ELBERT COUNTY
LIBRARY DISTRICT
dba
PINES AND PLAINS LIBRARIES

FINANCIAL STATEMENTS

DECEMBER 31, 2021

ELBERT COUNTY LIBRARY DISTRICT
dba PINES AND PLAINS LIBRARIES
TABLE OF CONTENTS
DECEMBER 31, 2021

Management Discussion and Analysis

Our discussion and analysis of the Elbert County Library District, *dba* Pines and Plains Libraries, (the District) financial performance provides an overview of the District's financial activities for the year ended December 31, 2021. Please read it in conjunction with the District's financial statements.

Statement of Net Position and Statement of Activities – Governmental Activities

The Statement of Net Position includes all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of District financial position improvement or decline.

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES DECEMBER 31, 2021 AND 2020			
	2021	2020	Variance
ASSETS:			
Cash	$ 1,109,152	$ 651,239	$ 457,913
Receivables, net	1,327,775	1,179,444	148,331
Prepaid Expenses	6,226	-	6,226
Capital assets, net	1,720,184	1,763,993	(43,809)
Total Assets	$ 4,163,337	$ 3,594,676	$ 568,661
DEFERRED OUTFLOWS OF RESOURCES:			
Pension related asset	205,693	113,989	91,704
Total Deferred Outflows of Resources	205,693	113,989	91,704
LIABILITIES:			
Accounts payable and accrued expenses	$ 20,157	$ 25,868	$ (5,708)
Long-term liabilities:			
Due within one year	17,946	25,190	(7,244)
Net pension liability	396,023	501,462	(105,439)
Total Liabilities	434,126	552,517	(118,391)
DEFERRED IN FLOWS OF RESOURCES:			
Pension related liability	391,916	193,723	198,193
Property and specific ownership tax revenue:	1,327,775	1,179,444	148,331
Total Deferred Inflows of Resources	1,719,691	1,373,167	346,524
NET POSITION:			
Investment in capital assets, net of related debt	1,720,184	1,763,993	(43,809)
Restricted	74,500	28,000	46,500
Unrestricted	420,528	(9,013)	429,541
Total Net Position	$ 2,215,212	$ 1,782,980	$ 432,232

From 2020 to 2021, the District's total net position increased by $432,232. Cash increased by $457,913. Receivables, which are mostly tax revenue, increased by $148,331. Capital assets decreased by $43,809 due to depreciation and the disposal of fully depreciated fixed assets. Overall, total assets increased by $568,661.

Liabilities decreased by $118,391. PERA pension liabilities decreased by $105,439. As outlined in subsequent sections, the District cannot be held accountable for these liabilities, but standard government accounting practices dictate that these must be recorded as liabilities by the District.

The District has no debt and, therefore, no long-term liabilities. 2021 continues a seven-year trend in significant improvement of net position.

The Statement of Activities reports information about the District as a whole, showing how the District's net position changed during the most recent fiscal year. These statements are prepared on the accrual basis of accounting, and reflect all the current year's revenues and expenses, regardless of when cash is received or paid.

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020	Variance
Expenses:			
Operating	$ 782,444	$ 800,267	$ (17,823)
Pension expense	67,598	48,456	19,142
Capital outlay	68,093	73,751	(5,658)
Total Expenses	918,135	922,474	(4,339)
Program Revenues:			
Charges for services	1,714	2,467	(753)
Operating grants and contributions	33,279	35,517	(2,238)
Net Program Expense	(883,142)	(884,490)	1,348
General Revenues:			
Property tax	1,115,708	1,054,146	61,562
Specific ownership taxes	196,842	184,360	12,482
Miscellaneous	2,824	2,254	570
Interest income	-	482	(482)
Total General Revenues	1,315,374	1,241,242	74,132
Change in net position	432,232	356,753	75,479
Net position - beginning	1,782,980	1,426,227	356,753
Net position - ending	$ 2,215,212	$ 1,782,980	$ 432,232

As shown in the table above, total expenses decreased by $4,339 from 2020 to 2021. Operating expenses decreased by $17,823. Pension expenses increased by $19,142 in 2021, due to the necessary special treatment of PERA pension funding, as outlined below. The District has no long-term debt obligations.

Program revenues in the District include charges for services such as fees for damaged items, copies, faxes, and meeting rooms, as well as grant monies. Total program revenues decreased by $2,991. Charges for services revenues decreased by $753 due to COVID response service limitations throughout 2021. The District received $2,238 less in grant monies in 2021.

General revenues increased by $74,132, with property tax revenue increasing by $61,562 and SOT revenue increasing by $12,482. All interest income is combined in the 2021 financial information in the Miscellaneous category. This includes interest earned on late Real Estate Property Tax payments and interest earned on investments. In 2021 the interest income increased by $88.

As described in Notes 5 and 7 of the financial statements, the District contributes to a cost-sharing multiple-employer defined benefit plan administered by the Public Employees' Retirement Association (PERA). During 2021, the District continued reporting for PERA in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 67" (GASB 68) and Statement No. 75, "Accounting and Financial Reporting for Post-employment Benefits other than Pensions" (GASB75), both of which require employers to record their proportionate share of the plan's net unfunded pension and other post-employment benefits liability.

As a result of the adherence to GASB 68 and 75, the District recorded a net pension liability of $396,023 in addition to the related deferred outflows and inflows noted on the above statement of net position and more fully described in Notes 1, 5 and 7 to the financial statements. The District has no legal obligation to fund this shortfall, nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined benefit pension plan.

The governmental fund financial statements provide detailed information about the District's general fund. Due to the fact the District does not operate business-type activities, the governmental fund financial statements closely mirror the Statement of Net Position and the Statement of Activities; the only differences being the method of accounting used to prepare the financial information. All the District's services are reported in the governmental fund, which focuses on how money flows into and out of those funds and the balances, left at year-end, which are available for spending.

These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Therefore, capital expenditures are reported as a current period expense and long-term liabilities are recorded when currently payable, rather than when an obligation is incurred. As such, the amounts reported for 2021 in the governmental fund financial statements exclude capital assets, changes in liabilities for compensated absences, and the adoption of GASB 68 and 75. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent to finance the District's programs.

As the balance sheet indicates, the general fund increased by $417,121 from 2020 to 2021. The general fund is for the District's reserves for future library expansion. Total liabilities decreased by $5,708 during 2021. For 2021, the Board of Trustees restricted $25,000 specifically for the purpose of capital improvements.

BALANCE SHEETS - GOVERNMENT FUND
DECEMBER 31, 2021 AND 2020

	2021	2020	Variance
ASSETS:			
Cash and investments	$ 1,109,152	$ 651,239	$ 457,913
Receivables, net	1,327,775	1,179,444	148,331
Prepaid expenses	6,226	-	6,226
Total Assets	$ 2,443,153	$ 1,830,683	$ 612,470
LIABILITIES:			
Accounts payable and accrued expenses	$ 20,157	$ 25,865	$ (5,708)
Total Liabilities	20,157	25,865	(5,708)
DEFERRED INFLOWS OF RESOURCES:			
Property and specific ownership tax revenue	1,327,775	1,179,444	148,331
Total Deferred Inflows of Resources	1,327,775	1,179,444	148,331
FUND BALANCE:			
Nonspendable	6,226	-	6,226
Restricted	74,500	28,000	46,500
Unassigned	1,014,495	597,374	417,121
Total Fund Balance	1,095,221	625,374	469,847
Total Liabilities, Deferred Inflows of Resources			
and Fund Balances	$ 2,443,153	$ 1,830,683	$ 612,470

The Statement of Revenues, Expenditures, and Change in Fund Balance echoes much of the information covered in the explanations above.

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND YEARS ENDED DECEMBER 31, 2021 AND 2020			
	2021	2020	Variance
Expenditures:			
Current			
Operating	$ 813,972	$ 826,536	$ (12,564)
Pension Expense	66,548	66,199	349
Total Expenses	880,520	892,735	(12,215)
Program Revenues:			
Charges for services	1,714	2,467	(753)
Operating grants and contributions	33,279	35,517	(2,238)
Net Program Expense	(845,528)	(854,751)	9,223
General Revenues:			
Property taxes	1,115,708	1,054,146	61,562
Specific ownership taxes	196,842	184,360	12,482
Interest income	2,824	2,736	88
Total General Revenues	1,315,374	1,241,242	74,132
Net change in fund balance	469,847	386,491	83,356
Net position - beginning	625,374	238,883	386,491
Net position - ending	$ 1,095,221	$ 625,374	$ 469,847

We are including the Budgetary Comparison Schedule as a tool by which stakeholders can estimate whether the District is meeting its annual financial benchmarks. Generally, the District seeks to spend as much or, preferably, less than expressed in the budget. While developing the 2021 budget, the District sought to build reserves by keeping expenses less than revenues for the purpose of funding future capital improvements. The chart below shows how the district measured up to these goals.

BUDGET COMPARISON SCHEDULE - GENERAL FUND ***FOR THE YEAR ENDED DECEMBER 31, 2021***			
	Budget	Actual	Variance (Favorable / (Unfavorable)
Revenues			
Property taxes	$ 1,040,000	$ 1,115,708	$ 75,708
Specific ownership taxes	140,000	196,842	56,842
Charges for services	1,500	1,714	214
Contributions and grants	8,000	33,279	25,279
Interest	1,325	2,824	1,499
Total Revenues	1,190,825	1,350,367	159,542
Expenditures			
Salaries and benefits	672,909	618,098	54,811
Library materials	78,450	68,971	9,479
Facililties	59,900	60,225	(325)
Technology and support services	26,700	31,297	(4,597)
Programs and outreach	17,000	17,075	(75)
Administration	87,090	84,853	2,237
Contingency	1,000	-	1,000
Total Expenditures	$ 943,049	$ 880,519	$ 62,530
Net Change in Fund Balance	247,776	469,847	222,071
Fund Balance, Beginning of Year	625,374	625,374	
Fund Balance, End of Year	$ 873,150	$ 1,095,221	

The District made $159,542 more than it budgeted in revenues. This includes $75,708 more than it budgeted for property taxes and $56,842 more than it budgeted for specific ownership taxes. Charges for services, grants and contributions and interest contributed $26,992 more than what was budgeted.

Expenditures were less than those allotted in the budget. Actual salaries and benefit expenses were $54,811 below budget. Materials expenditures were $9,479 less than what was budgeted. Unbudgeted grant proceeds were utilized to cover technology expenditures, as a result, the "Technology and Support Services" and "Programs and Outreach" expense line items exceed budget by $4,597 and $75, respectively. The Board of Trustees hired an Employment and Labor Attorney to prepare a comprehensive Employee Handbook for the District, as well as review job descriptions and labor classifications to ensure compliance with labor laws. The Employee Handbook has been implemented to aid the District in complying with all State and Federal employment and labor laws. Overall, the expenditures were $62,530 under budget.

In summary, the District budgeted $247,776 less expenses than revenues for 2021, expecting to place the extra revenues in reserves for future projects (explained below). The actual amount of surplus for 2021 ended up being $432,232. This will allow the District to reserve funds for capital improvements at the District at a faster pace than expected. Some expenses incurred do not affect cash, so the District was able to increase their cash position by $457,913 in 2021. The 2022 District Budget has been conservatively adopted to ensure a surplus will be available to continue to grow the cash reserves needed to fund the capital improvements across the District. Because the District has been able to continue to improve its cash reserves, the Board of Trustees has budgeted $50,000 in the 2022 Budget for the purposes of feasibility studies to improve the Elizabeth Library. This will include seeking input from the taxpayers concerning their vision for the Elizabeth Library.

The processes of budgeting slightly less revenues than those forecast, keeping strict control of expenditures both during the year and between years, and the accrual of reserves over the past several years illustrates the District's strategy toward expanding our libraries buildings in Elbert County, while continuing to reward the service of the employees of the District.

In 2021, the Library Director, the Financial Administrator, and President of the Board of Trustees all resigned their positions with the District. The Board of Trustees has implemented plans to replace the Library Director and Financial Administrator with individuals who will embrace the mission and values of the District: To provide our patrons the resources to achieve their aspirations through literacy, technology and community engagement by empowering individuals and the communities with ideas, being respectfully adaptable with good humor, and providing good stewardship of the taxpayer dollars.

First Fiscal Priority: Building a Bigger Elizabeth Library

We are reiterating here the desire to maintain the direction that has been set out. The District has prioritized service increases for the Elizabeth area. The Elizabeth Library currently only occupies 5,225 square feet of space of a facility that spans 16,600 square feet. The non-library portion of the building is undeveloped warehouse space. Developing that space will likely cost at least an estimated $4 million and up to $8 million. As illustrated above, the District's relatively conservative approach to budget, which results in an aggressive accrual of reserves, will result in seed money for the pursuit of grants to create a bigger Elizabeth Library.

Facility improvement granters typically require 50%-or-above in "matching funds" from grantees. In other words, to get a grant for $2 million to improve the Elizabeth Library, the District would need at least $2 million of its own funds to qualify for the grant. The District may apply for other, lesser grants to help provide matching funds. However, the fact remains that development of the Elizabeth Library will require a substantial amount of cash from library reserves. During the next few years, the District will "save-up" matching funds. Both the Board and administration have determined that the expedient development of the Elizabeth "warehouse" space into a public library is the best use for the facility. Renovation of the Elizabeth facility might also happen incrementally to provide more immediate service capacity to that area of the county.

Other Lesser Options for the Elizabeth Facility

Other options for increasing revenue include leasing the warehouse space of the Elizabeth facility to a business, or non-profit organization. Leasing the warehouse space does not make sense in the long term. The District would need to spend reserves to suit a lessee's specific needs and allow for occupancy—a significant cost. Most lessees want a lease from 3 to 10 years, which would also effectively lock the District out of making improvements to serve its own patrons for a relatively small annual monetary profit. The Elizabeth area population continues to grow, and the District should seek to optimize value to its taxpayers through the increase of library services, rather than developing space for a lessee.

Meanwhile, the District continues to explore potential partnerships for shared space and, subsequently, shared development costs, in the Elizabeth facility. If the District could partner with a local governmental entity to develop meeting room space for use by citizens and both organizations, then constituents (and members) would be better served. In addition, sharing costs would help the District procure more space much faster than it could on its own.

More and Better Libraries in Other Areas

With expansion of current housing developments in northwestern Elbert County, such as Spring Valley and Independence, the District is aware of the need new and established residents will have for convenient library services. Therefore, after the expansion of the existing Elizabeth facility, one of the top priorities will be for the district to create consistent, dedicated services for the northwestern area.

Simla's extremely rural population is relatively sparse compared to that of Elizabeth. People in Simla indicate their abundant need for library services by way of material circulation, visits to the Simla branch, and more. Simla is the District's second-best performing library for those metrics. The District leases its current facility. The lessor has indicated it is amiable to expanding the building to create more library space. The potential expansion of the Simla Library is another priority for the District.

Just as the District leveraged its partnership with Elbert School to provide more library services to residents in 2006, Pines & Plains Libraries is constantly seeking partnerships and potential ways in which it can serve residents in the more remote areas of the county. By partnering with local governments or businesses, the District may be able to get more books, technology, and lifelong learning into agricultural communities such as Agate and Matheson for a fraction of costs required by the four current branches. Therefore, continual pursuit of potential partnerships to create new, small facilities in existing buildings is also a priority. Agricultural communities deserve convenient access to culture, information, and lifelong learning opportunities, as do our new residents in the northwestern part of the county.

The above expansions may seem a tall order in the short term. However, with responsible fiscal management, patience, partnerships, and planning, new and better libraries will provide services to residents of all kinds very soon.

Respectfully,

Patty J. Lampman

Patty J. Lampman, President
Board of Trustees
Elbert County Library District
dba Pines and Plains Libraries

May Jackson Hendrick, LLC
Certified Public Accountants

Traci L. May, CPA
Lenae A. Jackson, CPA
Lori K. Hendrick, CPA

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Elbert County Library District *dba* Pines & Plains Libraries
651 W. Beverly Street
Elizabeth, CO 80107

Opinion
We have audited the financial statements of the governmental activities and major fund of the Elbert County Library District *dba* Pines & Plains Libraries, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Elbert County Library District *dba* Pines & Plains Libraries, as of December 31, 2021, 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 Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. 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 a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Traci L. May, CPA
Lenae A. Jackson, CPA
Lori K. Hendrick, CPA

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Traci L. May, CPA
Lenae A. Jackson, CPA
Lori K. Hendrick, CPA

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

May Jackson Hendrick, LLC

Parker, Colorado
June 22, 2022

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BASIC FINANCIAL STATEMENTS

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

BALANCE SHEET - GOVERNMENTAL FUND/
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government		
	General - Governmental Fund	Adjustments	Statement of Net Position - Governmental Activities
ASSETS:			
Cash	$ 1,109,152	$ -	$ 1,109,152
Property and specific ownership taxes receivable, net of allowance for uncollectible accounts of $87,144	1,327,775	-	1,327,775
Prepaid expenses	6,226	-	6,226
Capital assets not being depreciated	-	362,467	362,467
Capital assets net of accumulated depreciation	-	1,357,717	1,357,717
Total Assets	$ 2,443,153	$ 1,720,184	$ 4,163,337
DEFERRED OUTFLOWS OF RESOURCES:			
Pension and other post employment benefits related assets	-	205,693	205,693
Total Deferred Outflows of Resources	-	205,693	205,693
LIABILITIES:			
Accrued expenses, salaries and payroll taxes	$ 20,157	$ -	$ 20,157
Long-term liabilities:			
Due within one year	-	17,946	17,946
Net pension and other post employment benefits liability	-	396,023	396,023
Total Liabilities	20,157	413,969	434,126
DEFERRED INFLOWS OF RESOURCES:			
Pension and other post employment benefits related liability	-	391,916	391,916
Property and specific ownership tax revenue	1,327,775	-	1,327,775
Total Deferred Inflows of Resources	1,327,775	391,916	1,719,691
FUND BALANCE/NET POSITION:			
Fund Balance			
Nonspendable	6,226	(6,226)	-
Restricted for:			
Tabor	28,500	(28,500)	-
Grant restrictions	21,000	(21,000)	-
Committed for:			
Capital improvements	25,000	(25,000)	-
Unassigned fund balance	1,014,495	(1,014,495)	-
Total Fund Balance	1,095,221	(1,095,221)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,443,153		
Net Position			
Investment in capital assets		1,720,184	1,720,184
Restricted for:			
Tabor		28,500	28,500
Capital improvements		25,000	25,000
Grant restrictions		21,000	21,000
Unrestricted		420,528	420,528
Total Net Position		$ 2,215,212	$ 2,215,212

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND/ STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Primary Government		
	General - Governmental Fund	Adjustments	Statement of Activities - Governmental Activities
Expenditures/Expenses:			
Current			
Operating	$ 813,972	$ (31,528)	$ 782,444
Pension and other post employment benefits expense	66,548	1,050	67,598
Capital Outlay	-	68,093	68,093
Total Expenses	880,520	37,615	918,135
Program Revenues:			
Operating grants and contributions	33,279	-	33,279
Charges for services	1,714	-	1,714
Total Program Revenues	34,993	-	34,993
Net Program Expenses	(845,528)	(37,615)	(883,142)
General Revenues:			
Property taxes	1,115,708	-	1,115,708
Specific ownership taxes	196,842	-	196,842
Interest income	2,824	-	2,824
Total General Revenues	1,315,374	-	1,315,374
Net change in fund balance	469,847	(469,847)	
Change in net position		432,232	432,232
Fund Balance/Net Position			
Beginning of year	625,374	1,157,606	1,782,980
End of year	$ 1,095,221	$ 1,119,991	$ 2,215,212

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total fund balance - general fund		$	1,095,221
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.			
Capital assets	2,663,400		
Accumulated depreciation	(943,216)		1,720,184
Pension liability is not due and payable in the current period and therefore are not reported in the governmental fund.			
Pension related deferred outflows	205,693		
Pension related deferred inflows	(391,916)		
Pension liability	(396,023)		(582,247)
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund.			(17,946)
Net position of governmental activities		$	2,215,212

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

Net change in fund balance - general fund		$ 469,847
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount by which depreciation exceeds capital outlays.		
Capital asset additions	(68,093)	
Depreciation	111,901	(43,808)
Pension liability does not require use of current financial resources and therefore is not reported as expenditures in the governmental fund.		(1,050)
Compensated absences in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.		7,243
Change in net position of governmental activities		$ 432,232

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Elbert County Library District (the District) was established in 2000 as a library district to provide library services within Elbert County, Colorado. A five-member Board of Trustees, initially appointed by the Elbert County Board of Commissioners and now appointed upon the recommendation of the Elbert County Library District Board of Trustees and ratified by the Board of Commissioners, governs the District.

The District maintains libraries in Kiowa, Elizabeth and Simla, Colorado. In addition, the District provides joint library services in Elbert, Colorado at the Elbert School.

Financial Reporting Entity

All activities of the District are included in the financial statements. The District does not have any component units over which it exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District (as distinct from legal relationships).

Basis of Presentation

The basic financial statements are presented in a combined format for both the fund and government-wide level. These include the balance sheet – governmental fund / statement of net position and the statement of revenues, expenditures and change in fund balance – governmental fund / statement of activities.

Governmental Fund Financial Statements: Governmental fund financial statements are organized into three major categories: governmental, proprietary and fiduciary; the District has no proprietary or fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance, revenues and expenditures. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered a major fund if it is the primary operating fund. The general fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. The District utilizes the general fund exclusively of which it is charged with all costs of operating the District due to the fact a separate fund has not been established.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements: The Statement of Net Position and Statement of Activities display information about the reporting government as a whole and include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities; the District has no business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus:

In the governmental fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- Current Financial Resources - Only current financial assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund uses a fund balance as the measure of available spendable financial resources at the end of the period.

- Economic Resources - The accounting objectives of this measurement focus are the determination of operating income, changes in fund balance (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

- The agency fund is not involved in the measurement of results of operations; therefore, measurement focus is not applicable to it.

In the government-wide financial statements, governmental activities are presented using the economic resources measurement focus as defined above.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting:
In the governmental fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

In the government-wide financial statements, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Assets, Liabilities and Fund Balance/Net Position
Cash and Investments:
Colorado Revised Statutes (CRS) authorize the District to invest in certain obligations of the U.S. Treasury and U.S. agencies, commercial paper, repurchase agreements, local government investment pools and other specific investments.

The District limits its exposure to credit risk, which is the risk of loss due to the failure of the security issuer or backer, by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specific credit ratings.

Furthermore, District funds may only be deposited in banks that are members of the Federal Deposit Insurance Corporation (FDIC) or have been designated by the State Banking Board as an eligible public depository under the Colorado Public Deposit Protection Act (PDPA). Under the provisions of PDPA, amounts on deposit in excess of federal insurance levels must be collateralized by the depository using securities with a market value of 102% of the aggregate uninsured deposits. The State Regulatory Commission for banks and financial services is required by statute to qualify eligible PDPA depositories, limit the types of securities that can be used for collateral and monitor the reporting of uninsured deposits and assets maintained in the collateral pools.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable:
Accounts receivable consist of special ownership tax revenues earned at year-end and not yet received due to difficulties encountered with a software upgrade conducted statewide by the State of Colorado.

Property Taxes Receivables:
Property tax receivables are net of an allowance for uncollectable accounts. Property values are assessed and a lien placed on the property as of January 1. Property taxes are levied no later than December 22. Taxes are payable in the following year, either in full by April 30, or in two equal payments due February 28 and June 15. Property taxes levied in the current year and payable in the following year are reported as a receivable and deferred inflow of resources at December 31. Revenue is recognized upon collection; therefore, in the following year the receivable is recorded.

Prepaids:
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmental fund and government-wide financial statements.

Capital Assets:
The accounting treatment over capital assets, which include land, buildings, furniture, equipment and library materials, depends on whether the assets are reported in the governmental fund or government-wide financial statements.

Governmental Fund Financial Statements: In the governmental fund financial statements, capital assets are expensed when purchased.

Government-wide Financial Statements: In the government-wide financial statements, capital assets with an initial, individual cost of $5,000 or more (except library material which are capitalized regardless of cost) and an estimated useful life of more than one year, are recorded at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Maintenance, repairs and minor renewals are charged as expenditures when incurred.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. Capital assets are depreciated over their estimated useful lives of five to forty years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue:
Grant funds received from grantors, which are applicable to future accounting periods, are recorded as unearned revenue in both the governmental fund and government-wide financial statements; these funds will be recognized as revenue in the year earmarked by the grantor.

Deferred Outflows of Resources:
In addition to assets, the Statement of Net Position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and will not be recognized as an outflow of resources until that period. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with the presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* (GASB 75).

Long-Term Debt:
The accounting treatment of long-term debt depends on whether it is reported in the governmental fund or government-wide financial statements.

Long-term debt for governmental funds is not reported as liabilities in the governmental fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. Long-term debt consists of accrued compensated absences and a capital lease.

Compensated Absences:
The District's liability for compensated absences consists of accrued vacation, personal and sick time due to employees. The liability for compensated absences is reported in the government-wide financial statements when accrued and only recorded in the governmental fund financial statements when the amount is due to the employee, for example, when an employee takes vacation, personal or sick time, resigns or retires.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions:
The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of 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 made changes to certain benefit provisions. Most of these changes were in effect as of December 31, 2021.

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

Deferred Inflows of Resources:
In addition to liabilities, the Statement of Net Position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and will not be recognized as an inflow of resources until that period. The District has recognized deferred inflows of resources in the government-wide financial statements in accordance with the presentation requirements for property taxes, GASB 68 and GASB 75.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance/Net Position:
The District reports fund balance and net position in accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement identifies fund balance categories to make the nature and extent of the constraints placed on a governmental entity's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints under GASB 54:

- Nonspendable – This classification represents all assets that are not expected to convert to cash (i.e. prepaid expenses).
- Restricted – This classification represents amounts constrained to specific purposes by external parties such as grantors, contributors or through constitutional provisions. Restricted fund balances also include revenues raised pursuant to legislations that restrict the use of funds to a specific purpose.
- Committed – This classification represents amounts constrained to specific purposes by the District's Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees takes action to remove or change the constraint. Fund balance commitments are established, modified or rescinded by the adoption of Board resolutions.
- Assigned – This classification represents amounts the District intends to use for a specific purpose. Intent can be expressed either by the District's Board of Trustees or by an official or body to which the Board delegates the authority.
- Unassigned/Unrestricted – This classification represents amounts that are available for any purpose.
- Investment in capital assets – This classification represents capital assets net of accumulated depreciation and related debt.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When amounts in multiple unrestricted fund balance classifications could be used, the District considers committed funds used first, then assigned and finally unassigned fund balances.

NOTE 2 CASH

At December 31, 2021, the District had the following cash:

	Unrestricted	Restricted	Total
Cash and Investments:			
Cash	$ 1,080,652	$ 28,500	$ 1,109,152
Total Cash	$ 1,080,652	$ 28,500	$ 1,109,152

NOTE 3 CAPITAL ASSETS

During the year ended December 31, 2021, the District recorded depreciation expense of $111,901. Additionally, the District disposed of fully depreciated fixed assets no longer in use in the amount of $65,600.

Capital assets activity for the year was as follows:

	December 31, 2020	Additions	Deletions	December 31, 2021
Capital Assets Not Being Depreciated				
Land	$ 362,467	$ -	$ -	$ 362,467
Total Capital Assets Not Being Depreciated	362,467	-	-	362,467
Capital Assets Being Depreciated				
Buildings	1,916,746	-	-	1,916,746
Library materials	326,815	68,093	(65,600)	329,308
Computers	16,291	-	-	16,291
Furniture and fixtures	38,590	-	-	38,590
Total Capital Assets Being Depreciated	2,298,442	68,093	(65,600)	2,300,935
Accumulated Depreciation				
Buildings	(646,029)	(46,040)	-	(692,069)
Library materials	(196,004)	(65,861)	65,600	(196,265)
Computers	(16,291)	-	-	(16,291)
Furniture and fixtures	(38,591)	-	-	(38,591)
Total Accumulated Depreciation	(896,915)	(111,901)	65,600	(943,218)
Net Capital Assets Being Depreciated	1,401,526	(43,808)	-	1,357,717
Net Government-wide Capital Assets	$ 1,763,993	$ (43,808)	$ -	$ 1,720,184

NOTE 4 COMMITMENTS

Operating Lease Commitments:
In September 2017, the District entered into an operating lease for the Simla library facility; the lease is scheduled to expire in August 2027 and carries a $23,625 annual lease obligation ($1,969/month).

Total lease costs for the year ended December 31, 2021 were $23,625. Minimum future lease payments under the operating lease as of December 31, 2021 for each of the next five years and in the aggregate are:

Year ending December 31,:		
2022	$	23,625
2023		23,625
2024		23,625
2025		23,625
2026		23,625
Thereafter		15,750
Total	$	133,875

Long-Term Obligations - Compensated Absences:
Changes in the District's long-term obligations consisted of the following for the year ended December 31, 2021:

	December 31, 2020	Additions	Deletions	December 31, 2021
Governmental Activities:				
Compensated absences	$ 25,190	$ 43,001	$ (50,245)	$ 17,946

NOTE 5 DEFINED BENEFIT PENSION PLAN

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

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided as of December 31, 2020: 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. Section 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 annualized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

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

- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100 percent of highest average salary and 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 5 DEFINED BENEFIT PENSION PLAN (Continued)

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all 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 retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2021: Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 1, 2020 through December 31, 2020 are summarized in the table below:

	Jan. 1, 2020 Through June, 30 2020	July 1, 2020 Through Dec. 31, 2020	Jan. 1, 2021 Through June 30, 2021	July 1, 2021 Through Dec. 31, 2021
Employee contribution (all employees except State Troopers)	8.00%	8.50%	8.50%	8.50%
State Troopers Only	10.75%	12.00%	12.00%	12.50%

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

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

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

	Jan. 1, 2020 Through June 30, 2020	July 1, 2020 Through Dec. 31, 2020	Jan. 1, 2021 Through June 30, 2021	July 1, 2021 Through Dec. 31, 2021
Employer contribution rate	10.00%	10.50%	10.50%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%	(1.02)%	(1.02%)
Amount apportioned to the LGDTF	8.98%	9.48%	9.48%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	N/A	0.02%	0.02%
Total employer contribution rate to the LGDTF	**12.68%**	**13.18%**	**13.20%**	**13.20%**

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

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

The employer contribution requirements for State Troopers are summarized in the table below:

	Jan. 1, 2020 Through June 30, 2020	July 1, 2020 Through Dec. 31, 2020	Jan. 1, 2021 Through Dec. 31, 2021	July 1, 2021 Through Dec. 31, 2021
Employer contribution rate	13.10%	13.60%	13.60%	13.60%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02)%	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	12.08%	12.58%	12.58%	12.58%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	N/A	0.02%	0.02%
Total employer contribution rate to the LGDTF	**15.78%**	**16.28%**	**16.30%**	**16.30%**

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

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

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 contribution to the LGDTF. Employer contributions recognized by the LGDTF from the District were $61,627 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of $347,652 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The District proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the District's proportion was 6.67 percent, which was an increase of .54 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension expense of $64,181. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 31,795	$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and difference between contributions recognized and proportionate share of contributions	100,823	375,970
Contributions subsequent to the measurement date	61,601	-
Total	$ 191,219	$ 375,970

$61,601 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

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,	
2022	$ 7,019
2023	3
Total	$ 7,022

Actuarial assumptions: The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50 – 10.45%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 and DPS Benefit Structure (compounded annually)[1]	1.75%
PERA Benefit Structure hired after 12/31/06	Financed by the AIR

[1]For 2019, the annual increase was 0.00 percent.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20 – 11.30%
State Trooper[1]	
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 and DPS Benefit Structure (compounded annually)[1]	1.25%
PERA Benefit Structure hired after 12/31/06[2]	Financed by the AIR

1 C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within theLGDTF, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

2 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 5 DEFINED BENEFIT PENSION PLAN (Continued)

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

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

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

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

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

NOTE 5 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 mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

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

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

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

1 The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

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

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200. 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 additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020, Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent 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.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 800,860	$ 347,656	$ (30,711)

Pension plan fiduciary net position: Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 6 DEFINED CONTRIBUTION PENSION PLANS

Voluntary Investment Program

Plan Description: Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available CAFR, which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy: The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not match any of the employee contributions. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2021, program members contributed $1,200 to the Voluntary Investment Program.

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

Plan description: Eligible employees of the District are provided with OPEB through the HCTF – a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. 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 that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided: The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

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

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.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient’s eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

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

The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

DPS Benefit Structure
The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $4,853 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of $48,371 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District's proportion was .509 percent, which was an increase from .040 percent, its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized OPEB expense of $3,349. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 489	$ 368
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,132	15,578
Contributions subsequent to the measurement date	4,853	-
Total	$ 11,474	$ 15,946

$4,853 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, 2022.

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

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,:	
2022	$ 4,972
2023	3,443
2024	1,785
2025	797
2026	49
Total	$ 11,046

Actuarial assumptions: The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in agenda
Long-term investment rate of return, net of OPEB	
plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PEARCare Medicare plans	8.10% for 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age 65 or older and who are not eligible for premium–free Medicare Part A in the December 31, 2019 valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$562
Kaiser Permanente Medicare Advantage HMO	571

The 2020 Medicare Part A premium is $458 (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. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

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

	Trust Fund			
	State Division	**School Division**	**Local Government Division**	**Judicial Division**
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%[1]	N/A

1 C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

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

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

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

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

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

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

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

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 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) 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 mortality tables described above are generational mortality tables on a head-count weighted basis.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.

- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.

- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

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

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

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

1 The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

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

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the 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	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 55,410	$ 48,371	$ 42,357

Discount rate - 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, 2020, 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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	$ 47,121	$ 48,371	$ 49,827

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 FUND BALANCE/NET POSITION

The District reports fund balance and net position in accordance with GASB 54. This statement redefines the elements of fund balances in governmental funds and more clearly describes the different types of governmental funds.

Governmental Fund Financial Statements:
At December 31, 2021, the District had a restricted fund balance of $49,500. The restricted fund balance consists of $28,500 of emergency reserves required by Article X, Section 20 of the Colorado Constitution and $21,000 of restricted grant revenues. The restricted grant revenues will be released in 2022 when the District incurs allowable expenditures per the grant requirements. In addition, the District had a committed fund balance of $25,000, which consists of capital improvement funds for the expansion of the Elizabeth Library.

NOTE 8 FUND BALANCE/NET POSITION (Continued)

Government-wide Financial Statements:
Amounts report as net investment in capital assets of $1,720,184 represents the District's capital assets net of accumulated depreciation of $943,216.

Restricted fund balances of $28,500, $25,000, and $21,000 represent emergency reserves required by Article X, Section 20 of the Colorado Constitution, capital improvement funds for the expansion of the Elizabeth Library, and restricted grant revenues, respectively.

NOTE 9 RELATED ORGANIZATIONS

The Elbert County Libraries Foundation dba Pines & Plains Libraries Foundation (the Foundation): The Foundation was established in 2009 to aid, assist and support financially and otherwise the libraries of the Elbert County Library District *dba* Pines and Plains Libraries. Although the Foundation was created for the direct benefit of the District, the Foundation is not reported as a component unit due to the following:

- The District does not appoint or elect a majority of the Foundation's board of directors
- The District cannot impose its will on the Foundation by significantly influencing the program, projects, activities, or level of service performed by the Foundation
- The District does not have the ability to access the economic resources received by the Foundation
- The Foundation is not fiscally depended on the District
- The Foundation does not have a financial benefit or burden relationship with the District

During the year ended December 31, 2021, the Foundation installed a handrail at the Kiowa Library; as a result, the District has recorded an in-kind contribution equal to $1,800 (the cost incurred by the Foundation). Information regarding the Foundation can be obtained at https://pplibraries.org/foundation/.

Elizabeth Friends of the Library, Kiowa Friends of the Library, Elbert Friends of the Library and Simla Friends of the Library (the Friends): The Friends are a group of volunteers organized in each respective library's community who exist to provide advocacy, volunteer support, fundraising and community involvement for each library branch.

Funds are raised from book sales, silent auctions and general donations. Funds are contributed to the District to aid in improving the facilities and services provided at each library branch.

NOTE 9 RELATED ORGANIZATIONS (Continued)

During 2020, each library branch received various in-kind contributions, which have been recorded in the financial statements in the amount of $2,434. The District recognizes the importance of and is grateful for the in-kind contributions and services provided by the Friends of the Library, which contribute to the District's overall success.

NOTE 10 ELBERT LIBRARY AGREEMENT

In August 2004, the Elbert County Library District and the Elbert School District #200 (the School) entered into an agreement for shared library space. Under the agreement, the School provides space to the District for the operations of the Elbert Library (the Library).

The School's responsibilities include:

- Provide the District with adequate space for the Library
- Provide staffing for the Library during regularly scheduled school hours
- Provide adequate facilities and equipment to allow for shelving of Library materials, research and recreational activities of the Library and its programs, a computer circulation system, telephones and data lines for communication and computer equipment and a copier for the general use of Library patrons
- Provide access to the Library for those hours which are not regularly scheduled school hours but during which the Library has established public hours
- Provide year round maintenance, custodial care, snow removal and all other operational aspects of the facility
- Maintain appropriate insurance on the facility
- Permit its library collection to be incorporated into and circulated as a part of the Library's collection available to the general public

The District's responsibilities include:

- Furnish and make available the Library's collection as a part of the Library
- Provide staffing for the Library for those hours that are not regularly scheduled school hours
- Provide materials and equipment unique to its operation as a Library such as an outside book return for returns during non-public hours and signage directing patrons to the Library
- Maintain appropriate levels in insurance for its activities in the Library and for its materials that are incorporated as a part of the Library
- Be responsible for maintaining appropriate order and/or discipline in the Library during its non-school public hours

NOTE 10 ELBERT LIBRARY AGREEMENT (Continued)

- Monitor patron activity during non-school public hours to keep patrons from accessing other parts of the school in which the Library is located but which are not part of the Library

The agreement automatically renews annually under the same terms and conditions as reflected in the agreement and any addendums at the time of renewal. Either party can terminate the agreement by giving written notice to the other party no later than March 1 of the year during which the termination is to occur.

In the event of termination of the agreement, all print and non-print material shall become the property of the School.

NOTE 11 TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

TABOR also requires emergency reserves to be established. These reserves must be at least 3% of fiscal year spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At December 31, 2021, there was a $28,500 restricted fund balance in the governmental fund financial statements and the same balance was reported in the government-wide financial statements as restricted, both for TABOR.

NOTE 12 MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at December 31, 2021, and revenues and expenditures during the year then ended. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

NOTE 13 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters for which the District carries commercial and worker’s compensation insurance.

NOTE 14 CONCENTRATION OF CREDIT RISK

The District's financial instruments that are exposed to concentrations of credit risk consist of cash and accounts receivable. The District places its cash with high credit quality institutions. The District routinely assesses the financial strength of its customers and, consequently, believes that its accounts receivable credit risk exposure is limited. At times, cash may be held in accounts in excess of the FDIC insurance limit of $250,000. At December 31, 2021, the District had funds held with one financial institution, which exceeded the FDIC insurance limit, by $846,123.

NOTE 15 EVALUATION OF SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through June 22, 2022, the date the financial statements were available to be issued. The following subsequent event has occurred:

COVID-19: In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. As of March 2020, the World Health Organization declared the outbreak to constitute a "Public Health Emergency of International Concern" and pandemic.

The COVID-19 outbreak has disrupted the District's ability to provide library services. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our clients, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

SUPPLEMENTARY INFORMATION

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 1,040,000	$ 1,115,708	$ 75,708
Specific ownership taxes	140,000	196,842	56,842
Charges for services	1,500	1,714	214
Contributions and grants	8,000	33,279	25,279
Interest	1,075	2,824	1,749
Miscellaneous income	250	-	(250)
Total Revenues	1,190,825	1,350,366	159,541
Expenditures			
Salaries and benefits	672,909	618,098	54,811
Library materials	78,450	68,971	9,479
Facilities	59,900	60,225	(325)
Technology and support services	26,700	31,297	(4,597)
Programs and outreach	17,000	17,075	(75)
Administration	87,090	84,853	2,237
Contingency	1,000	-	1,000
Total Expenditures	943,049	880,519	62,530
Net Change in Fund Balance	247,776	469,847	222,071
Fund Balance, Beginning of Year	625,374	625,374	
Fund Balance, End of Year	$ 873,150	$ 1,095,221	

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS

COLORADO PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION

FOR THE YEAR ENDED DECEMBER 31, 2021

	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
Proportionate Share of the Net Pension Liability							
District's Proportion of the Net Pension Liability	0.0717697929%	0.0615847508%	0.0569555414%	0.0553794564%	0.0597188073%	0.0613429078%	0.0667122542%
District's Proportionate Share of the Net Pension Liability	$ 643,279	$ 678,406	$ 769,094	$ 616,611	$ 750,791	$ 448,657	$ 347,656
District's Covered Payroll	$ 393,267	$ 349,754	$ 345,222	$ 349,357	$ 391,692	$ 422,436	$ 470,744
District's Proportionate Share of the Net Pension Liability as a Percentage Covered Payroll	163.57%	193.97%	222.78%	176.50%	191.68%	106.21%	73.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.10%	76.90%	73.60%	79.37%	75.96%	86.26%	90.88%
District Contributions							
Statutorily Required Contribution	$ 49,866	$ 44,349	$ 43,774	$ 44,298	$ 49,667	$ 53,565	$ 60,896
Contributions in Relation to the Statutorily Required Contribution	49,866	44,349	43,774	44,298	49,667	53,565	60,896
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	393,267	349,754	345,222	349,357	391,692	422,436	470,744
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.94%

Complete 10-year information to be presented in future years as it becomes available.

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
COLORADO PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2021

	12/31/17	12/31/18	12/31/19	12/31/20
Proportionate Share of the Net OPEB Liability				
District's Proportion of the Net OPEB Liability	0.0043032370%	0.0046312019%	0.0046981304%	0.0050905125%
District's Proportionate Share of the Net OPEB Liability	$ 55,925	$ 63,008	$ 52,806	$ 48,371
District's Covered Payroll	$ 349,357	$ 391,692	$ 422,436	$ 470,744
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	16%	16%	13%	10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18%	17%	24%	24%
District Contributions				
Statutorily Required Contributions	$ 3,563	$ 3,995	$ 4,309	$ 4,802
Contributions in Relation to the Statutorily Required Contribution	3,563	3,995	4,309	4,802
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 349,357	$ 391,692	$ 422,436	$ 470,744
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

Complete 10-year information to be presented in future years as it becomes available.