

**STRASBURG METROPOLITAN PARKS AND
RECREATION DISTRICT**

ANNUAL FINANCIAL REPORT

AND SUPPLEMENTAL INFORMATION

FOR THE

YEAR ENDED DECEMBER 31, 2022

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

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STRASBURG METROPOLITAN PARKS AND
RECREATION DISTRICT

ROSTER OF DISTRICT OFFICIALS
DECEMBER 31, 2022

BOARD OF DIRECTORS

Cindy FaheyPresident
Scott Gerrard.....Vice President
VacantTreasurer
Lonnie LoshSecretary
Mitch Swanson.....Director

DISTRICT ADMINISTRATOR

Angela Graf

SCOTT C. WRIGHT
CERTIFIED PUBLIC ACCOUNTANT

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Eagle, Colorado 81631
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Strasburg Metropolitan Parks and Recreation District
Strasburg, Colorado

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and each major fund of the Strasburg Metropolitan Parks and 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Strasburg Metropolitan Parks and Recreation District as of December 31, 2022, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Strasburg Metropolitan Parks and 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Strasburg Metropolitan Parks and Recreation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, the budgetary comparison information on pages 44-45, the schedule of the District's proportionate share of the net pension liability on page 46, the schedule of the District pension contributions on page 47, the schedule of the District's proportionate share of the net OPEB liability on page 48, and the schedule of the District OPEB contributions on page 49 be presented to supplement the basic financial statements. Such

information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Scott Wright

Eagle, Colorado
May 15, 2023

Management's Discussion and Analysis

As management of the Strasburg Metropolitan Parks and Recreation District (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. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's basic financial statements.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$2,514,143.
- The District's total net position increased by \$134,259 from the previous year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,073,782, an increase of \$222,184 in comparison with the prior year. Approximately seventy-five percent (75%) of this total amount, or \$810,176 is available for use within the District's policies (unassigned fund balance).
- Unassigned general fund balances represent 102% percent of total general fund expenditures or over 12 months of operations.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, (2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the past 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 the related cash flows*. Thus, revenues and expenses may be reported in this statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The

District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District uses only governmental funds.

Governmental Funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. 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 two 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 each of the funds – general fund, and conservation trust fund – each of which are considered to be major funds. The basic governmental fund financial statements can be found on pages 12-15 of this report.

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 16-42 of this report.

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The Strasburg Metropolitan Parks and Recreation District adopts an annual appropriated budget for its general fund and conservation trust fund. Budgetary comparison statements have been provided in this section for the general fund and the conservation trust fund to demonstrate compliance with these budgets and can be found after the notes to the financial statements on pages 44-45 of this report. Pension and Other Post Employment Benefit-related required supplemental information is included on pages 46-49 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$2,514,143. However, the implementation of GASB 68 and GASB 71 have caused a large change in unrestricted net position that make other changes difficult to discern. Net position decreased \$89,524 from the prior year due to the recording of a net pension and OPEB expense.

The largest portion of the District's net position (68%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for

future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (1.2%) represents resources that are subject to external restrictions on how they may be used.

NET POSITION

	<u>2022</u>	<u>2021</u>
Assets:		
Current Assets	\$ 1,740,949	\$ 1,384,775
Capital Assets	<u>1,714,810</u>	<u>1,716,211</u>
Total Assets	<u>3,455,739</u>	<u>3,100,986</u>
Deferred Outflows of Resources	<u>76,682</u>	<u>81,972</u>
Liabilities:		
Current and Other Liabilities	153,438	21,694
Noncurrent Liabilities	<u>7,453)</u>	<u>72,632</u>
Total Liabilities	<u>145,985</u>	<u>94,326</u>
Deferred Inflows of Resources	<u>872,293</u>	<u>708,749</u>
Net Position:		
Net Investment in Capital Assets	1,714,810	1,716,211
Restricted For:		
Emergencies	30,457	25,547
Purposes of Grantors	233,149	191,055
Unrestricted (Deficit)	<u>535,727</u>	<u>447,070</u>
Total Net Position	<u>\$ 2,514,143</u>	<u>\$ 2,379,883</u>

CHANGE IN NET POSITION

Governmental activities increased the District's net position by \$222,184 for 2022.

The following is a condensed comparative summary of the District's revenue and expenses as of December 31:

	<u>2022</u>	<u>2021</u>
General Revenues:		
Property and Specific Ownership	\$ 550,381	\$ 482,259
Intergovernmental	38,311	32,689
Investment Earnings	16,361	277
Miscellaneous	<u>109,690</u>	<u>140,522</u>
Total General Revenues	<u>714,743</u>	<u>655,747</u>
Program Revenues:		
Charges for Services	222,348	169,255
Operating Grants	-	13,611
Capital Grants	<u>78,130</u>	<u>26,576</u>
Total Program Revenues	<u>300,478</u>	<u>209,442</u>
Total Revenues	<u>1,015,221</u>	<u>865,189</u>
Expenses:		
Governmental Activities:		
Administration	435,564	394,115
Pension Expense (Credit)	46,899	(107,352)
Other Post Employment Benefits Expense	39,625	-
Facilities	243,710	248,564
Programs	115,164	105,383
Loss on Disposal of Capital Assets	<u>-</u>	<u>1,852</u>
Total Expenses	<u>880,962</u>	<u>642,562</u>
Change in Net Position	134,259	222,627
Net Position – Beginning of Year	<u>2,379,883</u>	<u>2,157,256</u>
Net Position – End of Year	<u>\$ 2,514,143</u>	<u>\$ 2,379,883</u>

Capital assets. The Strasburg Metropolitan Parks and Recreation District's investment in capital assets for its governmental activities as of December 31, 2022, totals \$1,714,810 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, water rights, buildings and improvements, utility lines, infrastructure, wells, and machinery and equipment (see table below). The total decrease in the District's investment in capital assets for the current fiscal year was .08%.

**Strasburg Metropolitan Parks and Recreation District's Capital Assets
(net of depreciation)**

	<u>2022</u>	<u>2021</u>
Governmental Activities:		
Land	\$ 875,241	\$ 875,241
Construction in Progress	104,706	26,576
Land Improvements	527,139	592,355
Buildings and Improvements	167,069	165,275
Machinery and Equipment	<u>40,655</u>	<u>56,764</u>
 Total Capital Assets, Being Depreciated	 <u>\$ 1,710,210</u>	 <u>\$ 1,716,211</u>

Additional information on the District's capital assets can be found in Note 4 on page 23 of this report.

Long-term debt. At December 31, 2022, the District had no outstanding debt.

Economic Factors and Next Year's Budgets and Rates

The District's total assessed valuations for 2022 as certified by the Adams County and Arapahoe County Assessors were \$77,689,490 and \$24,847,322, respectively. The District's mill rate for general operating purposes was set at 5.010 mills in 2022 for 2023 collections. Budgeted 2022 property tax revenues are \$513,709.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Angie Graff, Strasburg Metropolitan Parks and Recreation District, 1932 Burton Street, P.O. Box 118, Strasburg, Colorado 80136.

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STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

STATEMENT OF NET POSITION DECEMBER 31, 2022

	Total Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 1,092,075
Receivables (net)	622,166
Prepaid Expenses	26,688
Capital Assets, net of accumulated depreciation	
Nondepreciable	979,947
Depreciable	734,863
Total Assets	3,455,739
DEFERRED OUTFLOWS OF RESOURCES	
Pension	73,064
Other Post Employment Benefits	3,618
Total Deferred Outflows of Resources	76,682
LIABILITIES	
Accounts Payable	37,688
Accrued Liabilities	6,350
Deferred Revenue	109,400
Noncurrent Liabilities:	
Net Pension Liability	(34,162)
Net OPEB Liability	26,709
Total Liabilities	145,985
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	513,709
Pension	342,050
Other Post Employment Benefits	16,534
Total Deferred Inflows of Resources	872,293
NET POSITION	
Net Investment in Capital Assets	1,714,810
Restricted For:	
Emergencies	30,457
Purposes of Grantors	233,149
Unrestricted	535,727
Total Net Position	\$ 2,514,143

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

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

	Total Governmental Activities
Expenses	
Parks and Recreation:	
Administration	\$ 435,564
Pension Expense	46,899
Other Post Employment Benefits Expense	39,625
Facilities	243,710
Programs	115,164
	880,962
Total Expenses	880,962
Program Revenues	
Charges for Services	222,348
Capital Grants	78,130
	300,478
Total Program Revenues	300,478
Net Program Expense	580,484
General Revenues (Expenses)	
Property and Specific Ownership Taxes	550,381
Intergovernmental	38,311
Investment Earnings	16,361
Miscellaneous	109,690
	714,743
Total General Revenues	714,743
Change in Net Position	134,259
Net Position, Beginning of Year	2,379,884
Net Position, End of Year	\$ 2,514,143

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

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 858,926	\$ 233,149	\$ 1,092,075
Receivables:			
- Taxes	513,709	-	513,709
- Intergovernmental	104,705	-	104,705
- Accounts	3,752	-	3,752
Prepaid Expenses	<u>26,688</u>	<u>-</u>	<u>26,688</u>
Total Assets	<u><u>\$ 1,507,780</u></u>	<u><u>\$ 233,149</u></u>	<u><u>\$ 1,740,929</u></u>
LIABILITIES AND FUND BALANCES			
Accounts Payable	\$ 37,688	\$ -	\$ 37,688
Accrued Liabilities	6,350	-	6,350
Deferred Revenue	<u>109,400</u>	<u>-</u>	<u>109,400</u>
Total Liabilities	<u>153,438</u>	<u>-</u>	<u>153,438</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	<u>513,709</u>	<u>-</u>	<u>513,709</u>
Total Deferred Inflows of Resources	<u>513,709</u>	<u>-</u>	<u>513,709</u>
FUND BALANCES			
Restricted For:			
TABOR Emergency Reserve	30,457	-	30,457
Purposes of Grantors	-	233,149	233,149
Unassigned	<u>810,176</u>	<u>-</u>	<u>810,176</u>
Total Fund Balances	<u>840,633</u>	<u>233,149</u>	<u>1,073,782</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 1,507,780</u></u>	<u><u>\$ 233,149</u></u>	<u><u>\$ 1,740,929</u></u>

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

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022**

Total Fund Balances - Governmental Fund	\$ 1,073,782
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet.	
Capital Assets	2,818,157
Accumulated Depreciation	<u>(1,103,347)</u>
	<u>1,714,810</u>
Deferred outflows of resources used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Net Pension Expense	73,064
Other Post Employment Benefits Expense	<u>3,618</u>
	<u>76,682</u>
Deferred inflows of resources used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Net Pension Expense	(342,050)
Other Post Employment Benefits Expense	<u>(16,534)</u>
	<u>(358,584)</u>
Long-term liabilities are not due and payable in the current period and therefore not reported as a liability in the governmental funds.	
Net Pension Liability	34,162
Other Post Employment Benefits Expense	<u>(26,709)</u>
	<u>7,453</u>
Net Position of Governmental Activities	<u><u>\$ 2,514,143</u></u>

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Conservation Trust Fund	Total
Revenues			
Taxes	\$ 550,381	\$ -	\$ 550,381
Intergovernmental	78,130	38,311	116,441
Charges for Services	222,348	-	222,348
Investment Earnings	12,579	3,782	16,361
Miscellaneous	109,690	-	109,690
	<hr/>	<hr/>	<hr/>
Total Revenues	973,128	42,093	1,015,221
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Administration	435,564	-	435,564
Facilities	147,573	-	147,573
Programs	115,164	-	115,164
Capital Improvements	94,736	-	94,736
	<hr/>	<hr/>	<hr/>
Total Expenditures	793,037	-	793,037
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	180,091	42,093	222,184
	<hr/>	<hr/>	<hr/>
Fund Balances, Beginning of Year	660,542	191,056	851,598
	<hr/>	<hr/>	<hr/>
Fund Balances, End of Year	<u>\$ 840,633</u>	<u>\$ 233,149</u>	<u>\$ 1,073,782</u>

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

**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 \$ 222,184

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

Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	94,736
Depreciation	<u>(96,137)</u>
	<u>(1,401)</u>

Net Other Post Employment Benefit and pension related items reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the expenditures of the governmental funds.

Pensions	(46,899)
Other Post Employment Benefits	<u>(39,625)</u>
	<u>(86,524)</u>

Change in Net Position of Governmental Activities \$ 134,259

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

The financial statements of the Strasburg Metropolitan Parks and Recreation District (District) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the District’s financial statements.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present the Strasburg Metropolitan Parks and Recreation District (the primary government). The District does not have any component units for which the District is considered financially accountable.

Primary Government. The Strasburg Metropolitan Parks and Recreation District was organized in 1974. The District is a quasi-municipal corporation and is governed pursuant provisions of the Colorado Special District Act. The District was organized for the purpose of providing recreational facilities and programs for its inhabitants. The District is located approximately 30 miles east of the Denver International Airport and encompasses parts of both Arapahoe and Adams counties in its jurisdiction.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the District. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the District. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the District with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds. The District has no proprietary or fiduciary funds. Individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The District uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual, and regulatory requirements.

The District reports the following major governmental funds:

- *General Fund* - This is the District's primary operating fund. It is used to account for all activities of the District not required to be accounted for in some other fund.
- *Conservation Trust Fund* - This fund is used to account for lottery proceeds from the State of Colorado that are legally restricted to expenditures for park and recreation purposes.

D. Capital Assets

Capital assets, which include land, buildings, and certain equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Facilities	10-30 years
Vehicles and Rolling Stock	3-17 years
Machinery and Equipment	3-10 years

E. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents the consumption of net position that applies to a future period that will not be recognized as an outflow of the resources (expenditure) until the future period. At the end of the current fiscal year, the District had deferred outflows of resources for pension benefits and other post employment benefits. The Public Employees' Retirement Association of Colorado ("PERA") recognizes deferred outflows of resources (DOR) which are amortized according to the actuarial valuation report. The DOR can occur from contributions after measurement date, changes in investment, changes in assumptions and changes in experience, as determined from the actuarial valuation report.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category - deferred inflows of resources (DIR) representing pensions and other post employment benefits and unavailable tax revenues. PERA recognizes deferred inflows of resources related to pensions and other post employment benefits which are amortized according to the actuarial valuation report. The DIR can occur from changes in investment, changes in assumptions and changes in experience, as determined from the actuarial valuation report.

The governmental funds also reported deferred inflows of resources representing unavailable tax revenues.

Deferred outflows of resources are presented below the total assets on the government-wide, proprietary, and governmental fund statements. Deferred inflows of resources are presented below the total liabilities on the government-wide, proprietary, and governmental fund statements.

F. Compensated Absences

It is the District's policy to require employees to use accumulated vacation in the year awarded. There is no liability for unpaid accumulated vacation or sick leave since the District

does not have a policy to pay any amounts when employees separate from service with the District.

G. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The District considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 8).

H. Budgetary Information

Budgets are adopted on a basis consistent with GAAP for all funds. According to Local Government Budget Law, the legal level of appropriations is at the total fund expenditures level and lapse at year-end. During the year, the District's Board of Directors can modify the budget by line item within a fund's total appropriation without notification.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

Upon meeting notification and publication requirements, supplemental amendments increasing appropriations may be passed by resolution of the Board of Directors.

I. Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the Arapahoe and Adams County Assessors generally as of January 1, of each year. The levy is normally set by December 15, by certification to the respective County Commissioners to place the tax lien on the individual properties as of January 1, of the following year. The respective County Treasurers collect the determined taxes during the ensuing calendar year. Taxes are payable by April 30, or if at the taxpayer's election paid in equal installments, by February 28 and June 15, respectively.

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are collected.

J. Pension

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

K. Other Post Employment Benefit (OPEB) Plan

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

when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. Deposits and Investments

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	<u>\$ 1,092,075</u>
Total	<u>\$ 1,092,075</u>

Cash and investments as of December 31, 2022 consist of the following:

Deposits With Financial Institutions	\$ 112,318
Deposits With Local Government Investment Pools	<u>979,757</u>
Total	<u>\$ 1,092,075</u>

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits 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 with RHMAEC being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

Investments

Credit Risk. Colorado State Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. These investments include local government investment pools and certain obligations of the United States government. State law limits investments in commercial paper, corporate bonds, and money market mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

Presented below is the minimum rating, as required by Colorado State Statutes, for investments held by the District as of December 31, 2022.

Ratings <u>S&P</u>	Local Government <u>Investment Pools</u>
AAAm	<u>\$ 979,757</u>

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The District places no limit on the amount it may invest in any one issuer. The District invests in one local government investment pool, the Colorado Local Government Liquid Asset Trust (COLOTRUST). The investment is not categorized because the investment is not evidenced by securities that exist in physical or book entry form. At December 31, 2022, the District had an investment of \$979,757 for both market and carrying value.

Fair Value of Investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2022, the District had no investments measured at fair value and had the following investments measured at net asset value:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colotrust	<u>\$ 979,757</u>
Total	<u>\$ 979,757</u>

At December 31, 2022 there were no unrealized losses reflective of changes in the fair market value of investments.

Note 3. Legal Compliance – Budgets

No later than October 15th, the District Administrator submits to the Board of Directors a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, program, and line item and includes information on the prior year, current year estimates and requested appropriations and estimated revenues for the upcoming year.

The Board of Directors holds public hearings and must adopt the budget by resolution prior to December 15th. Once adopted, the Board may at any time, by resolution, amend the budget. The District had one supplemental appropriations during the year ended December 31, 2022.

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented with a higher level of detail than legally required in order to facilitate closer financial analysis.

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 875,241	\$ -	\$ -	\$ 875,241
Construction in Progress	<u>26,576</u>	<u>78,130</u>	<u>-</u>	<u>104,706</u>
Total Capital Assets, Not Being Depreciated	<u>901,817</u>	<u>78,130</u>	<u>-</u>	<u>979,947</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,202,434	-	-	1,202,434
Buildings and Improvements	386,648	16,606	-	403,254
Machinery and Equipment	<u>232,522</u>	<u>-</u>	<u>-</u>	<u>232,522</u>
Total Capital Assets, Being Depreciated	<u>1,821,604</u>	<u>16,606</u>	<u>-</u>	<u>1,838,210</u>
Less Accumulated Depreciation:				
Land Improvements	(610,079)	(65,216)	-	(675,295)
Buildings and Improvements	(221,373)	(14,812)	-	(236,185)
Machinery and Equipment	<u>(175,758)</u>	<u>(16,109)</u>	<u>-</u>	<u>(191,867)</u>
Total Accumulated Depreciation	<u>(1,007,210)</u>	<u>(96,137)</u>	<u>-</u>	<u>(1,103,347)</u>
Total Capital Assets, Being Depreciated, Net	<u>814,394</u>	<u>(79,531)</u>	<u>-</u>	<u>734,863</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,716,211</u>	<u>\$ (1,401)</u>	<u>\$ -</u>	<u>\$ 1,714,810</u>

Depreciation expense in the amount of \$96,137 was charged to the facilities function in the Statement of Activities for the year ended December 31, 2022.

Note 5. Long-term Debt

The District had no long-term debt as of December 31, 2022 and no debt related transactions for the year ended December 31, 2022.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 6. Intergovernmental Agreements

The District has entered into a Master Joint Use Agreement with Strasburg 31J School District in order to define the obligations of each party with respect to providing facilities, services, and programs to citizens, scheduling the use of facilities, developing a fair schedule of charges; joint funding of capital construction, and maintenance and operation of facilities.

Note 7. Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The District maintains commercial insurance for significant insurable risks. Settled claims did not exceed this commercial coverage in any of the past three fiscal years.

Note 8. Defined Benefit Pension Plan

General Information about the Pension Plan

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

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the

benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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 the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase 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% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provisions as of December 31, 2022. Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of January 1, 2021 through December 31, 2022 are summarized in the table below:

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employee contribution (all employees except State Troopers)	8.50%	8.50%	8.50%	9.00%
State Troopers Only	12.00%	12.00%	12.00%	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, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer contribution rate	10.50%	10.50%	10.50%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	9.48%	9.48%	9.48%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02%	0.02%	0.03%	0.03%
Total employer contribution rate to the LGDTF	13.20%	13.20%	13.21%	13.71%

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$46,166 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported a liability of \$-34 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the collective total pension liability 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 total pension liability to December 31, 2021. The District's proportion of the net pension liability was based on District's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the District's proportion was 0.0398455518%, which was an increase of 0.0081532815% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the District recognized a pension expense of \$46,899. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 13,250	\$ 296,082
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	13,648	45,968
Contributions subsequent to the measurement date	<u>46,166</u>	<u>NA</u>
Total	<u>\$ 73,064</u>	<u>\$ 342,050</u>

\$46,166 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

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

Year ended December 31:	
2023	45,599
2024	8,156

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% – 11.30%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Future 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 as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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 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.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- 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 and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the LGDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% 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%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$234,237	(\$34,162)	(\$258,667)

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

Note 9. Defined Benefit Other Post Employment Benefit (OPEB) Plan

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

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.

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% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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% 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% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$3,024 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 District reported a liability of \$26,709 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The District proportion of the net

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

OPEB liability was based on District contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District proportion was .0030973934%, which was an increase of .0006793581% from its proportion measured as of December 31, 2020.

For the year December 31, 2022 the District recognized OPEB expense of \$39,625. At December 31, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 594	\$ 9,435
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	7,099
Contributions subsequent to the measurement date	<u>3,024</u>	<u>N/A</u>
Total	<u>\$ 3,618</u>	<u>\$ 16,534</u>

\$3,024 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 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 December 31:	
2023	\$ 1,370
2024	1,370
2025	1,370
2026	1,370
2027	1,370
Thereafter	249

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

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age			
Price inflation	2.30%			
Real wage growth	0.70%			
Wage inflation	3.00%			
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%			
Discount rate	7.25%			
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029			
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029			
DPS benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	N/A			
Medicare Part A premiums	N/A			

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

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

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

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

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

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

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

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

December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, 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 upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

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

- **Males:** 94% 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.

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

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

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

- **Males:** 112% 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 for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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	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 nominal rate of return assumption of 7.25%.

Sensitivity of the District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 25,942	\$ 26,709	\$ 27,597

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- 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% 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%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 31,020	\$ 26,709	\$ 23,027

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.

Note 10. Commitments and Contingencies

The District is a party to pending legal claims and legal proceedings. Although the outcome of such pending claims and legal proceedings cannot be forecasted with certainty, it is the opinion of the attorney representing the District in these matters that such claims or proceedings will not have material adverse effect on the District's financial position or results of operations.

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has established an emergency reserve for the year ended December 31, 2022 in the amount of \$30,457.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including interpretation of how to calculate Fiscal Year Spending limits may require judicial interpretation.

Note 11. Subsequent Events

On January 12, 2023, the District closed on a lease-purchase agreement with Municipal Capital Markets Group for a ten-year lease-purchase in the amount of \$260,000 to be used to construct

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022

a new maintenance facility at 56401 Sunset Ave. (North Baseball Field parking lot), general site improvements, and facility repairs at 1866 Wagner Street.

**REQUIRED SUPPLEMENTAL
INFORMATION**

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 556,576	\$ 556,576	\$ 550,381	\$ (6,195)
Intergovernmental	2,486,000	86,000	78,130	(7,870)
Charges for Services	159,500	159,500	222,348	62,848
Investment Earnings	200	200	12,579	12,379
Miscellaneous	31,000	31,000	109,690	78,690
Total Revenues	<u>3,233,276</u>	<u>833,276</u>	<u>973,128</u>	<u>139,852</u>
Expenditures				
Current:				
Administration	438,865	438,865	435,564	3,301
Facilities	119,500	119,500	147,573	(28,073)
Programs	93,650	93,650	115,164	(21,514)
Capital Improvements	2,640,000	240,000	94,736	145,264
Total Expenditures	<u>3,292,015</u>	<u>892,015</u>	<u>793,037</u>	<u>98,978</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,739)	(58,739)	180,091	238,830
Other Financing Sources (Uses)				
Transfers In	68,500	68,500	-	(68,500)
Net Change in Fund Balances	9,761	9,761	180,091	170,330
Fund Balances, Beginning of Year	687,992	687,992	660,542	(27,450)
Fund Balances, End of year	<u>\$ 697,753</u>	<u>\$ 697,753</u>	<u>\$ 840,633</u>	<u>\$ 142,880</u>

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

CONSERVATION TRUST FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 28,000	\$ 38,311	\$ 10,311
Investment Earnings	900	3,782	2,882
Total Revenues	28,900	42,093	13,193
Expenditures			
Capital Improvements	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,900	42,093	13,193
Other Financing Sources (Uses)			
Transfers Out	(68,500)	-	68,500
Net Change in Fund Balances	(39,600)	42,093	81,693
Fund Balances, Beginning of Year	186,690	191,056	4,366
Fund Balances, End of year	\$ 147,090	\$ 233,149	\$ 86,059

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Last Fiscal Year

	<u>2021¹</u>
District's Proportion of the Net Pension Liability	0.0398455518%
District's Proportionate Share of the Net Pension Liability	\$ 296,082
District's Covered Payroll	\$ 296,478
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	99.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.49%

¹ Amounts presented are as of the Measurement Date

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION Last Fiscal Year

	<u>2021</u>
Contractually Required Contribution	\$ 39,136
Contributions in Relation to the Contractually Required Contribution	<u>(39,136)</u>
Contribution Deficiency	<u>\$ -</u>
District's Covered Payroll	\$ 296,478
Contributions as a Percentage of Covered Payroll	13.20%

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY Last Fiscal Year

	<u>2021¹</u>
District's Proportion of the Net OPEB Liability	0.0030973934%
District's Proportionate Share of the Net OPEB Liability	\$ 26,709
District's Covered Payroll	\$ 296,478
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	9.01%
Plan Fiduciary Net Position as a Percentage of the Net OPEB Liability	39.40%

¹ Amounts presented are as of the Measurement Date

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB Last Fiscal Year

	<u>2021</u>
Contractually Required Contribution	\$ 3,024
Contributions in Relation to the Contractually Required Contribution	<u>(3,024)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
District's Covered Payroll	\$ 296,478
Contributions as a Percentage of Covered Payroll	1.02%