund to demonstrate compliance with the budget as required supplementary information and supplementary information in the report.

The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

Proprietary funds.
The District currently does not maintain any proprietary funds. Proprietary funds are usually accounted for as enterprise funds or internal service funds. Enterprise funds would be used to report the same functions presented as business-type activities, if the District had any, and internal service funds would be used as an accounting device used to accumulate and allocate costs internally among the District's various functions.

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 17 through 54 of this report.

Other information
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons for the General Fund and Conservation Trust Fund. Required supplementary information can be found on pages 55 through 65 of this report. It also presents other supplementary information concerning the District's Schedules of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual for the Sales Tax Fund, Capital Improvement Fund and Capital Reserve Fund. The supplementary information can be found on pages 66 through 68 of this report.

Government-wide Financial Analysis
As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows exceeded liabilities and deferred inflows by $5,924,474 at the close of the year 2021. This compares with $6,486,661 from the previous year and constitutes a decrease of $562,187 from the prior year's net position.
A substantial portion of the District's net assets reflects its investment in the capital assets (e.g. land, land improvements, buildings, Community Recreation Center, Field House, equipment and vehicles) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide recreational activities to citizens; consequently, these assets are not available for future spending.

Montrose Recreation District's Net Position

Governmental Activities

	2021	2020
Current & other assets	$11,093,034	9,506,470
Capital assets	28,072,885	29,151,196
Total assets	39,165,919	38,657,666
Deferred outflows		
Deferred pension outflows	1,015,672	874,001
Deferred OPEB outflows	971	(21,387)
Total deferred outflows	1,016,643	852,614
Current liabilities	276,347	349,774
Noncurrent liabilities	27,606,695	28,472,139
Total liabilities	28,821,913	28,821,913
Deferred inflows		
Deferred revenues, property taxes	2,673,993	2,140,146
Deferred revenue, grants	38,506	40,000
Deferred pension inflows	3,569,566	1,933,918
Deferred OPEB inflows	92,981	87,642
Total deferred inflows	6,375,046	4,201,706
Net position:		
Net investment in capital assets	5,139,694	5,674,106
Restricted	4,189,614	3,665,187
Unrestricted (deficit)	(3,404,834)	(2,852,632)
Total net position	$ 5,924,474	6,486,331

At the end of the current fiscal year, the District is able to report positive balances in two of three categories of net position. The District was able to report positive balances in two of three categories of net position for the prior fiscal year.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

Montrose Recreation District's Changes in Net Position

Governmental Activities	2021	2020
Revenues:		
Program revenues:		
Fees and charges for recreational programs	$1,678,187	998,497
Operating grants and contributions	150,016	148,320
Capital grants and contributions	221,364	678,210
General revenues:		
Taxes:		
Property and other taxes	2,475,717	2,351,564
Sales and use taxes	2,385,625	1,988,673
Earnings on investments	48,408	83,235
Total revenue	6,959,517	6,248,499
Expenses:		
Administrative	2,887,349	3,807,766
Park maintenance	247,631	181,843
Concessions	21,604	12,592
Marketing	53,528	29,976
Community Recreation Center	2,532,338	2,371,844
Programs	351,515	187,527
Field House	339,854	243,373
Interest on long-term debt	1,087,685	1,117,935
Total expenses	7,521,704	7,952,856
Increase (decrease) in net position	(562,187)	(1,704,357)
Net position - January 1st	6,486,661	8,191,018
Net position - December 31st	$5,924,474	6,486,661

Financial Analysis of the District's Funds.
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds.
The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $8,154,581 an increase of $1,131,788 from the prior year. Approximately 50% of the governmental fund balance constitutes *assigned and unassigned fund balances*, which is available for spending at the District's discretion. Of the total governmental fund balance none is committed, which is fund balance that will be spent for a specific purpose such as capital outlay. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed to: 1) emergency reserves and 2) repayment of the Community Recreation Center. The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $2,654,842. For comparison the total general fund balance was $3,097,535 after a General Fund transfer of $11,953 to the Capital Improvement Fund. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers. **Unassigned fund balance represents 76% of total general fund expenditures, while total fund balance represents 89% of that same amount.** MRD plans to seek to retain these similar percentages to ensure continued strong financial health. This was especially important for 2016 through 2020 since the operational revenue and operational expense of the Community Recreation Center and the Field House are still a new enterprise. Educated forecasts have been completed, yet they are still forecasts. This is one reason for continuing to have a healthy unassigned fund balance as a percent of general fund expense.

General Fund Budgetary Highlights

The final General Fund budget for fiscal year 2021 was $3,871,952. This was a decrease of $237,800 from the previous fiscal year. The actual expenditures and transfers for the General Fund were $3,483,992, which included an $11,953 transfer to the Capital Improvement Fund.

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2021, amounts to $28,072,885 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, field house, infrastructure, equipment, vehicles and the Community Recreation Center. Certain investments in land are subject to deed restrictions which limits their use and/or disposition.

Montrose Recreation District's Capital Assets
(net of depreciation)

Governmental Activities

	2021	2020
Land	$ 967,155	967,155
Improvements other than buildings	2,044,341	2,057,049
Buildings and improvements	24,038,425	25,631,322
Field house	913,327	274,153
Infrastructure	7,174	10,593
Equipment	43,297	166,193
Vehicles	59,166	44,731
Total	$28,072,885	29,151,196

Additional information on the District's capital assets can be found in note 4 on page 26 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had $22,650,000 Certificates of Participation outstanding. Payments on Certificates of Participation are subject to annual appropriation in a lease purchase agreement. Therefore, Certificates of Participation do not constitute long-term debt. This was the main method of financing the construction of the Community Recreation Center and the renovation of the Aquatic Center into an indoor turf Field House.

Requests for Information

This financial report is designed to provide a general overview of the Montrose Recreation District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Executive Director Mari Steinbach at mari@montroserec.com or P. O. Box 63, Montrose, Colorado 81402.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MONTROSE RECREATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2021

		Governmental Activities
ASSETS		
Cash	$	129,971
Investments		5,803,446
Due from other governments		462,623
Accounts receivable		26,332
Property taxes receivable		2,673,993
Bond issue costs		85,544
Restricted investments		1,911,125
Capital assets		
(net of accumulated depreciation)		
Land		967,155
Improvements other than buildings		2,044,341
Buildings and improvements		24,038,425
Field house		913,327
Infrastructure		7,174
Equipment		43,297
Vehicles		59,166
Total assets		39,165,919
DEFERRED OUTFLOWS		
Deferred pension outflows		1,015,672
Deferred OPEB outflows		971
		1,016,643
LIABILITIES		
Accounts payable		93,810
Accrued interest		135,937
Compensated absences		40,758
Accrued payroll taxes and benefits		5,842
Noncurrent libilities:		
Due within one year		856,277
Certificates of participation		22,076,914
Net pension liability		4,114,398
Net OPEB liability		559,106
Total liabilities		27,883,042
DEFERRED INFLOWS		
Deferred revenue-property taxes		2,673,993
Deferred revenue-grants		38,506
Deferred pension inflows		3,569,566
Deferred OPEB inflows		92,981
		6,375,046
NET POSITION		
Net investment in capital assets		5,139,694
Restricted for:		
Emergency		209,000
Intergovernmental agreement		3,980,614
Unrestricted (deficit)		(3,404,834)
Total net position	$	5,924,474

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

MONTROSE RECREATION DISTRICT

STATEMENT OF ACTIVITIES

For the year ended December 31, 2021

	Expenses	Program Revenues: Fees and Charges for Recreational Programs	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
GOVERNMENTAL ACTIVITIES:					
Administrative	$ 2,887,349	65,472	150,016	221,364	(2,450,497)
Park maintenance	247,631				(247,631)
Concessions	21,604	28,418			6,814
Marketing	53,528	725			(52,803)
Community Recreation Center	2,532,338	1,155,789			(1,376,549)
Programs	351,515	235,027			(116,488)
Field House	339,854	192,756			(147,098)
Interest on long-term debt	1,087,685				(1,087,685)
Total governmental activities	$ 7,521,504	1,678,187	150,016	221,364	(5,471,937)
General Revenues:					
Taxes					
Property and other taxes					2,475,717
Sales and use taxes					2,385,625
Earnings on investments					48,408
Total general revenues					4,909,750
Change in net position					(562,187)
NET POSITION - JANUARY 1					6,486,661
NET POSITION - DECEMBER 31					$ 5,924,474

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

FUND FINANCIAL STATEMENTS

MONTROSE RECREATION DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2021

(With comparative totals for December 31, 2020)

						TOTAL (MEMORANDUM ONLY)	
	GENERAL	CONSERVATION TRUST	SALES TAX	CAPITAL IMPROVEMENT	CAPITAL RESERVE	2021	2020
ASSETS							
Cash	$ 51,996	3,500	70,974	3,501		129,971	185,161
Investments	3,170,620	329,382	1,563,395	11,658	728,391	5,803,446	4,760,451
Due from other governments	27,503		435,120			462,623	395,618
Accounts receivable	26,332					26,332	20,242
Property taxes receivable	2,673,993					2,673,993	2,140,146
Investments-restricted			1,911,125			1,911,125	1,911,125
TOTAL ASSETS	$ 5,950,444	332,882	3,980,614	15,159	728,391	11,007,490	9,412,743
LIABILITIES							
Accounts payable	$ 93,810					93,810	90,056
Compensated absences	40,758					40,758	116,499
Accrued payroll taxes and benefits	5,842					5,842	3,249
TOTAL LIABILITES	140,410	-	-	-	-	140,410	209,804
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue-property taxes	2,673,993					2,673,993	2,140,146
Deferred revenue-grants	38,506					38,506	40,000
TOTAL DEFERRED INFLOWS OF RESOURCES	2,712,499	-	-	-	-	2,712,499	2,180,146
FUND BALANCES							
Restricted	209,000		3,980,614			4,189,614	3,665,187
Assigned	233,693	332,882		15,159	728,391	1,310,125	1,288,095
Unassigned	2,654,842					2,654,842	2,069,511
TOTAL FUND BALANCES	3,097,535	332,882	3,980,614	15,159	728,391	8,154,581	7,022,793
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,950,444	332,882	3,980,614	15,159	728,391	11,007,490	9,412,743

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

MONTROSE RECREATION DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

December 31, 2021

Total fund balances for governmental funds		$ 8,154,581
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	967,155	
Improvements other than buildings, net of $1,484,929 accumulated depreciation	2,044,341	
Buildings and improvements, net of $4,982,542 accumulated depreciation	24,038,425	
Field house, net of $2,709,428 accumulated depreciation	913,327	
Infrastructure, net of $88,984 accumulated depreciation	7,174	
Equipment, net of $1,055,868 accumulated depreciation	43,297	
Vehicles, net of $161,002, accumulated depreciation	59,166	
		28,072,885
Items related to pensions are considered to be long term items and therefore are not reported in the funds.		
Net pension liability	(4,114,398)	
Deferred pension outflows	1,015,672	
Deferred pension inflows	(3,569,566)	
		(6,668,292)
Items related to OPEB are considered to be long term items and therefore are not reported in the funds.		
Net OPEB liability	(559,106)	
Deferred OPEB outflows	971	
Deferred OPEB inflows	(92,981)	
		(651,116)
Long-term liabilities including bonds and notes payable, capital leases, and accrued interest are not due and payable in the current period and therefore are not reported in the funds.		
Certificates of participation	(22,650,000)	
Premium on certificates of participation (to be amortized over life of lease)	(283,191)	
Deferred charge for issue costs (to be amortized over life of debt)	85,544	
Accrued interest payable	(135,937)	
		(22,983,584)
Total net position of governmental activities		$ 5,924,474

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

MONTROSE RECREATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended December 31, 2021

(With comparative totals for the year ended December 31, 2020)

	GENERAL FUND	CONSERVATION TRUST	SALES TAX	CAPITAL IMPROVEMENT	CAPITAL RESERVE	TOTAL (MEMORANDUM ONLY) 2021	2020
REVENUES							
Property and other taxes	$ 2,475,717					2,475,717	2,351,564
Rental and miscellaneous	85,314					85,314	38,667
Concessions	28,418					28,418	14,875
Community Recreation Center	1,136,672					1,136,672	758,192
Programs	235,027					235,027	117,526
Field house	192,756					192,756	69,237
Intergovernmental revenues	150,016	191,364	2,385,625	30,000		2,757,005	2,763,079
Donations						-	52,124
Interest income	1,375	121	46,427	136	349	48,408	83,235
TOTAL REVENUES	4,305,295	191,485	2,432,052	30,136	349	6,959,317	6,248,499
EXPENDITURES							
CURRENT:							
Administrative	1,357,872	17,000	2,000	71,873		1,448,745	1,278,020
Park maintenance	185,174	50,000				235,174	168,925
Concessions	21,604					21,604	12,467
Marketing	53,528					53,528	29,976
Community Recreation Center	1,443,593					1,443,593	1,282,373
Programs	142,904	22,550				165,454	104,557
Field house	260,784					260,784	165,142
CAPITAL OUTLAY:							
Administrative						-	1,760,144
Park maintenance	6,580	13,035		178,039		197,654	38,614
Community Recreation Center				55,387		55,387	26,541
Field house				34,981		34,981	45,263
Debt service:							
Principal			800,000			800,000	765,000
Interest			1,110,625			1,110,625	1,141,225
TOTAL EXPENDITURES	3,472,039	102,585	1,912,625	340,280	-	5,827,529	6,818,247
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	833,256	88,900	519,427	(310,144)	349	1,131,788	(569,748)
OTHER FINANCING SOURCES (USES)							
Transfers in				11,953		11,953	824,148
Transfers out	(11,953)					(11,953)	(824,148)
NET OTHER FINANCING SOURCES (USES)	(11,953)	-	-	11,953	-	-	
NET CHANGE IN FUND BALANCES	821,303	88,900	519,427	(298,191)	349	1,131,788	(569,748)
FUND BALANCE - BEGINNING OF YEAR	2,276,232	243,982	3,461,187	313,350	728,042	7,022,793	7,592,541
FUND BALANCE - END OF YEAR	$ 3,097,535	332,882	3,980,614	15,159	728,391	8,154,581	7,022,793

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

MONTROSE RECREATION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2021

Net change in fund balances - total governmental funds		$	1,131,788
The change in net assets reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation $1,366,333 exceeded capital outlay $288,022.			(1,078,311)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, this transaction has no effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Premium on certificates of participation	27,090		
Bond issuance costs	(8,183)		
Debt principal payments	800,000		
Decrease in accrued interest	4,033		822,940
Pension expense per Governmental Accounting Standards Board Statement Number 68 is not reported in the governmental funds but is reported as an expenditure in the statement of activities.			(1,305,253)
OPEB expense per Governmental Accounting Standards Board Statement number 75 is not reported in the governmental funds but is reported as an expenditure in the Statement of Activities			(133,351)
Change in net position of governmental activities		$	(562,187)

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

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

The Montrose Recreation District is incorporated as a Special District under the laws of the State of Colorado and is governed by an elected seven person board. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (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. As required by generally accepted accounting principles, these financial statements present the Montrose Recreation District, a primary government. Based on criteria set forth by GASB, there are no component units for which the District is financial accountable.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities, however, the District does not have any fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish *governmental* activities only, as the District does not have any *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Due to the fact that the District's activities are substantially funded by taxes, the District considers all of its activities to be governmental activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements: The fund financial statements provide information about the District's funds. Statements for the fund category - *governmental funds only* - are presented as the District does not have any proprietary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District does not have any *nonmajor* funds or any *fiduciary* fund types.

The District reports the following governmental fund types:

General Fund: This fund types is used to account for all financial resources, except those required by law or administrative action to be accounted for in another fund. The general fund is always reported as a major fund in the governmental fund statements.

Special Revenue Funds: This fund type is used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes other than debt service or capital projects. The District's special revenue fund is reported as a major fund.

Conservation Trust Fund: This fund is used to account for the proceeds of Colorado lottery funds that are legally restricted to expenditures for specified purposes. Although this fund does not meet the criteria of a major fund, the District has elected to report it as a major fund in the governmental fund statements.

Capital Projects Funds: These funds account for financial resources earmarked or segregated for the operation, maintenance and acquisition or construction of equipment and capital facilities that are supported by appropriations and/or advances from the General Fund or donations from private or public sources.

Sales Tax Fund: This fund is used to account for the financing and construction of a new Community Recreation Center financed partially with the proceeds of a 0.3 percent City of Montrose sales and use tax imposed within the City pledged to the District pursuant to the 2014 Recreation Facility IGA.

Capital Improvement Fund: This fund is used to account for the operation, maintenance and purchase of equipment and various construction projects of the District.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

Capital Projects Funds: (continued)

Capital Reserve Fund: This fund is used to account for funds held in reserve for the purchase of equipment and capital improvements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchanges, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the period for which the taxes are levied by the District. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues or operating fund transfers. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues or operating fund transfers.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY

Deposits and investments The cash balances of substantially all funds are in separate financial institution accounts.

Property taxes. Property taxes are levied on December 22 and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31, net of an estimated uncollectible portion.

Restricted assets. Restricted assets in governmental funds include assets restricted by various covenants of the Certificates of Participation issued by the District.

Capital assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation is calculated using the straight-line method over the estimated useful lives, and depreciation is recorded in the year of acquisition or construction of such assets. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense in the appropriate fund. The estimated useful lives are as follows:

Improvements other than buildings	15-25 years
Buildings and improvements	10-25 years
Field house	5-25 years
Infrastructure	15 years
Swimming Pool	25 years
Equipment	5 years
Vehicles	5 years

Deferred outflows. Deferred outflows consist of pension and OPEB amounts paid to PERA in the current calendar year that were made subsequent to PERA's measurement date.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY (continued)

Long-term debt. In the government-wide financial statements, long-term debt and other long-term obligations reported as liabilities in the statement of net position. Lease purchase premiums and discounts, as well as issuance costs are deferred and amortized over the life of the related debt using the bonds-outstanding method, which approximates the effective-interest method. At December 31, 2021 there were no lease-purchase discounts or losses on refinancing included in the statement of net position. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as program expenses.

In the fund financial statements, issuance costs are recognized when incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated absences. The liability for compensated absences reported in the government-wide and governmental fund statements consists of unpaid accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts for employees who currently are eligible to receive termination payments. The District's policies do not allow for payment to employees who are expected to become eligible in the future to receive such payments upon termination.

Deferred inflows. Deferred inflows consist of property taxes levied in the current year and of the District's proportionate share of PERA's collective deferred pension and OPEB inflows.

Fund balance classification. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District did not have any nonspendable resources at December 31, 2021.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY (continued)

Fund balance classification. (continued)

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified emergency reserves required by the State Constitution, Article X, Section 20 as being restricted because their use is restricted by State Statute. The Sales Tax Fund fund balance is restricted pursuant to the intergovernmental agreement with the City of Montrose, Colorado.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2021.

- Assigned: This classification includes amounts that are contrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the Executive Director through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

- Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other government fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned fund resources first to be defer the use of these other classified funds.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITES, AND EQUITY (continued)

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

Use of estimates in the preparation of financial statements. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative data/reclassifications. Comparative total data for the prior year have been presented in the governmental fund financial statements in order to provide an understanding of the changes in financial position and operations of these funds. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing budgets:

a. Budgets are required by state law for all governmental and proprietary funds.

b. During September the proposed budget is submitted to the District Board for the fiscal year commencing the following January 1.

c. Prior to December 31, the budget is adopted and appropriations are authorized by ordinance at the fund level for all funds. The legal level of budgetary control is at the individual fund level for all funds.

d. Budgets are adopted on a basis consistent with the accounting basis of all funds.

e. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by resolution from the Board. Within the fund level control basis, management may transfer appropriations without Board approval. Revisions to the budget were made throughout the year. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.

f. Appropriations lapse at the end of each year, and the District Board may adopt supplemental appropriations during the year. The Board may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the District's director or the revenue estimates must be changed by the District Board when adopting supplemental appropriations.

Originally adopted budgeted expenditures, amendments and the final, amended budgeted expenditures for the year ended December 31, 2021 are as follows:

	ORIGINAL BUDGET	AMENDMENT	FINAL BUDGET
General Fund	$ 3,871,952		3,871,952
Capital Improvement Fund	320,000		320,000
Capital Reserve Fund	0		0
Conservation Trust Fund	163,000		163,000
Sales Tax Fund	1,912,625		1,912,625
	$ 6,257,577		6,257,577

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS AND BUDGETARY ACCOUNTING (continued)

The following fund had amounts expended in excess of the amounts budgeted which may be a violation of Colorado State law.

	EXPENDED	BUDGETED	DIFFERENCE
Capital Improvement Fund	$ 340,280	320,000	20,280

2 - DEPOSITS AND INVESTMENTS

DEPOSITS

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must at least equal the aggregate uninsured deposits.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2021, none of the District's bank balances of $118,080 were exposed to custodial credit risk as all were insured.

INVESTMENTS

As of December 31, 2021, the District had the following investments and maturities:

		INVESTMENT MATURITIES (in years)		
INVESTMENT TYPE	FAIR VALUE	LESS THAN 1	1-5	6-10
Colotrust	$5,803,446			
Repurchase agreements	1,911,125		1,911,125	
	$7,714,571		1,911,125	

As of December 31, 2021, the District has invested $5,803,446 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to $1.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool.

2 - DEPOSITS AND INVESTMENTS (continued)

INVESTMENTS (continued)

The District's investment in COLOTRUST is rated AAAm by S&P. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Separately issued financial statements may be obtained at the following address:

COLOTRUST
717 17th Street, Suite 1850
Denver, CO 80202
www.colotrust.com

These investments are presented on the balance sheet as follows:

	2021
Investments	$5,803,446
Investments - restricted	1,911,125
	$7,714,571

Fair value measurement. Government Accounting Standards Board Statement No. 72 (GASB 72) *Fair Value Measurement and Application* establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques. According to GASB 72, an investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

The District records assets and liabilities in accordance with GASB 72, which establishes general principles for measuring fair value, provides additional fair application guidance and enhances disclosures about fair value measurements.

The District's investments and derivative instruments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure fair value of assets and liabilities as follows.

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy.

2 - DEPOSITS AND INVESTMENTS (continued)

INVESTMENTS (continued)

Level 3 - Prices determined using significant unobservable inputs. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

The following table reflects the fair value of the District's investments and derivative instruments as of December 31, 2021:

Assets	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
Investments				
Colotrust	$5,803,446			
Repurchase agreements	1,911,125		1,911,125	
Total investments	$7,714,571		1,911,125	

(A) During the year, the District invested in COLOTRUST, a local government investment pool. The valuation is measured at net asset value and is designed to approximate the share value. The pool's Board of Trustees, elected by the participants, is responsible for overseeing the management of COLOTRUST, including establishing operating standards and policies. COLOTRUST is designed to provide local governments with a convenient method for investing in short-term investments carefully chose to provide maximum safety and liquidity, while still maximizing interest earnings.

Interest rate risk. The District has an investment policy that limits investment maturities of certain repurchase agreements to a maximum term of ten years as a means of managing its exposure to fair value losses arising from increasing interest rates. The District has not experienced fair value losses for the past five years.

Credit risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of 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; and guaranteed investment contracts. The District's general investment policy is to apply the prudent-person rule: Prudence and protection of District funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2021, the District's investment in Colotrust Plus, a 2a7-like investment pool, was rated AAAm by Standard & Poor's.

Concentration of credit risk. Investments must be in accordance with Colorado statutes. The District does not have an investment policy that limits the amounts that may be invested in specific investment types or financial institutions.

3 - ALLOWANCE FOR UNCOLLECTIBLES

Receivables are stated net of allowances for uncollectibles, however, at December 31, 2021, the District considered all accounts collectible and accordingly, no provision for an allowance is recorded.

4 - CAPITAL ASSETS

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

	BEGINNING BALANCES	INCREASES	DECREASES	ENDING BALANCES.
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 967,155			967,155
Total capital assets not being depreciated	967,155			967,155
Capital assets being depreciated:				
Improvements other than buildings	3,376,171	153,099		3,529,270
Buildings and improvements	28,965,580	55,387		29,020,967
Field house	3,587,774	34,981		3,622,755
Infrastructure	96,158			96,158
Equipment	1,086,155	17,040	4,030	1,099,165
Vehicles	192,653	27,515		220,168
Total capital assets being depreciated	37,304,491	288,022	4,030	37,588,483
Less accumulated depreciation for:				
Improvements other than buildings	1,319,122	165,807		1,484,929
Buildings and improvements	4,017,521	965,021		4,982,542
Field house	2,630,358	79,070		2,709,428
Infrastructure	85,565	3,419		88,984
Equipment	919,962	139,936	4,030	1,055,868
Vehicles	147,922	13,080		161,002
Total accumulated Depreciation	9,120,450	1,366,333	4,030	10,482,753
Total capital assets being depreciated, net	28,184,041	(1,078,311)		27,105,730
Governmental activity capital assets, net	$29,151,196	(1,078,311)		28,072,885

Depreciation expense was charged to functions/programs of the District's governmental activities as follows:

Community Recreation Center	$1,088,745
Park maintenance	12,457
Field house	79,070
Programs, including depreciation of infrastructure assets	186,061
Total depreciation expense	$1,366,333

5 - DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The Montrose Recreation District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of 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.

General Information about the Pension Plan

Plan description. Eligible employees of the Montrose Recreation District are provided with pensions through the 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 (annual report) that can be obtained at www.copera.org/investment/pera-financial-reports.

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

5 - DEFINED BENEFIT PENSION PLAN (continued)

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the Automatic Adjustment Provision (AAP) under C.R.S. § 24-51-413, 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 (AI) or AI cap of 1.00 percent unless adjusted by the automatic adjustment provision (AAP). Eligible benefit recipients under the PERA benefit structure who began membership after January 1, 2007 will receive the lessor of an annual increase of 1.00 percent AI cap or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI for a given year by up to .25 percent based on the parameters specified 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. For State Troopers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. 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.

5 - DEFINED BENEFIT PENSION PLAN (continued)

General Information about the Pension Plan (continued)

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2021. Eligible employees and the Montrose Recreation District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, et seq. *and § 24-51-413.* Employee contribution rates for the period of January 1, 2021 through December 31, 2021 are summarized in the table below:

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employee contribution (all employees other than State Troopers)	8.50%	8.50%	8.50%	9.00%
State Troopers	12.00%	12.50%	12.50%	13.00%

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

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

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	10.50%	10.50%	10.50%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.48%	9.48%	9.48%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02%	0.02%	0.03%	0.03%
Total employer contribution rate to the LGDTF	13.20%	13.20%	13.21%	13.71%

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

5 - DEFINED BENEFIT PENSION PLAN (continued)

General Information about the Pension Plan (continued)

The employer contribution requirements for State Troopers are summarized in the table below:

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	13.60%	13.60%	13.60%	14.10%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	12.58%	12.58%	12.58%	13.08%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02%	0.02%	0.03%	0.03%
Total employer contribution rate to the LGDTF	16.30%	16.30%	16.31%	16.81%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Montrose Recreation District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Montrose Recreation District were $226,022 for the year ended December 31, 2021.

5 - DEFINED BENEFIT PENSION PLAN (continued)

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

At December 31, 2021, the Montrose Recreation District reported a liability of $4,114,398 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the TPL to December 31, 2021. The Montrose Recreation District proportion of the net pension liability was based on Montrose Recreation District contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the Montrose Recreation District proportion was 0.2301191891 percent, which was an increase of 0.023139723 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the Montrose Recreation District recognized pension expense of $1,305,253. At December 31, 2021, the Montrose Recreation District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources.
Difference between expected and actual experience	$	
Changes of assumptions or other inputs		
Net difference between projected and actual earnings or pension plan investments	73,196	1,635,548
Changes in proportion and differences between contributions recognized and proportionate share of contributions	68,475	
Contributions subsequent to the measurement date	N/A	N/A
Total	$ 141,671	1,635,548

5 - DEFINED BENEFIT PENSION PLAN (continued)

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

Amounts 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	
2022	$(350,812)
2023	(510,780)
2024	(672,417)
2025	(541,935)
2026	(298,795)
Thereafter	$ 0

Actuarial assumptions. The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20% to 11.30%
State Troopers	3.20% to 12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06	Financed by the AIR

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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.

5 - DEFINED BENEFIT PENSION PLAN (continued)

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

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

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

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

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

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

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

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

- **Females**: 105% 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% of the rates for all ages with generational projection using scale MP-2019.

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

5 - DEFINED BENEFIT PENSION PLAN (continued)

Pension Plan Disclosure Statements for PERA-Affiliated Employers in the Local Government Division Trust Fund (continued)

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019 and were reviewed and adopted by PERA's Board during their November 20, 2020, meeting.

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.

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

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

5 - DEFINED BENEFIT PENSION PLAN (continued)

Pension Plan Disclosure Statements for PERA-Affiliated Employers in the Local Government Division Trust Fund

Note: 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 nominal rate of return assumption of 7.25 percent.

Discount rate. The discount rate used to measure the TLP 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 required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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 required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

5 - DEFINED BENEFIT PENSION PLAN (continued)

Pension Plan Disclosure Statements for PERA-Affiliated Employers in the Local Government Division Trust Fund (continued)

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LDGTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. 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 Montrose Recreation District proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$1,293,999	(188,724)	(1,428,957)

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

Payables to the pension plan
The District had no payables due to the LGDTF at December 31, 2021.

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. Eligible employees of the Montrose Recreation 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 and 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 by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (ACFR) 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.

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

General Information about the OPEB Plan (continued)

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

General Information about the OPEB Plan (continued)

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Montrose Recreation District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Montrose Recreation District were $17,129 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 Montrose Recreation District reported a liability of $559,106 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The Montrose Recreation District proportion of the net OPEB liability was based on Montrose Recreation District contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Montrose Recreation District proportion was 0.0175438182%, which was an increase of 0.0021068405% from its proportion measured as of December 31, 2020.

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

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

For the year ended December 31, 2021, the Montrose Recreation District recognized OPEB expense of $133,351. At December 31, 2021, the Montrose Recreation 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	$ -	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	3,342	5,339
Changes in proportion and differences between contributions recognized and proportionate share of contributions	19,016	
Contributions subsequent to the measurement date	NA	NA
Total	$22,358	5,339

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	
2022	$17,090
2023	17,090
2024	11,813
2025	21,150
2026	3,403
Thereafter	$ 0

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

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

Actuarial assumptions. The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
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	3.30%-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%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation		7.25%		
Discount rate		7.25%		
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy		0.00%		
PERACare Medicare plans		4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029		
Medicare Part A premiums		3.75% in 2021, gradually increasing to 4.50% in 2029		
DPS benefit structure:				
Service-based premium subsidy		0.00%		
PERACare Medicare plans		N/A		
Medicare Part A premiums		N/A		

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

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

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

	Initial Costs for Members without Medicare Part A		
Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	$633	$230	$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is $471 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, 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.

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

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

The PERA benefit structure health care cost trend rates that were used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the TOL for the HCTF but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

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

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the TOL for the HCTF but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

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

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

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

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

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

- **Females:** 83% of the rates prior to age 80 and 106% of the rates forages 80 and older, with generational projection using scale MP-2019.

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

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

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

- **Females:** 105% 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% of the rates for all ages with generational projection using scale MP-2019.

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

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

- 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 2021 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.

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

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

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their the November 20, 2020, Board meeting.

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.

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.

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

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

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

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

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

Sensitivity of the Montrose Recreation District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$174,639	150,370	129,640

Discount rate. The discount rate used to measure the TOL 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, 2021, measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

6 - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (continued)

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

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. 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 Montrose Recreation District *proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 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	$174,639	150,370	129,640

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

Payables to the OPEB plan

The District had no payables due to the OPEB plan at December 31, 2021.

7 - SHORT-TERM DEBT

During the year ended December 31, 2021, the District had no short term debt.

8 - CAPITAL LEASES

Certificates of Participation

The District entered into a ground and improvement lease with UMB Bank, N.A. UMB Bank, N.A. issued $27,010,000 certificates of participation, Series 2014, dated June 24, 2014, to be used for the cost of constructing, acquiring and equipping a new recreation center and associated improvements as authorized, fund a reserve fund and pay the costs of issuing the certificates.

The District has agreed to pay base rentals from annually appropriated funds. The lease agreements are in accordance with Colorado law as to being subject to annual appropriation by the District. The District intends to annually appropriate for the lease payments in its Sales Tax Fund. The primary revenues on deposit in the Sales Tax Fund are comprised of funds received from the City of Montrose pursuant to an Intergovernmental Agreement - Recreation Facility Election 2014, entered into as of May 6, 2014 between the District and the City. At an election held on April 1, 2014, the City's voters authorized an increase in the City' sales and use tax from 3.0% to 3.3% and also authorized the City to enter into the 2014 Recreation Facility IGA.

Pursuant to the 2014 Recreation Facility IGA, the City will pledge the proceeds of the additional 0.3% sales and use tax imposed within the City to the District for the Project. A $1,911,125 reserve is held by a trustee, as required by the agreement.

The interest rates range from 2.00% to 4.75% payable semiannually on June 1 and December 1. A schedule, by years, of future minimum lease payments as of December 31, 2021, follows:

YEAR ENDING DECEMBER 31	SCHEDULE OF BASE RATES.
2021	$ 1,910,625
2022	1,908,625
2023	1,907,125
2024	1,908,625
2025	1,907,875
2026	1,909,475
2027 - 2031	9,537,725
2032 - 2036	9,551,375
2037 - 2040	5,723,125
TOTAL BASE RENTALS	34,353,950
Lease amounts representing interest	11,763,950
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	$22,650,000

9 - LONG-TERM DEBT

The following is a summary of long-term liability activity of the District for the year ended December 31, 2021:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental Activities:					
Capital leases:					
Certificates of Participation	$23,450,000		800,000	22,650,000	830,000
Premium on Certificates of Participation	310,281		27,090	283,191	26,277
GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	$23,760,281		827,090	22,933,191	856,277

10 - FUND BALANCE

The District has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - Amounts that can be used only for specific purposes determined by a formal action by Board of Director's resolution.

Assigned - Amounts that are designated by the Executive Director for a specific purpose but are not spendable until a resolution is passed by the Board of Directors.

Unassigned - All amounts not included in other spendable classifications.

The details of the fund balances are included in the Balance Sheet - Governmental Funds. As discussed in Note 1, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Board of Directors or the Assignment has been changed by the Executive Director. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

General Fund

The General Fund has Unassigned Fund Balance of $2,654,842 at December 31, 2021.

11 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of Interfund balances as of December 31, 2021 is as follows:

Interfund transfers to supplement the expenditures of other funds were as follows:

	TRANSFERS OUT	TRANSFERS IN
General Fund	$ 11,953	
Capital Improvement Fund		11,953
TOTAL	$ 11,953	11,953

The above amounts were transferred for operations and capital outlay.

12 - PARTICIPATION IN PUBLIC ENTITY RISK POOL

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other special districts in the State to form the Colorado Special Districts Property and Liability Pool (CSDPLP), a public entity risk pool currently operating as a common risk management and insurance program for member special districts. The District pays an annual premium to CSDPLP for its general insurance coverage and workers' compensation insurance coverage. The intergovernmental agreement of the CSDPLP provides that CSDPLP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $1 million for each insured event.

The District continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

13 - TAX, SPENDING AND DEBT LIMITATIONS

The State Constitution, Article X, Section 20, has several limitations regarding revenue raising, spending abilities, and other specific requirements of state and local governments. The Section is complex and subject to judicial interpretation. In 1998, the District obtained voter approval to collect and retain all revenues including property tax beginning in fiscal year 1996 without limitation under the Section. District management therefore believes it is in compliance with the Section. The emergency reserves required under the Section have been funded.

14 - CONTINGENT LIABILITIES

Under the terms of federal and state grants, costs may be questioned as not being appropriate expenses that could lead to reimbursement to the grantor agencies. District management is not aware of any such expenses that would not be allowed.

15 - SUBSEQUENT EVENTS

Subsequent events were evaluated through August 15, 2022 which is the date the financial statements were available to be issued.

In 2021 and 2022, domestic and international economies face uncertainty related to the COVID-19 pandemic. Voluntary, and then subsequently mandatory, shelter-in-place orders necessitated temporary business closing as the uncertainty continues. Though the extent of disruption is expected to be temporary, the extent of the financial impact and other possible impacting matters are unknown at this time.

REQUIRED SUPPLEMENTARY

INFORMATION

MONTROSE RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the year ended December 31, 2021 with comparative actual amounts
for the year ended December 31, 2020

	2021			2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
GENERAL REVENUES				
Taxes				
Property taxes	$ 2,124,753	2,123,589	(1,164)	2,042,534
Specific ownership tax	245,000	348,228	103,228	304,505
Penalties and interest on delinquent tax	2,000	3,900	1,900	4,525
Intergovernmental revenues		150,016	150,016	148,320
TOTAL TAXES	2,371,753	2,625,733	253,980	2,499,884
Interest income	18,000	1,375	(16,625)	17,284
Rental and miscellaneous				
Facility rental	64,035	64,735	700	
Brochure advertisements	11,050	725	(10,325)	6,650
Asset sales		737	737	
Reimbursement		19,117	19,117	
TOTAL RENTAL AND MISCELLANEOUS	75,085	85,314	10,229	6,650
Concessions	34,950	28,418	(6,532)	14,875
TOTAL GENERAL REVENUES	$ 2,499,788	2,740,840	241,052	2,538,693

MONTROSE RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)
For the year ended December 31, 2021 with comparative actual amounts
for the year ended December 31, 2020

	2021			2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
ADMINISTRATIVE EXPENDITURES				
Current:				
Salaries	$ 618,000	530,961	87,039	505,803
Sick leave	50,000	10,904	39,096	
Medicare	9,222	9,741	(519)	5,514
Board paid PERA	300,000	260,579	39,421	210,318
Unemployment	5,000	4,539	461	4,704
Insurance - package	89,647	73,761	15,886	80,547
Insurance - health and life	271,143	224,125	47,018	265,315
Insurance - workmen's			-	
compensation	28,860	35,891	(7,031)	24,597
Insurance - board liability	210	210	-	210
Tuition reimbursement	5,000		5,000	
Recruitment		599	(599)	
Postage	2,500	188	2,312	2,750
Copier and computer	15,000	11,820	3,180	9,571
Office supplies	7,000	6,185	815	6,189
Accounting	18,853	19,887	(1,034)	19,693
Auto mileage	2,000	505	1,495	682
Training and travel	13,200	8,214	4,986	5,071
Publications	500	373	127	
Software support	25,800	23,716	2,084	14,998
Dues	6,300	7,164	(864)	4,745
Treasurer's fees	54,652	42,551	12,101	40,900
Miscellaneous		47	(47)	
Water, sewer and sanitation		518	(518)	495
Natural gas		663	(663)	560
Electricity		963	(963)	767
Telephone	3,240	4,168	(928)	3,240
Uniforms	750	759	(9)	300
Bank charges	25,326	27,170	(1,844)	17,156
Board meeting expense	3,000	3,095	(95)	1,989
Election			-	2,663
Networking	1,500		1,500	275
Legal	12,000	9,053	2,947	5,970
Consulting	45,000	23,904	21,096	3,878
Shared services	14,000	10,009	3,991	26,994
Maintenance repairs			-	4,069
Maintenance supplies		704	(704)	1,367
Advertising		627	(627)	
Vehicle operations and			-	
maintenance	200		200	439
Special events	500	861	(361)	463
Safety and medical supplies			-	438
Awards	2,000	1,882	118	
Signage		408	(408)	
Furniture, fixtures			-	
and equipment		1,128	(1,128)	
TOTAL ADMINISTRATIVE EXPENDITURES	$ 1,630,403	1,357,872	272,531	1,272,670

MONTROSE RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)
For the year ended December 31, 2021 with comparative actual amounts for the year ended December 31, 2020

	2021			2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
PARK MAINTENANCE				
Salaries	$ 115,979	110,006	5,973	95,695
Medicare	1,731	1,593	138	1,542
Equipment rental	3,000	1,021	1,979	545
Training and travel	3,000	3,367	(367)	687
Water, sewer and sanitation	6,000	4,701	1,299	2,986
Water lease	1,100	305	795	305
Natural gas	1,500	1,060	440	906
Electricity	8,500	13,452	(4,952)	9,886
Telephone	720	720	-	805
Chemicals	10,500	10,334	166	7,814
Irrigation	5,500	5,208	292	5,988
Uniforms	1,000	618	382	1,442
Safety and medical supplies		167	(167)	
Shared services	2,500	1,879	621	1,958
Maintenance repair	9,500	6,633	2,867	7,232
Maintenance supplies	8,000	8,087	(87)	10,728
Signage	1,000		1,000	
Vehicle repairs	5,000	5,136	(136)	9,376
Vehicle operations and			-	
maintenance	8,000	8,024	(24)	6,486
Furniture, fixtures and equipment	7,450	6,843	607	7,377
Facility, repair and development	2,500	2,600	(100)	1,850
TOTAL PARK MAINTENANCE	$ 202,480	191,754	10,726	173,608
CONCESSIONS				
Salaries	$ 4,978	1,872	3,106	2,127
Medicare	72	27	45	31
Cost of goods sold	18,000	16,911	1,089	9,102
Sales tax	1,700	1,544	156	1,057
Maintenance repairs	100	521	(421)	24
Maintenance supplies	100		100	14
Vehicle operations and			-	
maintenance	100		100	112
Dues		540	(540)	
Uniforms	100		100	
Furniture, fixtures and			-	
equipment	400	189	211	
TOTAL CONCESSIONS	$ 25,550	21,604	3,946	12,467
MARKETING EXPENDITURES				
CURRENT:				
Newsletter	$ 1,700	195	1,505	1,638
Website	3,600	4,782	(1,182)	3,542
Printing	29,000	6,974	22,026	14,234
Postage	9,000	4,200	4,800	4,400
Office supplies	250		250	
Training and travel	500		500	
Auto mileage		107	(107)	
Software support	1,200	980	220	
Program supplies	250	105	145	
Advertising	6,000	27,892	(21,892)	3,073
Awards			-	235
Special events	4,000	3,578	422	1,344
Promotional items	4,000	4,715	(715)	1,510
TOTAL MARKETING EXPENDITURES	$ 59,500	53,528	5,972	29,976

MONTROSE RECREATION DISTRICT

For the year ended December 31, 2021 with comparative actual amounts for the year ended December 31, 2020

	2021			2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
COMMUNITY RECREATION CENTER REVENUES				
General admission	$ 127,905	232,147	104,242	105,995
Annual passes and punch cards	684,656	779,771	95,115	544,298
Private and public lessons	44,970	58,035	13,065	30,001
Personal training	26,250	26,291	41	22,032
Sales and rentals	7,500	6,023	(1,477)	4,206
Facility rental	11,728	13,802	2,074	38,980
Red Cross training	6,450	4,635	(1,815)	2,400
Program fees	7,400	5,358	(2,042)	5,199
Special events	1,250	454	(796)	660
Child watch	21,750	10,156	(11,594)	4,421
TOTAL REVENUES	$ 939,859	1,136,672	196,813	758,192
COMMUNITY RECREATION CENTER EXPENDITURES				
Salaries	$ 1,048,996	922,322	126,674	835,736
Medicare	15,352	12,549	2,803	9,135
Office supplies	374	2,627	(2,253)	411
Auto mileage	937		937	
Training and travel	4,142	1,692	2,450	1,594
Water, sewer and sanitation	30,000	25,405	4,595	28,731
Natural gas	110,000	122,372	(12,372)	107,581
Electricity	124,000	135,372	(11,372)	140,772
Telephone	10,520	15,889	(5,369)	11,006
Chemicals	45,000	49,270	(4,270)	37,482
Irrigation	3,750	3,044	706	522
Uniforms	5,250	3,394	1,856	1,446
Security	4,205	5,698	(1,493)	4,381
Program supplies	14,225	11,664	2,561	7,463
Maintenance repairs	49,225	55,432	(6,207)	45,044
Maintenance supplies	35,200	43,697	(8,497)	33,001
Program equipment	14,200	17,503	(3,303)	9,107
Advertising		943	(943)	
Awards	400	154	246	149
Safety and medical supplies	1,950	3,490	(1,540)	1,379
Special events	960	693	267	513
American Red Cross	5,140	5,895	(755)	4,715
Miscellaneous		674	(674)	2,205
Furniture, fixtures and equipment			-	7,967
Facility repair and development	4,950	3,814	1,136	
TOTAL EXPENDITURES	$ 1,528,776	1,443,593	85,183	1,290,340

MONTROSE RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the year ended December 31, 2021 with comparative actual amounts for the year ended December 31, 2020

		2021			2020
		ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
FIELD HOUSE REVENUES					
Facility rental	$	50,617	42,808	(7,809)	22,193
General admission		34,375	22,252	(12,123)	13,664
Annual passes and punch cards		5,971	301	(5,670)	876
Sales and rentals			32	32	19
Player fees		22,564	25,536	2,972	14,683
Sponsor fees		3,325	600	(2,725)	1,052
Program fees		53,080	54,733	1,653	16,750
Intergovernmental revevue		80,000	46,494	(33,506)	
TOTAL REVENUES	$	249,932	192,756	(57,176)	69,237
FIELD HOUSE EXPENDITURES					
Salaries	$	143,804	131,135	12,669	99,240
Medicare		2,085	1,846	239	1,462
Water, sewer, sanitation		8,500	8,654	(154)	5,938
Natural gas		13,800	12,893	907	9,401
Electric		23,500	16,719	6,781	16,578
Telephone		1,060	824	236	999
Maintenance repair		5,500	6,769	(1,269)	3,595
Maintenance supplies		6,300	6,899	(599)	4,890
Safety and medical supplies		875	453	422	800
Printing				-	
Office supplies				-	24
Training and travel		7,200	192	7,008	
Chemicals		5,000	3,793	1,207	6,116
Irrigation		2,000	950	1,050	1,996
Uniforms		3,220	2,022	1,198	1,731
Security		1,041	958	83	633
Field trips		200		200	
Program supplies		19,780	30,670	(10,890)	3,229
Program equipment		28,339	32,590	(4,251)	2,152
Advertising		2,825	1,561	1,264	660
Awards		1,664	470	1,194	748
Special events				-	
Transportation		400		400	
Signage				-	
Vehicle operations and maintenance		3,875	1,386	2,489	24
Furniture, fixtures and equipment		5,200		5,200	4,926
TOTAL EXPENDITURES	$	286,168	260,784	25,384	165,142

MONTROSE RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)
For the year ended December 31, 2021 with comparative actual amounts
for the year ended December 31, 2020

	2021			2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
PROGRAM REVENUES				
Player fees	$ 129,497	155,814	26,317	83,718
Sponsor fees	10,450	19,740	9,290	7,841
Program fees	36,205	49,948	13,743	22,618
Sale of merchandise	3,500	7,725	4,225	3,174
Facility rental		1,800	1,800	175
TOTAL PROGRAM REVENUES	$ 179,652	235,027	55,375	117,526
PROGRAM EXPENDITURES				
Salaries	$ 83,624	90,609	(6,985)	62,206
Medicare	1,213	1,196	17	812
Sales tax	280	635	(355)	263
Facility rental	371	12	359	63
Office supplies	300		300	
Auto mileage	337	219	118	
Training and travel	690	325	365	211
Software support	600	599	1	599
Dues		300	(300)	
Water, sewer and sanitation	1,600	1,320	280	1,320
Uniforms	7,145	12,442	(5,297)	9,879
Field trips	4,362	7,066	(2,704)	4,419
Program supplies	2,928	5,445	(2,517)	322
Maintenance repairs	200	553	(353)	
Maintenance supplies	5,270	3,757	1,513	29
Program equipment	13,755	11,158	2,597	12,311
Advertising	925	740	185	310
Awards	8,700	2,959	5,741	2,012
Safety and medical supplies	475	67	408	1,364
Vehicle operations and			-	
maintenance	500	607	(107)	242
Tourney fees	3,000	2,895	105	
Promotional items	800		800	
Furniture, fixtures and equipment	2,000		2,000	8,195
TOTAL PROGRAM EXPENDITURES	139,075	142,904	(3,829)	104,557
TOTAL EXPENDITURES	3,871,952	3,472,039	399,913	3,048,760
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,721)	833,256	835,977	434,888
OTHER FINANCING SOURCES (USES)				
Transfers in			-	
Transfers out		(11,953)	(11,953)	(824,148)
TOTAL OTHER FINANCING SOURCES (USES)	-	(11,953)	(11,953)	(824,148)
NET CHANGE IN FUND BALANCE	(2,721)	821,303	824,024	(389,260)
FUND BALANCE - BEGINNING OF YEAR	2,136,250	2,276,232	139,982	2,665,492
FUND BALANCE - END OF YEAR	$ 2,133,529	3,097,535	964,006	2,276,232

MONTROSE RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE - CONSERVATION TRUST FUND
For the year ended December 31, 2021 with comparative actual amounts
for the year ended December 31, 2020

		2021		2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Intergovernmental revenues	$ 176,000	191,364	15,364	161,738
Interest	1,200	121	(1,079)	909
TOTAL REVENUES	177,200	191,485	14,285	162,647
EXPENDITURES				
CURRENT:				
Consulting	35,000	12,000	23,000	
Program equipment	6,000	22,550	(16,550)	
Maintenance repair				2,177
CAPITAL OUTLAY:				
Facility repair and development	122,000	68,035	53,965	39,000
TOTAL EXPENDITURES	163,000	102,585	60,415	41,177
Excess (deficiency) of revenues over expenditures	14,200	88,900	74,700	121,470
NET CHANGE IN FUND BALANCE	14,200	88,900	74,700	121,470
FUND BALANCE - BEGINNING OF YEAR	242,264	243,982	1,718	122,512
FUND BALANCES - END OF YEAR	$ 256,464	332,882	76,418	243,982

MONTROSE RECREATION DISTRICT

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

For the year ended December 31, 2021

MEASUREMENT DATE	EMPLOYER PROPORTION OF NPL	EMPLOYER PROPORTIONATE SHARE OF NPL	EMPLOYER COVERED PAYROLL	EMPLOYER PROPORTIONATE SHARE OF NPL AS A PERCENTAGE OF COVERED PAYROLL	PENSION PLAN'S FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY
December 31, 2015	0.14830%	$ 1,663,683	807,596	202%	76.9%
December 31, 2016	0.15178%	2,049,511	914,757	224%	73.6%
December 31, 2017	0.23445%	1,963,812	1,455,924	135%	79.4%
December 31, 2018	0.25709%	2,862,559	1,686,251	170%	76.0%
December 31, 2019	0.25648%	3,224,496	1,846,920	174%	86.3%
December 31, 2020	0.20698%	4,303,122	1,534,331	280%	90.9%
December 31, 2021	0.23012%	4,114,398	1,782,888	231%	101.5%

MONTROSE RECREATION DISTRICT

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

For the year ended December 31, 2021

FISCAL YEAR ENDED	REQUIRED EMPLOYER CONTRIBUTION	EMPLOYER CONTRIBUTIONS RECOGNIZED BY THE PLAN	DIFFERENCE	EMPLOYER COVERED PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF EMPLOYER COVERED PAYROLL
December 31, 2015	$ 110,814	106,797	4,017	807,596	13.72%
December 31, 2016	125,322	116,651	8,671	914,757	13.70%
December 31, 2017	199,554	187,539	12,015	1,455,924	13.71%
December 31, 2018	226,630	213,818	12,812	1,686,251	13.44%
December 31, 2019	253,156	223,960	29,196	1,849,920	13.68%
December 31, 2020	210,318	189,935	20,383	1,534,331	13.71%
December 31, 2021	261,295	226,022	35,273	1,782,888	14.66%

MONTROSE RECREATION DISTRICT

SCHEDULE OF ACTIVITY - NET OPEB LIABILITY

For the year ended December 31, 2021

MEASUREMENT DATE	EMPLOYER PROPORTION OF NET OPEB LIABILITY	EMPLOYER PROPORTIONATE SHARE OF NET OPEB LIABILITY	EMPLOYER COVERED PAYROLL	EMPLOYER PROPORTIONATE SHARE OF NET OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	OPEB PLAN'S FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL OPEB LIABILITY
December 31, 2017	0.01822%	$ 236,754	1,455,924	16.26%	17.53%
December 31, 2018	0.01994%	259,108	1,686,251	15.37%	17.03%
December 31, 2019	0.01926%	262,050	1,849,920	14.17%	24.49%
December 31, 2020	0.01544%	408,736	1,534,331	26.64%	32.78%
December 31, 2021	0.01754%	559,106	1,782,888	31.36%	39.40%

MONTROSE RECREATION DISTRICT

SCHEDULE OF ACTIVITY - EMPLOYER OPEB CONTRIBUTIONS

For the year ended December 31, 2021

FISCAL YEAR ENDED	REQUIRED EMPLOYER CONTRIBUTION	EMPLOYER CONTRIBUTIONS RECOGNIZED BY THE PLAN	DIFFERENCE	EMPLOYER COVERED PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF EMPLOYER COVERED PAYROLL
December 31, 2017	$ 15,086	13,963	1,123	1,455,924	1.04%
December 31, 2018	17,200	15,919	1,281	1,686,251	1.02%
December 31, 2019	17,665	17,665	-	1,731,839	1.02%
December 31, 2020	14,561	14,561	-	1,427,528	1.02%
December 31, 2021	17,129	17,129		1,679,266	1.02%

SUPPLEMENTARY INFORMATION

MONTROSE RECREATION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SALES TAX FUND
For the year ended December 31, 2021 with comparative actual amounts
for the year ended December 31, 2020

	ORIGINIAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2020 ACTUAL
REVENUES				
Intergovernmental revenues	$ 1,853,150	2,385,625	532,475	1,985,573
Interest	13,800	46,427	32,627	55,689
TOTAL REVENUES	1,866,950	2,432,052	565,102	2,041,262
EXPENDITURES				
CURRENT:				
Bank fees	2,000	2,000	-	2,000
DEBT SERVICE:			-	
Principal	800,000	800,000	-	765,000
Interest	1,110,625	1,110,625	-	1,141,225
TOTAL EXPENDITURES	1,912,625	1,912,625	-	1,908,225
Excess (deficiency) of revenues over expenditures	(45,675)	519,427	565,102	133,037
NET CHANGE IN FUND BALANCE	(45,675)	519,427	565,102	133,037
FUND BALANCE - BEGINNING OF YEAR	3,276,713	3,461,187	184,474	3,328,150
FUND BALANCES - END OF YEAR	$ 3,231,038	3,980,614	749,576	3,461,187

MONTROSE RECREATION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND

For the year ended December 31, 2021 with comparative actual amounts for the year ended December 31, 2020

	2021			2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Intergovernmental revenues	$	30,000	30,000	464,348
Donations			-	52,124
Interest	400	136	(264)	4,075
TOTAL REVENUES	400	30,136	29,736	520,547
EXPENDITURES				
CURRENT:				
Consulting	100,000	71,872	28,128	
Safety and medical supplies			-	
Program equipment			-	
Maintenance repairs			-	700
CAPITAL OUTLAY:			-	
Furniture, fixtures and equipment	43,000	94,138	(51,138)	58,488
Facility repair and development	177,000	174,270	2,730	1,757,797
TOTAL EXPENDITURES	320,000	340,280	(20,280)	1,816,985
Excess (deficiency) of revenues over expenditures	(319,600)	(310,144)	9,456	(1,296,438)
OTHER FINANCING SOURCES (USES)				
Transfers in		11,953	11,953	824,148
TOTAL OTHER FINANCING SOURCES (USES)	-	11,953	11,953	824,148
NET CHANGE IN FUND BALANCE	(319,600)	(298,191)	21,409	(472,290)
FUND BALANCE - BEGINNING OF YEAR	370,143	313,350	(56,793)	785,640
FUND BALANCES - END OF YEAR	$ 50,543	15,159	(35,384)	313,350

MONTROSE RECREATION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL RESERVE FUND
For the year ended December 31, 2021 with comparative actual amounts
for the year ended December 31, 2020

	2021			2020
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
REVENUES				
Rental	$		-	32,017
Interest	5,500	349	(5,151)	5,278
TOTAL REVENUES	5,500	349	(5,151)	37,295
EXPENDITURES				
TOTAL EXPENDITURES				
Excess (deficiency) of revenues over expenditures	5,500	349	(5,151)	37,295
OTHER FINANCING SOURCES (USES)				
Transfers in			-	
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	5,500	349	(5,151)	37,295
FUND BALANCE - BEGINNING OF YEAR	760,282	728,042	(32,240)	690,747
FUND BALANCE - END OF YEAR	$ 765,782	728,391	(37,391)	728,042