ESTES PARK LOCAL MARKETING DISTRICT

Annual Financial Report and
Independent Auditor's Report

December 31, 2021

Haynie & Company

HaynieCPAs.com

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Haynie & Company
Certified Public Accountants
& Management Consultants

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120
303-734-4800
303-795-3356
www.HaynieCPAs.com

Independent Auditor's Report

Members of the Board of Directors
Estes Park Local Marketing District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Estes Park Local Marketing District, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Estes Park Local Marketing District, as of December 31, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Estes Park Local Marketing 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Estes Park Local Marketing District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Estes Park Local Marketing 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 Estes Park Local Marketing District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Haynie & Company

Littleton, Colorado
July 26, 2022

Estes Park Local Marketing District
Management's Discussion and Analysis
For the Year Ended December 31, 2021

This section of the annual financial report offers readers of the Estes Park Local Marketing District's (the "District") financial statements, management's discussion and analysis of the District's financial performance during the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information provided in the District's financial statements, which immediately follow this section.

Background Information

The District was created by voter approval of its formation and subsequent lodging tax levy in the November 2008 general election, in accordance with state statutes that allow for the formation of a taxing district. The predominant fund approach for the District is comprised of one basic fund, the General Fund, which is primarily financed by levying a two percent lodging tax on all short term stays of less than 30 days (commercial property and property management systems).

Financial Highlights

- The District's financial status trended significantly higher over the course of the 2021 fiscal year. Total net position increased $821,835. This represents an increase in income from lodging tax revenue related to what we attribute to be pent-up demand following the COVID 19 pandemic.

- Lodging Tax revenues account for $3,551,271 or 83.80 percent of all revenues. There were program specific revenues in the form of $322,630 in charges for services during 2021. The District received a PPP loan in the amount of $209,390 which was forgiven in 2021, and had other miscellaneous income of $153,722; as well as $132 in investment income.

- The District had $3,214,350 in expenses related to governmental activities; some of these expenses were offset by program-specific charges for services or operating grants and contributions. General revenues consisting of lodging taxes of $3,551,271 and other revenues were adequate to provide for these programs, with a $1,022,795 positive change in net position.

- The District had no outstanding long-term debt as of December 31, 2021.

Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information.

Detailed in the following diagram are how the various parts of this annual report are arranged and relate to one another.

Table 1

Organization of the Estes Park Local Marketing District's Annual Financial Report

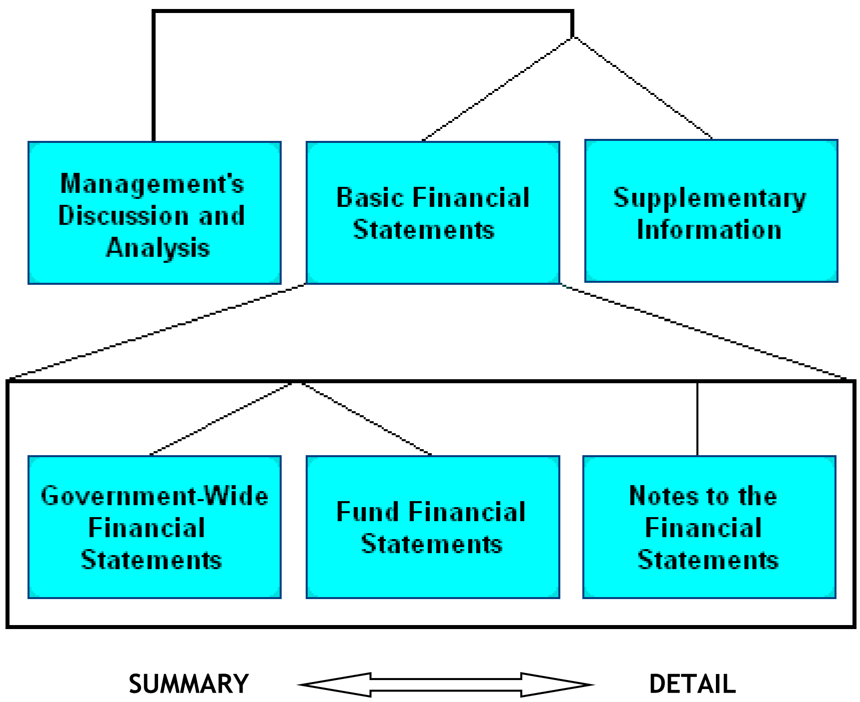


Table 2, displayed on the following page, summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund financial statements, found in the basic financial statements.

Table 2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements Governmental Fund
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. These statements provide both short-term and long-term information about the District's overall financial status.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as the condition of buildings and equipment.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flow in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the District's basic services such as destination marketing and promotion.

The basic government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- *Governmental fund*: The District's basic services are included in the governmental fund, generally focusing on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental fund statements explaining the relationship (or difference) between them.

The District maintains one governmental fund, the General Fund which is considered a major fund. The basic governmental fund financial statements can be found on pages 3 and 5 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7-32 of this report.

Financial Analysis of the District as a Whole

Net position and Changes in Net Position

The District's net position was greater on December 31, 2021 than the previous year, increasing to $1,554,719 on the accrual basis of accounting. Table 3, displayed below, provides a summary of the District's net position as of December 31, 2021 and 2020.

Table 3
Condensed Statement of Net Position

	2021	2020
Assets		
Current assets	$ 2,811,257	$ 1,553,748
Non-Current assets	30,965	24,408
Total assets	2,842,222	1,578,156
Deferred outflows of resources		
Deferred outflows of resources re: pensions	312,833	484,855
Total deferred outflows of resources	312,833	484,855
Liabilities		
Current liabilities	289,825	30,008
Noncurrent liabilities	708,102	932,408
Total liabilities	997,927	962,416
Deferred inflows of resources		
Deferred inflows of resources re: pensions	602,409	342,608
Total deferred inflows of resources	602,409	342,608
Net position		
Net investment in capital assets	30,965	24,408
Nonspendable - prepaid items	-	-
Restricted for emergencies (TABOR)	127,114	79,203
Unassigned	1,396,640	629,273
Total net position	$ 1,554,719	$ 732,884

Table 4, displayed below, provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

Table 4
Condensed Statement of Activities

Years Ended December 31,	2021	2020
Revenues		
Program revenues		
Charges for services	$ 322,630	$ 338,757
Operating grants & awards	-	25,000
General revenues		
Lodging taxes	3,551,271	2,246,731
Contractual payments		
Earnings on investments	132	2,890
Other	363,112	26,725
Total revenue	4,237,145	2,640,103
Expenses		
Administration/Personnel services	1,205,784	1,330,026
Marketing & operations	2,008,566	1,933,613
Grants & awards	-	-
Total expenses	3,214,350	3,263,639
Increase (Decrease) in net position	$ 1,022,795	$ (623,536)

Lodging taxes account for a majority of the District's revenue, contributing 83.8 cents for every dollar raised (see Table 5) and the remaining 16.20 cents came from charges for service and from other sources.

The District expenses predominantly relate to payment for destination marketing and promotion for 2021 and 2020.

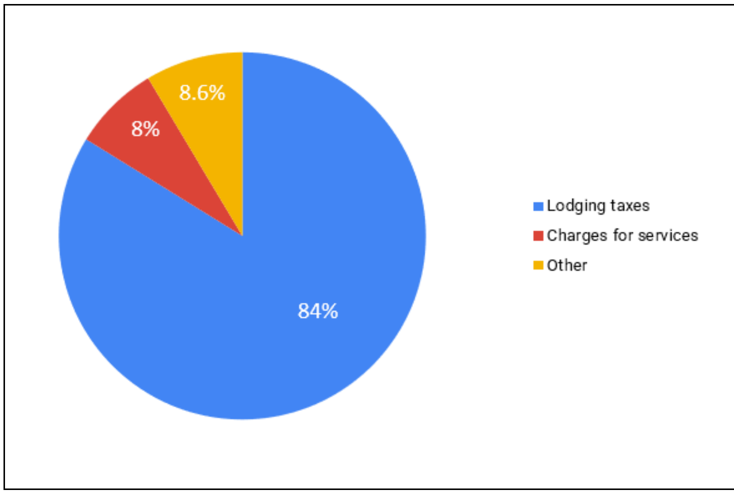
The District saw an increase in Tax revenue in 2021 compared to 2020 by $1,304,540. The district had a decrease in expenses from 2020 in the amount of $49,289.

Estes Park Local Marketing District
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Detailed below in Tables 5 and 6 are charts displaying revenues by sources and expenses by program for the total District.

Table 5

2021



2020

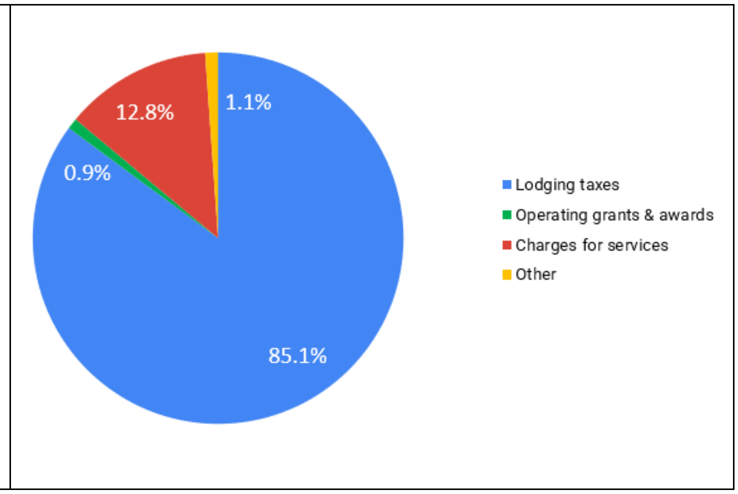
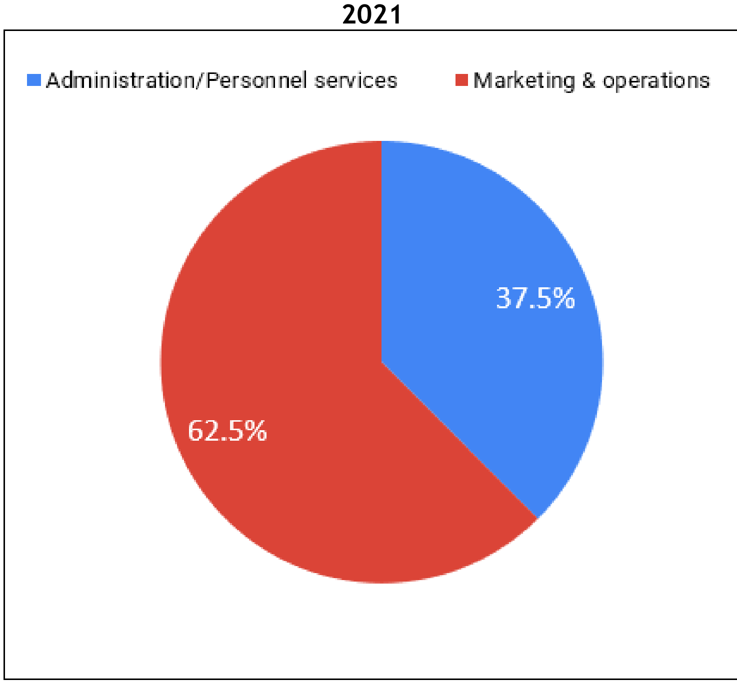
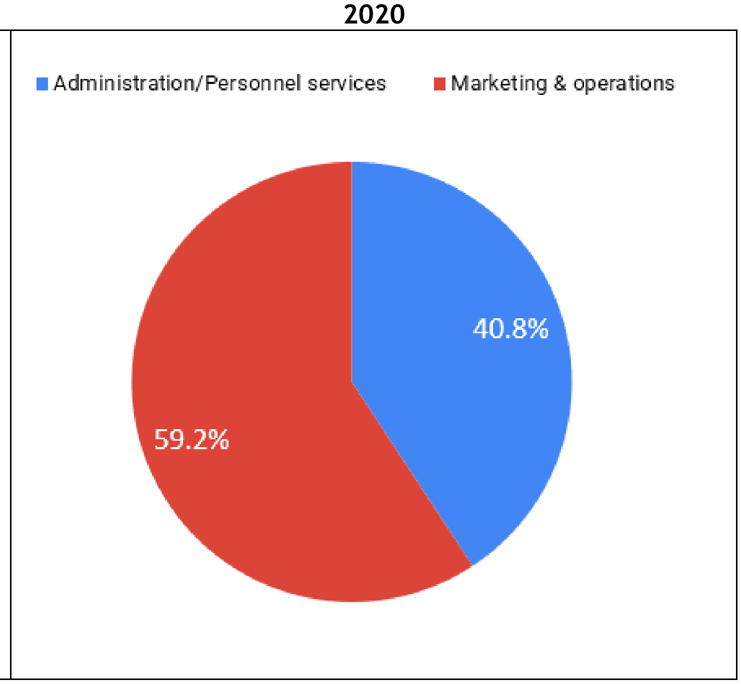


Table 6
Expenses for Fiscal Year

2021



2020



The statement of activities shows the cost of program services and the related charges for services and grants offsetting those costs. Table 7 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by lodging taxes.

Table 7
Net Cost of Governmental Activities

	Total Cost	Net Cost of Services
Administrative/Personnel services	$ 1,413,301	$ 1,413,301
Marketing & operations	1,989,364	1,666,734
Grants & awards		
Total	$ 3,402,665	$ 3,080,035

Financial Analysis of the District's Funds

Governmental Activities

The increase in net position for governmental activities was $821,835 in the 2021 fiscal year.

The governmental funds monitor cash resources and expenditures.

General Fund

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization - administration/personnel services, marketing and operations, and grants & awards. The primary funding source for the General Fund is lodging taxes. Other sources of income for the General Fund include earnings on investments and other sources. The primary projects or program efforts for establishing needed funding during 2021 were:

1. Administration/Personnel services of the District.
2. Marketing and operations.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The District's budget for the General Fund anticipated that revenues would exceed expenditures by $210,000. The actual results for the year show revenues over expenditures of $1,022,795 in the General Fund for 2021.

It should be noted that the District's budget format is designed to establish and monitor divisional functions of the District's operations to more closely align expenses with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- Administration/personnel services
- Marketing and operations
- Grants and awards

The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). As of December 31, 2021, the District's TABOR reserve amounted to $127,114.

Capital Assets and Debt Administration

Long-Term Debt

The District had no outstanding debt at year end. The District has not incurred any long-term debt since inception.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial position in the future:

The District's budget for 2022 forecasts lodging tax revenue of $2,975,000.

Operations of the Estes Park Local Marketing District are periodically reviewed by elected officials of the Town of Estes Park and Larimer County. By the intergovernmental agreement (IGA) used to form the district, annually, in October, but no later than December 5, both governmental entities are required to approve the District's Operating Plan for the coming year. In addition, the same IGA provides a five-year sunset clause for the local marketing district. The next sunset period is scheduled for the year 2023.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Estes Park Local Marketing District at P.O. Box 4426, 1692 Big Thompson Ave., Ste. 101, Estes Park, CO, 80517.

Basic Financial Statements

Estes Park Local Marketing District
Statement of Net Position
December 31, 2021

	Governmental Activities
Assets	
Current assets:	
Cash	$ 2,356,429
Taxes receivable	356,505
Accounts receivable	90,243
Prepaid items	8,080
Total current assets	2,811,257
Long-Term assets:	
Capital assets, net (Note 4)	30,965
Total long-term assets	30,965
Deferred Outflows of Resources	
Deferred outflows related to pension	279,082
Deferred outflows related to OPEB	33,751
Total deferred outflows of resources	312,833
Total assets and deferred outflows of resources	$ 3,155,055
Liabilities	
Current liabilities:	
Accounts payable	$ 251,930
Payroll liabilities	37,895
Total current liabilities	289,825
Noncurrent liabilities:	
Net pension liability	534,847
Net OPEB liability	74,535
Accrued compensated absences	98,720
Total noncurrent liabilities	708,102
Deferred Inflows of Resources	
Deferred inflows related to pension	578,407
Deferred inflows related to OPEB	24,002
Total deferred inflows of resources	602,409
Net Position	
Net investment in capital assets	30,965
Restricted for emergencies	127,114
Unrestricted	1,396,640
Total net position	1,554,719
Total liabilities, deferred inflows of resources, and net position	$ 3,155,055

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

Estes Park Local Marketing District

Statement of Activities

For the Year Ended December 31, 2021

Functions/Program Activities	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Governmental Activities
Governmental activities				
Personnel services	$ 1,413,301	$ -	$ -	$ (1,413,301)
Marketing and operations	1,989,364	322,630	-	(1,666,734)
Total governmental activities	$ 3,402,665	$ 322,630	$ -	$ (3,080,035)

General revenues (expenses)	
Lodging taxes	3,551,271
Other income	363,112
Investment income	132
Loss on disposal of assets	(12,645)
Total general revenues	3,901,870
Change in net position	821,835
Net position - beginning of year	732,884
Net position - end of year	$ 1,554,719

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

Estes Park Local Marketing District
Governmental Funds Balance Sheet
December 31, 2021

Assets	General Fund	Total Governmental Funds
Cash	$ 2,356,429	$ 2,356,429
Taxes receivable	356,505	356,505
Accounts receivable	90,243	90,243
Prepaid items	8,080	8,080
Total assets	$ 2,811,257	$ 2,811,257
Liabilities		
Accounts payable	$ 251,930	$ 251,930
Payroll liabilities	37,895	37,895
Total current liabilities	289,825	289,825
Fund Balances		
Nonspendable - prepaid items	8,080	8,080
Restricted for emergencies	127,114	127,114
Unassigned	2,386,238	2,386,238
Total fund balance	2,521,432	2,521,432
Total liabilities and fund balances	$ 2,811,257	$ 2,811,257

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

Estes Park Local Marketing District

Reconciliation of the Governmental Funds Balance Sheet
With the Government-Wide Statement of Net Position
December 31, 2021

Fund Balances - Total Governmental Funds	$ 2,521,432
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund balance sheet. In the statement of net assets, the cost of these assets are capitalized and expensed over their useful lives through annual depreciation.	
Governmental capital assets, net	30,965
Deferred outflows are not current assets or financial resources, and deferred inflows are not due and payable in the current period and therefore are not reported in the fund balance sheet.	
Deferred outflows related to pension	279,082
Deferred inflows related to pension	(578,407)
Deferred outflows related to OPEB	33,751
Deferred inflows related to OPEB	(24,002)
Some liabilities, including net pension liability and net OPEB liability are not due and payable in the current period and therefore are not reported in the fund balance sheet.	
Accrued compensated absences	(98,720)
Net pension liability	(534,847)
Net OPEB liability	(74,535)
Net position of governmental activities	$ 1,554,719

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

Estes Park Local Marketing District
Statement of Revenues, Expenditures, and Changes in Fund Balances
December 31, 2021

	General Fund	Total
Revenues		
Lodging taxes	$ 3,551,271	$ 3,551,271
Charges for services	322,630	322,630
Other income	363,112	363,112
Investment income	132	132
Total Revenues	4,237,145	4,237,145
Expenditures		
Personnel services	1,205,784	1,205,784
Marketing and operations	2,008,566	2,008,566
Total Expenditures	3,214,350	3,214,350
Excess of Expenditures over Revenues	1,022,795	1,022,795
Net Change in fund balance	1,022,795	1,022,795
Fund balances:		
Beginning of the year	1,498,637	1,498,637
End of the year	$ 2,521,432	$ 2,521,432

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

Estes Park Local Marketing District

Reconciliation of the Statement of Revenues, Expenditures And Changes In Fund Balances of Governmental Activities To The Statement of Activities

December 31, 2021

Net change in fund Balances - total Governmental Funds	$ 1,022,795
Governmental funds report capital outlays as expenditures. In the statement of activites, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlays	25,979
Depreciation expense	(6,777)
Changes in the District's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the pension plan for the current year are not reported in the governmental funds but are reported in the statement of activtities.	(153,063)
Changes in the District's OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the OPEB plan for the current year are not reported in the governmetnal funds but are reported in the statement of activtities.	412
Some revenues/expenses reported in the statement of activities do not require the receipt/use of current financial resources and, therefore, are not reported as revenues/expenditures in the governmental funds.	
Change in accrued compensated absences	(54,866)
Net loss on disposal of capital assets	(12,645)
Change in net position of governmental activities	$ 821,835

1. Definition of Reporting Entity

The Estes Park Local Marketing District (the "District" or "Visit Estes Park"), a component unit of the Town of Estes Park, Colorado, was established by election in November 2008 to assist with the marketing of businesses and activities in the District's boundaries, which include the District of Estes Park (the "District") and the surrounding area. The election allowed Visit Estes Park to assess a 2% marketing and promotion tax on all lodging establishments in the District. Visit Estes Park has a separate Board of Directors with seven members appointed by the District and Larimer County (the "County").

The District is organized under the provisions of Section 29-1-201 of the Colorado Revised Statutes ("CRS") and Article XIV, Section 18 of the Colorado Constitution. Pursuant to Section 29-25-112, CRS, the District levies a marketing and promotional tax on the purchase price paid or charged to persons for accommodations ("Lodging Tax") within the District's boundaries.

2. Summary of Significant Accounting Policies

The financial statements of the Estes Park Local Marketing District have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The District's basic financial statements include the accounts and funds of all District operations. The accounting policies of the District conform to accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

Principles Determining Scope of Reporting Entity

The financial statements of the District consist only of the funds and account groups of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and election of the respective governing board.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. Governmental activities are generally supported by taxes, charges for services and intergovernmental revenues.

2. Summary of Significant Accounting Policies (continued)

There are no business-type activities in the District for the year ended December 31, 2021.

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses.

The District maintains one governmental fund, the General Fund which is considered a major fund. The District's basic services are included in the governmental fund, generally focusing on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental fund statements explaining the relationship (or difference) between them.

Measurement Focus and Basis of Accounting

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, are recorded only when the payment is due.

2. Summary of Significant Accounting Policies (continued)

Lodging taxes and intergovernmental grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

Operating Plan

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

- By September of each year, the District shall file with the District and County an Operating Plan specifically identifying services to be provided by the District, and Marketing and Promotion Tax to be levied by the District, and such additional information as may be appropriate or required to inform the District and County as to the activities, services and funding of the District in the upcoming calendar year. The Operating Plan shall include a proposed budget for the next fiscal year;
- The District, County or both may require the District to supplement the Operating Plan or budget when necessary;
- The District and County shall approve, modify or disapprove the Operating Plan within thirty (30) days after receipt of the Operating Plan and all requested documentation relating thereto, but no later than December 5th of the year in which such documents are filed;
- The services and financial arrangements of the District shall conform so far as practical to the approved Operating Plan;
- The District may amend the Operating Plan from time to time with the approval of both the District and County.
- Actual expenditures for the year ended December 31, 2021, exceeded budgeted appropriations which may be a violation of State statutes.

Cash

Cash includes cash on hand and demand deposits.

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of December 31, 2021 there were no amounts determined to be uncollectible.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items in the government-wide financial statements and will be reported as expenses in the following year. These amounts are reflected as expenditures in the year paid in the governmental fund financial statements.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed.

Depreciation of capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful life of office and IT equipment is five years.

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered as it is probable that the District will compensate the employees for the benefits earned. Upon termination of employment from the District, an employee will be compensated for all unused personal time off at their current rate of pay, as follows: up to 3 years: 50%, 4-7 years: 60%, 8-15 years: 70%, 16-19 years: 80%, and +20 years: 100%.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The District has recorded a liability of $98,720 at December 31, 2021.

2. Summary of Significant Accounting Policies (continued)

Accrued Liabilities

All payables and accrued liabilities are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements, regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable and available financial resources. Payments made within 60 days after year-end are considered to have been made with current available financial resources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (s) and will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period (s) and will not be recognized as an inflow of resources (revenue) until that time.

The District's deferred inflows and outflows of resources related to pensions and other post-employment benefits, are further described in Notes 6 and 7.

Net Position and Fund Balance

In the government-wide financial statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- *Restricted Net Position* –This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, which are not restricted for any project or other purpose. A deficit will require future funding.

2. Summary of Significant Accounting Policies (continued)

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

The District establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget.

Revenue Recognition/Lodging Taxes

Lodging Taxes are assessed on all lodging establishments within the District. Lodging Tax collections are remitted to the State of Colorado, Department of Revenue. Lodging Tax receipts are collected by the Department of Revenue each month and are remitted to the

2. Summary of Significant Accounting Policies (continued)

District two months in arrears. Lodging tax revenues are recognized in the government-wide financial statements in the year that the lodging taxes were reported by the Colorado Department of Revenue.

In the fund financial statements, lodging taxes are recognized in the month for which they are assessed provided they become available and measurable. Lodging tax revenues are considered available when they become due or past due and are received by the District within 60 days of the end of the fiscal year.

Pensions

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

Other Post-Employment Benefits

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 ("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 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.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Cash and Investments

Custodial Credit Risks – Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2021, the District had cash deposits with a carrying balance of $2,356,429 and a bank balance of $2,426,843.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

As of December 31, 2021, the District does not have any investments.

4. Capital Assets

The following table presents capital assets activity of the District for the year ended December 31, 2021:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Office and IT Equipment	$ 38,436	$ 25,979	$ (23,441)	$ 40,974
Less accumulated depreciation for:				
Office and IT Equipment	(14,027)	(6,777)	10,795	$ (10,009)
Total capital assets, being depreciated, net	**$ 24,409**	**$ 19,202**	**$ (12,646)**	**$ 30,965**

Depreciation expense has been allocated to the marketing and operations function in the accompanying statement of activities.

5. Risk Management

The District is exposed to various risks of loss related to various torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

6. 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 annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

6. Defined Benefit Pension Plan (continued)

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.

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.

The Trust Fund serves as a defined benefit retirement plan where retirees receive a monthly benefit for their lifetime, and generally, an annual increase (AI) each year, as eligible. Members of affiliated employers are eligible to receive a lifetime monthly retirement benefit when certain age and service credit requirements are met. These eligibilities vary by the membership date and consider credited service at key dates. The benefits are based upon a defined or fixed multiplier, age, years of credited service, and highest average salary (HAS). For most employees, HAS, as of December 31, 2021, is one-twelfth of the average of the highest annual salaries that are associated with one period (five periods, under certain circumstances) of 12 consecutive months under PERA-covered employment. The basic retirement benefit equals 2.5% x HAS x Years of Service. If a member reaches early retirement eligibility and wishes to begin benefit payments prior to achieving the full retirement requirements, then the monthly amount is reduced to consider the early receipt of monthly payments. Alternatively, if greater, a lifetime benefit is available that is calculated by annuitizing the member's account. At benefit commencement, the member can choose from different payment options, some of which can continue after the retiree's death to a named beneficiary, and for which the benefit amount is appropriately adjusted.

In addition to retirement benefits, the Trust Fund provides refund opportunities with matching employer dollars, if eligible, when leaving covered employment, and disability retirement and survivor benefits for those meeting certain criteria.

Employers are required to contribute to the Trust Fund at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. The employer contribution requirements are summarized in the table below:

6. Defined Benefit Pension Plan (continued)

July 1, 2020 through December 31, 2020 and January 1st through December 31st, 2021	2020*	2021*
Employer Contribution Rate	10.50%	9.30%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%	-1.02%
Amount Apportioned to the LGDTF	9.48%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. §24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF	13.18%	13.20%

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District for the year ended December 31, 2021 were $101,491.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred / Inflows of Resources

At December 31, 2021, the District reported a net pension liability of $534,847.

The net pension liability for the LGDTF 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's 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. For the plan year end, the District's proportionate share of the net pension liability was .1026%, a decrease of .0061% from the prior year proportionate share of .1087%:

For the year ended December 31, 2021, the District reported pension expense of $254,553.

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

6. Defined Benefit Pension Plan (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 25,859	$ -
Changes of assumptions or other inputs	129,251	-
Net difference between projected and actual earnings on pension plan investments	-	578,407
Changes in proportion and differences between contributions and proportionate share of contributions	22,480	-
Contributions subsequent to measurement date	101,491	-
Total	$ 279,081	$ 578,407

The $101,491 above reported as deferred outflow of resources related to pensions, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2022	$ (35,441)
2023	(78,019)
2024	(196,069)
2025	(91,288)
Total	$ (400,817)

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

6. Defined Benefit Pension Plan (continued)

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/07; and DPS benefit structure (automatic) annually	1.25 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The actuarial assumptions used in the December 31, 2019, valuation 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 PERA's 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.

6. Defined Benefit Pension Plan (continued)

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 – 11.30 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.25 percent
PERA benefit structure hired after 12/31/06	Financed by the Annual Increase Reserve (AIR)

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.

Healthy, post-retirement mortality assumptions reflect 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.
- **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.

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

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 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:

6. Defined Benefit Pension Plan (continued)

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

The PERA Board first adopted the 7.25 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 adoption of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

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:

6. Defined Benefit Pension Plan (continued)

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

- 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 scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

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

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

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

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

6. Defined Benefit Pension Plan (continued)

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

	1% Decrease (6.25%)	Current	1% Increase (8.25%)
District's proportionate share of the net pension liability	$ 1,232,073	$ 534,847	$ (47,247)

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.

7. Other Post-Employment Benefits

General Information about the OPEB Plan

Eligible employees of Estes Park Local Marketing 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.

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

7. Other Post-Employment Benefits (continued)

HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20.

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit.

Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

7. Other Post-Employment Benefits (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 $7,842 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 $74,535 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 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District's proportion was 0.0078 percent which was a decrease of .0005 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized OPEB expense (income) of $(7,431). 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
Differences between expected and actual experience	$ 198	$ 16,386
Changes of assumptions or other inputs	557	4,570
Net difference between projected and actual earnings on pension plan investments	-	3,046
Changes in proportion and differences between contributions and proportionate share of contributions	25,155	-
Contributions subsequent to measurement date	7,842	-
Total	$ 33,752	$ 24,002

The $7,842 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

7. Other Post-Employment Benefits (continued)

Year ended December 31,		
2022	$	473
2023		898
2024		1,155
2025		2,254
2026		(2,673)
Thereafter		(199)
Total	$	1,908

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

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	8.10 percent in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2020, gradually rising to 4.50 percent in 2029

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

7. Other Post-Employment Benefits (continued)

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. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

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.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly cost/premiums are assumed for 2020 PERA Benefit Structure:

Medicare Plan	Cost for Members WithoutMedicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/ Self-Insured Rx	$588	$227
Kaiser Permanente Medicare Advantage HMO	621	232

The 2020 Medicare Part A premium is $458 per month. In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Rx	$550
Kaiser Permanente Medicare Advantage HMO	586

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.

7. Other Post-Employment Benefits (continued)

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, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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.

7. Other Post-Employment Benefits (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.

Healthy, post-retirement mortality assumptions for the School and Judicial 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 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.

For disabled retirees, the mortality assumption were based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations 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 2018 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.

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 November 20, 2020.

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.

7. Other Post-Employment Benefits (continued)

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

Sensitivity of the Estes Park Local Marketing District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were 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	**$72,609**	**$74,535**	**$76,778**

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

- Updated health care cost trend rates for Medicare Part A premiums as of December 31, 2018, 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 3.50 percent.

7. Other Post-Employment Benefits (continued)

- 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.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits 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, 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%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
Proportionate share of the net OPEB liability	$85	$74,535	$65,268

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

8. TABOR Compliance

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

8. TABOR Compliance (continued)

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves. The District considers $127,114 as designated for the TABOR's three percent Reserved for Emergency for 2021.

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

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

9. Paycheck Protection Program

On February 5, 2021, the District received $209,390 in Paycheck Protection Program loans ("PPP Loans"), as provided pursuant to the CARES Act and administered by the SBA. The PPP Loan was designed to create economic stimulus by providing additional operating capital to small businesses in the U.S.

Under the terms of the CARES Act, as amended by the Paycheck Protection Program Flexibility Act of 2020 (the "Flexibility Act"), the Company applied for and received forgiveness for 100% of the PPP Loan in December 2021. Such forgiveness was determined, subject to limitations, based on the use of the loan proceeds for certain permissible purposes as set forth in the PPP, including, but not limited to, payroll costs (as defined under the PPP) and mortgage interest, rent or utility costs (collectively, "Qualifying Expenses") incurred during the 24 weeks subsequent to funding, and on the maintenance of employee and compensation levels, as defined, following the funding of the PPP Loans. The loan forgiveness is included in Other Income in 2021.

Estes Park Local Marketing District

Required Supplementary Information

Estes Park Local Marketing District

Statement of Revenues, Expenditures and Changes in Fund Balance—Actual and Budget Governmental Fund Type—General Fund December 31, 2021

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Lodging taxes	$ 2,050,000	$ 3,551,271	$ 1,501,271
Charges for services	630,000	322,630	(307,370)
Grants & Awards	40,000	-	(40,000)
Miscellaneous	5,000	363,112	358,112
Investment income	-	132	132
Total Revenues	2,725,000	4,237,145	1,512,145
Expenditures:			
Personnel services	1,100,000	1,205,784	(105,784)
Grants & Awards	40,000	-	40,000
Marketing and operations	1,375,000	2,008,566	(633,566)
Total Expenditures	2,515,000	3,214,350	(699,350)
Excess Revenue Over (Under) Expenditures	210,000	1,022,795	812,795
Net Change in fund balance	210,000	1,022,795	812,795
Fund Balance—Beginning of year	821,856	1,498,637	676,781
Fund Balance—End of Year	$ 1,031,856	$ 2,521,432	$ 1,489,576

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

Estes Park Local Marketing District

Other Supplementary Information

Estes Park Local Marketing District
Required Supplementary Information
Schedules of Employer Contributions
As of Measurement Period Ended

Colorado PERA - Pension

Period Ended	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2021	$ 101,491	$ 101,491	$ -	$ 768,869	13.2%
12/31/2020	90,804	90,804	-	703,507	12.9%
12/31/2019	96,448	96,448	-	760,628	12.7%
12/31/2018	46,900	46,900	-	369,874	12.7%
12/31/2017	44,235	44,235	-	348,856	12.7%
12/31/2016	52,353	52,353	-	412,879	12.7%
12/31/2015	44,669	44,669	-	352,279	12.7%
12/31/2014	41,948	41,948	-	330,820	12.7%
12/31/2013	45,048	45,048	-	355,268	12.7%

Colorado PERA - OPEB

Period Ended	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2021	$ 7,842	$ 7,842	$ -	$ 768,869	1.02%
12/31/2020	7,176	7,176	-	703,507	1.02%
12/31/2019	7,758	7,758	-	760,628	1.02%
12/31/2018	3,773	3,773	-	369,874	1.02%
12/31/2017	3,558	3,558	-	348,856	1.02%
12/31/2016	4,221	4,221	-	412,879	1.02%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Estes Park Local Marketing District
Required Supplementary Information
Schedules of Proportionate Share of the Net Pension and OPEB Liabilities and Related Ratios

Colorado PERA - Pension

Period Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2021	0.1026%	$ 534,847	$ 703,507	76.0%	90.9%
12/31/2020	0.11%	794,961	760,628	104.5%	86.3%
12/31/2019	0.06%	732,265	369,874	198.0%	76.0%
12/31/2018	0.13%	1,749,349	982,190	178.1%	76.0%
12/31/2017	0.16%	1,790,838	911,140	196.5%	79.4%
12/31/2016	0.18%	2,440,962	1,023,788	238.4%	73.6%
12/31/2015	0.21%	2,357,172	1,150,400	204.9%	76.9%
12/31/2014	0.23%	2,036,520	1,246,364	163.4%	80.7%

Colorado PERA - OPEB

Period Ended*	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Actual Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2021	0.01%	$ 74,535	$ 703,507	10.6%	32.8%
12/31/2020	0.01%	93,593	760,628	12.3%	24.5%
12/31/2019	0.00%	61,453	369,874	16.6%	17.0%
12/31/2018	0.01%	146,812	982,190	14.9%	17.0%
12/31/2017	0.01%	162,418	911,140	17.8%	17.5%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

** The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.*