



**EL PASO - TELLER COUNTY  
9-1-1 AUTHORITY**

**Financial Statements,**

**Management's Discussion and Analysis,**

**And Supplemental Information**

**For the Year Ended December 31, 2023,**

**And**

**Independent Auditors' Report**

# EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
El Paso - Teller County 9-1-1 Authority

### **Opinion**

We have audited the accompanying financial statements of El Paso - Teller County 9-1-1 Authority (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the table of contents, which collectively comprise the Authority's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2023, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **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 the Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibility 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 auditors' 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority'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 Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7, the schedule of the Authority's proportionate share of the net pension liability and the schedule of the Authority's pension contributions and related ratios on pages 34 and 35, the schedule of the Authority's proportionate share of the net OPEB liability and the schedule of the Authority's OPEB contributions and related ratios on pages 38 and 39 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 supplemental 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.

## Report on Other Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental schedule of revenues, expenses and changes in net position – budget and actual (non-GAAP) is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental schedule as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Stockman Kast Ryan + Co. LLP*

June 26, 2024

# EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of El Paso - Teller County 9-1-1 Authority's (the Authority) annual financial report presents the highlights of the Authority's financial activities and financial position. The analysis focuses on significant financial issues and major financial activity and the resulting changes in financial position.

### Overview of the Financial Statements

This annual report consists of the following three parts: Management's Discussion and Analysis, Financial Statements and Supplemental Information. The financial statements include notes which explain in detail some of the information included in the financial statements.

### Required Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the Authority's assets, deferred outflows, deferred inflows and liabilities, with the difference between these balances 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 Authority is improving or deteriorating. The statement of activities and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as an underlying event giving rise to the change occurs, regardless of the time of related cash flows. 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 Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13 to 33 of this report.

### Financial Position and Results from Operations

The Authority's balance sheet is summarized as follows:

	<b>2023</b>	<b>2022</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 11,403,197	\$ 10,171,854
Accounts receivable	2,480,585	2,391,164
Prepaid expenses	<u>504,900</u>	<u>846,149</u>
Total current assets	14,388,682	13,409,167
CAPITAL ASSETS, NET	5,284,459	5,782,508
OPERATING LEASE RIGHT-OF-USE ASSET	1,091,999	
NET PENSION ASSET		191,843
DEFERRED OUTFLOWS OF RESOURCES	<u>1,034,590</u>	<u>115,792</u>
TOTAL	<u>\$ 21,799,730</u>	<u>\$ 19,499,310</u>

	2023	2022
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 378,593	\$ 394,821
Lease liabilities	855,846	
Net pension liability	2,321,792	
Net OPEB liability	<u>152,386</u>	<u>149,992</u>
Total liabilities	<u>3,708,617</u>	<u>544,813</u>
DEFERRED INFLOWS OF RESOURCES	<u>99,198</u>	<u>1,765,867</u>
NET POSITION		
Net investment in capital assets	5,284,459	5,782,508
Unrestricted - Board designated (reserve)	3,200,000	3,000,000
Unrestricted	<u>9,507,456</u>	<u>8,406,122</u>
Total net position	<u>17,991,915</u>	<u>17,188,630</u>
TOTAL	<u>\$ 21,799,730</u>	<u>\$ 19,499,310</u>

The Authority's current assets increased by \$979,515 due in part to the change in net position in the current year and changes in timing of accounts receivable payments.

The Authority's total capital assets decreased by \$498,049, largely due to depreciation expense exceeding capital asset purchases. The Authority purchased capital assets in the amount of \$212,856, consisting of computer and office equipment during 2023. The Authority did not receive any capital contributions during 2023.

Current liabilities increased by \$258,021 due primarily to the addition of lease liabilities in 2023.

As noted, net position may, over time serve as a useful indicator of the Authority's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$17,991,915 as of December 31, 2023.

#### **Statement of Activities and Changes in Net Position**

Operating and non-operating revenue and expenses were as follows:

	2023	2022
OPERATING REVENUE		
Telephone tariff:		
Wireless	\$ 14,166,578	\$ 13,571,387
Wireline	<u>898,651</u>	<u>984,562</u>
Total operating revenue	<u>15,065,229</u>	<u>14,555,949</u>

	<b>2023</b>	<b>2022</b>
<b>OPERATING EXPENSES</b>		
Administration	5,096,028	4,286,817
Personnel	3,407,987	3,174,483
License/maintenance	3,189,330	2,559,630
Communication services	1,574,124	1,648,203
Depreciation expense	710,905	700,846
PSAP expenses	651,792	415,547
Contracted services	<u>274,982</u>	<u>214,206</u>
Total operating expenses	<u>14,905,148</u>	<u>12,999,732</u>
<b>OPERATING INCOME</b>	<u>160,081</u>	<u>1,556,217</u>
<b>NON-OPERATING REVENUE</b>		
Colorado ESInet revenue	479,054	453,766
Other income	<u>164,150</u>	<u>52,820</u>
Total non-operating revenue	<u>643,204</u>	<u>506,586</u>
Change in net position	803,285	2,062,803
NET POSITION, Beginning of year	<u>17,188,630</u>	<u>15,125,827</u>
NET POSITION, End of year	<u>\$ 17,991,915</u>	<u>\$ 17,188,630</u>

### **Budget vs Actual**

Operating revenue of \$15,065,229 was received, which was \$51,623 more than the projected budget. Tariff revenue increased primarily as a result of an increase in the number of telephone lines.

### **Future Projects**

The Authority deployed a new platform for managing our virtualized compute and network infrastructure. This has allowed for agile deployment of new services and increased resiliency and disaster recovery processes. We are currently evaluating new cyber security tools and continue to adopt mature practices like multi-factor authentication (MFA) and cloud services for document management. Our Quality Assurance and Public Education teams are developing a project to help drive high school adoption of the Emergency Telecommunicator Course to aid our local agencies increase their candidate pools. We are also working to bring our public facing resources into compliance with accessibility requirements.

### **Continuous Improvement**

The Authority management team will work together with the new Executive Director to continue to push the Authority forward to achieve mutual goals of the Authority and the customers we service.

### **Professional Development**

The Authority Training and Development Manager will be focusing on creating a solid Succession Plan for the Authority. This will clearly identify gaps in knowledge, duties, and provide a clear path forward for both career development as well as backfilling responsibilities in the case of an absence.

These promotions were affected in 2023:

- Joscelyn Niski was promoted to Quality Assurance Manager
- Brandie Skarloken was promoted to Senior Quality Assurance Analyst
- Preston Pennington was promoted to Senior Quality Assurance Analyst
- Jen Sexton was promoted to Information Technology Support Supervisor
- Matt Towell was re-classified as Director of Information Technology

The Authority management team and senior employees completed an eight-month program including the sections:

- Honesty & Integrity
- Developing Others
- Effective Communications
- Self-Awareness
- Positively Influencing Others
- Accountability
- Being Self Directed

### **2023 Authority Board Members**

Mr. David Edmondson, Chairperson	Represents City of Colorado Springs
Ms. Jessica Flohrs, Vice Chairperson	Represents the cities, towns, U.S. military and special districts
Mr. James Michael Wiles, Secretary	Represents the cities, towns, U.S. military and special districts
Mr. Andy James, Treasurer	Represents El Paso County
Mr. Devin Graham	Represents the cities, towns, U.S. military and special districts
Mr. Jeff Jensen	Represents City of Colorado Springs
Ms. Sunny Bryant	Represents El Paso County
Ms. Michelle Wolff	Represents Teller County
Mr. Tim DeLeon	Represents City of Colorado Springs

### **ADDITIONAL FINANCIAL INFORMATION**

This financial report is designed to provide an overview of the El Paso - Teller County 9-1-1 Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Authority at 2350 Airport Road, Colorado Springs, Colorado 80910.

# EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

## BALANCE SHEET DECEMBER 31, 2023

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### ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

#### CURRENT ASSETS

Cash and cash equivalents	\$ 11,403,197
Accounts receivable	2,480,585
Prepaid expenses	<u>504,900</u>

Total current assets 14,388,682

CAPITAL ASSETS, NET 5,284,459

OPERATING LEASE RIGHT-OF-USE ASSET 1,091,999

#### DEFERRED OUTFLOWS OF RESOURCES

Related to pensions	1,000,403
Related to OPEB	<u>34,187</u>

Total deferred outflows of resources 1,034,590

TOTAL \$ 21,799,730

(Continued)

## EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

### BALANCE SHEET DECEMBER 31, 2023

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#### LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

##### CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 378,593
Current portion of lease liabilities	<u>274,249</u>
Total current liabilities	<u>652,842</u>

##### LONG-TERM LIABILITIES

Net pension liability	2,321,792
Net OPEB liability	152,386
Lease liabilities	<u>581,597</u>
Total long-term liabilities	<u>3,055,775</u>

##### DEFERRED INFLOWS OF RESOURCES

Related to pensions	41,289
Related to OPEB	<u>57,909</u>
Total deferred outflows of resources	<u>99,198</u>

##### NET POSITION

Net investment in capital assets	5,284,459
Unrestricted - Board designated (reserve)	3,200,000
Unrestricted	<u>9,507,456</u>
Total net position	<u>17,991,915</u>

TOTAL	<u><u>\$ 21,799,730</u></u>
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See notes to financial statements.

(Concluded)

## EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

### STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2023

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OPERATING REVENUE	
Telephone tariff:	
Wireless	\$ 12,309,015
Wireline	898,651
Prepaid wireless	<u>1,857,563</u>
Total operating revenue	<u>15,065,229</u>
OPERATING EXPENSES	
Administrative	5,096,028
Personnel	3,407,987
License/maintenance	3,189,330
Communication services	1,574,124
Depreciation expense	710,905
PSAP expenses	651,792
Contracted services	<u>274,982</u>
Total operating expenses	<u>14,905,148</u>
OPERATING INCOME	<u>160,081</u>
NON-OPERATING REVENUE	
Colorado ESInet revenue	479,054
Other income	<u>164,150</u>
Total non-operating revenue	<u>643,204</u>
CHANGE IN NET POSITION	803,285
NET POSITION, Beginning of year	<u>17,188,630</u>
NET POSITION, End of year	<u>\$ 17,991,915</u>

See notes to financial statements.

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## EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

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OPERATING ACTIVITIES	
Cash receipts from customers	\$ 14,975,808
Cash payments for goods and services	(10,787,162)
Cash payments to employees for services	(3,151,498)
Change in right-of-use asset	(1,091,999)
Change in lease liability	<u>855,846</u>
Net cash provided by operating activities	800,995
CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash used in capital and related financing activities —	
Purchase of capital assets	(212,856)
NON-CAPITAL FINANCING ACTIVITIES	
Cash provided by non-capital financing activities —	
Other income	479,054
INVESTING ACTIVITIES	
Cash provided by investing activities —	
Interest income	<u>164,150</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,231,343
CASH AND CASH EQUIVALENTS, Beginning of year	<u>10,171,854</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 11,403,197</u>

(Continued)

## EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

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#### RECONCILIATION OF OPERATING INCOME TO NET

##### CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$	160,081
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		710,905
Changes in operating assets and liabilities:		
Accounts receivable		(89,421)
Prepaid expenses		341,249
Accounts payable and accrued expenses		(16,228)
Right-of-use asset		(1,091,999)
Lease liability		855,846
Pension asset and deferred inflows and outflows		<u>(69,438)</u>
Net cash provided by operating activities	\$	<u>800,995</u>

##### NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Lease liabilities incurred for capital assets	\$	<u>1,119,622</u>
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See notes to financial statements.

(Concluded)

# EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** — El Paso - Teller County 9-1-1 Authority (the Authority) provides a primary means for the public safety agencies in times of emergency and supports the efficient and accurate provision of emergency services within El Paso and Teller County. The Authority was formed in 1990 under Article 11 of Title 29 of the Colorado State Statutes. The purpose was to establish a separate legal entity for the El Paso and Teller County governments to provide emergency telephone service. The governing board for the Authority consists of nine members appointed by various governments within the area. The Authority is authorized to collect \$1.35 per month per phone line within the service area for which emergency telephone service is provided. The funds collected shall be spent solely to pay for the equipment costs, installation costs and other costs directly related to the continued operation and total implementation of an emergency telephone service and emergency notification service.

For financial reporting purposes, the Authority includes all funds for which it is financially accountable. The Authority does not exercise any power over any other entity and is considered a sole reporting entity. The Authority has no component units as defined by the Governmental Accounting Standards Board (GASB).

**Basis of Accounting** — The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America, including all applicable statements of GASB. The financial statements have been prepared on the accrual basis of accounting using the economic resource measurement focus. An enterprise fund is used to account for operations that are financed and operated in a similar manner to a private business enterprise: (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Net Position** — The Authority's net position is classified in the following three components:

*Net Investment in Capital Assets:* This component consists of capital assets, net of accumulated depreciation.

*Restricted:* This component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets are assets which have restrictions placed on the use of the assets through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

*Unrestricted:* This component consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Budgets** — In the fall, the Budget officer is required to submit to the Board of Directors a budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted by the Authority to obtain public comments on the budget. Prior to December 31, the budget is officially adopted by the Board of Directors. The Authority is authorized to transfer budgeted amounts between line items of the budget; however, any revisions that increase the total expenditures of the Authority must be approved by the Board of Directors.

**Cash and Cash Equivalents** — All short-term liquid investments are considered cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

**Capital Assets** — Capital assets are recorded at cost and capitalized if over \$5,000 and have a useful life of one year or more and are depreciated using the straight-line method over estimated useful lives from three to thirty-nine years.

**Accounts Receivable** — The Authority's accounts receivable consists primarily of amounts due from phone companies for emergency telephone service charges. Management has determined all receivables are considered collectible and no allowance for credit losses is deemed necessary.

**Operating Revenue and Expenses** — Operating revenue and expenses are those that result from providing services and producing and delivering goods and services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

**Use of Estimates** — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**Subsequent Events** — The Authority has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

## 2. DEPOSITS

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government to deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by PDPA.

PDPA allows the financial institution to create a single collateral pool for uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2023, the Authority's deposits had a bank balance of \$8,435,770, of which \$250,000 was covered by federal depository insurance. The remainder of the bank balance of \$8,185,770 at December 31, 2023 was collateralized with securities held by the pledging financial institutions and covered by eligible collateral as determined by PDPA.

Colorado Government Liquid Asset Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. At December 31, 2023, the Authority had deposits with COLOTRUST of \$3,253,842. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Designated custodial banks provide safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investment owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes.

**Fair Value Measurements** — The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest level to unobservable inputs (Level 3) as follows:

- Level 1: Unadjusted quoted prices for identical instruments in active markets.
- Level 2: Observable inputs other than quoted market prices.
- Level 3: Valuation derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. COLOTRUST deposits are measured at NAV.

### 3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 is as follows:

	Balance at January 1, 2023	Increase	Decrease	Balance at December 31, 2023
Building and building additions	\$ 6,346,796			\$ 6,346,796
Next generation assets	1,553,870		\$ (1,553,870)	
Capitalized software	2,042,806		(2,042,806)	
Equipment and vehicles	<u>9,691,356</u>	<u>\$ 212,856</u>	<u>(2,787,644)</u>	<u>7,116,568</u>
Total	19,634,828	212,856	(6,384,320)	13,463,364
Less accumulated depreciation	<u>(13,852,320)</u>	<u>(710,905)</u>	<u>6,384,320</u>	<u>(8,178,905)</u>
Net capital assets	<u>\$ 5,782,508</u>	<u>\$ (498,049)</u>	<u>\$ —</u>	<u>\$ 5,284,459</u>

#### 4. LEASE LIABILITIES

The Authority is obligated under a lease for equipment that is accounted for as lease liabilities. A schedule of changes in the Authority's lease liabilities follows:

	Balance at January 1, 2023	Increase	Decrease	Balance at December 31, 2023
Lease liabilities	\$ <u>—</u>	\$ <u>1,119,622</u>	\$ <u>263,776</u>	\$ <u>855,846</u>

Undiscounted cash flows for operating leases as of December 31, 2023 are as follows:

2024	\$ 308,230
2025	308,230
2026	<u>308,230</u>
Future minimum lease payments	924,690
Less amount representing interest	<u>(68,844)</u>
Operating lease liability recognized on the balance sheet	<u>\$ 855,846</u>

#### 5. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which it carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past seven years.

#### 6. DEFINED BENEFIT PENSION PLAN

The Authority contributes to 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).

In accordance with GASB 68, 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 Authority have been determined using the same basis as they are reported by LGDTF which uses 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.

**Plan Description** — The LGDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the Authority are members of the LGDTF. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information for the LGDTF.

That report may be obtained online at [www.copera.org](http://www.copera.org), by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**Benefits Provided** — The LGDTF 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 LGDTF Benefit Structure is the greater of the:

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

The service retirement benefit is limited to 100% of the highest average salary and also cannot exceed the maximum benefit allowed by the 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA Benefit Structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the LGDTF benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve for the LGDTF Division.

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 twenty 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** — Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq.

Eligible employees were required to contribute 9% of their PERA includable salary for the period ending December 31, 2022.

The employer contribution requirements are summarized in the table below for the year ended December 31, 2022:

**January 1 – June 30, 2022**

Employer contribution rate	10.50%
Amount of employer contribution apportioned to the LGDTF HCTF as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	<u>(1.02)</u>
Amount apportioned to the LGDTF	9.48
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	1.50
Defined contribution supplemental as specified in C.R.S. § 24-51-411 <sup>1</sup>	<u>0.03</u>
Total employer contribution rate to the LGDTF	<u>13.21%</u>

**July 1 – December 31, 2022**

Employer contribution rate	11.00%
Amount of employer contribution apportioned to the LGDTF HCTF as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	<u>(1.02)</u>
Amount apportioned to the LGDTF	9.98
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	1.50
Defined contribution supplemental as specified in C.R.S. § 24-51-411 <sup>1</sup>	<u>0.03</u>
Total employer contribution rate to the LGDTF	<u>13.71%</u>

<sup>1</sup> Rates 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 Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Authority were \$255,221 for the year ended December 31, 2023.

**Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** — At December 31, 2023, the Authority reported liability of \$2,321,792 for its proportionate share of the collective net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension asset was determined as of December 31, 2022 using standard roll-forward techniques based upon the December 31, 2021 actuarial valuation.

The Authority's proportion of the net pension liability was based on the Authority's contributions to LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF. The Authority has no legal obligation to fund this shortfall, nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA. At December 31, 2022, the Authority's proportion was 0.23% which was an increase of 0.0078% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Authority's recognized pension gain of \$60,389. At December 31, 2023, the Authority's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience		\$ 11,575
Net difference between projected and actual earnings on pension plan investments	\$ 947,866	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	<u>52,537</u>	<u>29,714</u>
Total	<u>\$ 1,000,403</u>	<u>\$ 41,289</u>

The Authority reported \$959,114 as deferred outflows of resources related to pension, resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset for the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended December 31,</b>	
2023	\$ (93,873)
2024	138,631
2025	346,363
2026	554,785
2027	<u>13,208</u>
Total	<u>\$ 959,114</u>

The differences between expected and actual experience, changes of assumptions as well as the Authority's change in their proportion are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. The LGDTF determined the average expected remaining service lives for active and inactive members at the beginning of the 2022 measurement period to be 2.19 years. The difference between expected and actual investment experience is amortized over a closed five-year period.

**Actuarial Assumptions** — The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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 January 1, 2007 and LGDTF Benefit Structure (automatic) <sup>1</sup>	1.25%
PERA Benefit Structure hired after December 31, 2006 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

<sup>1</sup> 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 total pension liability for the LGDTF, as of 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 fiduciary net position as of December 31, 2022, measurement date.

The actuarial assumptions used in the December 31, 2021, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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 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 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 assumptions, 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 following table:

	<b>Target Allocations</b>	<b>30-Year Expected Geometric Real Rate of Return</b>
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 <sup>1</sup>	<u>6.00</u>	4.70
Total	<u>100.00%</u>	

<sup>1</sup>The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

**Discount Rate** — The discount rate used to measure the total pension liability was 7.25%. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2021, and the financial status of the LDGTF as of the prior measurement date (December 31, 2021).

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, 2012, 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 included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

**Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** — The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
Proportionate share of the net pension liability (asset)	<u>\$ 3,897,703</u>	<u>\$ 2,321,791</u>	<u>\$ 1,002,492</u>

**Pension Plan Fiduciary Net Position** — Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## 7. POST-RETIREMENT HEALTHCARE BENEFITS

The Authority contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by PERA.

In accordance with GASB 75, 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 Authority have been determined using the same basis as they are reported by LGDTF which uses 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.

**Plan Description** — Eligible employees of the Authority are provided with OPEB through the HCTF, a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF is established under Title 24, Article 51 of the CRS, as amended. Title 24, Article 51, Part 12 of the C.R.S. as amended sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purpose of the PERACare program including the administration of premium subsidies. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the HCTF. That report may be obtained as described previously.

**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. 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

The maximum service-based premium subsidy is \$230 (actual dollars) 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 (actual dollars) per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare.

The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

**Contributions** — Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the state, school, local government, and judicial divisions are required to contribute at a rate of 1.02% of PERA includable salary into the HCTF. Employer contributions are recognized by HCTF in the period in which compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions. Employer contributions recognized by HCTF from the Authority were \$19,318 for the year ended December 31, 2023.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** — At December 31, 2023, the Authority reported a liability of \$152,386 for its proportionate share of the collective net OPEB liability. The net OPEB liability was measured as of December 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined as of December 31, 2022 using standard roll-forward techniques based upon the December 31, 2021 actuarial valuation.

The Authority's proportion of the net OPEB liability was based on the Authority's contributions to LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF. The Authority has no legal obligation to fund this shortfall, nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA.

At December 31, 2022, the Authority's proportion was 0.02% which was the same as its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Authority's recognized OPEB gain was \$9,049.

At December 31, 2023, the Authority's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 20	\$ 36,853
Net difference between projected and actual earnings on pension plan investments	9,307	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	22,411	4,237
Changes in assumptions	<u>2,449</u>	<u>16,819</u>
Total	<u>\$ 34,187</u>	<u>\$ 57,909</u>

The Authority reported \$23,722 as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB asset for 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:

<b>Year Ended December 31,</b>	
2024	\$ (3,936)
2025	(5,260)
2026	(833)
2027	(1,577)
2028	1,164
Thereafter	<u>(13,280)</u>
Total	<u>\$ (23,722)</u>

The differences between expected and actual experience, changes of assumptions as well as the Authority's change in their proportion are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the HCTF.

The HCTF determined the average expected remaining service lives for active and inactive members at the beginning of the 2022 measurement period to be 6.24 years. The difference between expected and actual investment experience is amortized over a closed five-year period.

**Actuarial Assumptions** — The total OPEB 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:	
Members of than State Troopers	3.20% - 11.30%
State Troopers	3.20% - 12.40%

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 rated PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.5% in 2022 Gradually decreasing to 4.5% in 2030
Medicare Part A premiums	3.75% in 2022 Gradually increasing to 4.5% in 2029

The total OBEP liability for the HCTF, 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 the December 31, 2022, 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 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.

<u>Participant Age</u>	<u>Annual Increase (Male)</u>	<u>Annual Increase (Female)</u>
65-69	3.0%	1.5%
70	2.9	1.6
71	1.6	1.4
72	1.4	1.5
73	1.5	1.6
74	1.5	1.5
75	1.5	1.4
76	1.5	1.5
77	1.5	1.5
78	1.5	1.6
79	1.5	1.5
80	1.4	1.5
81 and older	0.0	0.0

<u>Sample Age</u>	<u>MAPD PPO #1 with Medicare Part A Retiree/Spouse</u>		<u>MAPD PPO #1 without Medicare Part A Retiree/Spouse</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
65	\$ 1,704	\$ 1,450	\$ 6,514	\$ 5,542
70	1,976	1,561	7,553	5,966
75	2,128	1,681	8,134	6,425

<u>Sample Age</u>	<b>MAPD PPO #2 with Medicare Part A Retiree/Spouse</b>		<b>MAPD PPO #2 without Medicare Part A Retiree/Spouse</b>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
65	\$ 583	\$ 496	\$ 4,227	\$ 3,596
70	676	534	4,901	3,872
75	728	575	5,278	4,169

<u>Sample Age</u>	<b>MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse</b>		<b>MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse</b>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
65	\$ 1,923	\$ 1,634	\$ 6,752	\$ 5,739
70	2,229	1,761	7,826	6,185
75	2,401	1,896	8,433	6,657

In 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 the 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.

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

<u>Year</u>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
2022	6.5%	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 State Division, School Division, Local Government Division, and Judicial Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2021, valuation for the Trust Fund, but developed on a headcount-weighted basis. Affiliated employers of these Division Trust Funds participate in the Trust Fund.

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon 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 PubS-2010 Disabled Retiree Table using 99% of the rates for all ages 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:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- 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 preformed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #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 prior valuation trend pattern.

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

The actuarial assumptions used in the December 31, 2021, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020. The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently.

The most recent analyses were outlined in the Experience Study report dated October, 28, 2020. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

	<b>Target Allocations</b>	<b>30-Year Expected Geometric Real Rate of Return</b>
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 <sup>1</sup>	<u>6.00</u>	4.70
Total	<u>100.00%</u>	

<sup>1</sup>The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

**Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** — The following presents the proportionate share of the net OPEB liability calculated using the healthcare cost trend rate, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

**Sensitivity of the Net OPEB Liability**

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
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
<b>Proportionate share of the net OPEB liability</b>	\$ 148,072	\$ 152,386	\$ 157,079

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:

	Target Allocations	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 <sup>1</sup>	<u>6.00</u>	4.70
Total	<u>100.00%</u>	

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%.

**Discount Rate** — The discount rate used to measure the total pension liability was 7.25%. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2021, and the financial status of the HCTF as of the prior measurement date (December 31, 2021).

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, 2012, 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 included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- 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, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on those assumptions, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

**Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** — The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	<b>6.25%</b>	<b>7.25%</b>	<b>8.25%</b>
<b>Discount rate</b>			
Proportionate share of the net pension liability (asset)	<u>\$ 176,660</u>	<u>\$ 152,386</u>	<u>\$ 131,623</u>

**Pension Plan Fiduciary Net Position** — Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## 8. DEFINED CONTRIBUTION PENSION PLAN

**Plan Description** — Employees of the Authority who are members of the LGDTF (see Note 5) may voluntarily contribute to the Voluntary Investment Program (the 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA.

Plan participation is voluntary, and contributions are separate from others made to PERA. Part 14, Title 24, Article 51 of the CRS, as amended, assigns the Authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available annual report for Colorado PERA's 401(k) and Defined Contribution Plans. That report may be obtained online at [www.copera.org](http://www.copera.org), by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**Funding Policy** — The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$22,500 for the year 2023). In addition, catch-up contributions, up to \$7,500 for the year 2023 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v). The contributions requirements for the Authority are established under Title 24, Article 51, Section 1402 of the CRS, as amended.

## **9. AMENDMENT TO COLORADO CONSTITUTION**

In November 1992, the voters of Colorado approved Amendment I, commonly known as the Taxpayer Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax spending, revenue and debt limitation that apply to the State of Colorado and all local governments. The Authority's financial activity for 1992 provides the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth.

TABOR excludes enterprise governments from its provisions. Enterprise governments, defined as governmental-owned businesses that are authorized to issue revenue bonds and receive less than 10% of their annual revenue in grants from all state and local governments combined are excluded from the provisions of TABOR.

The Authority is of the opinion that the enterprise operations qualify for the exclusion. The amendment is complex and subject to judicial interpretation. The Authority believes it is in compliance with the requirements of the amendment.

## **10. USE OF FUNDS**

The Authority believes it has complied with current CRS regarding use of funds associated with revenue resulting from emergency telephone service charges. The excess funds collected will be used for future funding of the transition to NG 911, capital outlays set forth in the Authority's five year capital expenditure plan, maintaining Authority operations, maintenance and Authority and PSAP staffing.

**EL PASO - TELLER COUNTY  
9-1-1 AUTHORITY**

**SUPPLEMENTAL SCHEDULES**

**AND**

**NOTES TO SUPPLEMENTAL SCHEDULE**

## EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.23%	0.22%	0.22%	0.23%	0.21%	0.20%	0.19%	0.16%	0.17%
Authority's proportionate share of the net pension liability (asset)	\$ 2,321,792	\$ (191,843)	\$ 1,153,544	\$ 1,674,260	\$ 2,632,338	\$ 2,182,517	\$ 2,552,443	\$ 1,760,614	\$ 1,499,241
Authority's covered-employee payroll	\$ 1,893,932	\$ 1,664,961	\$ 1,562,523	\$ 1,576,417	\$ 1,373,301	\$ 1,236,556	\$ 1,145,711	\$ 907,688	\$ 916,553
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	122.59%	-11.52%	73.83%	106.21%	191.68%	176.50%	222.78%	193.97%	163.57%
Authority's plan fiduciary net position as a percentage of the total pension liability	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

## EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

### SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 255,221	\$ 219,775	\$ 202,058	\$ 199,890	\$ 174,135	\$ 156,796	\$ 145,276	\$ 115,095	\$ 116,219
Contributions in relation to the contractually required contribution	<u>255,221</u>	<u>219,775</u>	<u>202,058</u>	<u>199,890</u>	<u>174,135</u>	<u>156,796</u>	<u>145,276</u>	<u>115,095</u>	<u>116,219</u>
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Authority covered-employee payroll	<u>\$ 1,893,932</u>	<u>\$ 1,664,961</u>	<u>\$ 1,562,523</u>	<u>\$ 1,576,417</u>	<u>\$ 1,373,301</u>	<u>\$ 1,236,556</u>	<u>\$ 1,145,711</u>	<u>\$ 907,688</u>	<u>\$ 916,553</u>
Contributions as a percentage of covered-employee payroll	13.48%	13.20%	12.93%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

# EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

## NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

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### 1. CHANGES IN BENEFITS

**2019** — The following major changes were made to plan provisions as part of SB 18-200: The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the Local Government Division. Annual increase (AI) cap is lowered from 2.00% per year to 1.50% per year. Initial AI waiting period is extended from one year after retirement to three years after retirement.

### 2. CHANGES OF ACTUARIAL ASSUMPTION

**2021** — The price inflation assumption was lowered from 2.40% to 2.30%. The wage inflation assumption was lowered from 3.50% to 3.00%. The total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the annual increase cap, resulting from the 2020 automatic adjustment provision assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. The actuarial assumptions used in the December 31, 2020, valuations were based on the 2020 experience analysis dated October 28, 2020 for the period of January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

**2019** — The following major changes were made to plan provisions as part of SB 18-200: Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020 and an additional 0.50% effective July 14, 2021.

**2017** — The investment return assumption was lowered from 7.50% to 7.25%. The price inflation assumption was lowered from 2.80% to 2.40%. The wage inflation assumption was lowered from 3.90% to 3.50%. The post-retirement mortality assumption for healthy lives was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of 73.0% factor applied to ages below 80 and a 108.0% factor applied to age 80 and above, projected to 2018, for males and a 78.0% factor applied to ages below 80 and a 109.0% factor applied to age 80 and above, projected to 2020, for females. For disabled retirees, the mortality assumption was changed to reflect 90.0% of RP-2014 Disabled Retiree Mortality Table. The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriated margin of improved mortality prospectively, the mortality rates incorporate a 70.0% factor applied to male rates and 55.0% factor applied to female rates. The rates of retirement, withdrawal and disability were revised to reflect more closely actual experience.

Continued

# EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

## NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

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### 3. SUBSEQUENT EVENTS

**2020** — Subsequent to December 31, 2019, as a result of the COVID-19 pandemic, the global economic outlook has changed. The duration and full effects of the pandemic are currently unknown, as the global picture continues to evolve. Although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact on PERA's investment portfolio, as well the short-medium term impact on the LGDTF's membership and demographics, remains uncertain.

**2019** — During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate. The bill was signed into law on May 20, 2019, and eliminated the 2.00% increase in the contribution rate required by SB 18-200 for members in the LGDTF. The impact of this change will be reflected in the subsequent fiscal year, for the measurement date December 31, 2019.

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(Concluded)

## EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR THE YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018	2017
Authority's proportion of the net OPEB liability	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.01%
Authority's proportionate share of the net OPEB liability	\$ 152,386	\$ 149,992	\$ 160,557	\$ 197,061	\$ 220,916	\$ 197,947	\$ 188,127
Authority's covered-employee payroll	\$ 1,893,932	\$ 1,664,961	\$ 1,562,523	\$ 1,576,417	\$ 1,373,301	\$ 1,236,556	\$ 1,145,711
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Authority's plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

Note: Information is not available prior to 2017. In future reports, additional years will be added until 10 years of historical data are presented.

# EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

## SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS AND RELATED RATIOS FOR THE YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 19,318	\$ 16,983	\$ 15,938	\$ 16,079	\$ 14,008	\$ 12,613	\$ 11,686
Contributions in relation to the contractually required contribution	<u>19,318</u>	<u>16,983</u>	<u>15,938</u>	<u>16,079</u>	<u>14,008</u>	<u>12,613</u>	<u>11,686</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Authority covered-employee payroll	<u>\$ 1,893,932</u>	<u>\$ 1,664,961</u>	<u>\$ 1,562,523</u>	<u>\$ 1,576,417</u>	<u>\$ 1,373,301</u>	<u>\$ 1,236,556</u>	<u>\$ 1,145,711</u>
Contributions as a percentage of covered-employee payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Note: Information is not available prior to 2017. In future reports, additional years will be added until 10 years of historical data are presented.

## **EL PASO - TELLER COUNTY 9-1-1 AUTHORITY**

### **NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

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**1. CHANGES IN BENEFITS**

None

**2. CHANGES OF ACTUARIAL ASSUMPTION**

2021 – The timing of the retirement decrement was adjusted to the middle of the year.

# EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

## SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>Beginning net position</b>	\$ 10,120,364	\$ 10,120,364	\$ 17,188,630	\$ 7,068,266
<b>Revenue</b>				
Wireline tariff	1,000,520	1,000,520	898,651	(101,869)
Wireless tariff	12,446,579	12,446,579	12,309,015	(137,564)
Prepaid wireless	1,566,507	1,566,507	1,857,563	291,056
Interest income	35,000	35,000	164,150	129,150
Miscellaneous income	400,000	400,000	479,054	79,054
<b>Total revenue</b>	<u>15,448,606</u>	<u>15,448,606</u>	<u>15,708,433</u>	<u>259,827</u>
<b>Expense (including capital asset expenditures)</b>				
Personnel	3,131,577	3,131,577	3,407,987	(276,410)
Administration	6,202,525	6,202,525	5,096,028	1,106,497
Contracted professional services	363,000	363,000	274,982	88,018
Communications	1,935,250	1,935,250	1,574,124	361,126
License and maintenance contracts	3,008,714	3,008,714	3,189,330	(180,616)
PSAP expenses:				
Global PSAP services	1,236,000	1,236,000	137,304	1,098,696
Colorado Springs	343,600	343,600	255,225	88,375
Cripple Creek	34,200	34,200	19,675	14,525
Woodland Park	32,400	32,400	30,050	2,350
El Paso County	201,600	201,600	153,750	47,850
Teller County	143,594	143,594	55,788	87,806
Peterson Airforce Base	331,458	331,458		331,458
Fort Carson	68,400	68,400		68,400
Capital outlay			212,856	(212,856)
<b>Total expense</b>	<u>17,032,318</u>	<u>17,032,318</u>	<u>14,407,099</u>	<u>2,625,219</u>
Increase (decrease) in net assets	<u>(1,583,712)</u>	<u>(1,583,712)</u>	<u>1,301,334</u>	<u>2,885,046</u>
<b>Ending fund balance</b>	<u>\$ 8,536,652</u>	<u>\$ 8,536,652</u>	<u>\$ 18,489,964</u>	<u>\$ 9,953,312</u>
<b>RECONCILIATION OF REVENUE AND EXPENSES - GAAP BASIS</b>				
Depreciation			(710,905)	
Capital outlay			212,856	
Deficiency of revenue over expenditures			(498,049)	
<b>Net Position - GAAP Basis</b>			<u>\$ 17,991,915</u>	

# EL PASO - TELLER COUNTY 9-1-1 AUTHORITY

## NOTES TO SUPPLEMENTAL SCHEDULE

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### 1. BUDGET AND BUDGETARY ACCOUNTING

Procedures followed by the Authority in establishing its budget:

1. Prior to October 15, the Authority mandatorily submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means for financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through a Board of Directors resolution.
4. The Authority is authorized to transfer budgeting amounts between line items.
5. The budget for the Authority is adopted on a basis that is not consistent with accounting principles generally accepted in the United States of America (GAAP). As permitted by Colorado Local Government Budget law, the budget for the Authority is prepared on a cash basis.
6. All annual appropriations lapse at year-end.

### 2. SCHEDULE OF BUDGET AND ACTUAL (NON-GAAP BASIS)

The schedule of budget and actual (non-GAAP basis) is presented on a basis of accounting other than accounting principles generally accepted in the United States of America. As permitted by Colorado Government Budget law, the budget for the Authority is prepared on a cash basis rather than accrual (GAAP) basis. The budget is prepared including capital expenditures and principal payments on expense for budgetary purposes but is not treated as an expense (or expenditure) for GAAP purposes and, for budgetary purposes, the Authority treats the ending cash balance as being available for budgetary purposes rather than the entire accrual basis fund balance as being available. We did a reconciliation from the non-GAAP basis to the GAAP basis at the bottom of page 41.



Resolution 24-09

Authority Member Wolff moved the approval of the following resolution:

A RESOLUTION ACCEPTING THE 2023 AUDIT OF THE EL PASO – TELLER COUNTY EMERGENCY TELEPHONE SERVICE AUTHORITY (AUTHORITY) AS SUBMITTED BY STOCKMAN, KAST RYAN & CO, LLP.

**WHEREAS**, the Bylaws of the Authority provide in Article V, Section 5(c) thereof, that the Board of Directors shall have an annual audit of the financial statements of the Authority, made in accordance with the Colorado Local Government Audit Law (the "Audit Law"); and

**WHEREAS**, the Audit Law (Section 29-1-601, *et. seq.*, C.R.S.) sets forth the procedures and reporting requirements for annual local government audits; and

**WHEREAS**, the Authority has retained the services of Stockman, Kast Ryan & Company, LLP and Ms. Courtney Vance CPA, has completed the audit for 2023.

**NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:**

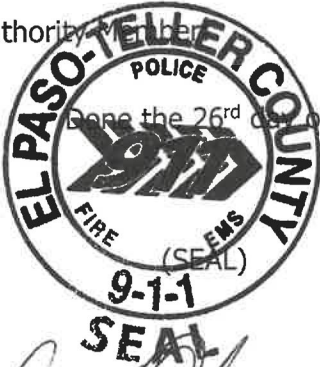
The El Paso – Teller County Emergency Telephone Authority finds the audit completed and submitted by Steve Hochstetter, CPA, conforms with the requirements of the Audit Law and is hereby accepted.

**BE IT FURTHER RESOLVED AS FOLLOWS:**

The Treasurer of the Authority shall file a copy of the audit report with the State Auditor and a copy shall be retained at the offices of the Authority and be available as a public record for inspection, as required by the Audit Law.

Authority Member De Leon seconded the adoption of the foregoing resolution. The roll having been called; the vote was as follows:

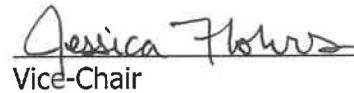
Authority Member:	Bryant	<u>aye</u> /nay/not present/abstain
Authority Member:	De Leon	<u>aye</u> /nay/not present/abstain
Authority Member:	Edmondson	<u>aye</u> /nay/not present/abstain
Authority Member:	Flohers	<u>aye</u> /nay/not present/abstain
Authority Member:	Graham	<u>aye</u> /nay/not present/abstain
Authority Member:	James	<u>aye</u> /nay/not present/abstain
Authority Member:	Jensen	aye/nay/ <u>not present</u> /abstain
Authority Member:	Wiles	<u>aye</u> /nay/not present/abstain
Authority Member:	Wolff	<u>aye</u> /nay/not present/abstain



Done the 26<sup>rd</sup> day of June 2024, at Colorado Springs, Colorado.

El Paso-Teller County  
9-1-1 Authority

  
Chairman

  
Vice-Chair