MONTROSE RECREATION DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2022

TABLE OF CONTENTS

	PAGE NO.
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	58
Budgetary Comparison Schedule - Conservation Trust Fund	65
Schedule of Activity - Net Pension Liability	66
Schedule of Activity - Employer Pension Contribution	67
Schedule of Activity - Net OPEB Liability	68
Schedule of Activity - Employer OPEB Contribution	69
Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Sales Tax Fund	70
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Improvement Fund	71
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Reserve Fund	72

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, 2022, 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, 2022, 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

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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 14, 2023. 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 14, 2023

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, 2022.

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 2022, spending $4,461,568 in its general fund. This compares with $5,378,383 in general fund revenue. As of the close of the year, the District has $9,143,214 in combined ending cash and investment balances. This compares to $7,844,542 in combined ending cash and investment balances for 2021.

MRD's assessed valuation was $534,796,696 for 2021 and $542,394,435 for 2022. The 2021 and 2022 mill levy was 5.00. Specific ownership tax and the property tax generated in 2022 was $3,053,614 compared to $2,475,717 in 2021.

Montrose's economy continues to improve. This is evidenced by sales tax revenues exceeding projections. In 2022, the City of Montrose collected $2,634,532 in sales tax for MRD per the Rec. Center IGA with the City. MRD planned for $1,304,583 in MRD's 30-year budget presentation, which was used to plan the finances for MRD with the CRC online. In 2021, the City of Montrose collected $2,385,625 in sales tax for MRD. MRD had budgeted $1,856,788.

Facilities and programs services:
Service at MRD sites included Ute, McNeil, Holly, the Montrose Community Recreation Center (CRC), the Montrose Field House and Flex Rec which opened in 2022. Service at non-MRD facilities included Montrose County School District gyms and Cerise Park. In general, the year 2022 experienced strong resurgence from the downturns during and following the Covid pandemic, and exceeded pre-pandemic levels. By year end, fees collected in 2022 were about 225% of those collected in 2020. The CRC and Field House combined noted 280,778 paid visits; the CRC brought 6,413 annual members. 327 programs and classes were held in the year, serving 38,296 individual 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. In 2022 the Foundation continued in expanding the scholarship program funding, including adults for the first time. Program scholarships accounted for $16,500, providing access to 490 individuals to recreation programs by offsetting program fees.

Human Resources:
The MRD employed 257 part time and 27 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 56.

Capital Development:
As for capital development, funds were spent to develop the Flex Rec site on the Colorado Outdoors campus and to continue with irrigation system improvements at McNeil and Ute parks; purchase new maintenance equipment and invest in the District's comprehensive master plan.

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 57 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 58 through 68 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 70 through 72 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 $5,387,843 at the close of the year 2022. This compares with $5,924,474 from the previous year and constitutes a decrease of $536,631 from the prior year's net position. The majority of this decrease is the result of depreciation of the capital assets and pension and OPEB plan expenses.

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

	2022	2021
Current & other assets	$12,437,130	11,093,034
Capital assets	27,347,568	28,072,885
Total assets	39,784,698	39,165,919
Deferred outflows		
Deferred pension outflows	2,041,681	1,015,672
Deferred OPEB outflows	36,010	971
Total deferred outflows	2,077,691	1,016,643
Current liabilities	295,653	276,347
Noncurrent liabilities	29,531,122	27,606,695
Total liabilities	29,826,775	28,821,913
Deferred inflows		
Deferred revenues, property taxes	2,713,972	2,673,993
Deferred revenue, grants		38,506
Deferred pension inflows	3,582,367	3,569,566
Deferred OPEB inflows	151,432	92,981
Total deferred inflows	6,447,771	6,375,046
Net position:		
Net investment in capital assets	5,089,301	5,139,694
Restricted	5,055,113	4,189,614
Unrestricted (deficit)	(4,566,571)	(3,404,834)
Total net position	$ 5,587,843	5,924,474

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	
	2022	2021
Revenues:		
Program revenues:		
Fees and charges for recreational programs	$2,236,949	1,678,187
Operating grants and contributions	12,500	150,016
Capital grants and contributions	278,199	221,364
General revenues:		
Taxes:		
Property and other taxes	3,053,614	2,475,717
Sales and use taxes	2,634,532	2,385,825
Earnings on investments	184,809	48,408
Total revenue	8,400,603	6,959,517
Expenses:		
Administrative	4,673,256	2,887,549
Park maintenance	378,762	247,631
Concessions	43,663	21,604
Marketing	78,444	53,528
Community Recreation Center	1,754,115	2,532,338
Programs	383,187	351,515
Field House	290,749	339,854
Flex Rec	80,003	
Interest on long-term debt	1,055,055	1,087,685
Total expenses	8,737,234	7,521,704
Increase (decrease) in net position	(336,601)	(562,187)
Net position - January 1st	5,924,474	6,486,661
Net position - December 31st	$4,587,843	5,924,474

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 $9,480,605 an increase of $1,326,024 from the prior year. Approximately 47% 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 $3,145,350 after a General Fund transfer of $611,000 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 70% of total general fund expenditures, while total fund balance represents 76% 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 were still new enterprises. 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 2022 was $4,983,614. This was an increase of $1,111,662 from the previous fiscal year. The actual expenditures and transfers for the General Fund were $5,072,568, which included a $611,000 transfer to the Capital Improvement Fund.

Capital Assets.
The District's investment in capital assets for its governmental activities as of December 31, 2022, amounts to $27,347,568 (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	
	2022	2021
Land	$ 967,155	967,155
Improvements other than buildings	1,954,607	2,044,341
Buildings and improvements	23,358,935	24,038,425
Field house	834,315	913,327
Infrastructure	3,755	7,174
Equipment	186,039	43,297
Vehicles	42,762	59,166
Total	$27,347,568	28,072,885

Additional information on the District's capital assets can be found in note 4 on page 28 of this report.

Long-Term Debt.
At the end of the current fiscal year, the District had $21,820,000 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, 2022

	Governmental Activities
ASSETS	
Cash	$ 160,399
Investments	7,071,690
Due from other governments	502,338
Property taxes receivable	2,713,972
Bond issue costs	77,606
Restricted investments	1,911,125
Capital assets	
(net of accumulated depreciation)	
Land	967,155
Improvements other than buildings	1,954,607
Buildings and improvements	23,358,935
Field house	834,315
Infrastructure	3,755
Equipment	186,039
Vehicles	42,762
Total assets	39,784,698
DEFERRED OUTFLOWS	
Deferred pension outflows	2,041,681
Deferred OPEB outflows	36,010
	2,077,691
LIABILITIES	
Accounts payable	63,979
Accrued interest	130,706
Compensated absences	100,483
Accrued payroll taxes and benefits	485
Noncurrent libilities:	
Due within one year	895,255
Certificates of participation	21,181,659
Net pension liability	6,879,513
Net OPEB liability	574,695
Total liabilities	29,826,775
DEFERRED INFLOWS	
Deferred revenue-property taxes	2,713,972
Deferred pension inflows	3,582,367
Deferred OPEB inflows	151,432
	6,447,771
NET POSITION	
Net investment in capital assets	5,089,301
Restricted for:	
Emergency	258,000
Intergovernmental agreement	4,797,113
Unrestricted (deficit)	(4,556,571)
Total net position	$ 5,587,843

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, 2022

	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	$ 4,673,256	74,393	12,500	278,199	(4,308,164)
Park maintenance	378,762				(378,762)
Concessions	43,663	51,876			8,213
Marketing	78,444	16,900			(61,544)
Community Recreation Center	1,754,115	1,657,801			(96,314)
Programs	383,187	271,234			(111,953)
Field House	290,749	164,598			(126,151)
Flex Rec	80,003	147			(79,856)
Interest on long-term debt	1,055,055				(1,055,055)
Total governmental activities	$ 8,737,234	2,236,949	12,500	278,199	(6,209,586)
General Revenues:					
Taxes					
Property and other taxes					3,053,614
Sales and use taxes					2,634,532
Earnings on investments					184,809
Total general revenues					5,872,955
Change in net position					(336,631)
NET POSITION - JANUARY 1					5,924,474
NET POSITION - DECEMBER 31					$ 5,587,843

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, 2022
(With comparative totals for December 31, 2021)

ASSETS	GENERAL	CONSERVATION TRUST	SALES TAX	CAPITAL IMPROVEMENT	CAPITAL RESERVE	TOTAL (MEMORANDUM ONLY) 2022	2021
Cash	$ 32,486	3,500	120,912	3,501		160,399	129,971
Investments	3,751,998	274,665	2,295,425	4,435	745,167	7,071,690	5,803,446
Due from other funds				248,874		248,874	
Due from other governments	32,687		469,651			502,338	462,623
Accounts receivable						-	26,332
Property taxes receivable	2,713,972					2,713,972	2,673,993
Investments-restricted			1,911,125			1,911,125	1,911,125
TOTAL ASSETS	$ 6,531,143	278,165	4,797,113	256,810	745,167	12,608,398	11,007,490
LIABILITIES							
Accounts payable	$ 63,979					63,979	93,810
Due to other funds	248,874					248,874	
Compensated absences	100,483					100,483	40,758
Accrued payroll taxes and benefits	485					485	5,842
TOTAL LIABILITES	413,821	-	-	-	-	413,821	140,410
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue-property taxes	2,713,972					2,713,972	2,673,993
Deferred revenue-grants						-	38,506
TOTAL DEFERRED INFLOWS OF RESOURCES	2,713,972	-	-	-	-	2,713,972	2,712,499
FUND BALANCES							
Restricted	258,000		4,797,113			5,055,113	4,189,614
Assigned		278,165		256,810	745,167	1,280,142	1,310,125
Unassigned	3,145,350					3,145,350	2,654,842
TOTAL FUND BALANCES	3,403,350	278,165	4,797,113	256,810	745,167	9,480,605	8,154,581
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 6,531,143	278,165	4,797,113	256,810	745,167	12,608,398	11,007,490

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, 2022

Total fund balances for governmental funds		$ 9,480,605
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 $1,651,639 accumulated depreciation	1,954,607	
Buildings and improvements, net of $5,952,721 accumulated depreciation	23,358,935	
Field house, net of $2,788,440 accumulated depreciation	834,315	
Infrastructure, net of $92,403 accumulated depreciation	3,755	
Equipment, net of $1,078,516 accumulated depreciation	186,039	
Vehicles, net of $166,906, accumulated depreciation	42,762	
		27,347,568
Items related to pensions are considered to be long term items and therefore are not reported in the funds.		
Net pension liability	(6,879,513)	
Deferred pension outflows	2,041,681	
Deferred pension inflows	(3,582,367)	
		(8,420,199)
Items related to OPEB are considered to be long term items and therefore are not reported in the funds.		
Net OPEB liability	(574,695)	
Deferred OPEB outflows	36,010	
Deferred OPEB inflows	(151,432)	
		(690,117)
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	(21,820,000)	
Premium on certificates of participation (to be amortized over life of lease)	(256,914)	
Deferred charge for issue costs (to be amortized over life of debt)	77,606	
Accrued interest payable	(130,706)	
		(22,130,014)
Total net position of governmental activities		$ 5,587,843

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, 2022

(With comparative totals for the year ended December 31, 2021)

	GENERAL FUND	CONSERVATION TRUST	SALES TAX	CAPITAL IMPROVEMENT	CAPITAL RESERVE	TOTAL (MEMORANDUM ONLY) 2022	TOTAL (MEMORANDUM ONLY) 2021
REVENUES							
Property and other taxes	$ 3,053,614					3,053,614	2,475,717
Rental and miscellaneous	102,006					102,006	85,314
Concessions	51,876					51,876	28,418
Community Recreation Center	1,647,088					1,647,088	1,136,672
Programs	271,234					271,234	235,027
Field house	164,598					164,598	192,756
Flex Rec	147					147	
Intergovernmental revenues	12,500	215,902	2,634,532	57,177		2,920,111	2,757,005
Donations	1,120				4,000	5,120	
Interest income	74,200	4,499	92,592	742	12,776	184,809	48,408
TOTAL REVENUES	5,378,383	220,401	2,727,124	57,919	16,776	8,400,603	6,959,317
EXPENDITURES							
CURRENT:							
Administrative	1,784,255	36,038	2,000	93,297		1,915,590	1,448,745
Park maintenance	296,465	57,906				354,371	235,174
Concessions	43,663					43,663	21,604
Marketing	78,444					78,444	53,528
Community Recreation Center	1,754,115					1,754,115	1,443,593
Programs	190,626					190,626	165,454
Field house	211,737					211,737	260,784
Flex Rec	65,082			13,460		78,542	
CAPITAL OUTLAY:							
Administrative	2,066					2,066	
Park maintenance	4,575	181,174				185,749	197,654
Community Recreation Center	4,799					4,799	55,387
Field house						-	34,981
Flex Rec	25,741			320,511		346,252	
Debt service:							
Principal			830,000			830,000	800,000
Interest			1,078,625			1,078,625	1,110,625
TOTAL EXPENDITURES	4,461,568	275,118	1,910,625	427,268	-	7,074,579	5,827,529
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	916,815	(54,717)	816,499	(369,349)	16,776	1,326,024	1,131,788
OTHER FINANCING SOURCES (USES)							
Transfers in				611,000		611,000	11,953
Transfers out	(611,000)					(611,000)	(11,953)
NET OTHER FINANCING SOURCES (USES)	(611,000)	-	-	611,000	-	-	
NET CHANGE IN FUND BALANCES	305,815	(54,717)	816,499	241,651	16,776	1,326,024	1,131,788
FUND BALANCE - BEGINNING OF YEAR	3,097,535	332,882	3,980,614	15,159	728,391	8,154,581	7,022,793
FUND BALANCE - END OF YEAR	$ 3,403,350	278,165	4,797,113	256,810	745,167	9,480,605	8,154,581

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, 2022

Net change in fund balances - total governmental funds		$	1,326,024
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 $1,264,183 exceeded capital outlay $538,866.			(725,317)
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	26,277		
Bond issuance costs	(7,938)		
Debt principal payments	830,000		
Decrease in accrued interest	5,231		
			853,570
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.			(1,751,907)
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			(39,001)
Change in net position of governmental activities		$	(336,631)

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, 2022.

- 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, 2022 are as follows:

	ORIGINAL BUDGET	AMENDMENT	FINAL BUDGET
General Fund	$ 4,807,399	176,215	4,983,614
Capital Improvement Fund	301,812	110,891	412,703
Capital Reserve Fund	0		0
Conservation Trust Fund	350,000	(71,957)	278,043
Sales Tax Fund	1,910,625		1,910,625
	$ 7,369,836	215,149	7,584,985

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS AND BUDGETARY ACCOUNTING (continued)

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

	EXPENDED	BUDGETED	DIFFERENCE
General Fund	$5,072,568	4,983,614	88,954
Capital Improvement Fund	427,268	412,703	14,565

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, 2022, none of the District's bank balances of $226,156 were exposed to custodial credit risk as all were insured.

INVESTMENTS

As of December 31, 2022, the District had the following investments and maturities:

		INVESTMENT MATURITIES (in years)		
		LESS THAN		
INVESTMENT TYPE	FAIR VALUE	1	1-5	6-10
Colotrust	$7,071,690	7,071,690		
Repurchase agreements	1,911,125		1,911,125	
	$8,982,815	7,071,690	1,911,125	

As of December 31, 2022, the District has invested $7,071,690 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:

	2022
Investments	$7,071,690
Investments - restricted	1,911,125
	$8,982,815

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, 2022:

Assets	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
Investments				
Colotrust	$7,071,690			
Repurchase agreements	1,911,125		1,911,125	
Total investments	$8,982,815		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, 2022, 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, 2022, 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, 2022, 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	3,529,270	81,332	4,356	3,606,246
Buildings and improvements	29,020,967	290,689		29,311,656
Field house	3,622,755			3,622,755
Infrastructure	96,158			96,158
Equipment	1,099,165	166,845	1,455	1,264,555
Vehicles	220,168		10,500	209,668
Total capital assets being depreciated	37,588,483	538,866	16,311	38,111,038
Less accumulated depreciation for:				
Improvements other than buildings	1,484,929	171,066	4,356	1,651,639
Buildings and improvements	4,982,542	970,179		5,952,721
Field house	2,709,428	79,012		2,788,440
Infrastructure	88,984	3,419		92,403
Equipment	1,055,868	24,103	1,455	1,078,516
Vehicles	161,002	16,404	10,500	166,906
Total accumulated Depreciation	10,482,753	1,264,183	16,311	11,730,625
Total capital assets being depreciated, net	27,105,730	(725,317)		26,380,413
Governmental activity capital assets, net	$28,072,885	(725,317)		27,347,568

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

Community Recreation Center	$ 966,758
Park maintenance	24,091
Field house	79,012
Flex rec	1,461
Programs, including depreciation of infrastructure assets	192,561
Total depreciation expense	$1,264,183

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 annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investment/pera-financial-reports.

Benefits provided as of December 31, 2022. 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 the 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, 2022. Eligible employees and the Montrose Recreation District and the State 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, 2022 through December 31, 2022 are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employee contribution (all employees other than State Troopers)	8.50%	9.00%	9.00%	9.00%
State Troopers	12.50%	13.00%	13.00%	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, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employer contribution rate	10.50%	11.00%	11.00%	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%	9.98%	9.98%	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	0.03%	0.03%	0.06%	0.06%
Total employer contribution rate to the LGDTF	13.21%	13.71%	13.74%	13.74%

**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, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employer contribution rate	13.60%	14.10%	14.10%	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%	13.08%	13.08%	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	0.03%	0.03%	0.06%	0.06%
Total employer contribution rate to the LGDTF	16.31%	16.81%	16.84%	16.84%

**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 $282,265 for the year ended December 31, 2022.

5 - DEFINED BENEFIT PENSION PLAN (continued)

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

The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the TPL to December 31, 2022. The Montrose Recreation District proportion of the net pension liability was based on Montrose Recreation District contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF. At December 31, 2022, the Montrose Recreation District reported a liability of $6,879,513 for its proportionate share of the net pension liability.

At December 31, 2022, the Montrose Recreation District proportion was 0.2561253523 percent, which was an increase of 0.0260061632 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the Montrose Recreation District recognized pension expense of $1,751,907. At December 31, 2022, 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	1,048,306	12,801
Changes in proportion and differences between contributions recognized and proportionate share of contributions	(22,297)	
Contributions subsequent to the measurement date	N/A	N/A
Total	$1,026,009	12,801

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 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, 2023. 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	
2023	$(308,138)
2024	(469,775)
2025	(339,293)
2026	(96,154)
2027	202,641
Thereafter	$ 0

Actuarial assumptions. The TPL in the December 31, 2021 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

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

The TPL for the LGDTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of December 31, 2022, measurement date.

5 - DEFINED BENEFIT PENSION PLAN (continued)

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

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.

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, 2021, 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 at least every five years for PERA. 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 and 2020 AAP assessments. 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 and 2020 AAP assessments. 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.

- 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	$4,310,720	2,567,818	1,108,721

Pension plan fiduciary net position. Detailed information about the LGDTF's FNP is available in PERA's ACFR 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, 2022.

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 annual comprehensive 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 health benefits program 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 $ for the year ended December 31, 2022.

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

At December 31, 2022, the Montrose Recreation District reported a liability of $574,695 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The Montrose Recreation District proportion of the net OPEB liability was based on Montrose Recreation District contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Montrose Recreation District proportion was 0.0203261480%, which was an increase of 0.002887966% from its proportion measured as of December 31, 2021.

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, 2022, the Montrose Recreation District recognized OPEB expense of $39,001. At December 31, 2022, 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	10,136	58,451
Changes in proportion and differences between contributions recognized and proportionate share of contributions	24,903	
Contributions subsequent to the measurement date	NA	NA
Total	$35,039	58,451

Amounts reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OBEB liability in the year ended December 31, 2023.

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	
2023	$21,773
2024	16,496
2025	25,832
2026	8,085
2027	4,682
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, 2021 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		6.50% in 2022 gradually decreasing to 4.50% in 2030		
Medicare Part A premiums		3.75% in 2022, 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)

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 20223, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Assumptions

Participant Age	Annual Increase (Malel)	Annual Increase (Female)
65.69	3.00%	1.50%
70	2.90%	1.60%
71	1.60%	1.40%
72	1.40%	1.50%
73	1.50%	1.60%
74	1.50%	1.50%
75	1.50%	1.40%
76	1.50%	1.50%
77	1.50%	1.50%
78	1.50%	1.60%
79	1.50%	1.50%
80	1.40%	1.50%
81 and older	0.00%	0.00%

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)

Sample Age		MAPD PPO #1 with Medicare Part A Retiree/Spouse Male	MAPD PPO #1 with Medicare Part A Retiree/Spouse Female	MAPD PPO #2 with Medicare Part A Retiree/Spouse Male	MAPD PPO #2 with Medicare Part A Retiree/Spouse Female	MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse Male	MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse Female
65	$	1,704	1,450	583	496	1,923	1,634
70		1,976	1,561	676	534	2,229	1,761
75		2,128	1,681	728	575	2,401	1,896

Sample Age		MAPD PPO #1 without Medicare Part A Retiree/Spouse Male	MAPD PPO #1 without Medicare Part A Retiree/Spouse Female	MAPD PPO #2 without Medicare Part A Retiree/Spouse Male	MAPD PPO #2 without Medicare Part A Retiree/Spouse Female	MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse Male	MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse Female
65	$	6,514	5,542	4,227	3,596	6,752	5,739
70		7,553	5,966	4,901	3,872	7,826	5,186
75		8,134	6,425	5,278	4,169	8,433	6,657

The 2022 Medicare Part A premium is $499 (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, 2021, 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
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and 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, 2021 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 HCTF.

- Per capita health care costs in effect as of December 31, 2021, valuation date 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 have been updated to reflect costs for the 2022 plan year.

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 December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed UnitedHealthcare. In that transition, the costs for the Medicare Advantage Options #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.

- The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement as adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, 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 at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 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)

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%	

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%.

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)

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	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$203,562	165,959	151,110

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, 2022, 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 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 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	$203,562	165,959	156,110

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, 2022.

7 - SHORT-TERM DEBT

During the year ended December 31, 2022, 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, 2022, follows:

YEAR ENDING DECEMBER 31	SCHEDULE OF BASE RATES.
2023	$ 1,907,125
2024	1,908,625
2025	1,907,875
2026	1,909,475
2027	1,906,975
2028 - 2032	9,541,625
2033 - 2037	9,547,375
2038 - 2040	3,816,250
TOTAL BASE RENTALS	32,445,325
Lease amounts representing interest	10,625,325
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	$21,820,000

9 - LONG-TERM DEBT

The following is a summary of long-term liability activity of the District for the year ended December 31, 2022:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental Activities:					
Capital leases:					
Certificates of Participation	$22,650,000		830,000	21,820,000	870,000
Premium on Certificates of Participation	283,191		26,277	256,914	25,255
GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	$22,933,191		856,277	22,076,914	895,255

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 $3,145,350 at December 31, 2022.

11 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of Interfund balances as of December 31, 2022 is as follows:

A. DUE FROM/TO OTHER FUNDS

RECEIVABLE FUND	PAYABLE FUND	AMOUNT.
Capital Improvement	General	$248,874

The above balance was advanced by the General Fund to pay capital improvements.

B. INTERFUND TRANSFERS

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

	TRANSFERS OUT	TRANSFERS IN
General Fund	$611,000	
Capital Improvement Fund		611,000
TOTAL	$611,000	611,000

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 14, 2023 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, 2022 with comparative actual amounts for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
GENERAL REVENUES					
Taxes					
Property taxes	$ 2,636,083	2,641,671	2,658,026	16,355	2,123,589
Specific ownership tax	271,000	365,014	391,595	26,581	348,228
Penalties and interest on delinquent tax	2,815	2,815	3,993	1,178	3,900
Intergovernmental revenues			12,500	12,500	150,016
TOTAL TAXES	2,909,898	3,009,500	3,066,114	56,614	2,625,733
Interest income	1,650	28,032	74,200	46,168	1,375
Rental and miscellaneous					
Facility rental	67,635	66,434	70,079	3,645	64,735
Brochure advertisements	14,050	14,950	16,900	1,950	725
Asset sales		950	4,314	3,364	737
Donations			1,120	1,120	
Reimbursement and miscellaneous			10,713	10,713	19,117
TOTAL RENTAL AND MISCELLANEOUS	81,685	82,334	103,126	20,792	85,314
Concessions	38,000	32,014	51,876	19,862	28,418
TOTAL GENERAL REVENUES	$ 3,031,233	3,151,880	3,295,316	143,436	2,740,840

MONTROSE RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)
For the year ended December 31, 2022 with comparative actual amounts
for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
ADMINISTRATIVE EXPENDITURES					
Current:					
Salaries	$ 777,076	671,803	721,113	(49,310)	530,961
Sick leave	6,000	27,192	20,868	6,324	10,904
Medicare	8,961	9,569	15,892	(6,323)	9,741
Board paid PERA	278,308	274,945	312,846	(37,901)	260,579
Unemployment	5,000	5,898	3,067	2,831	4,539
Insurance - package	86,058	78,000	73,782	4,218	73,761
Insurance - health and life	288,830	233,669	277,253	(43,584)	224,125
Insurance - workmen's compensation	49,000	49,000	27,152	21,848	35,891
Insurance - board liability	210	210	210	-	210
Tuition reimbursement	25,000			-	
Recruitment	18,100	18,100	18,364	(264)	599
Postage	2,750	3,250	2,267	983	188
Copier and computer	18,000	35,000	16,021	18,979	11,820
Office supplies	9,000	5,200	4,467	733	6,185
Accounting	20,000	19,821	20,683	(862)	19,887
Auto mileage	2,400	2,400	2,074	326	505
Training and travel	15,000	22,000	18,406	3,594	8,214
Publications	500	500	422	78	373
Software support	35,800	40,716	45,805	(5,089)	23,716
Dues	6,880	9,392	8,799	593	7,164
Treasurer's fees	54,650	54,650	52,963	1,687	42,551
Miscellaneous			329	(329)	47
Water, sewer and sanitation			736	(736)	518
Natural gas			788	(788)	663
Electricity			1,172	(1,172)	963
Telephone	3,600	3,600	8,536	(4,936)	4,168
Uniforms	1,250	1,250	675	575	759
Bank charges	25,500	29,682	37,345	(7,663)	27,170
Board meeting expense	3,000	3,600	3,572	28	3,095
Election	3,000	115	115	-	
Networking	1,500	1,500	30	1,470	
Legal	12,000	12,600	10,968	1,632	9,053
Consulting	60,000	60,000	35,938	24,062	23,904
Shared services	14,500	15,000	35,262	(20,262)	10,009
Maintenance supplies				-	704
Inclusion services	10,000	10,000	2,845		
Advertising			1,672	(1,672)	627
Vehicle operations and maintenance			93	(93)	
Special events	500			-	861
Awards	2,500	3,500	459	3,041	1,882
Signage			879	(879)	408
Furniture, fixtures and equipment	16,300	5,000	2,453	2,547	1,128
TOTAL ADMINISTRATIVE EXPENDITURES	$ 1,861,173	1,707,162	1,786,321	(79,159)	1,357,872

MONTROSE RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)
For the year ended December 31, 2022 with comparative actual amounts
for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
PARK MAINTENANCE					
Salaries	$ 139,708	138,181	138,952	(771)	110,006
Medicare	2,026	2,004	2,305	(301)	1,593
Equipment rental	5,000	5,387	3,780	1,607	1,021
Training and travel	5,000	4,000	2,306	1,694	3,367
Water, sewer and sanitation	7,000	2,227	3,604	(1,377)	4,701
Water lease	1,300	1,300	330	970	305
Natural gas	1,500	1,500	1,037	463	1,060
Electricity	8,500	8,000	14,095	(6,095)	13,452
Telephone			480	(480)	720
Chemicals	12,000	12,000	11,183	817	10,334
Irrigation	5,000	6,000	6,623	(623)	5,208
Uniforms	2,000	2,000	1,461	539	618
Safety and medical supplies				-	167
Shared services	2,000	2,000	970	1,030	1,879
Maintenance repair	89,500	79,500	72,640	6,860	6,633
Maintenance supplies	15,000	15,000	14,250	750	8,087
Vehicle repairs	5,000	6,500	9,376	(2,876)	5,136
Vehicle operations and maintenance	8,000	7,200	9,354	(2,154)	8,024
Furniture, fixtures and equipment	13,000	10,000	7,202	2,798	6,843
Facility, repair and development	5,500	5,500	1,092	4,408	2,600
TOTAL PARK MAINTENANCE	$ 327,034	308,299	301,040	7,259	191,754
CONCESSIONS					
Salaries	$ 5,752	4,662	6,422	(1,760)	1,872
Medicare	83	68	75	(7)	27
Cost of goods sold	15,000	28,000	30,470	(2,470)	16,911
Sales tax	1,700	2,042	2,456	(414)	1,544
Bank charges			3,560	(3,560)	
Maintenance repairs	300	600	587	13	521
Maintenance supplies	100		27	(27)	
Vehicle operations and maintenance	100	50	66	(16)	
Dues	250			-	540
Program supplies	75			-	
Furniture, fixtures and equipment	500			-	189
TOTAL CONCESSIONS	$ 23,860	35,422	43,663	(8,241)	21,604
MARKETING EXPENDITURES					
CURRENT:					
Newsletter	$ 1,700	1,200	1,935	(735)	195
Website	3,600	11,955	5,017	6,938	4,782
Printing	43,500	18,893	29,366	(10,473)	6,974
Postage	13,500	16,500	6,968	9,532	4,200
Office supplies	500	500		500	
Training and travel	1,000	1,000		1,000	
Auto mileage				-	107
Software support	1,040	1,671	1,531	140	980
Consulting		19,920	6,258	13,662	
Program supplies				-	105
Miscellaneous			160	(160)	
Advertising	31,149	20,860	15,999	4,861	27,892
Awards	600	2,000	845	1,155	
Special events	3,000	6,170	3,819	2,351	3,578
Promotional items	5,935	6,457	6,456	1	4,715
Furniture, fixtures and equipment	4,070	90	90	-	
TOTAL MARKETING EXPENDITURES	$ 109,594	107,216	78,444	28,772	53,528

MONTROSE RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the year ended December 31, 2022 with comparative actual amounts for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
COMMUNITY RECREATION CENTER REVENUES					
General admission	$ 238,500	317,353	286,361	(30,992)	232,147
Annual passes and punch cards	781,000	1,182,824	1,172,157	(10,667)	779,771
Private and public lessons	60,255	53,111	52,980	(131)	58,035
Personal training	23,000	38,000	47,300	9,300	26,291
Sales and rentals	8,500	8,500	10,065	1,565	6,023
Facility rental	25,645	32,200	37,918	5,718	13,802
Red Cross training	4,765	2,800	2,527	(273)	4,635
Program fees	18,280	17,300	16,610	(690)	5,358
Special events			1,682	1,682	454
Child watch	16,960	17,000	19,488	2,488	10,156
TOTAL REVENUES	$ 1,176,905	1,669,088	1,647,088	(22,000)	1,136,672
COMMUNITY RECREATION CENTER EXPENDITURES					
Salaries	$ 1,188,823	1,125,413	1,135,806	(10,393)	922,322
Medicare	17,238	16,318	11,557	4,761	12,549
Office supplies	850	350	564	(214)	2,627
Auto mileage	1,137	400		400	
Training and travel	5,116	11,011	10,308	703	1,692
Software support			700	(700)	
Water, sewer and sanitation	35,000	35,000	19,849	15,151	25,405
Natural gas	110,000	171,109	178,167	(7,058)	122,372
Electricity	124,000	118,992	147,468	(28,476)	135,372
Telephone	14,400	12,000	9,533	2,467	15,889
Chemicals	50,000	64,250	64,592	(342)	49,270
Irrigation	4,000	4,000	5,803	(1,803)	3,044
Uniforms	10,250	10,212	6,246	3,966	3,394
Security	4,560	5,701	4,213	1,488	5,698
Program supplies	16,869	12,630	13,142	(512)	11,664
Maintenance repairs	71,379	72,143	65,294	6,849	55,432
Maintenance supplies	40,000	40,125	39,763	362	43,697
Inclusion services	500			-	
Program equipment	24,402	22,597	17,512	5,085	17,503
Advertising		450	100	350	943
Promotional items			1,232	(1,232)	
Signage	500		1,566	(1,566)	
Awards	800	1,451	5,260	(3,809)	154
Safety and medical supplies	3,463	1,425		1,425	3,490
Special events	960	960	1,029	(69)	693
American Red Cross	2,241	3,350	4,391	(1,041)	5,895
Miscellaneous			1,687	(1,687)	674
Furniture, fixtures and equipment	22,950	22,084	13,132	8,952	
Facility repair and development	5,000	5,000		5,000	3,814
TOTAL EXPENDITURES	$ 1,754,438	1,756,971	1,758,914	(1,943)	1,443,593

MONTROSE RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the year ended December 31, 2022 with comparative actual amounts for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
FIELD HOUSE REVENUES					
Facility rental	$ 40,544	45,700	51,899	6,199	42,808
General admission	28,748	18,000	17,579	(421)	22,252
Annual passes and punch cards				-	301
Sales and rentals			106	106	32
Player fees	22,336	24,637	31,400	6,763	25,536
Sponsor fees	2,825	550	100	(450)	600
Program fees	52,625	49,118	58,514	9,396	54,733
Intergovernmental revevue	5,000	10,000	5,000	(5,000)	46,494
TOTAL REVENUES	$ 152,078	148,005	164,598	16,593	192,756
FIELD HOUSE EXPENDITURES					
Salaries	$ 157,217	138,432	124,866	13,566	131,135
Medicare	2,280	2,007	1,280	727	1,846
Water, sewer, sanitation	8,000	4,697	7,717	(3,020)	8,654
Natural gas	13,000	18,658	15,929	2,729	12,893
Electric	14,000	16,252	21,597	(5,345)	16,719
Telephone	1,060			-	824
Maintenance repair	8,000	8,000	6,964	1,036	6,769
Maintenance supplies	8,350	7,100	7,322	(222)	6,899
Safety and medical supplies	900	245	62	183	453
Printing	60			-	
Office supplies	250			-	
Sales tax			4	(4)	
Training and travel	7,450	50	146	(96)	192
Chemicals	5,000	5,000	4,647	353	3,793
Irrigation	2,000	2,000	1,708	292	950
Uniforms	3,760	3,527	3,258	269	2,022
Security	1,041	1,041	774	267	958
Field trips	500	197	197	-	
Program supplies	6,270	5,204	6,528	(1,324)	
Program equipment	4,917	7,698	8,176	(478)	30,670
Advertising	2,000	100	75	25	32,590
Awards	3,037	1,100	487	613	
Special events				-	1,561
Transportation	900			-	470
Signage	250			-	
Vehicle operations and maintenance	1,000	200		200	
Furniture, fixtures and equipment	200			-	1,386
TOTAL EXPENDITURES	$ 251,442	221,508	211,737	9,771	260,784

MONTROSE RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)

For the year ended December 31, 2022 with comparative actual amounts for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
FLEX REC REVENUES					
General admission	$	2,000		(2,000)	
Annual passes and punch cards		1,500		(1,500)	
Personal training		667		(667)	
Facility rental		500		(500)	
Program fees		500	147	(353)	
TOTAL REVENUES	$ -	5,167	147	(5,020)	-
FLEX RC EXPENDITURES					
Salaries	$	6,061		6,061	
Office supplies		100		100	
Building rental		16,316	29,932	(13,616)	
Software support		950	79	871	
Copier and computer			2,324	(2,324)	
Consulting			13,830	(13,830)	
Shared services			136	(136)	
Promotional items			1,483	(1,483)	
Telephone		200		200	
Security		217	3,900	(3,683)	
Program supplies		320	3,083	(2,763)	
Maintenance supplies		7,176		7,176	
Program equipment		19,320	18,354	966	
Advertising		2,300	318	1,982	
Promotional items		800		800	
Safety and medical supplies			1,651	(1,651)	
Signage		500		500	
Furniture, fixtures and equipment		19,183	15,710	3,473	
Facility repair and development			23	(23)	
TOTAL EXPENDITURES	$ -	73,443	90,823	(17,380)	-

MONTROSE RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (continued)
For the year ended December 31, 2022 with comparative actual amounts
for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
PROGRAM REVENUES					
Player fees	$ 141,233	148,508	172,689	24,181	155,814
Sponsor fees	13,350	11,480	13,574	2,094	19,740
Program fees	57,900	61,965	73,230	11,265	49,948
Sale of merchandise	5,500	4,840	6,372	1,532	7,725
Facility rental		3,200	5,369	2,169	1,800
TOTAL PROGRAM REVENUES	$ 217,983	229,993	271,234	41,241	235,027
PROGRAM EXPENDITURES					
Salaries	$ 90,382	90,838	106,926	(16,088)	90,609
Medicare	1,311	1,317	1,075	242	1,196
Sales tax	650	650	449	201	635
Facility rental	371	76	73	3	12
Office supplies	300			-	
Auto mileage	406			-	219
Training and travel	1,250	671	416	255	325
Software support	599	178	204	(26)	599
Consulting			359	(359)	
Dues				-	300
Water, sewer and sanitation	1,820	1,820	1,100	720	1,320
Uniforms	18,525	17,346	21,611	(4,265)	12,442
Field trips	10,221	11,158	14,311	(3,153)	7,066
Program supplies	3,071	2,291	4,293	(2,002)	5,445
Maintenance repairs	200			-	553
Maintenance supplies	6,445	2,898	6,757	(3,859)	3,757
Program equipment	21,648	19,308	15,773	3,535	11,158
Advertising	1,250	250	250	-	740
Awards	4,963	3,103	3,652	(549)	2,959
Safety and medical supplies	2,516	2,041	314	1,727	67
Vehicle operations and maintenance	630	775	1,451	(676)	607
Tourney fees	3,500	3,470	3,470	-	2,895
Promotional items	1,200		1,096	(1,096)	
Furniture, fixtures and equipment	6,600	4,404	7,046	(2,642)	
TOTAL PROGRAM EXPENDITURES	177,858	162,594	190,626	(28,032)	142,904
TOTAL EXPENDITURES	4,505,399	4,372,615	4,461,568	(88,953)	3,472,039
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(72,800)	834,518	916,815	82,297	833,256
OTHER FINANCING SOURCES (USES)					
Transfers out	(302,000)	(611,000)	(611,000)		(11,953)
TOTAL OTHER FINANCING SOURCES (USES)	(302,000)	(611,000)	(611,000)	-	(11,953)
NET CHANGE IN FUND BALANCE	(374,800)	223,518	305,815	82,297	821,303
FUND BALANCE - BEGINNING OF YEAR	2,861,449	2,861,449	3,097,535	(2,861,449)	2,276,232
FUND BALANCE - END OF YEAR	$ 2,486,649	3,084,967	3,403,350	318,387	3,097,535

MONTROSE RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE - CONSERVATION TRUST FUND
For the year ended December 31, 2022 with comparative actual amounts
for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenues	$ 173,000	173,000	215,902	42,902	191,364
Interest	220	2,157	4,499	2,342	121
TOTAL REVENUES	173,220	175,157	220,401	45,244	191,485
EXPENDITURES					
CURRENT:					
Consulting	60,000	38,000	36,000	2,000	12,000
Program equipment		4,805	4,805	-	22,550
Maintenance repair			57,906		
Bank fees		38	38		
CAPITAL OUTLAY:					
Furniture, fixtures and equipment		66,430	65,505		
Facility repair and development	290,000	168,770	110,864	57,906	68,035
TOTAL EXPENDITURES	350,000	278,043	275,118	2,925	102,585
Excess (deficiency) of revenues over expenditures	(176,780)	(102,886)	(54,717)	48,169	88,900
NET CHANGE IN FUND BALANCE	(176,780)	(102,886)	(54,717)	48,169	88,900
FUND BALANCE - BEGINNING OF YEAR	260,102	260,102	332,882	72,780	243,982
FUND BALANCES - END OF YEAR	$ 83,322	157,216	278,165	120,949	332,882

MONTROSE RECREATION DISTRICT

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

For the year ended December 31, 2022

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%
December 31, 2022	0.25613%	6,879,513	2,158,213	319%	83.08%

MONTROSE RECREATION DISTRICT

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

For the year ended December 31, 2022

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%
December 31, 2022	312,862	282,265	30,597	2,158,213	14.50%

MONTROSE RECREATION DISTRICT

SCHEDULE OF ACTIVITY - NET OPEB LIABILITY

For the year ended December 31, 2022

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%
December 31, 2022	0.02033%	574,695	2,158,213	26.86%	38.73%

MONTROSE RECREATION DISTRICT

SCHEDULE OF ACTIVITY - EMPLOYER OPEB CONTRIBUTIONS

For the year ended December 31, 2022

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%
December 31, 2022	21,039	21,039	-	2,062,647	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, 2022 with comparative actual amounts
for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenues	$ 2,376,792	2,569,670	2,634,532	64,862	2,385,625
Interest	1,000	20,000	92,592	72,592	46,427
TOTAL REVENUES	2,377,792	2,589,670	2,727,124	137,454	2,432,052
EXPENDITURES					
CURRENT:					
Bank fees	2,000	2,000	2,000	-	2,000
DEBT SERVICE:				-	
Principal	1,908,625	1,908,625	830,000	1,078,625	800,000
Interest			1,078,625	(1,078,625)	1,110,625
TOTAL EXPENDITURES	1,910,625	1,910,625	1,910,625	-	1,912,625
Excess (deficiency) of revenues over expenditures	467,167	679,045	816,499	137,454	519,427
NET CHANGE IN FUND BALANCE	467,167	679,045	816,499	137,454	519,427
FUND BALANCE - BEGINNING OF YEAR	3,864,480	3,864,480	3,980,614	116,134	3,461,187
FUND BALANCES - END OF YEAR	$ 4,331,647	4,543,525	4,797,113	253,588	3,980,614

MONTROSE RECREATION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
CAPITAL IMPROVEMENT FUND
For the year ended December 31, 2022 with comparative actual amounts
for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenues	$	45,000		(45,000)	30,000
Donations		8,000	57,177	49,177	
Interest	260	450	742	292	136
TOTAL REVENUES	260	53,450	57,919	4,469	30,136
EXPENDITURES					
CURRENT:					
Consulting		41,243	67,401	(26,158)	71,872
Maintenance repairs			39,590	(39,590)	
Bank charges		38	38		
CAPITAL OUTLAY:				-	
Furniture, fixtures and equipment		98,000	100,380	(2,380)	94,138
Facility repair and development	301,812	273,422	219,859	53,563	174,270
TOTAL EXPENDITURES	301,812	412,703	427,268	(14,565)	340,280
Excess (deficiency) of revenues over expenditures	(301,552)	(359,253)	(369,349)	(10,096)	(310,144)
OTHER FINANCING SOURCES (USES)					
Transfers in	302,000	611,000	611,000	-	11,953
TOTAL OTHER FINANCING SOURCES (USES)	302,000	611,000	611,000	-	11,953
NET CHANGE IN FUND BALANCE	448	251,747	241,651	(10,096)	(298,191)
FUND BALANCE - BEGINNING OF YEAR	72,832	72,832	15,159	(57,673)	313,350
FUND BALANCES - END OF YEAR	$ 73,280	324,579	256,810	(67,769)	15,159

MONTROSE RECREATION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL RESERVE FUND
For the year ended December 31, 2022 with comparative actual amounts
for the year ended December 31, 2021

	2022				2021
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Interest	$ 424	4,800	12,776	7,976	349
Intergovernmental revenue		4,000		(4,000)	
Donation			4,000	4,000	
TOTAL REVENUES	424	8,800	16,776	7,976	349
EXPENDITURES					
TOTAL EXPENDITURES					
Excess (deficiency) of revenues over expenditures	424	8,800	16,776	7,976	349
NET CHANGE IN FUND BALANCE	424	8,800	16,776	7,976	349
FUND BALANCE - BEGINNING OF YEAR	792,377	792,377	728,391	(63,986)	728,042
FUND BALANCE - END OF YEAR	$ 792,801	801,177	745,167	(56,010)	728,391