SCIENTIFIC AND CULTURAL FACILITIES DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
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YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITORS' REPORT

Board of Directors
Scientific and Cultural Facilities District
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Scientific and Cultural Facilities District (the District or SCFD), as of and for the year ended December 31, 2023, 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 the Scientific and Cultural Facilities District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Special Revenue 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Scientific and Cultural Facilities 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 Scientific and Cultural Facilities 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

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

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

- Conclude whether, in our 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.

Board of Directors
Scientific and Cultural Facilities District

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information and other postemployment benefits (OPEB) information, as listed in the table of contents, 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 GAAS, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
May 22, 2024

Our discussion and analysis of Scientific and Cultural Facilities District's ("the District" or "SCFD") financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2023. This report should be read in conjunction with the financial statements.

Financial Highlights

In comparison to the 2022 financial statements:

- Sales and use tax revenues for 2023 increased by $413,231, or 0.5%.

- Interest earnings and the related transfer from the Special Revenue Fund to the General Fund for 2023 increased by $675,946 due to an increased rate of return from ColoTrust investments in 2023.

- Administrative expenses for 2023 were $1,350,092, which is an increase of $464,461 or 52.4% from 2022. The increase is primarily due to increases in the District's salaries and related costs, consulting costs, and an increase in expenses recorded related to the change in the net pension liability.

- Total fund distributions for 2023 were $84,876,675 up by $407,031, or 0.5%.

- Total net position of governmental activities was $2,766,190 in 2023 and $1,818,536 in 2022, a change of $947,654.

Overview of the Financial Statements

The District's financial statements report on government-wide activities which break down to:

- government-wide financial statements on page 10 - 11;
- fund financial statements on pages 12 - 17; and
- notes to the financial statements, pages 18 - 47.

Government-wide Financial Statements. The government-wide financial statements present an overview of the District's finances in a manner similar to a private-sector business. These statements include the *statement of net position* and the *statement of activities:*

> The *statement of net position* presents information on the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position equals the total assets and deferred outflows of resources less total liabilities and deferred inflows of resources. Changes to net position over time may indicate improvements or deterioration in the District's financial position. The District uses the accrual basis of accounting to record all assets and liabilities.
>
> The *statement of activities* describes how the District's net position changed. When revenue and expense activities occur, a change is recorded to net position. Changes to cash flow do not necessarily occur at the same time as the change to net position. Some items affecting reported revenue and expenses may impact cash flows in future periods.

The District administers the distribution of a special sales and use tax to qualifying scientific and cultural entities.

Fund Financial Statements. A fund is an account grouping to control, record and track resources for segregated, specific activities. The District uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The District has two *governmental* funds, the general fund and a special revenue fund.

Governmental Funds. These funds are used to account for the same functions reported in the government-wide financial statements. Unlike the government-wide financial statements, the governmental fund financial statements focus on *spendable resource inflows and outflows* during the fiscal year as well as fiscal year end *balances for spendable resources*. Governmental fund financial statements focus on the current flow of available resources and on their end of the year balances. This information may be useful in evaluating the District's present and near-future financing requirements.

In comparing the activities in government-wide financial statements with the governmental funds, the balance sheet and the statement of revenues, expenditures and changes in fund balance for governmental funds will show a reconciliation to the government-wide statement of net position and statement of activities. The government-wide statement of net position reflects the results of financial decisions that affect assets and liabilities and their future impact on available resources.

As required by state law, the District adopts an annual appropriated budget for its funds. Budgetary comparison statements have been provided for the general fund and special revenue fund to demonstrate compliance with this law.

Notes to the Financial Statements. The notes provide essential, additional information to understand the government-wide and fund financial statements.

Government-wide Financial Analysis

The District's total net position increased by $947,654 from 2022 to 2023. This was primarily the result of increased interest income and increased sales and use tax revenue partially offset by an increase in the net pension liability.

At December 31, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $2,766,190. Cash and investments decreased by $770,470 and the decrease in the amount due to qualifying entities was $2,084,589. The largest proportion of the District's net position is in cash and investments and taxes receivable, which are used to meet spending needs in the first quarter of the next year. Current liabilities consist primarily of amounts due to qualifying entities.

	Year Ended December 31,	
	2023	2022
ASSETS		
Current Assets	$ 23,683,867	$ 24,843,254
Capital Assets	306,569	359,702
Net Pension Asset	-	52,005
Total Assets	23,990,436	25,254,961
DEFERRED OUTFLOWS OF RESOURCES	438,068	110,608
LIABILITIES		
Current Liabilities	20,613,856	22,687,746
Noncurrent Liabilities	1,019,375	358,736
Total Liabilities	21,633,231	23,046,482
DEFERRED INFLOWS OF RESOURCES	29,083	500,551
NET POSITION		
Net Investment in Capital Assets	(11,507)	359,702
Restricted for:		
Emergency Reserves	68,932	48,485
Net Pension Asset	-	52,005
Grants and Sponsors	-	5,508
Unrestricted	2,708,765	1,352,836
Total Net Position	$ 2,766,190	$ 1,818,536

The restricted net position for emergency reserves is based on TABOR requirements. The unrestricted net position is generally used to meet the operating expenses of the subsequent years and may consist of various balances that are committed for a specific purpose by action of the board of directors.

Governmental Activities

Governmental activities increased the District's net position by $947,654 due to revenues of $87,174,421 exceeding expenses of $86,226,767 as a result of increased sales and use tax revenue offset by increased distributions to qualified entities, and an increase in the amount of investment income, which was partially offset by expenses recorded for the increase in the net pension liability.

	Year Ended December 31,	
	2023	2022
REVENUES		
General Revenue:		
Sales Tax	$ 80,787,663	$ 80,092,761
Use Tax	5,381,550	5,663,221
Net Investment Earnings	1,001,540	325,594
Other Income	3,668	11,725
Total Revenues	87,174,421	86,093,301
EXPENSES		
Administrative	1,350,092	885,631
Special Revenue Fund Distributions	84,876,675	84,469,644
Total Expenses	86,226,767	85,355,275
CHANGE IN NET POSITION	947,654	738,026
Net Position - Beginning of Year	1,818,536	1,080,510
NET POSITION - END OF YEAR	$ 2,766,190	$ 1,818,536

Financial Analysis of the District's Funds

As of December 31, 2023, the District's general fund reported a fund balance of $3,153,308, which is an increase of $930,805 in comparison to the prior year. The increase is primarily due to an increase in investment earnings transferred from the special revenue fund.

Sales and use tax collections in the special revenue fund increased by $407,031 or 0.5% compared to 2022. The District's special revenue fund distributes all revenue received and has no fund balance at year-end.

General Fund Budgetary Highlights

The general or administrative portion of tax revenue per statute is 1.5%. For 2023, the administrative portion was $1,292,538 of the total tax collections of $86,169,213 leaving $84,876,675 distributable to recipient organizations. The District amended the budgeted appropriations after year-end in order to match actual taxes received for 2023 with required disbursements to each of the Tiers and 2023 administrative expenditures. The final variance for general expenditures was $242,783.

Economic Factors and Next Year's Budget

During 2023, sales and use tax receipts increased by 0.5%, as compared to an increase of 18.8% in 2022. All indicators point to a cooling economy at least in the near term. The Metro Denver area continues to see low unemployment rates at 3.8% in March 2024; however, it is 1.2% higher than last year's rate of 2.6% for the same period. The metro area's population continues to grow, although it has slowed since pre-pandemic levels. Migration to the region is driven in large part by job growth and perceived opportunities. Full time telework and a remote workforce will continue to be a question in the future and the next decade will be influenced by job growth in addition to the need to replace retiring workers. Concerns regarding inflation, consumer confidence and the prevailing interest environment continue to be monitored, as all have very real monetary implications for the District.

Other than the 1.5% statutory administrative percentage, the entity's only other potential supplemental revenue source to support operating costs is earnings from investments based on short-term balances waiting to be distributed to recipient organizations. While investments earnings are currently strong, it is not a reliable source of income. These factors and conditions were considered and addressed in preparing and adopting the District's budget for 2024.

Management will continue to apply a fiscally conservative approach to budgeting, will closely monitor economic factors that may affect delivering the District's programs and continue to develop and update current forecasting models to assist with implementation of the statute.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Deborah Jordy, Executive Director, 1047 Santa Fe Drive, Denver, CO 80204; 303-860-0588.

BASIC FINANCIAL STATEMENTS

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS	
Cash and Investments	$ 8,779,511
Receivables:	
Taxes	14,875,882
Deposits	7,500
Prepaid Items	20,974
Capital Assets, Net of Accumulated Depreciation/Amortization	306,569
Total Assets	23,990,436
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Items	414,677
OPEB Related Items	23,391
Total Deferred Outflows of Resources	438,068
LIABILITIES	
Accounts Payable	38,989
Due to Tier I Entities	12,387,054
Due to Tier II Entities	5,650,235
Due to Tier III Entities	2,454,281
Compensated Absences	36,180
Lease Payable Due Within One Year	47,117
Due in More Than One Year:	
Lease Payable	270,959
Net Pension Liability	702,377
Net OPEB Liability	46,039
Total Liabilities	21,633,231
DEFERRED INFLOWS OF RESOURCES	
Pension Related Items	9,476
OPEB Related Items	19,607
Total Deferred Inflows of Resources	29,083
NET POSITION	
Net Investment in Capital Assets	(11,507)
Restricted for:	
Emergency Reserves	68,932
Unrestricted	2,708,765
Total Net Position	$ 2,766,190

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

EXPENSES	
Administrative:	$ 1,350,092
Tier Allocations:	
Tier I Allocation	50,999,805
Tier II Allocation	20,570,735
Tier III Allocation	13,306,135
Total Tier Allocations	84,876,675
Total Program Expenses	86,226,767
GENERAL REVENUES	
Sales Tax	80,787,663
Use Tax	5,381,550
Net Investment Earnings	1,001,540
Other	3,668
Total General Revenues	87,174,421
CHANGE IN NET POSITION	947,654
Net Position - Beginning of Year	1,818,536
NET POSITION - END OF YEAR	$ 2,766,190

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Special Revenue	Total Governmental Funds
ASSETS			
Cash and Investments	$ 45,209	$ 8,734,302	$ 8,779,511
Taxes Receivable	223,138	14,652,744	14,875,882
Due from Other Fund	2,895,476	-	2,895,476
Deposits	7,500	-	7,500
Prepaid Items	20,974	-	20,974
Total Assets	$ 3,192,297	$ 23,387,046	$ 26,579,343
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 38,989	$ -	$ 38,989
Due to Other Fund	-	2,895,476	2,895,476
Due to Tier I Entities	-	12,387,054	12,387,054
Due to Tier II Entities	-	5,650,235	5,650,235
Due to Tier III Entities	-	2,454,281	2,454,281
Total Liabilities	38,989	23,387,046	23,426,035
FUND BALANCES			
Nonspendable	28,474	-	28,474
Restricted for:			
Emergency Reserves	68,932	-	68,932
Committed for:			
Operating Reserves	550,155	-	550,155
Election Cost Reserves	1,300,000	-	1,300,000
Unassigned	1,205,747	-	1,205,747
Total Fund Balances	3,153,308	-	3,153,308
Total Liabilities and Fund Balances	$ 3,192,297	$ 23,387,046	$ 26,579,343

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Fund Balances - Total Governmental Funds	$ 3,153,308
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 funds	306,569
Long-term liabilities, including compensated absences, and amounts related to 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:	
Compensated Absences	(36,180)
Lease Payable	(318,076)
Net Pension Liability	(702,377)
Net OPEB Liability	(46,039)
Deferred Outflows of Resources for Pension	414,677
Deferred Outflows of Resources for OPEB	23,391
Deferred Inflows of Resources for Pension	(9,476)
Deferred Inflows of Resources for OPEB	(19,607)
Net Position of Governmental Activities	$ 2,766,190

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Special Revenue	Total Governmental Funds
REVENUES			
Sales Tax	$ 1,211,815	$ 79,575,848	$ 80,787,663
Use Tax	80,723	5,300,827	5,381,550
Net Investment Earnings	-	1,001,540	1,001,540
Other	3,668	-	3,668
Total Revenues	1,296,206	85,878,215	87,174,421
EXPENDITURES			
Administrative:			
Salaries and Related Costs	958,334	-	958,334
Accounting and Audit	71,219	-	71,219
Travel and Mileage	2,357	-	2,357
Consulting	158,874	-	158,874
Insurance	6,811	-	6,811
Legal	5,518	-	5,518
Office Supplies	9,441	-	9,441
Meeting	7,695	-	7,695
Professional Development	16,307	-	16,307
Other	14,236	-	14,236
Office Space Operating Costs	24,306	-	24,306
Memberships/Subscriptions	10,701	-	10,701
Telephone	13,984	-	13,984
Office Equipment and Furniture	6,884	-	6,884
Event Costs	5,516	-	5,516
Tier Allocations:			
Tier I Allocation	-	50,999,805	50,999,805
Tier II Allocation	-	20,570,735	20,570,735
Tier III Allocation	-	13,306,135	13,306,135
Debt Service:			
Principal	44,625	-	44,625
Interest	10,133	-	10,133
Total Expenditures	1,366,941	84,876,675	86,243,616
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(70,735)	1,001,540	930,805
OTHER FINANCING SOURCES (USES)			
Transfer In	1,001,540	-	1,001,540
Transfer Out	-	(1,001,540)	(1,001,540)
Total Other Financing Sources (Uses)	1,001,540	(1,001,540)	-
NET CHANGE IN FUND BALANCES	930,805	-	930,805
Fund Balances - Beginning of Year	2,222,503	-	2,222,503
FUND BALANCES - END OF YEAR	$ 3,153,308	$ -	$ 3,153,308

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Total Governmental Funds	$ 930,805
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expenses in the statement of activities	
Depreciation Expense	(53,133)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated Absences	(13,810)
Lease Liability Principal	44,625
Net Pension Expense	35,417
Net OPEB Expense	3,750
Change in Net Position of Governmental Activities	$ 947,654

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Sales Tax	$ 1,066,500	$ 1,211,815	$ 1,211,815	$ -
Use Tax	118,500	80,723	80,723	-
Other Income	80	80	3,668	3,588
Total Revenues	1,185,080	1,292,618	1,296,206	3,588
EXPENDITURES				
Salaries and Related Costs	1,001,604	1,001,604	958,334	43,270
Accounting and Audit	68,000	77,000	71,219	5,781
Travel and Mileage	7,800	10,000	2,357	7,643
Consulting	206,444	257,000	158,874	98,126
Insurance	6,000	6,000	6,811	(811)
Legal	10,150	10,150	5,518	4,632
Office Supplies	4,000	4,000	9,441	(5,441)
Meeting	7,700	10,000	7,695	2,305
Professional Development	62,000	80,000	16,307	63,693
Other	7,600	15,970	14,236	1,734
Rent	80,408	90,000	79,064	10,936
Memberships/Subscriptions	9,000	10,000	10,701	(701)
Telephone	13,980	18,000	13,984	4,016
Event Costs	7,500	10,000	5,516	4,484
Office Equipment and Furniture	10,000	10,000	6,884	3,116
Total Expenditures	1,502,186	1,609,724	1,366,941	242,783
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(317,106)	(317,106)	(70,735)	246,371
OTHER FINANCING SOURCES				
Transfer In	380,614	380,614	1,001,540	620,926
Total Other Financing Sources	380,614	380,614	1,001,540	620,926
NET CHANGE IN FUND BALANCE	63,508	63,508	930,805	867,297
Fund Balance - Beginning of Year	2,082,349	2,222,503	2,222,503	-
FUND BALANCE - END OF YEAR	$ 2,145,857	$ 2,286,011	$ 3,153,308	$ 867,297

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Sales Tax	$ 70,033,500	$ 79,575,848	$ 79,575,848	$ -
Use Tax	7,781,500	5,300,827	5,300,827	-
Net Investment Earnings	380,614	380,614	1,001,540	620,926
Total Revenues	78,195,614	85,257,289	85,878,215	620,926
EXPENDITURES				
Tier I Allocation	46,974,650	50,999,805	50,999,805	-
Tier II Allocation	18,734,700	20,570,735	20,570,735	-
Tier III Allocation	12,105,650	13,306,135	13,306,135	-
Total Expenditures	77,815,000	84,876,675	84,876,675	-
EXCESS REVENUES OVER EXPENDITURES	380,614	380,614	1,001,540	620,926
OTHER FINANCING (USES)				
Transfer Out	(380,614)	(380,614)	(1,001,540)	(620,926)
Total Other Financing (Uses)	(380,614)	(380,614)	(1,001,540)	(620,926)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	620,926
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ 620,926

See accompanying Notes to Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Scientific and Cultural Facilities District (the District) was established by a statute of the state of Colorado to assist in the preservation and development of scientific and cultural facilities. The area comprising the District consists of the City and County of Denver, the City and County of Broomfield, the Counties of Adams, Arapahoe, Boulder, and Jefferson, and portions of Douglas County. The District is governed by a board of 11 directors, seven members of which are appointed by the governing bodies of the seven counties in the District and four members of which are appointed by the Governor of the state of Colorado. Under the original statute, the District was authorized to exist through July 1, 1996. A question to extend the existence of the District to 2006 was approved by voters November 8, 1994, a question to extend the existence to 2018 was approved by voters November 2, 2004, and a question to extend the existence to 2030 was approved November 8, 2016.

A uniform sales and use tax of one tenth of 1% is collected within the District area and distributed to qualifying scientific and cultural facilities which are classified into tiers. The statute provides formulas for distribution of the taxes within each tier and allows an amount not to exceed one and one half percent of the tax revenue collected to be used for administration costs of the District.

After the allocation of taxes for administrative costs, taxes up to $38 million dollars are distributed to facilities as follows:

Tier	
I - Denver Museum of Nature and Science, Denver Zoological Gardens, Denver Art Museum, Denver Botanical Gardens, and Denver Center for the Performing Arts	64.0%
II - Scientific or cultural facilities in Colorado having annual operating income of more than $1,250,000; as adjusted for inflation	22.0%
III - Eligible scientific or cultural facilities approved by county cultural councils	14.0%

If total annual revenues exceed $38 million dollars, after the allocation of taxes for administrative costs, the excess taxes are distributed to facilities as follows:

Tier	
I - Denver Museum of Nature and Science, Denver Zoological Gardens, Denver Art Museum, Denver Botanical Gardens, and Denver Center for the Performing Arts	57.0%
II - Scientific or cultural facilities in Colorado having annual operating income of more than $1,250,000; as adjusted for inflation	26.0%
III - Eligible scientific or cultural facilities approved by county cultural councils	17.0%

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 government. The effect of interfund activity has been removed from these statements.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, and claims and judgments, are recorded only when payment is due. The major sources of revenues susceptible to accrual are sales and use taxes. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The *special revenue fund* is used to record the collection of sales and use taxes and the distribution thereof to eligible governmental entities and 501(c)(3) organizations, as required by the statute creating the District (see Note 1).

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Prepaid Items

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

Capital Assets

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Equipment of the District is depreciated using the straight-line method over a five-year life.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The District has a policy that allows employees to accumulate unused vacation benefits up to certain maximum hours. All such benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to pensions and other postemployment benefits. Deferred outflows on pension and other postemployment benefits are more fully discussed in Note 6 and 7.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Note 6 and 7.

Leases

The District determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statement of net position. Lease assets represent the District’s control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the District’s obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

The District recognizes payments for short-term leases with a lease term of 12 months or less as expenses when incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the District uses the incremental borrowing rate to calculate the present value of expected lease payments.

NOTE 2 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 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. Contributions to the LGDTF are made from the general fund.

Postemployment Benefits Other Than Pensions (OPEB)

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, 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.

Fund Equity

The District's fund balances in the governmental funds are reported in classifications based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of five categories: 1) nonspendable, 2) restricted, 3) committed, 4) assigned, and 5) unassigned.

Nonspendable

Nonspendable fund balance represents amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District has reported the amount equal to the reported deposits and prepaid items in the amount of $28,474 as nonspendable as they do not constitute spendable resources even though they are a component of net position.

Restricted

Restricted fund balances reflect amounts for which constraints have been placed on the use of the resources because of state or federal laws or externally imposed conditions by grantors or creditors. Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 10). A portion of the General Fund balance in the amount of $68,932 has been restricted in compliance with this requirement.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Committed

Committed fund balance is the amount that can be used only for specific purposes determined by a formal action of the Board of Directors. This amount cannot be used for any other purpose unless the board of directors removes or changes the specific use by taking formal board action. The District has committed $550,155 of the General Fund balance as an operating reserve, to be drawn upon during periods of economic fluctuation.

The District has committed $1,300,000 of the General Fund balance as an election cost reserve, to be drawn upon for costs related to reauthorization in future years.

Assigned

Assigned fund balance includes amounts that are constrained by the board of director's intended use of these resources for a specific purpose but are neither restricted nor committed. The District did not have any assigned resources as of December 31, 2023.

Unassigned

Unassigned fund balance represents the net resources in excess of the other spendable classifications. The District's policy is to spend unassigned fund balance and then the funds committed for operating reserves. The District considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

Budgetary Information

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Supplementary appropriations approved by the District for the year ended December 31, 2023 modified the appropriation from $77,815,000 to $84,876,675 in the Special Revenue Fund.

Budgets for both funds of the District are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Balances

Interfund balances at December 31, 2023 consisted of the following:

Due to General Fund from:	
Special Revenue Fund	$ 2,895,476

This balance resulted from the time lag between the dates that payments between funds are made.

Interfund Transfers

Interfund transfers for the year ended December 31, 2023 consisted of the following:

Transfer to General Fund from:	
Special Revenue Fund	$ 1,001,540

This transfer was used to move unrestricted interest revenues collected in the Special Revenue Fund to the General Fund in accordance with budgetary authorizations.

Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 consisted of the following:

	Amount
Deposits with Financial Institutions	$ 992,569
Investments	7,786,942
Total Cash and Investments	$ 8,779,511

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

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

At December 31, 2023, the District’s cash deposits had a carrying balance of $992,569. The bank balance is fully covered by FDIC and PDPA.

Investments

Credit Risk

The District has adopted a formal investment policy in which the primary investment objectives shall be safety, liquidity, and yield.

The District has defined investment instruments meeting defined rating and risk criteria in which the District may invest, as follows:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks rated in the highest tier by a national rating agency
- Commercial paper rated in the highest tier by a national rating agency
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Local government investment pools

The local government investment pool is the Colorado Local Government Liquid Asset Trust (ColoTrust) and is rated AAAm by Standard & Poor’s.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Interest Rate Risk

The District will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

To the extent possible, the District attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of purchase.

ColoTrust

As of December 31, 2023, the District had invested $7,786,942 in the Colorado Local Government Liquid Asset Trust Plus+ (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1.00. ColoTrust Plus+ may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. treasury securities, in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under C.R.S. 24-75-601. A designated custodial bank serves as custodian for ColoTrust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by ColoTrust. ColoTrust records its investments at fair value and the District records its investment in ColoTrust using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2022	Additions	Retirements	Balance at December 31, 2023
Capital Assets:				
Office Furniture and Equipment	$ 14,165	$ -	$ -	$ 14,165
Lease Asset - Building	405,900	-	-	405,900
Less: Accumulated Depreciation for				
Office Furniture and Equipment	8,325	1,095	-	9,420
Lease Asset - Building	52,038	52,038	-	104,076
Total Capital Assets, Net	$ 359,702	$ (53,133)	$ -	$ 306,569

NOTE 5 LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended December 31, 2023 were as follows:

	Balance at December 31, 2022	Additions	Retirements	Balance at December 31, 2023	Current Portion
Lease Payable	$ 362,701	$ -	$ (44,625)	$ 318,076	$ 47,117
Compensated Absences	22,370	58,061	(44,251)	36,180	36,180
Total	$ 385,071	$ 58,061	$ (88,876)	$ 354,256	$ 83,297

Compensated absences are liquidated by the General Fund.

Lease Payable

In August 2019, the District executed a lease agreement for office space which expires in December 2029. In addition to base rent, the District pays for the District’s proportionate share of operating expenses which totaled $22,874.

The principal and interest requirements to maturity of the lease are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ 47,117	$ 8,804	$ 55,921
2025	49,736	7,384	57,084
2026	52,407	5,840	58,247
2027	55,158	4,252	59,410
2028	57,983	2,590	60,573
2029	55,676	826	56,502
Total	$ 318,076	$ 29,696	$ 347,737

NOTE 6 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

Eligible employees of the District are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by 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.

Benefits Provided as of December 31, 2022

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

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

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

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

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% 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% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided as of December 31, 2022 (Continued)

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified 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. For State Troopers whose disability is caused by an on- the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions Provisions as of December 31, 2023

Eligible employees of, the District and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates were 9% for the period of January 1, 2023, through December 31, 2023.

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions Provisions as of December 31, 2023 (Continued)

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

	January 1, 2023 Through December 31, 2023
Employer Contribution Rate[1]	11.00 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02)%
Amount Apportioned to the LGDTF[1]	9.98 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	1.50 %
Defined Contribution Supplement as specified in C. R. S. § 24-51-415	0.06 %
Total Employer Contribution Rate to the LGDTF[1]	13.74 %

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $98,153 for the year ended December 31, 2023.

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

The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

At December 31, 2023, the District reported a liability of $702,377 for its proportionate share of the net pension liability.

For the year ended December 31, 2023, the District recognized pension expense of $62,736.

At December 31, 2022, the District's proportion was 0.070058%, which was an increase of 0.009401% from its proportion measured as of December 31, 2021.

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2023 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	$ -	$ 3,502
Net Difference between Projected and Actual Earnings on Pension Plan Investments	284,642	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	31,882	5,974
Contributions Subsequent to the Measurement Date	98,153	-
Total	$ 414,677	$ 9,476

$98,153 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2024	$ (11,034)
2025	47,210
2026	104,962
2027	165,910

Actuarial Assumptions

The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

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

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

The TPL for the LGDTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

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

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

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

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

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

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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%.

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate

The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

In addition, the following methods and assumptions were used in the projection of cash flows:

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- 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 FNP, 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 FNP 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.

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate (Continued)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Increase (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 1,179,115	$ 702,377	$ 303,269

Pension Plan Fiduciary Net Position

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

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan Description

Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended 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.

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

General Information about the OPEB Plan (Continued)

Benefits Provided

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

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

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

PERA Benefit Structure

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

For 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.

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure (Continued)

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 maximum service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The 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% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $7,286 for the year ended December 31, 2023.

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

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

At December 31, 2023, the District reported a liability of $46,039 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District's proportion of the net OPEB liability was based on SCFD's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, SCFD's proportion was 0.0056388%, which was an increase of 0.0009235% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized OPEB expense of $3,536. At December 31, 2023, 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	$ 6	$ 11,134
Changes of Assumptions or other Inputs	740	5,081
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	2,812	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	12,547	3,392
Contributions Subsequent to the Measurement Date	7,286	-
Total	$ 23,391	$ 19,607

$7,286 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2024	$ (1,254)
2025	(2,325)
2026	(1,070)
2027	639
2028	371
Thereafter	137

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

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

Actuarial Assumptions

The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Trust Fund			
	State Division	School Division	Local Government	Judicial Division
Actuarial Cost Method		Entry Age		
Price Inflation		2.30%		
Real Wage Growth		0.70%		
Wage Inflation		3.00%		
Salary Increases, Including Wage Inflation				
Members Other than 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%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation		7.25%		
Discount Rate		7.25%		
Health Care Cost Trend Rates:				
Service-Based Premium Subsidy		0.00%		
PERACare Medicare Plans		6.50% in 2022, gradually decreasing to 4.50% in 2030		
Medicare Part A Premiums		3.75% in 2022, gradually increasing to 4.50% in 2029		

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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

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

Actuarial Assumptions (Continued)

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.00%	1.50%
70	2.90%	1.60%
71	1.60%	1.40%
72	1.40%	1.50%
73	1.50%	1.60%
74	1.50%	1.50%
75	1.50%	1.40%
76	1.50%	1.50%
77	1.50%	1.50%
78	1.50%	1.60%
79	1.50%	1.50%
80	1.40%	1.50%
81 and older	0.00%	0.00%

	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 1,704	$ 1,450	$ 583	$ 496	$ 1,923	$ 1,634
70	1,976	1,561	676	534	2,229	1,761
75	2,128	1,681	728	575	2,401	1,896

	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 6,514	$ 5,542	$ 4,227	$ 3,596	$ 6,752	$ 5,739
70	7,553	5,966	4,901	3,872	7,826	6,185
75	8,134	6,425	5,278	4,169	8,433	6,657

The 2022 Medicare Part A premium is $499 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.

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

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

Actuarial Assumptions (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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50 %	3.75 %
2023	6.25	4.00
2024	6.00	4.00
2025	5.75	4.00
2026	5.50	4.25
2027	5.25	4.25
2028	5.00	4.25
2029	4.75	4.50
2030+	4.50	4.50

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

Actuarial Assumptions (Continued)

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.

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

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% 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% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

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

Actuarial Assumptions (Continued)

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

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

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

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

- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

Actuarial Assumptions (Continued)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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	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%.

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

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

Sensitivity of the (Entity)'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	5.25 %	6.25 %	7.25 %
Ultimate PERACare Medicare Trend Rate	3.50	4.50	5.50
Initial Medicare Part A Trend Rate	3.00	4.00	5.00
Ultimate Medicare Part A Trend Rate	3.50	4.50	5.50
Proportionate Share of the Net OPEB Liability	$ 44,736	$ 46,039	$ 47,457

Discount Rate

The discount rate used to measure the TOL 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 the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process 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)

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

Discount Rate (Continued)

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-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	$ 53,373	$ 46,039	$ 39,767

OPEB Plan Fiduciary Net Position

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

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2023. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 9 TAX, REVENUE, SPENDING AND DEBT LIMITATIONS

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

On November 7, 1995, District voters approved retention of revenue in excess of the Fiscal Year Spending limit through June 30, 2006. On November 2, 2004, District voters approved retention of such revenue through June 30, 2018. On November 8, 2016, District voters approved retention of such revenue through June 30, 2030.

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

The District, in consultation with legal counsel, has determined that Emergency Reserves should not accumulate in the Special Revenue Fund. All sales and use taxes collected in that fund will be distributed to the various tiers, pursuant to the statute, which created the District (see Note 1).

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

REQUIRED SUPPLEMENTARY INFORMATION

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2023

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan Measurement Date Ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability (Asset)	0.0700582%	0.0606567%	0.0666289%	0.0669195%	0.0599024%	0.0516954%	0.0498088%	0.0497612%	0.0504090%	0.0499039%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 702,377	$ (52,005)	$ 347,221	$ 489,443	$ 753,101	$ 575,592	$ 672,589	$ 548,160	$ 451,820	$ 410,670
District's Covered Payroll	$ 572,204	$ 451,341	$ 470,598	$ 460,840	$ 392,568	$ 326,116	$ 302,132	$ 282,605	$ 276,219	$ 266,242
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	122.7%	(11.5%)	73.8%	106.2%	191.8%	176.5%	222.6%	194.0%	163.6%	154.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.0%	101.5%	90.9%	86.3%	76.0%	79.4%	73.6%	76.9%	80.7%	77.7%

Note: The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 98,153	$ 77,193	$ 59,577	$ 60,822	$ 58,434	$ 49,819	$ 41,352	$ 38,310	$ 35,834	$ 35,025
Contributions in Relation to the Contractually Required Contribution	98,153	77,193	59,577	60,822	58,434	49,819	41,352	38,310	35,834	35,025
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 714,361	$ 572,204	$ 451,341	$ 470,598	$ 460,840	$ 392,568	$ 326,116	$ 302,132	$ 282,605	$ 276,219
Contributions as a Percentage of Covered Payroll	13.74%	13.49%	13.20%	12.92%	12.68%	12.69%	12.68%	12.68%	12.68%	12.68%

Note: The amounts presented for each fiscal year were determined as of December 31.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
DECEMBER 31, 2023

Fiscal Year	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date Ending December 31,	2022	2021	2020	2019	2018	2017	2016
District's Proportion (Percentage) of the Collective Net OPEB Liability	0.0056388%	0.0047153%	0.0050889%	0.0051252%	0.0046454%	0.0040170%	0.0038235%
District's Proportionate Share of the Collective Net OPEB Liability	$ 46,039	$ 40,660	$ 48,356	$ 57,607	$ 63,203	$ 52,205	$ 49,573
Covered Payroll	$ 572,204	$ 451,341	$ 470,598	$ 460,840	$ 392,568	$ 326,116	$ 302,132
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	8.05%	9.01%	10.28%	12.50%	16.10%	16.01%	16.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

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

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 7,286	$ 5,852	$ 4,604	$ 4,798	$ 4,701	$ 4,008	$ 3,326	$ 3,082	$ 2,883	$ 2,817
Contributions in Relation to the Contractually Required Contribution	7,286	5,852	4,604	4,798	4,701	4,008	3,326	3,082	2,883	2,817
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 714,361	$ 572,204	$ 451,341	$ 470,598	$ 460,840	$ 392,568	$ 326,116	$ 302,132	$ 282,605	$ 276,219
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Note: The amounts presented for each fiscal year were determined as of December 31.

NOTE 1 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS– PENSION

There were no changes in terms or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25 percent to 1.00 percent, resulting from the 2020 AAP assessment, effective July 1, 2022.

- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.

- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.

- Salary scale assumptions were revised to align with the 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.

- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

- The post-retirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

NOTE 1 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS – PENSION (CONTINUED)

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

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

- The post-retirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The disability mortality assumption for State Troopers was changed to 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.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

NOTE 1 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS – PENSION (CONTINUED)

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00% to 7.50%
- The price inflation assumption was lowered from 3.50% to 2.80%
- The wage inflation assumption was lowered from 4.25% to 3.90%

NOTE 2 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS – OPEB

There were no changes in assumptions or other inputs effective for the December 31, 2022 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

NOTE 2 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS – OPEB (CONTINUED)

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the 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.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

NOTE 2 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS – OPEB (CONTINUED)

- The post-retirement nondisabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement nondisability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to 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.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.