ELIZABETH PARK AND RECREATION DISTRICT

FINANCIAL STATEMENTS
DECEMBER 31, 2025

TABLE OF C O N T E N T S

THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Elizabeth Parks and Recreation District
Elbert County, Colorado

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Elizabeth Park 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, the business type activities, and each major fund of the Elizabeth Park and Recreation District, as of December 31, 2025, and the respective changes in financial position, and where applicable, cash flows, thereof, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 management's discussion on and analysis, budgetary comparison information and the District's proportionate share of the net pension liability, net OPEB liability and schedules of employer contributions and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the

Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Greenwood Village, Colorado
June 30, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Elizabeth Parks and Recreation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

FINANCIAL HIGHLIGHTS

- At the government-wide level, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of 2025 by $4,678,482 an increase of $279,458 compared to net position in 2024. The District reported unrestricted net position of $324,515.
- As of the close of the current fiscal year, the District's governmental fund reported an ending fund balance of $556,890, an increase of $186,703.
- As of December 31, 2025, fund balance of the District included restricted fund balance of $151,921 and unassigned fund balance of $353,765.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

1) Government-wide financial statements;
2) Fund financial statements; and
3) Notes to the financial statements.

This report also provides required supplementary information and other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result incash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and parks and recreation. The business-type activities of the District include park programs.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and enterprise funds.

Government Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The District's major governmental fund is the General Fund. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance provide**s** a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

General Fund

Administration of general District operations is accomplished through the General Fund. At the end of 2025, the fund balance was $556,890 compared to the beginning balance of $370,187 an increase of $186,703.

Proprietary Funds

The District has one Enterprise Fund. The Proprietary Fund, an *Enterprise Fund*, is used to account for the proceeds from recreational services and park access fees. The net loss for the year was $116,004, which resulted in an ending net position of $167,045.

Schedules and Notes to the Financial Statements

- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial statements can be found on pages 18 through 48 of this report.
- The General Fund budget schedule can be found on page 49 and the pension and OPEB required supplementary information can be found on 50 through 53.
- The proprietary fund budget schedule is shown on page 54.

FINANCIAL ANALYSIS OF THE DISTRICT

The Statement of Net Position and the Statement of Activities reports information about the District's activities in a way that can help a reader understand operations of the District. These two statements report the District's net position and changes in net position. As previously mentioned, the government-wide financial statements are designed to provide readers with a broad overview and long-term analysis of the District's finances, in a manner similar to a private-sector business.

The following schedule summarizes the District's net position as of December 31:

	Governmental Activities		**Business-Type Activities**		**Total**	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 1,515,586	$ 1,289,318	$ 71,180	$ 180,769	$ 1,586,766	$ 1,470,087
Noncurrent assets	6,314,205	6,331,389	131,545	139,734	6,445,750	6,471,123
Total Assets	7,829,791	7,620,707	202,725	320,503	8,032,516	7,941,210
Deferred outflows of resources	118,463	113,581	39,487	37,860	157,950	151,441
Liabilities						
Current liabilities	239,137	229,742	2,361	42	241,498	229,784
Long-term liabilities	2,231,708	2,449,016	69,612	68,409	2,301,320	2,517,425
Total Liabilities	2,470,845	2,678,758	71,973	68,451	2,542,818	2,747,209
Deferred inflows of resources	965,972	939,555	3,194	6,863	969,166	946,418
Net Position:						
Net investment in capital assets	4,070,501	3,876,290	131,545	139,734	4,202,046	4,016,024
Restricted	151,921	177,739	-	-	151,921	177,739
Unrestricted	289,015	61,946	35,500	143,315	324,515	205,261
Total Net Position	$ 4,511,437	$ 4,115,975	$ 167,045	$ 283,049	$ 4,678,482	$ 4,399,024

As seen in the Statement of Net Position, the District's overall net position ended 2025 at $4,678,482. The restricted component of net position totals $151,921, which was a decrease of $25,818 from 2024. The restrictions include the 3 percent of fiscal spending reserve for emergencies regarding the Taxpayer's Bill of Rights (TABOR), restrictions related to the unspent Conservation Trust Funds, and the balance of unspent loan proceeds that are restricted for capital projects.

While the Statement of Net Position shows the change in financial position of the District, the Statement of Activities provides the information as to the source of this overall change. The following schedule summarizes the changes in the District's net position during 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	$ 96,591	$ 70,771	$ 574,879	$ 531,207	$ 671,470	$ 601,978
Capital grants and contributions	101,937	98,497	-	-	101,937	98,497
General revenues:						
Property taxes	901,190	905,881	-	-	901,190	905,881
Specific ownership taxes	120,275	118,034	-	-	120,275	118,034
Internal Balances	297,989	362,852	(297,989)	(362,852)	-	-
Interest and other income	23,682	26,900	6,627	3,190	30,309	30,090
Total revenues	1,541,664	1,582,935	283,517	171,545	1,825,181	1,754,480
Expenses:						
General government	735,511	629,627	-	-	735,511	629,627
Parks and recreation	306,585	198,964	399,521	307,763	706,106	506,727
Interest and fiscal charges	104,106	114,684	-	-	104,106	114,684
Total expenses	1,146,202	943,275	399,521	307,763	1,545,723	1,251,038
Change in Net Position	395,462	639,660	(116,004)	(136,218)	279,458	503,442
Net Position, January 1	4,115,975	3,476,315	283,049	419,267	4,399,024	3,895,582
Net Position, December 31	$ 4,511,437	$ 4,115,975	$ 167,045	$ 283,049	$ 4,678,482	$ 4,399,024

For 2025, total revenues were 4.03 percent higher when compared to 2024. This increase is mainly attributed to an increase in public participation in the District's programs and events.

Fund Financial Analysis

Fund balance at year-end for the General Fund showed an increase of $186,703 which was a result of transfers in from the enterprise fund. General Fund revenues increased by 2 percent with the main increase being related to development fees collected in 2025.

Proprietary Fund charges for services increased $43,672 or 8.2 percent from 2024 to 2025.

Budget Variances and Amendments

The budget presentations are presented on pages 49 and 54. For the year ended December 31, 2025, the Proprietary Fund expenses exceeded budgeted expenses, which may be a violation of Colorado budget law.

CAPITAL ASSETS

The District's capital assets for its governmental activities as of December 31, 2025 was $6,314,205 and $131,545 related to its business-type activities. During 2025, the District purchased and constructed improvements to parking lots, trails, irrigation, and other site improvements, and purchased vehicles which totaled $288,969.

See additional information related to capital assets in Note 3 of the financial statements.

LONG-TERM DEBT

During the year ended December 31, 2020, the District entered into a lease purchase agreement in the amount of $1,390,000. During the year ended December 31, 2023, the District entered into a lease purchase agreement in the amount of $1,540,000. At year-end December 31, 2025, the District had $2,243,787 in outstanding principal related to the lease purchase agreements. The District had an additional $3,066 outstanding related to compensated absences.

See Note 5 for additional information related to long-term debt of the District.

NEXT YEAR'S BUDGET AND RATES

The District's General Fund balance at the end of fiscal year 2025 was $556,890. The District's 2026 General Fund budget outlined total expenditures less than total revenues. The District's Board considered many factors when setting the District's budget, including fees and charges.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Elizabeth Park and Recreation District Finance Department, 34201 County Road 17, Elizabeth, Colorado 80107.

BASIC FINANCIAL STATEMENTS

ELIZABETH PARK AND RECREATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and investments	$ 367,945	$ 87,138	$ 455,083
Cash and investments - restricted	114,613	-	114,613
Cash with County Treasurer	9,474	-	9,474
Property taxes receivable	956,392	-	956,392
Internal balances	15,958	(15,958)	-
Prepaid items	51,204	-	51,204
Total Current Assets	1,515,586	71,180	1,586,766
Noncurrent Assets			
Capital assets, not being depreciated	1,701,560	81,000	1,782,560
Capital assets, net of accumulated depreciation	4,612,645	50,545	4,663,190
Total Noncurrent Assets	6,314,205	131,545	6,445,750
Total Assets	7,829,791	202,725	8,032,516
Deferred Outflows of Resources			
Related to pension	109,526	36,507	146,033
Related to OPEB	8,937	2,980	11,917
Total Deferred Outflows of Resources	118,463	39,487	157,950
Liabilities			
Current Liabilities			
Accrued liabilities	2,304	2,361	4,665
Accrued interest	12,851	-	12,851
Long-term liabilities - current	223,982	-	223,982
Total Current Liabilities	239,137	2,361	241,498
Long-term Liabilities			
Long-term liabilities	2,022,871	-	2,022,871
Net pension liability	196,652	65,551	262,203
Net OPEB liability	12,185	4,061	16,246
Total Long-term Liabilities	2,231,708	69,612	2,301,320
Total Liabilities	2,470,845	71,973	2,542,818
Deferred Inflows of Resources			
Deferred property taxes	956,392	-	956,392
Related to OPEB	9,580	3,194	12,774
Total Deferred Inflows of Resources	965,972	3,194	969,166
Net Position			
Net investment in capital assets	4,070,501	131,545	4,202,046
Restricted for:			
Emergency reserve	37,308	-	37,308
Conservation trust funds	114,530	-	114,530
Capital projects	83	-	83
Unrestricted	289,015	35,500	324,515
Total Net Position	$ 4,511,437	$ 167,045	$ 4,678,482

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

ELIZABETH PARK AND RECREATION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities							
General government	$ 735,511	$ -	$ -	$ -	$ (735,511)	$ -	$ (735,511)
Parks and recreation	306,585	96,591	-	101,937	(108,057)	-	(108,057)
Interest and fiscal charges	104,106	-	-	-	(104,106)	-	(104,106)
Total Governmental Activities	1,146,202	96,591	-	101,937	(947,674)	-	(947,674)
Business-type Activities							
Park programs	399,521	574,879	-	-	-	175,358	175,358
Total Business Type Activities	$ 1,545,723	$ 671,470	$ -	$ 101,937	(947,674)	175,358	(772,316)
		General Revenues:					
		Property taxes			901,190	-	901,190
		Specific ownership taxes			120,275	-	120,275
		Investment earnings			19,099	6,627	25,726
		Internal Balances			297,989	(297,989)	-
		Other income			4,583	-	4,583
		Total General Revenues			1,343,136	(291,362)	1,051,774
		Change in Net Position			395,462	(116,004)	279,458
		Net Position - Beginning			4,115,975	283,049	4,399,024
		Net Position - Ending			$ 4,511,437	$ 167,045	$ 4,678,482

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

ELIZABETH PARK AND RECREATION DISTRICT
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2025

	General Fund
Assets	
Cash and investments	$ 367,945
Cash and investments - restricted	114,613
Accounts receivable:	
Due from County Treasurer	9,474
Property taxes	956,392
Due from other funds	15,958
Prepaid items	51,204
Total Assets	$ 1,515,586
Liabilities, deferred inflows of resources, and fund balance	
Liabilities	
Accrued liabilities	$ 2,304
Total Liabilities	2,304
Deferred inflows of resources	
Deferred property taxes	956,392
Total Deferred Inflows of Resources	956,392
Fund balance	
Nonspendable:	
Prepaid items	51,204
Restricted for:	
Emergencies	37,308
Conservation Trust	114,530
Capital Projects	83
Unassigned	353,765
Total Fund Balance	556,890
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,515,586

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

ELIZABETH PARK AND RECREATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND 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:

Fund balance of Governmental fund	$ 556,890
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund:	6,314,205
Long-term liabilities and related items are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	
Lease purchase agreements payable	(2,243,787)
Accrued interest payable	(12,851)
Compensated absences	(3,066)
Pension and OPEB liabilities and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements:	
Net pension liability	(196,652)
Net OPEB liability	(12,185)
Deferred outflows related to pension	109,526
Deferred outflows related to OPEB	8,937
Deferred inflows related to OPEB	(9,580)
Net Position of Governmental Activities	$ 4,511,437

ELIZABETH PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2025

	General Fund
Revenues	
Taxes	$ 1,021,465
Intergovernmental revenues	98,015
Charges for services	96,591
Grants	3,922
Interest income	19,099
Miscellaneous income	4,583
Total revenues	1,243,675
Expenditures	
General government	748,284
Capital outlay	289,401
Debt service:	
Principal	211,395
Interest	105,881
Total expenditures	1,354,961
Excess (Deficiency) of Revenues Over (Under) Expenditures	(111,286)
Other Financing Sources (Uses)	
Transfers In	297,989
Total Other Financing Sources (Uses)	297,989
Net change in fund balance	186,703
Fund balance - beginning of year	370,187
Fund balance - end of year	$ 556,890

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

ELIZABETH PARK AND RECREATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balance - Total governmental fund	$	186,703
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		288,969
Depreciation expense		(306,153)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental funds.		
Change in accrued interest payable		1,775
Change in accrued compensated absences		488
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.		211,395
Net pension liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of pension expense.		7,381
Net OPEB liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of OPEB income.		4,904
Change in Net Position of Governmental Activities	$	395,462

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

ELIZABETH PARK AND RECREATION DISTRICT
PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2025

Assets	
Current Assets	
Cash and investments	$ 87,138
Total Current Assets	87,138
Noncurrent Assets	
Capital Assets	
Land	81,000
Buildings	207,044
Machinery and equipment	16,091
Parks	249,572
Total Capital Assets	553,707
Less accumulated depreciation	(422,162)
Total Capital Assets, Net of Accumulated Depreciation	131,545
Total Noncurrent Assets	131,545
Total Assets	218,683
Deferred Outflows of Resources	
Deferred outflows relating to pensions	36,507
Deferred outflows relating to OPEB	2,980
Total Deferred Outflows of Resources	39,487
Liabilities	
Current Liabilities	
Due to other funds	15,958
Accrued liabilities	2,361
Total Current Liabilities	18,319
Long-term Liabilities	
Net pension liability	65,551
Net OPEB liability	4,061
Total Long-term Liabilities	69,612
Total Liabilities	87,931
Deferred Inflows of Resources	
Deferred inflows of resources relating to OPEB	3,194
Total Deferred Inflows of Resources	3,194
Net Position	
Net investment in capital assets	131,545
Unrestricted	35,500
Total Net Position	$ 167,045

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

ELIZABETH PARK AND RECREATION DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

Operating Revenues	
Program revenue	$ 574,879
Total Operating Revenues	574,879
Operating expenses	
Payroll and related costs	205,098
Other operating costs	186,234
Depreciation	8,189
Total Operating Expenses	399,521
Income From Operations	175,358
Nonoperating Revenues (Expenses)	
Other Income	6,627
Total Nonoperating Revenues (Expenses)	6,627
Transfers	
Transfers out	(297,989)
Change in Net Position	(116,004)
Net Position - Beginning of Year	283,049
Net Position - End of Year	$ 167,045

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

ELIZABETH PARK AND RECREATION DISTRICT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

Cash flows from operating activities		
Receipts from customers	$	574,879
Payments to suppliers		(178,026)
Payments to employees and related expenses		(206,872)
Payments to contract labor		(4,235)
Net cash provided (used) by operating activities		185,746
Cash flow from financing activities		
Donations		6,627
Transfers to other funds		(297,989)
Net cash provided (used) by investing activities		(291,362)
Net increase (decrease) in cash and cash equivalents		(105,616)
Cash and cash equivalents, beginning of year		192,754
Cash and cash equivalents, end of year	$	87,138

Reconciliation of operating income to net cash provided by operating activities:		
Net income from operations	$	175,358
Adjustments to reconcile income from operations to net cash flows provided by operating activities:		
Depreciation expense		8,189
Increase (decrease) in accounts payable		3,973
Increase (decrease) in accrued payroll		2,319
Net pension liability and OPEB liability		1,203
Deferred outflows of resources		(1,627)
Deferred inflows of resources		(3,669)
Net cash provided by operating activities	$	185,746

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of Reporting Entity

The District was organized on July 9, 1986, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to develop and provide park and recreation facilities and services. The District's primary revenues are property taxes and program services. The District is governed by an elected Board of Directors.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization. The District is not a component unit of any other primary governmental entity.

Significant accounting policies of the District are described as follows:

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and fee for service revenue.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which the direct and 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 charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements and the proprietary fund 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 a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. Expenditures, other than interest on long-term obligations and compensated absences are recorded when the liability is incurred or when the long-term obligation is paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The District reports the following major proprietary fund:

Proprietary Fund – The Proprietary Fund accounts for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Budgetary Accounting

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

modify the budget by line item withing the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

During the year ended December 31, 2025, the Proprietary Fund expenses exceeded budget, which may be a violation of Colorado budget law.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position:

Deposits and Investments
The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition.

Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is deposited for investment flexibility.

Investments are reported in accordance with GASB Statement No. 72, as amended.

Interfund Balances
Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the Statement of Net Position.

Property Tax
Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxed during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayers' election, in February and June.

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Prepaid Items

Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at acquisition cost or estimated acquisition cost.

Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the assets are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge.

Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant, and equipment are depreciated using the straight-line method. The lives of the assets range from 5 to 50 years.

Compensated Absences

It is the District policy to permit employees to accumulate earned but unused paid time off. All paid time off is accrued when incurred in the government wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured. Compensated absences for governmental activities are paid from the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements. Debt issuance costs are reported as an outflow of resources.

In the fund financial statements for governmental funds, the par amount of the debt issued is reported as other financing sources. Issuance costs, even if withheld from the debt proceeds received, are reported as debt service expenditures.

Net Pension Liability

The District reports a net pension liability as of December 31, 2025. The District is required to report their proportionate share of the net position of PERA's statewide multiple employer defined benefit plan. See Note 6 for additional information.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value. See Note 7 for additional information.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. The 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/expenditure) until then. The District has two items that qualify for reporting in this category. The District recognizes deferred outflows of resources related to pensions and OPEB. See Notes 6 and 7 for additional information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also recognizes deferred inflow of resources related to pensions and OPEB. See Notes 6 and 7 for additional information.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of $51,204 represents prepaid items.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $37,308 of the General Fund balance has been restricted in compliance with this requirement. In addition, a total of $114,530 is shown as restricted which accounts for the Conservation Trust Fund revenues received and restricted for a specific purpose. The general fund also shows $83 restricted for capital projects, which represents unspent lease purchase agreement proceeds.

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Director. The District's balance of committed fund balance is $0 at December 31, 2025

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority. At December 31, 2025, the District had $0 of assigned fund balance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the District Board has provided otherwise in its commitment or assignment actions. The general fund reported an unassigned fund balance of $353,765.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

The District may report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, except for construction in progress, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflow of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the District will use the most restrictive net position first.

Estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the Unites States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

As of December 31, 2025, cash and investments are classified in the accompanying financial statements as follows:

Cash and investments	$	455,083
Cash and investments - restricted		114,613
Total	$	569,696

Cash and investments as of December 31, 2025, consist of the following:

Deposits with financial institutions	$	205,810
Investments - ColoTrust		363,886
Total	$	569,696

Custodial Credit Risk
For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. District bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the District's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (PDPA). The PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance.

The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the carrying amount of the District's deposits was $205,810 and the bank balance was $249,396 of which $250,000 was covered by FDIC insurance and the remainder covered by the PDPA.

Investments
The District follows State statutes which allow the following investments:

- Obligations of the United States, certain U.S. government agency securities and the World Bank
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Credit risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado Statues specify the types of investments meeting defined rating and risk criteria in which local governments may invest.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2025, the District had $363,886 invested in ColoTrust. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The local government investment pool is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The District has invested their funds in the ColoTrust Plus+ portfolio.

The ColoTrust Plus + portfolio consists of U.S. Treasury bills and notes and repurchase agreements collateralized by the U.S. Treasury Securities.

ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the trust. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs used

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment in ColoTrust is measured at net asset value, equal to $1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

Governmental Activities:	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Capital assets not being depreciated:				
Land	$ 1,701,560	$ -	$ -	$ 1,701,560
Total capital assets not being depreciated:	1,701,560	-	-	1,701,560
Capital assets being depreciated:				
Land and park improvements	6,777,873	247,694	-	7,025,567
Machinery, equipment	313,216	15,810	-	329,026
Parks, equipment	812,238	25,465	-	837,703
Total capital assets being depreciated:	7,903,327	288,969	-	8,192,296
Accumulated Depreciation	(3,273,498)	(306,153)	-	(3,579,651)
Net capital assets being depreciated:	4,629,829	(17,184)	-	4,612,645
Government assets, net	$ 6,331,389	$ (17,184)	$ -	$ 6,314,205

The governmental activities recognized depreciation of $306,153 for the year ended December 31, 2025, of which, 100% was allocated to the Parks and Recreation expense function on the Statement of Activities.

Business Type Activities:	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Capital assets, not being depreciated:				
Land	$ 81,000	$ -	$ -	$ 81,000
Total capital assets not being depreciated:	81,000	-	-	81,000
Capital assets being depreciated:				
Land improvements and buildings	207,044	-	-	207,044
Equipment	16,091	-	-	16,091
Park	249,572	-	-	249,572
Total capital assets being depreciated:	472,707	-	-	472,707
Accumulated Depreciation	(413,973)	(8,189)	-	(422,162)
Net capital assets being depreciated:	58,734	(8,189)	-	50,545
Business type activities assets, net	$ 139,734	$ (8,189)	$ -	$ 131,545

The District is responsible for the maintenance and repair of the capital assets.

NOTE 4 – INTERGOVERNMENTAL AGREEMENTS

On September 6, 2002, the District passed a resolution to consent to the overlapping of boundaries with Elbert and Highway 86 Metropolitan District and the District. On December 5, 2002, the District entered into an agreement with Elbert and Highway 86 Metropolitan District for the purpose of constructing park and recreation facilities within the District. Elbert and Highway 86 Metropolitan District shall construct a regional park and recreation fields, and related irrigated open space totaling approximately 7.37 acres located in the Elbert and Highway 86 Metropolitan District. Upon completion, the park and irrigation system shall be conveyed to Elizabeth Park and Recreation District with the exception of a trail within the park which shall be owned and operated by the Elbert and Highway 86 Metropolitan District.

The irrigation water shall be supplied to Elizabeth Park and Recreation District at a substantially discounted usage rate. There shall be a $1,500 Development Impact Fee collected at the issuance of each building permit and paid to the Elizabeth Park and Recreation District.

On August 17, 2004, the District entered into an agreement with the developer of land in the Spring Valley Metropolitan District. Spring Valley Metropolitan District will provide certain park and recreation services which will overlap the boundaries of Elizabeth Park and Recreation District therefore the developer has agreed to pay to Elizabeth Park and Recreation District, $350 per residential lot at the time the building permits are issued.

On October 24, 2005, the District entered into an agreement with Pfeifer Johnson LLC, the developer of land in Britanie Ridge Metropolitan District. The boundaries of the Elizabeth Park and Recreation District and Britanie Ridge Metropolitan District overlap, therefore the develop of Britanie Ridge Metropolitan District shall pay a development impact fee of $750 pe lot to the Elizabeth Park and Recreation District upon issuance of a building permit.

On August 21, 2007, the District entered in an agreement with Gold Creek Commons, LLC, the developer of land in Gold Creek Commons Metropolitan District. The boundaries of the Elizabeth Park and Recreation District and Cold Creek Metropolitan District overlap, therefore, the Developer of Gold Creek Metropolitan District shall pay a development impact fee of $1,000 per lot to the Elizabeth Park and Recreation District upon issuance of a building permit.

On March 17, 2009, the District entered into a Development Fee Agreement with Ampaul LLC and Lake Real Estate, LLC, (the developers) developers of land within Ritoro Metropolitan District. The developers have agreed to pay Elizabeth Park and Recreation District $10,000 at the signing of this agreement and a certain lump-sum amount once the final plat with in the Ritoro Metropolitan District is approved by the Town of Elizabeth, Colorado. The amount ranges from $75,000 to $125,000

NOTE 4 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

depending on the year in which the final plat is approved. In 2017, this agreement was amended so the total amount of fees to be paid to the District will be $135,000. A lump sum of $25,000 will be paid upon execution of the amended agreement and then $325 per lot for each of the 340 lots at the time the building permit is acquired.

In the year ended December 31, 2025, $96,591 in fees were paid to Elizabeth Park and Recreation District from various developments.

NOTE 5 – LONG-TERM DEBT

On March 27, 2020, the District entered into a Lease Purchase Agreement in the amount of $1,390,000 for the acquisition of real property. The interest rate per annum on the interest component of the base rentals is 2.92% per annum, provided that: (i) the interest rate per annum may be increased to 3.06% per annum following any Bank Qualification Adjustment Date (as defined in the Lease); and (ii) interest rate per annum may be increased to 3.59% per annum following any Determination of Taxability (as defined in the lease). Principal and interest payments are made semiannually with a maturity of December 31, 2035.

On November 22, 2023, The District entered into a Lease Purchase Agreement in the amount of $1,540,000 for the financing the construction of capital improvements. The interest rate per annum is 5.49%. Principal and interest payments are made semiannually with a maturity of November 22, 2033

Long-term liability activity for the year ended December 31, 2025, was as follows:

	12/31/2024	Additions	Deletions	12/31/2025	Due in One Year
2020 Lease Purchase Agreement	$ 1,034,425	$ -	$ (85,516)	$ 948,909	$ 88,031
2023 Lease Purchase Agreement	1,420,757	-	(125,879)	1,294,878	132,885
Compensated absences	3,554	-	(488)	3,066	3,066
Total	$ 2,458,736	$ -	$ (211,883)	$ 2,246,853	$ 223,982

* The change in the compensated absences liability is presented as a net change

NOTE 5 – LONG-TERM DEBT (CONTINUED)

A summary of future debt service on the lease purchase agreements follows:

	2020 Lease Purchase Agreement		
Year Ending	Principal	Interest	Total
2026	$ 88,031	$ 27,070	$ 115,101
2027	90,621	24,481	115,102
2028	93,286	21,815	115,101
2029	96,030	19,072	115,102
2030	98,855	16,247	115,102
2031-2035	482,086	35,872	517,958
	$ 948,909	$ 144,557	$ 1,093,466

	2023 Lease Purchase Agreement		
Year Ending	Principal	Interest	Total
2026	$ 132,885	$ 69,290	$ 202,175
2027	140,280	61,894	202,174
2028	148,087	54,087	202,174
2029	156,329	45,845	202,174
2030	165,029	37,145	202,174
2031-2033	552,268	54,256	606,524
	$ 1,294,878	$ 322,517	$ 1,617,395

NOTE 6 – DEFINED BENEFIT PENSION PLAN

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.*

The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, were in effect as of December 31, 2024.

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description

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

Benefits Provided

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

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

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

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

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

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

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of December 31, 2024, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. 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 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) 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.

Contribution Provisions

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*. Eligible employees were required to contribute 9.0 percent of their PERA-includable salary during the period of January 1, 2024 through through December 31, 2024.

The employer contribution requirements during the period of January 1, 2025 through December 31, 2025 are summarized in the table below:

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Period of January 1, 2025 through December 31, 2025
Employer Contribution Rate[1]	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]	(1.02)%
Amount Apportioned to the LGDTF[1]	9.98 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	1.50 %
DC Supplement	0.11%
Total Employer Contribution Rate to the LGDTF[1]	13.78 %

[1]Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $73,637 for the year ended December 31, 2025.

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

At December 31, 2025 the District reported liability of $262,203 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2024, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total pension liability to December 31, 2024. The District proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2024, the District proportion was 0.04273 percent, which was an increase of 0.00813 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025 the District recognized pension expense of $7,373. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 19,785	$ -
Changes of Assumptions or other Inputs	7,738	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	24,674	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	20,199	-
Contributions Subsequent to the Measurement Date	73,637	-
Total	$ 146,033	$ -

$73,637 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, 2026. 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,	Amount
2026	$ 66,857
2027	63,839
2028	(41,764)
2029	(16,536)
2030	-
Thereafter	-
Total	$ 72,396

Actuarial assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20% - 11.30%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Compounded Annually)	1.00%
PERA Benefit Structure hired after December 31, 2006[1]	Financed by the Annual Increase Reserve

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

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 employer disaffiliation payment and receivable allocations to the Local Government DivisionTrust Fund and HCTF were $486 and $20, respectively.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019. Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

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

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

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

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

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

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

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

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
Global Equity	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%	

Discount rate

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

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year and 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. 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 the 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

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

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

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

Based on the above assumptions and methods, LGDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	$ 573,910	$ 262,203	$ 334

Pension plan fiduciary net position

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

NOTE 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS

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. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the 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 (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Benefits provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy.

The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

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

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Elizabeth Park and Recreation District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $5,447 for the year ended December 31, 2025.

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 $16,246 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 the District's 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 0.00340 percent, which was an increase of 0.00065 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized OPEB income of $5,274. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ -	$ 3,583
Changes of Assumptions or other Inputs	186	5,193
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	55	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	6,229	3,998
Contributions Subsequent to the Measurement Date	5,447	-
Total	$ 11,917	$ 12,774

$5,447 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, 2026. 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,	Amount
2026	$ (1,812)
2027	(1,124)
2028	(2,016)
2029	(1,104)
2030	(309)
Thereafter	61
Total	$ (6,304)

Actuarial assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20 - 11.30 % in the aggregate
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	
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

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

The total OPEB liability for the Trust Fund, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $20 and $486 respectively

Each year the per capita health care costs are developed by plan option; currently 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	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

	MAPD PPO #1 with Medicare Part A Retire/Spouse		MAPD PPO #1 without Medicare Part A Retire/Spouse	
Sample Age	**Male**	**Female**	**Male**	**Female**
65	$ 1,710	$ 1,420	$ 6,536	$ 5,429
70	1,921	1,589	7,341	6,073
75	2,122	1,670	8,110	6,385

	MAPD PPO #2 with Medicare Part A Retire/Spouse		MAPD PPO #2 without Medicare Part A Retire/Spouse	
Sample Age	**Male**	**Female**	**Male**	**Female**
65	$ 585	$ 486	$ 4,241	$ 3,523
70	657	544	4,764	3,941
75	726	571	5,262	4,143

	MAPD HMO (Kaiser) with Medicare Part A Retire/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retire/Spouse	
Sample Age	**Male**	**Female**	**Male**	**Female**
65	$ 1,897	$ 1,575	$ 7,063	$ 5,866
70	2,130	1,763	7,933	6,563
75	2,353	1,853	8,763	6,900

The 2024 Medicare Part A premium is $505 (in 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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. 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

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums	Medicare Part A
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%	4.25%
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 for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

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

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

- Medicare Part A benefits have been updated to reflect 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.

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

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, were adopted by PERA's Board during the November 20, 2020, Board meeting.

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.

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 lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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[1]	6.00	5.20
Total	100.00%	

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 Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare 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	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%
Proportionate Share of the Net OPEB Liability	$ 15,808	$ 16,246	$ 16,741

[1] For the January 1, 2025, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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 percent.
- 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.

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS (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.

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

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

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

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 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 19,909	$ 16,246	$ 13,087

OPEB plan fiduciary net position

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

NOTE 8 – TAX SPENDING AND DEBT LIMITATION

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

Enterprises, defined as government-owned business 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. The District's management believes a significant portion of its operations qualifies for this exclusion.Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District's management believes it is in compliance with 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. On May 2, 2000, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

NOTE 9 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of , damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the "Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal year. The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

REQUIRED SUPPLEMENTARY INFORMATION

ELIZABETH PARK AND RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 918,964	$ 901,190	$ (17,774)
Ownership taxes	115,211	120,275	5,064
Conservation trust funds	105,750	98,015	(7,735)
Development fees	73,225	96,591	23,366
Grants	-	3,922	3,922
Miscellaneous income	1,275	4,583	3,308
Interest income	16,890	19,099	2,209
Total revenues	1,231,315	1,243,675	12,360
Expenditures			
Payroll	303,649	307,679	(4,030)
PERA	123,786	125,953	(2,167)
Health insurance	91,125	64,261	26,864
Insurance	43,000	36,416	6,584
Supplies	5,727	6,509	(782)
Accounting and auditing	21,810	22,200	(390)
Directors fees	6,500	6,900	(400)
Training and professional development	5,200	-	5,200
Gas and oil	4,530	5,520	(990)
Legal	22,600	13,687	8,913
Internet / Telephone / Tech	1,600	1,725	(125)
Printing and copier	1,575	1,339	236
Professional services	41,250	30,204	11,046
Utilities	78,350	74,004	4,346
Repair and maintenance	21,678	24,145	(2,467)
Miscellaneous	725	705	20
Treasurer's fees	32,164	27,037	5,127
Capital outlay	667,876	289,401	378,475
Emergency reserve	24,158	-	24,158
Debt service:			
Principal	-	211,395	(211,395)
Interest	-	105,881	(105,881)
Total expenditures	1,497,303	1,354,961	142,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,988)	(111,286)	154,702
Other Financing Sources (Uses)			
Transfers In	200,000	297,989	97,989
Total other financing sources (uses)	200,000	297,989	97,989
Net changes in fund balances	$ (65,988)	$ 186,703	$ 252,691
Fund balance - beginning		370,187	
Fund balance - ending		$ 556,890	

See accompanying independent auditors' report

ELIZABETH PARK AND RECREATION DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS*

Plan Measurement Date, as of December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.042732%	0.034603%	0.039343%	0.042865%	0.041075%	0.038719%	0.038485%	0.030955%	0.027503%	0.021928%
District's proportional share of the net pension liability (asset)	$ 262,203	$ 254,004	$ 394,443	$ (36,751)	$ 214,055	$ 283,188	$ 483,844	$ 344,661	$ 371,387	$ 241,557
District's covered payroll	410,055	303,996	312,079	297,556	290,538	256,293	254,937	204,301	166,704	181,673
District's proportionate share of the net pension liability as a percentage of its covered payroll	63.9%	83.6%	126.4%	-12.35%	73.68%	110.49%	189.79%	168.70%	222.78%	132.96%
Plan fiduciary net position as a percentage of the total pension	90.45%	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%

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

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ELIZABETH PARK AND RECREATION DISTRICT
SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	$ 73,637	$ 56,424	$ 41,769	$ 41,940	$ 39,218	$ 37,567	$ 32,498	$ 32,326	$ 25,871	$ 21,138
Contributions in Relation to the Statutorily Required Contribution	73,637	56,424	41,769	41,940	39,218	37,567	32,498	32,326	25,871	21,138
Contributions Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 533,985	$ 410,055	$ 303,996	$ 312,079	$ 297,556	$ 290,538	$ 256,293	$ 254,937	$ 204,031	$ 166,704
Contributions as a percentage of Covered Payroll	13.79%	13.76%	13.74%	13.44%	13.18%	12.93%	12.68%	12.68%	12.68%	12.68%

See accompanying independent auditors' report

ELIZABETH PARK AND RECREATION DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST TEN FISCAL YEARS*

Plan Measurement Date, as of December 31,	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.00340%	0.00275%	0.00318%	0.00313%	0.00297%	0.00298%	0.00241%	0.00211%
District's proportional share of the net OPEB liability	$ 16,246	$ 19,634	$ 25,942	$ 28,734	$ 29,777	$ 33,331	$ 40,570	$ 31,260
District's covered payroll	410,055	303,996	312,079	297,556	290,538	256,293	254,937	204,031
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.96%	6.46%	8.31%	9.66%	10.25%	13.01%	15.91%	15.32%
Plan fiduciary net position as a percentage of the total OPEB	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

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See accompanying independent auditors' report

ELIZABETH PARK AND RECREATION DISTRICT
SCHEDULE OF OPEN CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	$ 5,447	$ 4,183	$ 3,101	$ 3,183	$ 3,035	$ 2,963	$ 2,614	$ 2,600	$ 2,081	$ 1,700
Contributions in Relation to the Statutorily Required Contribution	5,447	4,183	3,101	3,183	3,035	2,963	2,614	2,600	2,081	1,700
Contributions Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 533,985	$ 410,055	$ 303,996	$ 312,079	$ 297,556	$ 290,538	$ 256,293	$ 254,937	$ 204,031	$ 166,704
Contributions as a percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See accompanying independent auditors' report

SUPPLEMENTARY INFORMATION

ELIZABETH PARK AND RECREATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – BUDGETARY BASIS
ENTERPRISE FUND
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Program revenue	$ 694,490	$ 574,879	$ (119,611)
Miscellaneous income	1,500	6,627	5,127
Total revenues	695,990	581,506	(114,484)
Expenditures			
Contract labor	18,000	3,954	14,046
Concession costs	5,100	8,964	(3,864)
Refunds	25,750	16,302	9,448
Dues, memberships	1,500	445	1,055
Professional development	2,250	22	2,228
Facility rental fees	1,200	6,391	(5,191)
Payroll	212,125	209,191	2,934
Miscellaneous expense	500	1,045	(545)
Sales tax	650	681	(31)
Program supplies	38,980	36,963	2,017
Professional services	45,880	58,566	(12,686)
Recreation equipment	9,000	2,894	6,106
Repairs and maintenance	50,500	50,007	493
Total expenditures	411,435	395,425	16,010
Excess of revenues over expenditures	284,555	186,081	(98,474)
Other financing sources (uses)			
Transfers out	(200,000)	(297,989)	(97,989)
Total other financing sources (uses)	(200,000)	(297,989)	(97,989)
Excess (deficiency) of revenues over (under) expenditures	$ 84,555	(111,908)	$ (196,463)
Reconciation of budgetary basis to GAAP basis			
Depreciation		(8,189)	
Non cash pension and OPEB transactions		4,093	
Change in net position		$ (116,004)	