



CARBON VALLEY
PARKS & RECREATION DISTRICT

FINANCIAL STATEMENTS

2025



701 5th Street, Frederick, CO 80539



www.cvprd.com
303-833-3660

TABLE OF CONTENTS

Independent Auditor's Report	a - c
Management's Discussion and Analysis	i - xi
Basic Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Notes to Financial Statements	7 - 44
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	45
Budgetary Comparison Schedule – Conservation Trust Fund	46
Schedule of the District's Proportionate Share of the Net Pension Liability – PERA Pension Plan – Local Government Division Trust Fund	47
Schedule of the Districts' Contributions – PERA Pension Plan – Local Government Division Trust Fund	48
Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA Health Care Trust Fund	49
Schedule of the Districts' Contributions – PERA Health Care Trust Fund	50
Notes to Required Supplementary Information	51 - 52
Supplementary Information	
Budgetary Comparison Schedule – Capital Projects Fund	53

Other Information

Schedule of Future Debt Service Requirements	54
--	----

Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected	55
--	----



INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Carbon Valley Parks and Recreation District
Weld County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Carbon Valley Parks and Recreation District (the "District") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Carbon Valley Parks and Recreation District as of December 31, 2025, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Carbon Valley Parks and Recreation District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i-v, and budgetary comparison schedules, schedule of proportionate share of the net pension liability, schedule of district contributions, schedule of net OPEB liability and schedule of district OPEB contributions on pages 45-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule – capital improvement projects fund, schedule of debt service requirements and schedule of assessed valuation, mill levy and property taxes collected are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule – capital improvement projects fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The schedule of debt service requirements and schedule of assessed valuation, mill levy and property taxes collected has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Logan and Associates, LLC

Aurora, Colorado
May 18, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the report for the Carbon Valley Parks & Recreation District (the District), the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the calendar year ended December 31, 2025. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2025 Financial Highlights

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$21,000,033 (total net position) for the calendar year reported.

Total net position is comprised of the following:

- 1) Net investment in capital assets, of \$10,771,145 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - i) Capital assets include but are not limited to: Recreation Center, fleet vehicles, large equipment.
 - 2) Net position of \$1,018,315 is restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations.
 - 3) Unrestricted net position of \$9,210,573 represents the net position that does not have any third-party limitations on their use.
- The District's governmental funds reported total ending fund balance of \$11,563,814 this year. This compares to the prior year ending fund balance of \$10,755,461 showing an increase of \$808,353 during the current year.
 - At the end of 2025, the fund balance in the General Fund was \$9,022,233 an increase of \$785,198. This increase is primarily due to spending less than budgeted in 2025.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior calendar year.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all activities of the District. Governmental activities are normally supported by taxes, intergovernmental revenue, fees, and charges.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows, and liabilities and deferred inflows of the District being reported as net position.

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

An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

The government-wide financial statements are presented on pages 1 & 2 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. The District has one type of fund:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is quite different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of

the year. They are useful in evaluating annual financing requirements of programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 3 to 6 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 7 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. This section includes schedules required by GASB 68 and GASB 75. The schedules of the District's proportionate share of PERA's net pension liability and PERA's net OPEB liability and the schedules of employer contributions for both plans can be found on pages 47 to 50 of this report.

Supplementary Information

Budgetary comparison schedule for the District's Capital Improvements Projects Fund can be found on page 53 of this report.

Other Information

Schedules of future debt service requirements for the District's long-term obligations as well as a history of the District's assessed valuation, mill levies, and property taxes collected can be found on pages 54 to 55 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position at calendar year-end is \$21,000,033. The following table provides a summary of the District's net position:

Carbon Valley Parks and Recreation District Summary of Net Position

	2025	2024
Assets		
Current and Other Assets	\$ 15,968,590	\$ 15,159,433
Capital Assets	12,816,145	12,694,711
Total assets	28,784,735	27,854,144
Deferred Outflows of Resources	743,662	1,099,092
Liabilities		
Long-term liabilities	3,822,592	4,344,522
Other Liabilities	507,517	366,092
Total Liabilities	4,330,109	4,710,614
Deferred Inflows of Resources	4,198,255	4,333,398
Net position		
Net Investment in Capital Assets	10,771,145	12,694,711
Restricted	1,018,315	1,125,385
Unrestricted	9,210,573	6,089,128
Total net position	\$ 21,000,033	\$ 19,909,224

The following chart reports the total net position balances from fiscal year 2015 - 2025:



The District reported positive balances in net position for governmental activities. During fiscal year 2025, net position increased \$1,090,809 for governmental activities.

Note that approximately 44.5% of the governmental activities' total assets are tied up in capital assets (with 99% of the capital asset cost being depreciable). The District uses these capital assets to provide services to its citizens.

The following table provides a summary of the District's changes in net position:

**Carbon Valley Parks and Recreation District
Summary of Changes in Net Position**

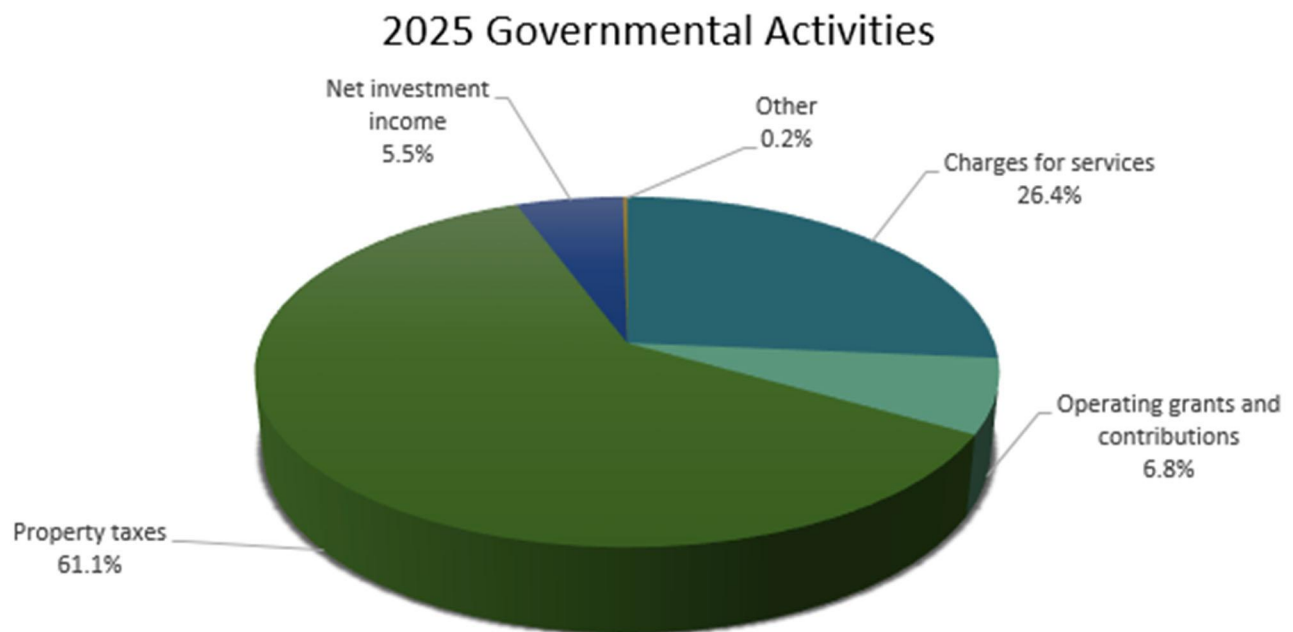
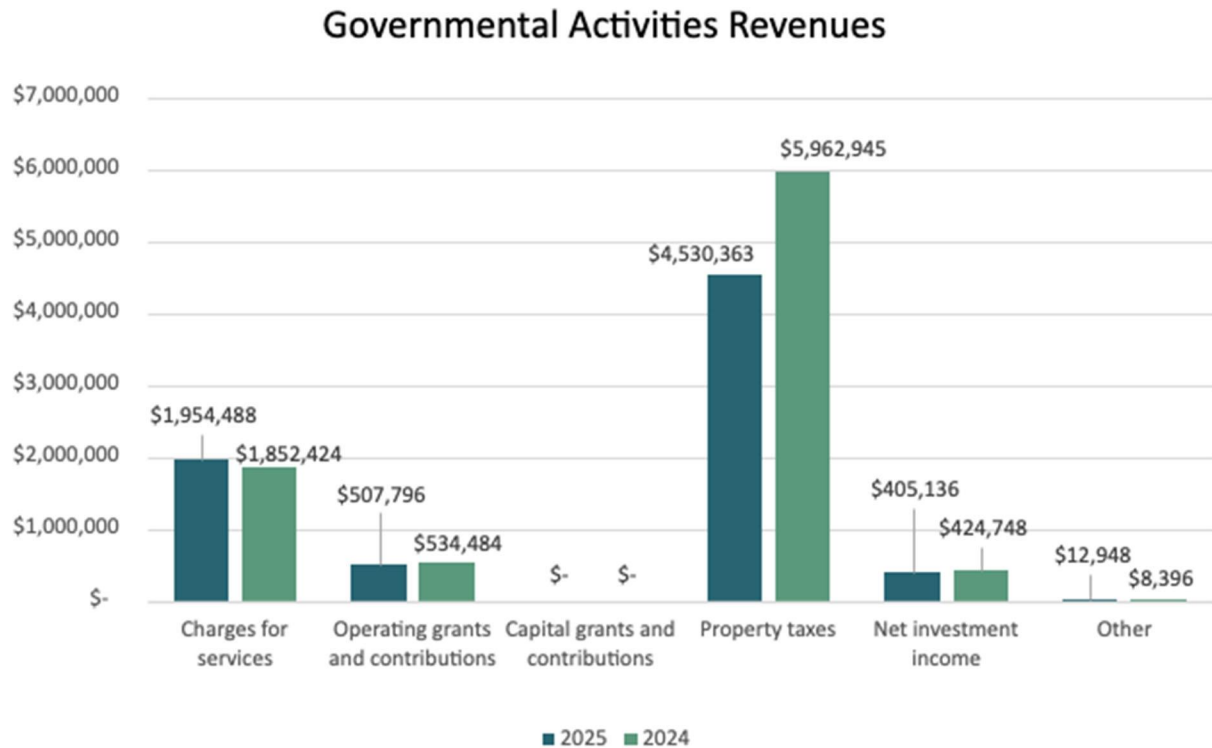
Revenues	2025	2024
Program revenues		
Fees and Charge for Services	\$ 1,954,488	\$ 1,852,424
Operating Grants and Contributions	507,796	534,484
General Revenues		
Property taxes	4,324,051	5,709,305
Specific ownership taxes	206,312	253,640
Investment Income	405,136	424,748
Other	12,948	8,396
PERA Pension Income Adj.	-	-
Total revenues	<u>7,410,731</u>	<u>8,782,997</u>
Expenses		
Administration	1,942,450	1,768,689
Maintenance	978,757	965,081
Swimming pool, Recreation and Sports Programs	3,327,647	2,858,243
Interest and Long Term Debt	71,068	75,650
Total expenses	<u>6,319,922</u>	<u>5,667,663</u>
Change in Net Position	<u>1,090,809</u>	<u>3,115,334</u>
Net Position - Beginning	<u>19,909,224</u>	<u>16,793,890</u>
Net Position - Ending	<u>\$ 21,000,033</u>	<u>\$ 19,909,224</u>

Change in Net Position 2025 vs 2024



Governmental Activity Revenues

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 61.1% of the District's total revenues as compared to 67.9% in calendar year 2024. Note that program revenues covered 33.2% of governmental operating expenses as compared to 27.2% in calendar year 2024.



Governmental Activity Expenses

The following table presents the cost of each of the District's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the amount District's taxpayers help subsidize each of these functions.

	Total Cost of Services	Program Revenues	Net Cost of Services	Net Costs Funded by Program Revenues
Administration	\$ 1,942,450	\$ 245,765	\$ (1,696,685)	12.7%
Maintenance	\$ 978,757	-	\$ (978,757)	0.0%
Swimming Pool, Recreation and Sports Programs	3,327,647	2,216,519	\$ (1,111,128)	66.6%
Interest and Related Charges on Long-term Debt	71,068	-	\$ (71,068)	0.0%
	<u>\$ 6,319,922</u>	<u>\$ 2,462,284</u>	<u>\$ (3,857,638)</u>	<u>39.0%</u>

The swimming pool, recreation and sports programs functions are the highest cost functions, primarily because this area accounts for the normal day-to-day operations of the District, resulting in \$3,327,647.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$11,563,814 compared to \$10,755,461 on December 31, 2024.

Of this year-end total, legally restricted fund balances are \$1,018,315. This includes the amount of \$826,983 for capital projects from the Conservation Trust Fund and the money set aside to meet the TABOR emergency reserve requirements, or \$191,332.

Assigned fund balance totals \$3,452,234. Included in this amount is \$1,360,599 for contingencies and subsequent year's expenditures, and \$2,091,635 for capital improvements.

The total ending fund balances of governmental funds show an increase of \$808,353 from the prior year.

Major Governmental Funds

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund and the only source of day-to-day services delivery for the District. The General Fund's fund balance increased by \$785,198 in 2025, or 9.53% as compared to a 36.03% increase in calendar year 2024. This smaller increase is primarily due to the decrease in property tax revenue.

Total property tax revenues are \$4,530,363 in 2025, decreasing 24.02% compared to \$5,962,945 collected in 2024.

Charges for services, which include program and recreation revenue, increased \$102,064 in 2025 due to the District's facilities and programs continued growth that has been occurring over the past couple of years.

Net investment income decreased by \$19,612 due to the interest rates being lower.

Total administrative expenditures decreased by \$12,705 in 2025. Within the maintenance function, total expenditures decreased \$8,474. Program and recreation expenditures increased \$63,296 and \$226,493, respectively. The increase in all departments was due to increased participation in programming and in the recreation center in general. Part of the expenditure increase also included staff salary changes through annual merit evaluations.

A brief discussion of the other major governmental funds follows:

Special Revenue – Conservation Trust Fund – This fund is used to account for conservation trust revenues and expenditures incurred for eligible costs. The District uses these funds to invest in capital improvements to the District's facilities and fixed asset items. In 2025, the Conservation Trust Fund received \$262,031 in lottery fund income. This increased \$2,936 over 2024. The amount received is based on the population of the district and Colorado Lottery revenues which were increasing in 2025.

In 2025, the District utilized Conservation Trust Fund funds for renovations to the Gymnastics Center. The ending fund balance is \$826,983.

Capital Improvements Project Fund – The Capital Improvements Project Fund was created in 2018 by transferring some of the General Fund's fund balance to utilize and account for capital projects for the District. This fund is used to account for the accumulation of resources for the design, construction, and improvements of various individual capital projects of the District. In 2025, the District transferred \$400,000 from the Capital Improvements Projects Fund to the General Fund to the fund reports an ending balance of \$1,714,598.

During the year, \$326,991 was spent on the following projects:

- Recreation Center – HVAC - \$82,898
- Recreation Center – Pool Plaster - \$75,000
- Recreation Center – Parking Lot - \$21,536
- Recreation Center – Landscaping - \$147,557

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenue from property taxes was \$52,329 more than budgeted for 2025. Specific ownership taxes were \$49,931 less than budgeted for 2025. In general, the District collected less property tax in 2025 than in 2024. This is due to the prices of oil/gas which play a large part in the amount of taxes the district collects, as we get taxes from wells within our boundaries. Intergovernmental revenues were \$66,236 more than budgeted.

The expenditures for the administrative department were under budget by \$337,191. The program department came in \$45,279 over budget. The recreation department came in \$60,752 under budget. Finally, the maintenance department came in \$14,944 over budget.

In total, the District under spent the final expenditure budget for the general fund by \$377,689.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2025, was \$12,816,145. See Note 3 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

	2025	#	2024
Non-depreciable assets:			
Land	\$ 175,847		\$ 175,847
Construction in Process	413,736		-
Total non-depreciable	589,583		175,847
Depreciable assets:			
Buildings and improvements	17,651,036		17,566,079
Equipment	697,212		701,154
Vehicles	251,798		286,622
Total depreciable assets	18,600,046		18,553,855
Less accumulated depreciation	6,373,484		6,034,991
Book value - depreciable assets	12,226,562		12,518,864
Percentage not depreciated	65.7%		67.5%
Total book value	\$ 12,816,145		\$ 12,694,711

The various capitalized additions to governmental activities capital assets of \$814,758 include:

- Wastewater Pumps - \$13,338

- Landscaping - \$147,557
- Pool Upgrades - \$75,000.00
- Parking Lot Seal Coating - \$21,536
- HVAC Replacement - \$82,898
- Ford Transit Van - \$60,693
- Gymnastics Remodel - \$413,736

Additional information on the District's capital assets can be found in Note 3 of the financial statements.

Long-term Debt

The following table reports debt balances on December 31, 2025, and 2024.

	2025	2024
Senior Center Loan - 2022	\$ 2,045,000	\$ 2,185,000
Compensated Absences	\$ 89,852	\$ 86,887
	<u>2,134,852</u>	<u>2,271,887</u>

See Note 4 for additional information about the District's long-term debt.

ECONOMIC CONDITIONS EFFECTING THE DISTRICT AND NEXT YEAR'S BUDGET AND RATES

The District is in a strong financial position. The District has open land available for development which has resulted in residential and commercial development increasing in the District. With the increase in property development and property values the District should anticipate an increase in property tax revenues from residential. However, with the decrease in oil prices over the past year, Weld County is predicting a decrease in property tax revenue from oil and gas which accounts for much of the revenue the District receives. With the increase in population, we expect an increase in memberships and use of District facilities.

Maintaining fund balances is critical to the financial health of the District. Based on TABOR the District will continue to hold 3% of revenues in fund balance, in addition, the Board of Directors have decided to set aside more funds in another account that will allow the District to continue operations longer if needed. A specified amount will be designated in fund balance to assign funds for these future expenditures. The Board of Directors will appropriate the funds in the years needed through resolution.

The District will continue to create a long-term capital improvement plan to maintain and improve current District facilities by transferring additional revenues from the General Fund to the Capital Improvement Projects Fund.

Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional information, contact the District's Finance Department at Carbon Valley Parks and Recreation District, 151 Grant Ave, Firestone, CO 80520. Carbon Valley Parks and Recreation District mailing address 701 5th St. Frederick, CO 80530.

BASIC FINANCIAL STATEMENTS

CARBON VALLEY PARKS AND RECREATION DISTRICT

STATEMENT OF NET POSITION

December 31, 2025

ASSETS

Cash and Investments	\$ 10,795,706
Restricted Cash and Investments	826,983
Receivables	
County Treasurer	4,495
Property Taxes	4,137,684
Prepaid Expenses	203,722
Capital Assets, Not Depreciated	589,583
Capital Assets, Depreciated Net of Accumulated Depreciation	<u>12,226,562</u>
TOTAL ASSETS	<u>28,784,735</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to Pensions	666,217
Related to OPEB	<u>77,445</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>743,662</u>

LIABILITIES

Accounts Payable	182,740
Accrued Salaries and Benefits	82,352
Unearned Revenue	2,000
Accrued Interest	5,573
Noncurrent Liabilities	
Due in One Year	234,852
Due in More Than One Year	1,900,000
Net Pension Liability	1,811,180
Net OPEB Liability	<u>111,412</u>
TOTAL LIABILITIES	<u>4,330,109</u>

DEFERRED INFLOWS OF RESOURCES

Related to OPEB	60,571
Deferred Property Tax Revenue	<u>4,137,684</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,198,255</u>

NET POSITION

Net Investment in Capital Assets	10,771,145
Restricted for Emergencies	191,332
Restricted for Parks and Recreation	826,983
Unrestricted	<u>9,210,573</u>
TOTAL NET POSITION	<u><u>\$ 21,000,033</u></u>

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

CARBON VALLEY PARKS AND RECREATION DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
PRIMARY GOVERNMENT				
Administration	\$ 1,942,450	\$ -	\$ 245,765	\$ (1,696,685)
Maintenance	978,757	-	-	(978,757)
Swimming Pool, Recreation and Sports Programs	3,327,647	1,954,488	262,031	(1,111,128)
Interest and Related Charges on Long-term Debt	71,068	-	-	(71,068)
Total Governmental Activities	6,319,922	1,954,488	507,796	(3,857,638)
GENERAL REVENUES				
		Property Taxes		4,324,051
		Specific Ownership Taxes		206,312
		Interest		405,136
		Miscellaneous		12,948
		TOTAL GENERAL REVENUES		4,948,447
		CHANGE IN NET POSITION		1,090,809
		NET POSITION, Beginning		19,909,224
		NET POSITION, Ending		\$ 21,000,033

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

CARBON VALLEY PARKS AND RECREATION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL IMPROVEMENT PROJECTS FUND	TOTALS
ASSETS				
Cash and Investments	\$ 9,081,108	\$ -	\$ 1,714,598	\$ 10,795,706
Cash and Investments - Restricted	-	826,983	-	826,983
Accounts Receivable				
County Treasurer	4,495	-	-	4,495
Property Taxes Receivable	4,137,684	-	-	4,137,684
Prepaid Expenses	203,722	-	-	203,722
TOTAL ASSETS	<u>13,427,009</u>	<u>826,983</u>	<u>1,714,598</u>	<u>15,968,590</u>
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY				
LIABILITIES				
Accounts Payable	182,740	-	-	182,740
Accrued Salaries and Benefits	82,352	-	-	82,352
Unearned Revenue	2,000	-	-	2,000
TOTAL LIABILITIES	<u>267,092</u>	<u>-</u>	<u>-</u>	<u>267,092</u>
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax Revenue	4,137,684	-	-	4,137,684
FUND EQUITY				
Fund Balance				
Nonspendable	203,722	-	-	203,722
Restricted for Emergencies	191,332	-	-	191,332
Restricted for Parks and Recreation	-	826,983	-	826,983
Assigned for Contingencies	1,360,599	-	-	1,360,599
Assigned for Capital Projects	377,037	-	1,714,598	2,091,635
Unassigned	6,889,543	-	-	6,889,543
TOTAL FUND EQUITY	<u>9,022,233</u>	<u>826,983</u>	<u>1,714,598</u>	<u>11,563,814</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	<u>\$ 13,427,009</u>	<u>\$ 826,983</u>	<u>\$ 1,714,598</u>	<u>\$ 15,968,590</u>

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

CARBON VALLEY PARKS AND RECREATION DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2025

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

Total Fund Balances of Governmental Funds	\$ 11,563,814
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	12,816,145
Long-term liabilities and related items are not due and payable in the current period and accordingly are not reported as fund liabilities. These include the following:	
Accrued Interest Payable	(5,573)
Senior Center Loan - 2022	(2,045,000)
Compensate Absences	(89,852)
Net Pension Liability	(1,811,180)
Net OPEB Liability	(111,412)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources - difference in expected vs actual experience	70,645
Deferred outflows of resources - change in proportionate share of net pension liability	10,574
Deferred outflows of resources - changes of assumptions and other inputs	27,630
Deferred outflows of resources - difference in projected vs actual investment earnings	136,351
Deferred outflows of resources - pension contributions from the measurement date	421,017
Deferred outflows of resources - OPEB - changes of assumptions and other inputs	1,084
Deferred outflows of resources - OPEB - change in proportionate share of net pension liability	45,146
Deferred outflows of resources - OPEB - difference in projected vs actual investment earnings	304
Deferred outflows of resources - OPEB contributions from the measurement date	30,911
Deferred inflows of resources - OPEB - difference in expected vs actual experience	(20,846)
Deferred inflows of resources - OPEB - changes of assumptions and other inputs	(30,209)
Deferred inflows of resources - OPEB - change in proportionate share of net pension liability	(9,516)
Net position of governmental activities	<u>\$ 21,000,033</u>

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

CARBON VALLEY PARKS AND RECREATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	GENERAL FUND	CONSERVATION TRUST FUND	CAPITAL IMPROVEMENT PROJECTS FUND	TOTALS
REVENUES				
Taxes	\$ 4,530,363	\$ -	\$ -	\$ 4,530,363
Grants and Contributions	27,000	-	-	27,000
Intergovernmental	218,765	262,031	-	480,796
Charges for Services	1,954,488	-	-	1,954,488
Interest	289,512	45,596	70,028	405,136
Miscellaneous	12,948	-	-	12,948
TOTAL REVENUES	7,033,076	307,627	70,028	7,410,731
EXPENDITURES				
Administration	1,783,873	-	-	1,783,873
Maintenance	967,314	-	13,773	981,087
Program	1,031,973	-	-	1,031,973
Recreation	1,803,238	-	-	1,803,238
Debt Service				
Principal	140,000	-	-	140,000
Interest	71,449	-	-	71,449
Capital Outlay	50,031	413,736	326,991	790,758
TOTAL EXPENDITURES	5,847,878	413,736	340,764	6,602,378
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,185,198	(106,109)	(270,736)	808,353
OTHER FINANCING SOURCES (USES)				
Transfers	(400,000)	-	400,000	-
TOTAL OTHER FINANCING SOURCES (USES)	(400,000)	-	400,000	-
NET CHANGE IN FUND BALANCES	785,198	(106,109)	129,264	808,353
FUND BALANCES, Beginning	8,237,035	933,092	1,585,334	10,755,461
FUND BALANCES, Ending	\$ 9,022,233	\$ 826,983	\$ 1,714,598	\$ 11,563,814

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

CARBON VALLEY PARKS AND RECREATION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 808,353
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$814,758 exceeded depreciaton expense (\$508,798) and loss on disposal of (\$184,526) in the current period.	121,434
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include loan payments of \$140,000.	140,000
Some expenses reported in the statement of activities do not require the use of current financial financial resources and, therefore, are not reported as expenditures in the governmental funds. These include the change in accrued compensated absences (\$1,337) and change in accrued interest \$368.	(2,584)
In the statement of activities, certain operating expenses, pension and OPEB expense/(income) are meaured by the amounts earned during the year. In the governmental funds, however, expenditures/(income) for these items are measured by the amount of financial resources used or due (the amounts actually paid). This amount represents the net effect of pension and OPEB related amounts, including amortixation of deferred outlfows and deferred inflows of resources related to pensions and OPEB, in the statement of activities	<u>23,606</u>
Change in Net Position of Governmental Activities	<u>\$ 1,090,809</u>

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

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Carbon Valley Parks and Recreation District (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado was organized in 1983 and operates pursuant to the provisions of the Colorado Revised Statutes of the Colorado Special District Act (Title 31, Article 1). The District provides recreational activities and park services and operates under a Service Plan approved by the County of Weld County, Colorado. The District's service area includes the communities of Frederick, Firestone, Dacono and the surrounding rural area.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

In accordance with governmental accounting standards, the District has considered the possibility of including additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the District does not include additional organizations in its report entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities are normally supported by taxes, fees, charges, and intergovernmental revenues.

The statement of net position reports all financial, capital and debt resources of the District. The difference between assets plus deferred outflows, and liabilities plus deferred inflows of the District is reported as net position.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity; 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity; and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost by function or business-type activity is normally covered by general revenue such as property taxes, specific ownership taxes or unrestricted revenues.

Separate financial statements, (fund financial statements) are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the granting agency have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable and available". Revenues are considered to be "available" when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year, except for expenditure driven grants as defined in the following paragraph.

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Grant and similar revenues are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

The District reports the following major governmental funds in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and park maintenance of the District, except those required to be reported in a separate fund.

Conservation Trust Fund – The Conservation Trust Fund is a special revenue fund, used to account for conservation trust (lottery) fund revenues and expenditures incurred for eligible costs. Revenue is restricted for the acquisition, development, and maintenance of new conservation sites, or for capital improvements or maintenance for recreational purposes on any public site.

Capital Projects Fund – The Capital Projects Fund is used to acquire, design, construct and maintain capital assets within the District. Funds are provided by intergovernmental grants, contributions and transfers from other funds, while expenditures generally consist of capital outlay and current expenditures.

Assets, Liabilities, Fund Balance/Net Assets

Cash and Investments – The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investments are carried at fair value.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Receivables – Accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets – Capital assets, which include buildings and related improvements, equipment and vehicles owned by the District, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Buildings	7 - 50 years
Equipment	5 - 20 years
Vehicles	5 - 12 years

Unearned Revenue – Unearned revenue arises when resources are received by the District before it has legal claim to them.

Paid Time Off (Compensated Absences) – It is the District's policy to allow employees to accumulate unused paid time off (PTO) up to a certain maximum number of hours, depending on years of service. All such benefits are accrued when incurred in the government-wide financial statements. PTO is liquidated by the General Fund. All unpaid PTO balances are paid at the hourly rate when the employee retires, resigns or is terminated according to a vesting schedule based on years of service. A noncurrent liability is reported in statement of net position of the government-wide financial statements.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has items related to pensions and Other Post Employment Benefits (OPEB)

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

that are reported as deferred outflows of resources at December 31, 2025.

In addition to liabilities, the statement of financial position and the fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. This District has items related to deferred property tax revenue, pension and OPEB related deferrals, are reported as deferred inflows of resources at December 31, 2025.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government-wide statement of net position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively.

Net Position - In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- Net Investment in Capital Assets - this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- Restricted Net Position - this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position - this classification includes assets that do not have any third party limitation on their use.

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

- Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District had restricted amounts for emergency reserves, and parks and recreation as required by State statutes.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, the District Board of Directors. The constraint may be removed or changed only through formal action of the District Board of Directors.
- Assigned – This classification includes amounts that are constrained by the District's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the District Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The District assigned amounts related to next year's budgeted expenditures that exceed budgeted revenues. In addition, the District assigned amounts for contingencies and future capital projects.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When both the restricted and unrestricted fund balances are available the District uses restricted fund balance first, followed by unrestricted.

Pensions

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

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

OPEB

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

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The District has evaluated events subsequent to the year ended December 31, 2025 through May 18, 2026, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2025, follows:

Cash Deposits	\$ 2,982,804
Petty Cash	1,955
Investments	<u>8,637,930</u>
Total	<u>\$ 11,622,689</u>

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Cash and Investments - Unrestricted	\$ 10,795,706
Cash and Investments - Restricted	<u>826,983</u>
Total	<u>\$ 11,622,689</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all 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, 2025, the District had cash deposits with a carrying amount of \$2,982,804 and bank balances totaling \$2,981,572, of which \$252,400 were insured by FDIC and \$2,729,122 were collateralized with securities held by the financial institution's agents, but not in their name.

Investments

The District has not adopted a formal investment policy; however, the District follows State statutes regarding investments. The District generally limits its concentration of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have a minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to disclosure requirements for concentration risk or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the District Board of Directors, such actions are generally associated with debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest which include the following:

- Obligations of the United States and certain U.S. agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- Local government investment pools

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts.

At December 31, 2025, the District had the following investments:

	<u>Maturity</u>	<u>2025</u>
Colorado Liquid Government Asset Trust (COLOTRUST)	Weighted Average under 60 days	\$ <u>8,637,930</u>

COLOTRUST

The District invested in the Colorado Government Liquid Asset Trust (COLOTRUST) (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable, Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. As of December 31, 2025, COLOTRUST EDGE possessed a weighted average maturity of 132 days and a weighted average life of 209 days.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard and Poor's. COLOTRUST EDGE is rated AAAs/S1 by FitchRatings. COLOTRUST records its investments at fair value and the Town records its investments in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. The District does not have a policy for managing credit risk or interest rate risk.

Restricted Cash and Investments

Restricted cash and investments are for unspent conservation trust/lottery funds.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, is summarized below:

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Capital Assets, not being depreciated				
Land	\$ 175,847	\$ -	\$ -	\$ 175,847
Construction in Progress	-	413,736	-	413,736
Total Capital Assets, not being depreciated	175,847	413,736	-	589,583
Capital Assets, being depreciated				
Buildings and improvements	17,566,079	326,991	242,034	17,651,036
Equipment	701,154	13,338	17,280	697,212
Vehicles	286,622	60,693	95,517	251,798
Total Capital Assets, being depreciated	18,553,855	401,022	354,831	18,600,046
Less accumulated depreciation				
Buildings and improvements	(5,547,766)	(438,136)	(85,708)	(5,900,194)
Equipment	(313,893)	(43,191)	(13,080)	(344,004)
Vehicles	(173,332)	(27,471)	(71,517)	(129,286)
Total accumulated depreciation	(6,034,991)	(508,798)	(170,305)	(6,373,484)
Total Capital Assets, being depreciated, net	12,518,864	(107,776)	184,526	12,226,562
Business-type Activities Capital Assets, net	<u>\$ 12,694,711</u>	<u>\$ 305,960</u>	<u>\$ 184,526</u>	<u>\$ 12,816,145</u>

Depreciation expense was charged to the District's Governmental Activities Swimming Pool, Recreation and Sports programs.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2025:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Senior Center Loan - 2022	\$ 2,185,000	\$ -	\$ 140,000	\$ 2,045,000	\$ 145,000
Compensated Absences	86,887	2,965	-	89,852	89,852
	<u>\$ 2,271,887</u>	<u>\$ 2,965</u>	<u>\$ 140,000</u>	<u>\$ 2,134,852</u>	<u>\$ 234,852</u>

Series 2022 Senior Center Loan

On August 29, 2022, the District entered into a lease purchase agreement with Truist Bank, for the purpose of paying off the 2009 Building Lease, and financing the construction of building improvements and repairs to a building that will be the future Carbon Valley Senior Center. Under the agreement, the District has conveyed a leasehold interest in a District owned land and building to the Bank in return for a lumpsum payment of \$2,450,000. The District is required to make semi-annual interest payments on June 1 and December 1, commencing on December 1, 2022, at a rate of 3.270% per annum. Annual principal payments are due on December 1, commencing on December 1, 2023 through December 31, 2037.

Annual debt service requirements for the District's outstanding loan at December 31, 2025 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 145,000	\$ 66,871	\$ 211,871
2027	145,000	62,130	207,130
2028	150,000	57,389	207,389
2029	155,000	52,484	207,484
2030	160,000	47,415	207,415
2031-2035	890,000	154,835	1,044,835
2036-2037	400,000	19,783	419,783
	<u>\$ 2,045,000</u>	<u>\$ 460,907</u>	<u>\$ 2,505,907</u>

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: INTERGOVERNMENTAL AGREEMENTS

City of Dacono

On December 8, 2025, the District and the City of Dacono ("the City") entered into an intergovernmental agreement (IGA) to set forth the general understanding of the parties regarding their relationship and their provision of recreation facilities and services within the City and the District. This agreement supersedes, the amended IGA dated December 16, 2019, and will remain in effect until December 31, 2030, unless terminated by either party as allowed by the IGA.

The District and the City acknowledge and agree that that they will have the following general responsibilities with respect to the following matters of mutual interest to the District and the City:

- The City will add a condition of approval to any Resolution or Ordinance approving a development application for property that is not within the District requiring a valid petition for inclusion be submitted to the District for any property that is not already included within the District. Such best efforts shall not require that the City commence or join in any litigation regarding the enforcement of this provision.
- The City will give the District the opportunity to comment on development proposals on all new developments within the City no later than 15 days prior to the Planning Commission's consideration of such development inadvertently fail to mail such referral, such failure shall not constitute a breach of this Agreement, or require the delay or cancellation of any scheduled Planning Commission or City Council public hearing regarding the subject development.
- The City will own and develop the neighborhood, area and regional parks within the City.
- The City will continue to pay for the watering of the inside and surrounding areas of the regional parks within the City.
- The District will provide and maintain a current contact list for the City's Public Works Manager and Chief of Police with current contact information for a District representative to be contacted in the case of emergency related to any District activity or event within the City. The District shall notify the Public Works Manager and Chief of Police in writing of any change of designated representative or such representative's contact information. However, if the District inadvertently fails to mail such referral it shall not constitute a breach of this Agreement.
- Representatives of the District shall provide the City Council with biannual updates that include information on current and planned services and facilities, and other issues related to implementation of this Agreement, and other matters of mutual interest.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: INTERGOVERNMENTAL AGREEMENTS (Continued)

City of Dacono (Continued)

- The District shall update its service plan or other necessary filings, as may be necessary to assure that it can include properties into the District that may annex into Dacono.
- The District shall only include properties within the District that are within the given boundaries of the District.
- The District shall not enter into any agreement with City of Dacono, Town of Firestone or Town of Frederick or properties in unincorporated Weld County to provide specific facilities or services without notification to the Dacono City Manager and City Council.
- The District will allow for City employees to participate in employee wellness programing and activities.

Town of Frederick

On April 27, 2006, the District and the Town of Frederick (Town) entered into an intergovernmental agreement to set forth the general understandings of the Parties regarding their relationship and their provision of recreation facilities and services within the Town and the District. The District and the Town acknowledge and agree that they will have the following general responsibilities with respect to the following matters of mutual interest to the District and the Town:

- The Town will continue to require developments within the Town that are not currently within the District to file a petition for inclusion with the District.
- The Town will give the District the opportunity to comment on development proposals on all new developments within the Town no later than 21 days prior to the Planning Commission's consideration of such development proposal.
- The Town will own and develop the St. Vrain Legacy Trail within the Town limits.
- The District will expend District capital improvements and maintenance funds within the Town, in amounts not less than the ratio of the total assessed valuation of all taxable property within the District. This capital improvement and maintenance expenditure allocation shall not apply to bond proceeds and shall be reviewed on a three-year basis commencing in the year 2007.
- The District will operate, maintain and manage the inside (other than watering) of mutually agreed upon sports fields and/or other recreation facilities within the Town.
- The District shall be responsible for cleaning of all areas and facilities used by it, and for the supervision of players and programs, and shall hold harmless the Town from any and all liability resulting therefrom.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: INTERGOVERNMENTAL AGREEMENTS (Continued)

Town of Frederick (Continued)

- With respect to the Lighted Ball Field on Block 29, the District agrees to pay all power/lighting costs associated with its use. The parties agree to evenly split the cost of all water used. The District is required to perform routine maintenance on the lighted ball field to include the following: mow and water the grassed areas weekly; daily trash pickup and maintenance of facilities; and other grounds keeping as agreed upon by the Parties. The terms of the use of the facilities on Block 29 are further clarified in the July 2012 Agreement for Joint Use of Facilities between the District, the Town and the St. Vrain School District RE-IJ.

Subsequent to the year ended December 31, 2025, the District and the Town of Frederick approved a revised intergovernmental agreement, effective, May 6, 2026 through December 31, 2030.

Town of Firestone

On June 19, 2024, the District and the Town of Firestone (Town) entered into an intergovernmental agreement (IGA) to set forth the general understandings of the Parties regarding their relationship and their provision of recreation facilities and services within the Town and the District, and specific responsibilities concerning the use, management, operation and maintenance of certain Town-owned parks that are jointly used for recreation services. This agreement supersedes, the amended IGA dated March 19, 2016, and will remain in effect until December 31, 2035, unless terminated by either party as allowed by the IGA. The District and the Town acknowledge and agree that they will have the following general responsibilities with respect to the following matters of mutual interest to the District and the Town:

- The Town will continue to use its best efforts to require developments within the Town that are not currently within the District to file a petition for inclusion with the District.
- The Town will give the District the opportunity to comment on development proposals on all new developments within the Town no later than 15 days prior to the Planning Commission's consideration of such development proposal.
- The Town will own and develop the Firestone Trail.
- The Town will own and develop the neighborhood, area and regional parks and trails within the Town.
- The District will provide and maintain a current contact list to the Town for a District representative to be contacted in the case of emergency related to any District activity or event within the Town. The District shall notify the Town in writing of any change of designated representative or such representative's contact information.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: INTERGOVERNMENTAL AGREEMENTS (Continued)

Town of Firestone (Continued)

- To the extent permitted by law, the Town agrees to indemnify and hold harmless the District and its officials, agents and employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the Town's use, operation, maintenance or management of Town parks or other Town-owned facilities, to the extent caused by or claimed to be caused by the act, omission, or other fault of the Town, its officials, agents and employees.
- To the extent permitted by law, the District agrees to indemnify and hold harmless the Town, and its officials, agents and employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the District's use, operation, maintenance or management of Town parks or other Town-owned facilities, to the extent caused by or claimed to be caused by the act, omission, or other fault of the District, its officials, agents and employees.
- Representatives of the District shall provide the Town Board with quarterly updates that include information on current and planned services and facilities, and other issues related to implementation of this Agreement, and other matters of mutual interest.
- The agreement further clarifies the joint use for specific parks with the Town, including field maintenance, storage of District equipment and consent for capital improvements.
- The District will allow for City employees to participate in employee wellness programing and activities.

On August 24, 2022, the District entered into an agreement with the Town of Firestone wherein the District has use of the property previously used as the Town of Firestone Town Hall for the Carbon Valley Senior Center and District administrative offices. The District will have use of the property until August 24, 2037.

The remainder of this page is intentionally left blank.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: INTERGOVERNMENTAL AGREEMENTS (Continued)

Town of Firestone and the Firestone Urban Renewal Authority Cooperation Agreements

The District has entered into Cooperation Agreements with the Town of Firestone and the Firestone Urban Renewal Authority as it relates to the following urban renewal areas:

Urban Renewal Area	Plan Effective Date	Cooperation Agreement Date
Southern Firestone Urban Renewal Plan	January 28, 2010	September 9, 2010
Northern Firestone Urban Renewal Plan	June 12, 2013	October 17, 2012
Central Firestone Urban Renewal Plan	December 16, 2015	December 16, 2015

The Agreements provide for the Firestone Urban Renewal Authority to pay the District all of the increase in property tax revenues calculated, produced, and allocated to the Firestone Urban Renewal Authority as a result of the levy of the District upon taxable property within the Urban Renewal Areas for twenty-five (25) years from the effective date of the Plan.

NOTE 6: RETIREMENT COMMITMENTS

Multiple-Employer Defined Benefit Pension Plan

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

Benefits Provided as of December 31, 2023. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: RETIREMENT COMMITMENTS (Continued)

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

- Highest average salary multiplied by 2.5% 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 annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit are generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of the 1.00% AI cap or the average CPI for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified C.R.S. § 24-51-413.

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

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

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Contribution provisions as of December 31, 2025. Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period January 1, 2024 through December 31, 2025 are summarized in the table below:

	January 1, 2024 through December 31, 2024	January 1, 2025 through December 31, 2025
Employee Contribution Rate	9.00%	9.00%
Safety Officers	13.00%	13.00%

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

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

	January 1, 2024 through December 31, 2024	January 1, 2025 through December 31, 2025
Employer Contribution Rate	11.00%	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount Apportioned to the SCHDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-1411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-1411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. 24-51-415	0.06%	0.08%
Total Employer Contribution Rate to the LGDTF	13.74%	13.76%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$389,754 for the year ended December 31, 2025.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: RETIREMENT COMMITMENTS (Continued)

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

The net pension liability was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of December 31, 2023. Standard updated procedures were used to roll forward the TPL to December 31, 2024. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

At December 31, 2025 the District reported a liability of \$1,811,180 for its proportionate share of the net pension liability.

At December 31, 2024, the District's proportion was 0.295174%, which was an increase of 0.07689% from its proportion measured as of December 31, 2023. For the year ended December 31, 2025, the District recognized pension expense (income) of \$208,234. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 70,645	\$ -
Net difference between projected and actual earnings on pension plan investments	136,351	-
Changes of assumptions and other inputs	27,630	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,574	-
Contributions subsequent to the measurement date	421,017	-
Total	<u>\$ 666,217</u>	<u>\$ -</u>

\$421,017 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,

2026	\$ 135,815
2027	41,210
2028	34,088
2029	34,087

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2023 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 other than Safety Officers	3.20% – 11.30%
Safety Officers	3.20% – 12.40%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation:	7.25%
Discount rate:	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07:	1.00% compounded annually
PERA Benefit Structure hired after 12/31/06 ⁽¹⁾ :	Financed by the AIR

(1) Post Retirement benefit increases are provided by 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.

As of the December 31, 2024 measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

<u>Pre-Retirement</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
<u>Post-Retirement (Retiree), Non-Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/90% of the rates age 80 and older Females: 87% of the rates prior to age 80/107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: RETIREMENT COMMITMENTS (Continued)

<u>Post-Retirement(Beneficiary), Non-Disabled Mortality Table</u>		<u>Adjustments, as Applicable</u>
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
<u>Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2023, valuation 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 the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025 for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases including wage inflation:		
Members other than Safety Officers		3.40% - 13.00%
Safety Officers		3.20% - 16.30%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

<u>Pre-Retirement</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: RETIREMENT COMMITMENTS (Continued)

<u>Post-Retirement (Retiree), Non-Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
<u>Post-Retirement(Beneficiary), Non-Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
<u>Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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, and again at the Board's September 20, 2024, meeting. 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:

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: RETIREMENT COMMITMENTS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
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 rate of return assumption of 7.25%.

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

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

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: RETIREMENT COMMITMENTS (Continued)

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of Net Pension Liability	<u>\$ 3,964,311</u>	<u>\$ 1,811,180</u>	<u>\$ 2,305</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.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan

Voluntary Investment Program – PERAPLus 401(k) Plan

Plan Description. Employees of the District who are members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPLus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14, of the CRS, as amended, assigns the authority to establish the Plan provision to the PERA Board of Trustees. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. The PERAPLus 401(k) Plan is funded by voluntary contributions up to the maximum limits set by the IRS, as established under Title 24, Article 51, Section 1402, of the CRS, as amended. The District does not make contributions to the 401(k) Plan. For the year ended December 31, 2023, program members contributed \$0 and the District recognized pension expense and a liability of \$0 and \$0, respectively for the Voluntary Investment Program.

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

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

Benefits Provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in one or more of the four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated to the. 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.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

PERA Benefit Structure. The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% 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 retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF pays an alternative service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$28,683 for the year ended December 31, 2025.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31 2025, the District reported a liability of \$111,412 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.023300%, which was an increase of 0.000531% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2024, the District recognized OPEB expense (income) of (\$41,462). At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (20,846)
Net difference between projected and actual earnings on pension plan investments	304	-
Changes of assumptions or other inputs	1,084	(30,209)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	45,146	(9,516)
Contributions subsequent to the measurement date	30,911	-
Total	<u>\$ 77,445</u>	<u>\$ (60,571)</u>

\$30,911 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,

2026	\$ (3,446)
2027	4,811
2028	2,849
2029	(5,372)
2030	(8,034)
2031	(4,845)

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans		16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034		
MAPD PPO #2		105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034		
Medicare Part A premiums		3.50% in 2024, gradually increasing to 4.50% in 2033		
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023 valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,710	\$ 1,420	\$ 585	\$ 486	\$ 1,897	\$ 1,575
70	\$ 1,921	\$ 1,589	\$ 657	\$ 544	\$ 2,130	\$ 1,763
75	\$ 2,122	\$ 1,670	\$ 726	\$ 571	\$ 2,353	\$ 1,853

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,536	\$ 5,429	\$ 4,241	\$ 3,523	\$ 7,063	\$ 5,866
70	\$ 7,341	\$ 6,073	\$ 4,764	\$ 3,941	\$ 7,933	\$ 6,563
75	\$ 8,110	\$ 6,385	\$ 5,262	\$ 4,143	\$ 8,763	\$ 6,900

The 2024 Medicare Part A Premium is \$505 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

The remainder of this page is intentionally left blank.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Year	PERACare Medicare Plans ⁽¹⁾	MAPD PPO #2	Medicare Part A Premium
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.00%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

(1) Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023 valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

<u>Pre-Retirement</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
<u>Post-Retirement (Retiree), Non-Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/90% of the rates age 80 and older Females: 87% of the rates prior to age 80/107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/94% of the rates age 80 and older Females: 83% of the rates prior to age 80/106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

<u>Post-Retirement(Beneficiary), Non-Disabled Mortality Table</u>		<u>Adjustments, as Applicable</u>
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
<u>Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

- Per capita health care costs in effect as of the December 31, 2023 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 were updated to reflect the change in costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023 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.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023 to December 31, 2024.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	\$ 1,824	\$ 6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

<u>Pre-Retirement</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

<u>Post-Retirement (Retiree), Non-Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates prior to age 85/105% of the rates age 85 and older Females: 85% of the rates prior to age 85/105% of the rates age 85 and older
Safety Officers School Division	PubS-2010 Healthy Retiree PubT-2010 Healthy Retiree	N/A Males: 106% for all ages Females: 86% of the rates prior to age 85/115% of the rates age 8 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
<u>Post-Retirement(Beneficiary), Non-Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
<u>Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 percentage 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, and, again at

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

the Boards September 20, 2024 meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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

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

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ⁽¹⁾	5.75%	6.75%	7.75%
Ultimate PERA Care Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate ⁽¹⁾	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate ⁽¹⁾	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ⁽¹⁾	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 108,410	\$ 111,412	\$ 114,809

⁽¹⁾ for the January 1, 2025 plan year.

The remainder of this page is intentionally left blank.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of Net OPEB Liability	\$ 136,537	\$ 111,412	\$ 89,751

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees, health claims or natural disasters.

Risks of loss from property and liability coverage and injuries to employees are covered by the District's participation in the Colorado Special Districts Property and Liability Pool (the "Pool"), along with participation in the worker's compensation pool. The Pool is a separate independent organization created by an intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. Settled claims have not exceeded this coverage in any of the past three years.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 10: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment (Continued)

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

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

On November 5, 1996, the registered voters of the District voted to allow the District to collect, retain, and expend all revenues and other funds generated from its current general fund property tax mill levy of 4.427 mills, from fees and charges and all other sources, effective January 1, 1996, and continuing thereafter, and be used to provide District services as a voter approved revenue change, offset and an exception to the limits imposed by Article X, Section 20 of the Colorado Constitution, Section 29-1-301, C.R.S. This effectively removed all revenue and spending limits imposed by the Amendment.

The District has established an emergency reserve, representing 3% of qualifying fiscal year spending, as required by TABOR. At December 31, 2025, the emergency reserve of \$191,332 was reported as a restriction of fund balance and net position in the General Fund and Governmental Activities, respectively.

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

Tax Spending Limitation

Section 29-1-1702, Colorado Revised Statutes (C.R.S.), contains limitations on revenues generated from property tax revenues that apply to certain local governments within the State of Colorado.

Annual operating revenue from property taxes is generally limited to a 10.50% increase over a two-year period (5.25% each year); such increase is determined based on a prior assessment period and adjusted for allowable exclusion and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

REQUIRED SUPPLEMENTARY INFORMATION

CARBON VALLEY PARKS AND RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2025

(With Comparative Totals for December 31, 2024)

	2025			2024
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE with FINAL BUDGET	ACTUAL
REVENUES				
Taxes				
Property Taxes	\$ 4,270,722	\$ 4,324,051	\$ 53,329	\$ 5,709,305
Specific Ownership Taxes	256,243	206,312	(49,931)	253,640
Intergovernmental	152,529	218,765	66,236	273,389
Charges for Services				
Program Revenue	793,734	916,528	122,794	819,859
Recreation Revenue	1,089,079	1,037,960	(51,119)	1,032,565
Grants and Contributions	-	27,000	27,000	2,000
Interest	22,264	289,512	267,248	294,938
Miscellaneous	17,400	12,948	(4,452)	8,396
TOTAL REVENUES	<u>6,601,971</u>	<u>7,033,076</u>	<u>431,105</u>	<u>8,394,092</u>
EXPENDITURES				
Current				
Administration	2,121,064	1,783,873	337,191	1,796,578
Maintenance	952,370	967,314	(14,944)	989,561
Program	986,694	1,031,973	(45,279)	968,677
Recreation	1,863,990	1,803,238	60,752	1,576,745
Debt Service				
Loan Principal	140,000	140,000	-	135,000
Loan Interest	71,449	71,449	-	75,864
Lease Principal	-	-	-	19,781
Lease Interest	-	-	-	154
Capital Outlay	90,000	50,031	39,969	-
TOTAL EXPENDITURES	<u>6,225,567</u>	<u>5,847,878</u>	<u>377,689</u>	<u>5,562,360</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	376,404	1,185,198	808,794	2,831,732
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(400,000)</u>	<u>(400,000)</u>	-	<u>(650,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(400,000)</u>	<u>(400,000)</u>	-	<u>(650,000)</u>
NET CHANGE IN FUND BALANCE	(23,596)	785,198	808,794	2,181,732
FUND BALANCE, Beginning	<u>7,194,866</u>	<u>8,237,035</u>	<u>1,042,169</u>	<u>6,055,303</u>
FUND BALANCE, Ending	<u>\$ 7,171,270</u>	<u>\$ 9,022,233</u>	<u>\$ 1,850,963</u>	<u>\$ 8,237,035</u>

See the accompanying Independent Auditor's Report.

CARBON VALLEY PARKS AND RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 Year Ended December 31, 2025
 (With Comparative Totals for December 31, 2024)

	2025			2024
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE with FINAL BUDGET	ACTUAL
REVENUES				
Lottery Revenues	\$ 250,000	\$ 262,031	\$ 12,031	\$ 259,095
Interest	5,000	45,596	40,596	42,293
TOTAL REVENUES	255,000	307,627	52,627	301,388
EXPENDITURES				
Parks and Recreation	475,000	413,736	61,264	33,104
TOTAL EXPENDITURES	475,000	413,736	61,264	33,104
NET CHANGE IN FUND BALANCE	(220,000)	(106,109)	113,891	268,284
FUND BALANCE, Beginning	591,406	933,092	341,686	664,808
FUND BALANCE, Ending	<u>\$ 371,406</u>	<u>\$ 826,983</u>	<u>\$ 455,577</u>	<u>\$ 933,092</u>

See the accompanying Independent Auditor's Report.

CARBON VALLEY PARKS AND RECREATION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA Local Government Division Trust Fund Pension Plan
Last Ten Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability/(Asset)	0.29517%	0.29092%	0.28255%	-0.22248%	0.20524%	0.25790%	0.25338%	0.24729%	0.24348%	0.26119%
Proportionate Share of the Net Pension Liability/(Asset)	\$ 1,811,180	\$ 2,135,461	\$ 2,832,769	\$ (190,752)	\$ 1,069,569	\$ 1,886,230	\$ 3,185,494	\$ 2,753,402	\$ 3,287,800	\$ 2,877,266
Total Covered Payroll	\$ 3,030,493	\$ 3,030,493	\$ 2,312,570	\$ 1,655,769	\$ 1,515,053	\$ 1,779,794	\$ 1,650,097	\$ 1,527,027	\$ 1,438,023	\$ 1,516,586
Proportionate Share of Net Pension Liability as a Percentage of Its Covered Employee Payroll	59.77%	70.47%	122.49%	11.52%	70.60%	105.98%	193.05%	180.31%	228.63%	189.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.45%	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.65%	76.87%
Total Pension Liability	\$ 6,426,530,000	\$ 6,131,113,000	\$ 5,895,159,000	\$ 5,758,380,000	\$ 5,715,765,000	\$ 5,324,353,000	\$ 5,228,602,000	\$ 5,396,516,000	\$ 5,123,847,000	\$ 4,762,090,000
Plan Fiduciary Net Position	5,812,932,000	5,397,072,000	4,892,596,000	5,844,117,000	5,194,638,000	4,592,962,000	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000
Net Pension Liability/(Asset)	\$ 613,598,000	\$ 734,041,000	\$ 1,002,563,000	\$ (85,737,000)	\$ 521,127,000	\$ 731,391,000	\$ 1,257,213,000	\$ 1,113,430,000	\$ 1,350,341,000	\$ 1,101,581,000

* - The amounts presented for each fiscal year were determined as of 12/31.

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS
PERA Pension Plan
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 421,017	\$ 395,271	\$ 358,979	\$ 311,502	\$ 218,562	\$ 196,103	\$ 225,680	\$ 209,232	\$ 193,627	\$ 182,341
Contributions in Relation to the Contractually Required Contribution	421,017	395,271	358,979	311,502	218,562	196,103	225,680	209,232	193,627	182,341
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Covered Payroll	\$ 3,030,493	\$ 2,847,551	\$ 2,611,567	\$ 2,321,047	\$ 1,655,701	\$ 1,515,053	\$ 1,779,794	\$ 1,650,097	\$ 1,527,027	\$ 1,438,023
Contributions as a Percentage of Total Covered Payroll	13.89%	13.88%	13.75%	13.42%	13.20%	12.94%	12.68%	12.68%	12.68%	12.68%

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OTHER POST EMPLOYMENT BENEFIT LIABILITY
PERA Health Care Trust Fund OPEB Plan
Last Ten Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net OPEB Liability (Asset)	0.02330%	0.02299%	0.02277%	0.01729%	0.01566%	0.01975%	0.01965%	0.01922%	0.18690%
Proportionate Share of the Net OPEB Liability (Asset)	\$ 111,412	\$ 164,061	\$ 185,904	\$ 149,126	\$ 148,792	\$ 222,009	\$ 267,339	\$ 249,725	\$ 242,326
Total Covered Payroll	\$ 3,030,493	\$ 3,030,493	\$ 2,312,570	\$ 1,655,769	\$ 1,515,053	\$ 1,779,794	\$ 1,650,097	\$ 1,527,027	\$ 1,438,023
Proportionate Share of Net OPEB Liability as a Percentage of its Covered Employee Payroll	3.68%	5.41%	8.04%	9.01%	9.82%	12.47%	16.20%	16.35%	16.85%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	59.83%	46.16%	38.57%	39.40%	32.78%	17.03%	17.03%	17.53%	16.72%
Total OPEB Liability	\$ 1,190,476,000	\$ 1,325,637,000	\$ 1,329,183,000	\$ 1,423,054,000	\$ 1,413,526,000	\$ 1,639,734,000	\$ 1,639,734,000	\$ 1,575,822,000	\$ 1,556,762,000
Plan Fiduciary Net Position	712,309,000	611,911,000	512,704,000	560,749,000	463,301,000	279,192,000	279,192,000	276,222,000	260,228,000
Net OPEB Liability	478,167,000	713,726,000	816,479,000	862,305,000	950,225,000	1,360,542,000	1,360,542,000	1,299,600,000	1,296,534,000

* - The amounts presented for each fiscal year were determined as of 12/31

NOTE: Information for the prior year was not available to report.

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF OPEB CONTRIBUTIONS
PERA HCTF OPEB Plan
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 30,911	\$ 29,045	\$ 26,638	\$ 23,675	\$ 16,888	\$ 15,454	\$ 18,154	\$ 16,831	\$ 15,576	\$ 14,622
Contributions in Relation to the Contractually Required Contribution	30,911	29,045	26,638	23,675	16,888	15,454	18,154	16,831	15,576	14,622
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Covered Payroll	\$ 3,030,493	\$ 2,847,551	\$ 2,611,567	\$ 2,321,047	\$ 1,655,701	\$ 1,515,053	\$ 1,779,794	\$ 1,650,097	\$ 1,527,027	\$ 1,438,023
Contributions as a Percentage of Total Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See the accompanying Independent Auditors' Report.

CARBON VALLEY PARKS AND RECREATION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the District. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, Management submits to the District 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 of financing them.
- Public hearings are conducted to obtain taxpayer and public comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the District Board of Directors.
- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 2: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Plan Provision Since 2023 – PERA Pension and PERA OPEB:

As of December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division and for HCTF reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020, respectively.

CARBON VALLEY PARKS AND RECREATION DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

NOTE 3: SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Assumptions and Other Inputs Since 2023 – Local Government Division Trust Fund and HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Local Government Division Trust Fund only:

- The Pub-2010 Public Retirement Plan Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

HCTF only:

- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs were no longer age graded.

SUPPLEMENTARY INFORMATION

CARBON VALLEY PARKS AND RECREATION DISTRICT

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT PROJECTS FUND
Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	2025		2024	
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE with FINAL BUDGET	ACTUAL
REVENUES				
Interest	\$ 5,000	\$ 70,028	\$ 65,028	\$ 87,517
TOTAL REVENUES	5,000	70,028	65,028	87,517
EXPENDITURES				
Parks and Recreation	531,000	340,764	190,236	670,309
TOTAL EXPENDITURES	531,000	340,764	190,236	670,309
EXCESS OF REVENUES OVER EXPENDITURES	(526,000)	(270,736)	255,264	(582,792)
OTHER FINANCING SOURCES				
Transfers In	400,000	400,000	-	650,000
TOTAL OTHER FINANCING SOURCES	400,000	400,000	-	650,000
NET CHANGE IN FUND BALANCE	(126,000)	129,264	255,264	67,208
FUND BALANCE, Beginning	1,649,836	1,585,334	(64,502)	1,518,126
FUND BALANCE, Ending	<u>\$ 1,523,836</u>	<u>\$ 1,714,598</u>	<u>\$ 190,762</u>	<u>\$ 1,585,334</u>

See the accompanying Independent Auditor's Report.

OTHER INFORMATION

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF DEBT SERVICE REQUIREMENTS

December 31, 2025

\$2,450,000 Senior Center Loan Series 2022

Year	Rate	Principal	Interest	Total
2026	3.27%	\$ 145,000	\$ 66,871	\$ 211,871
2027	3.27%	145,000	62,130	207,130
2028	3.27%	150,000	57,388	207,388
2029	3.27%	155,000	52,484	207,484
2030	3.27%	160,000	47,415	207,415
2031	3.27%	165,000	42,183	207,183
2032	3.27%	170,000	36,788	206,788
2033	3.27%	180,000	31,228	211,228
2034	3.27%	185,000	25,343	210,343
2035	3.27%	190,000	19,293	209,293
2036	3.27%	195,000	13,080	208,080
2037	3.27%	205,000	6,703	211,703
		<u>\$ 2,045,000</u>	<u>\$ 460,906</u>	<u>\$ 2,505,906</u>

See the accompanying Independent Auditor's Report.

CARBON VALLEY PARKS AND RECREATION DISTRICT

SCHEDULE OF TEN YEAR SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED December 31, 2025

Levy Year	Collection Year	Assessed Valuation	Mill Levy				Total Levied	Total Collected	Collection Rate
			General	Debt	Abatements	Total			
2015	2016	\$ 655,895,660	4.427	2.230	0.137	6.794	\$ 4,456,155	\$ 4,463,428	100.16%
2016	2017	559,667,218	4.427	2.230	0.398	7.055	3,948,452	3,944,489	99.90%
2017	2018	687,469,297	4.427	1.528	0.000	5.955	4,093,880	4,082,727	99.73%
2018	2019	673,541,658	4.427	0.192	0.000	4.619	3,111,089	2,988,553	96.06%
2019	2020	860,234,934	4.427	0.000	0.000	4.427	3,808,260	3,710,231	97.43%
2020	2021	820,500,979	4.427	0.000	0.000	4.427	3,632,358	3,700,897	101.89%
2021	2022	744,528,602	4.427	0.000	0.000	4.427	3,296,028	3,302,821	100.21%
2022	2023	1,005,539,865	4.427	0.000	0.000	4.427	\$ 4,451,525	4,418,666	99.26%
2023	2024	1,266,027,196	4.427	0.000	0.000	4.427	\$ 5,604,702	5,709,305	101.87%
2024	2025	\$ 964,698,775	4.427	0.000	0.000	4.427	\$ 4,270,721	4,324,051	101.25%
2025	2026	\$ 934,647,425	4.427	0.000	0.000	4.427	\$ 4,137,684		

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

Source: Weld County Assessor and Treasurer.