SCIENTIFIC AND CULTURAL FACILITIES DISTRICT

FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025



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SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
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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 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Scientific and Cultural Facilities District as of December 31, 2025, 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 District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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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.

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

Denver, Colorado
May 13, 2026

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025

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, 2025. This report should be read in conjunction with the financial statements.

Financial Highlights

In comparison to the previous year's financial statements:

- Sales and use tax revenues for 2025 increased by $1,265,703, or 1.5%.
- Interest earnings and the related transfer from the Special Revenue Fund to the General Fund for 2025 decreased by $191,894 due to a decreased rate of return from ColoTrust investments in 2025.
- Administrative expenses for 2025 were $1,690,167, which is an increase of $159,815 or 10.4% from 2024. The increase is primarily due to increases in the District's salaries and related costs, general consulting costs, and stakeholder engagement costs.
- Total fund distributions for 2025 were $86,216,374 up by $1,246,717, or 1.5%.
- Total net position of governmental activities was $4,062,622 in 2025 and $3,576,486 in 2024, a change of $486,136.

Overview of the Financial Statements

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

- Government-Wide Financial Statements on pages 10 - 11;
- Fund Financial Statements on pages 12 - 17; and
- Notes to the Financial Statements, pages 18 - 50.

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 $486,136 from 2024 to 2025. This was primarily the result of cost control over administrative costs compared to revenues.

At December 31, 2025, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $4,062,622. Cash and investments increased by $504,311 and the amount due to qualifying entities increased $296,642. 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.

District Net Position
as of December 31, 2025 and 2024

	2025	2024
Assets:		
Current Assets	$ 25,018,582	$ 24,186,647
Capital Assets	200,303	253,436
Total Assets	25,218,885	24,440,083
Deferred Outflows of Resources	244,046	400,272
Liabilities:		
Current Liabilities	20,622,644	20,317,896
Noncurrent Liabilities	758,012	927,917
Total Liabilities	21,380,656	21,245,813
Deferred Inflows of Resources	19,653	18,056
Net Position:		
Net Investment in Capital Assets	(20,920)	(17,523)
Restricted for:		
Emergency Reserves	65,289	70,022
Unrestricted	4,018,253	3,523,987
Total Net Position	$ 4,062,622	$ 3,576,486

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 $486,136 due to revenues of $88,392,677 exceeding expenses of $87,906,541 as a result of sales and use tax revenue allocated to administrative purposes exceeding administrative costs. The majority of sales and use tax received is distributed to qualified entities.

District Changes in Net Position
Years Ended December 31, 2025 and 2024

	2025	2024
Revenues:		
General Revenue:		
Sales Tax	$ 82,438,320	$ 81,291,362
Use Tax	5,090,994	4,972,249
Net Investment Earnings	854,625	1,046,519
Other Income	8,738	175
Total Revenues	88,392,677	87,310,305
Expenses:		
Administrative	1,690,167	1,530,352
Special Revenue Fund Distributions	86,216,374	84,969,657
Total Expenses	87,906,541	86,500,009
Change in Net Position	486,136	810,296
Net Position - Beginning of Year	3,576,486	2,766,190
Net Position - End of Year	$ 4,062,622	$ 3,576,486

Financial Analysis of the District's Funds

As of December 31, 2025, the District's general fund reported a fund balance of $4,470,159, which is an increase of $514,626 in comparison to the prior year. The increase is primarily due to the conservative budgeting approach employed by the District which generally results in a positive impact to the fund balance year-over-year.

Sales and use tax collections in the special revenue fund increased by $1,246,717 or 1.5% compared to 2024. 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 2025, the administrative portion was $1,312,940 of the total tax collections of $87,529,314 leaving $86,216,374 distributable to recipient organizations. The District amended the budgeted appropriations after year-end in order to match actual taxes received for 2025 with required disbursements to each of the Tiers and 2025 administrative expenditures. Actual expenditures were less than final budgeted expenditures by $415,852.

Economic Factors and Next Year's Budget

During 2025, sales and use tax receipts increased by 1.5%, as compared to an increase of 0.1% in 2024. All indicators point to local economic growth at a cautious slow-to-moderate pace, despite trepidation and uncertainty brought about by national and international policies and conflicts. Colorado GDP continues to outpace national trends and according to the Leeds School of Business at University of Colorado, even with "a shifting economic landscape and slowing population gains, Colorado's economy will continue to grow steadily in 2026." The Metro Denver area continues to see low unemployment rates at 4.5% in 2025 with estimates decreasing that number to 4.1% in 2026. The metro area's population continues to grow, although it has slowed considerably since pre-pandemic levels. The Colorado General Assembly's 2026 economic forecast states that consumer spending continues to grow, "despite weak sentiment and deteriorating household finances." Market volatility is up and consumer confidence is down, mostly caused by the uncertainty of oil and gas prices, tariffs, and other federal policies in the current business environment. On-going 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 2026.

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 Andrea Albo, Executive Director, 1047 Santa Fe Drive, Denver, CO 80204.

BASIC FINANCIAL STATEMENTS

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS	
Cash and Investments	$ 9,449,605
Receivables:	
Taxes	15,530,386
Deposits	8,000
Prepaid Items	30,591
Capital Assets, Net of Accumulated Depreciation/Amortization	200,303
Total Assets	25,218,885
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Items	221,590
OPEB Related Items	22,456
Total Deferred Outflows of Resources	244,046
LIABILITIES	
Accounts Payable	85,244
Due to Tier I Entities	12,845,115
Due to Tier II Entities	5,859,175
Due to Tier III Entities	1,758,889
Compensated Absences Due Within One Year	21,814
Lease Payable Due Within One Year	52,407
Due in More Than One Year:	
Compensated Absences	41,853
Lease Payable	168,816
Net Pension Liability	515,408
Net OPEB Liability	31,935
Total Liabilities	21,380,656
DEFERRED INFLOWS OF RESOURCES	
Pension Related Items	545
OPEB Related Items	19,108
Total Deferred Inflows of Resources	19,653
NET POSITION	
Net Investment in Capital Assets	(20,920)
Restricted for:	
Emergency Reserves	65,289
Unrestricted	4,018,253
Total Net Position	$ 4,062,622

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

EXPENSES	
Administrative:	$ 1,690,167
Tier Allocations:	
Tier I Allocation	51,763,433
Tier II Allocation	20,919,057
Tier III Allocation	13,533,884
Total Tier Allocations	86,216,374
Total Program Expenses	87,906,541
GENERAL REVENUES	
Sales Tax	82,438,320
Use Tax	5,090,994
Net Investment Earnings	854,625
Other	8,738
Total General Revenues	88,392,677
CHANGE IN NET POSITION	486,136
Net Position - Beginning of Year	3,576,486
NET POSITION - END OF YEAR	$ 4,062,622

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Special Revenue	Total Governmental Funds
ASSETS			
Cash and Investments	$ 143,531	$ 9,306,074	$ 9,449,605
Taxes Receivable	232,956	15,297,430	15,530,386
Due from Other Fund	4,140,325	-	4,140,325
Deposits	8,000	-	8,000
Prepaid Items	30,591	-	30,591
Total Assets	$ 4,555,403	$ 24,603,504	$ 29,158,907
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 85,244	$ -	$ 85,244
Due to Other Fund	-	4,140,325	4,140,325
Due to Tier I Entities	-	12,845,115	12,845,115
Due to Tier II Entities	-	5,859,175	5,859,175
Due to Tier III Entities	-	1,758,889	1,758,889
Total Liabilities	85,244	24,603,504	24,688,748
FUND BALANCES			
Nonspendable	38,591	-	38,591
Restricted for:			
Emergency Reserves	65,289	-	65,289
Committed for:			
Operating Reserves	769,212	-	769,212
Election Cost Reserves	2,000,000	-	2,000,000
Unassigned	1,597,067	-	1,597,067
Total Fund Balances	4,470,159	-	4,470,159
Total Liabilities and Fund Balances	$ 4,555,403	$ 24,603,504	$ 29,158,907

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, 2025

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds	$	4,470,159
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.		200,303
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		(63,667)
Lease Payable		(221,223)
Net Pension Liability		(515,408)
Net OPEB Liability		(31,935)
Deferred Outflows of Resources for Pension		221,590
Deferred Outflows of Resources for OPEB		22,456
Deferred Inflows of Resources for Pension		(545)
Deferred Inflows of Resources for OPEB		(19,108)
Net Position of Governmental Activities as Reported on the Statement of Net Position	$	4,062,622

See accompanying Notes to Financial Statements.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Special Revenue	Total Governmental Funds
REVENUES			
Sales Tax	$ 1,236,575	$ 81,201,745	$ 82,438,320
Use Tax	76,365	5,014,629	5,090,994
Net Investment Earnings	-	854,625	854,625
Other	8,738	-	8,738
Total Revenues	1,321,678	87,070,999	88,392,677
EXPENDITURES			
Administrative:			
Salaries and Related Costs	1,131,918	-	1,131,918
Accounting and Audit	70,330	-	70,330
Travel and Mileage	3,575	-	3,575
Consulting	246,877	-	246,877
Insurance	9,149	-	9,149
Legal	4,622	-	4,622
Office Supplies	26,474	-	26,474
Meeting	9,601	-	9,601
Professional Development	27,276	-	27,276
Other	14,710	-	14,710
Office Space Operating Costs	25,999	-	25,999
Memberships and Subscriptions	7,501	-	7,501
Telephone	14,477	-	14,477
Office Equipment and Furniture	6,789	-	6,789
Event Costs	5,295	-	5,295
Tier Allocations:			
Tier I Allocation	-	51,763,433	51,763,433
Tier II Allocation	-	20,919,057	20,919,057
Tier III Allocation	-	13,533,884	13,533,884
Debt Service:			
Principal	49,736	-	49,736
Interest	7,348	-	7,348
Total Expenditures	1,661,677	86,216,374	87,878,051
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(339,999)	854,625	514,626
OTHER FINANCING SOURCES (USES)			
Transfer In	854,625	-	854,625
Transfer Out	-	(854,625)	(854,625)
Total Other Financing Sources (Uses)	854,625	(854,625)	-
NET CHANGE IN FUND BALANCES	514,626	-	514,626
Fund Balances - Beginning of Year	3,955,533	-	3,955,533
FUND BALANCES - END OF YEAR	$ 4,470,159	$ -	$ 4,470,159

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, 2025

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds	$	514,626
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		14,100
Lease Liability Principal		49,736
Net Pension Expense		(47,864)
Net OPEB Expense		8,671
Change in Net Position of Governmental Activities as Reported in the Statement of Activities	$	486,136

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final Budget	Amounts	(Negative)
REVENUES				
Sales Tax	$ 1,147,500	$ 1,236,575	$ 1,236,575	$ -
Use Tax	127,500	76,365	76,365	-
Grants and Sponsorships Revenue	7,500	7,500	-	(7,500)
Other Income	80	80	8,738	8,658
Total Revenues	1,282,580	1,320,520	1,321,678	1,158
EXPENDITURES				
Salaries and Related Costs	1,154,666	1,154,666	1,131,918	22,748
Accounting and Audit	76,000	76,000	70,330	5,670
Travel and Mileage	5,900	5,900	3,575	2,325
Consulting	620,004	620,004	246,877	373,127
Insurance	9,000	9,000	9,149	(149)
Legal	10,150	10,150	4,622	5,528
Office Supplies	4,000	4,000	26,474	(22,474)
Meeting	13,700	13,700	9,601	4,099
Professional Development	45,000	45,000	27,276	17,724
Other	7,200	7,200	14,710	(7,510)
Rent	88,609	88,609	83,083	5,526
Memberships and Subscriptions	10,500	10,500	7,501	2,999
Telephone	15,300	15,300	14,477	823
Event Costs	7,500	7,500	5,295	2,205
Office Equipment and Furniture	10,000	10,000	6,789	3,211
Total Expenditures	2,077,529	2,077,529	1,661,677	415,852
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(794,949)	(757,009)	(339,999)	417,010
OTHER FINANCING SOURCES				
Transfer In	806,526	806,526	854,625	48,099
Total Other Financing Sources	806,526	806,526	854,625	48,099
NET CHANGE IN FUND BALANCE	11,577	49,517	514,626	465,109
Fund Balance - Beginning of Year	3,881,350	3,955,533	3,955,533	-
FUND BALANCE - END OF YEAR	$ 3,892,927	$ 4,005,050	$ 4,470,159	$ 465,109

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Sales Tax	$ 75,352,500	$ 81,201,745	$ 81,201,745	$ -
Use Tax	8,372,500	5,014,629	5,014,629	-
Net Investment Earnings	806,526	806,526	854,625	48,099
Total Revenues	84,531,526	87,022,900	87,070,999	48,099
EXPENDITURES				
Tier I Allocation	50,343,350	51,763,433	51,763,433	-
Tier II Allocation	20,271,300	20,919,057	20,919,057	-
Tier III Allocation	13,110,350	13,533,884	13,533,884	-
Total Expenditures	83,725,000	86,216,374	86,216,374	-
EXCESS OF REVENUES OVER EXPENDITURES	806,526	806,526	854,625	48,099
OTHER FINANCING USES				
Transfer Out	(806,526)	(806,526)	(854,625)	(48,099)
Total Other Financing Uses	(806,526)	(806,526)	(854,625)	(48,099)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

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:

General Fund

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.

Special Revenue 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).

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more-likely-than-not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

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 Notes 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 Notes 6 and 7.

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing, multiemployer 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 (FNP), and additions to/deductions from the FNP 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing, multiemployer 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 (FNP) and additions to/deductions from the FNP 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.

Net Position

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

- **Net investment in capital assets**. – This component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of borrowings and lease liabilities that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted net position.** – This component of net position consists of amounts for which constraints have been placed on use by external parties, constitutional provisions, enabling legislation, or applicable laws and regulations. The District reports restricted net position for emergency reserves required under Article X, Section 20 of the Constitution of the state of Colorado.

- **Unrestricted net position.** – This component of net position consists of the remaining net position that does not meet the definition of net investment in capital assets or restricted net position. Unrestricted net position may be used to meet the District's ongoing obligations and may include amounts that have been committed for specific purposes by action of the board of directors.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the District's policy to use unrestricted resources first, and then restricted resources as needed.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 $38,591 as nonspendable as they do not constitute spendable resources even though they are a component of net position.

- **Restricted fund balance.** 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 9). A portion of the General Fund balance in the amount of $65,289 has been restricted in compliance with this requirement.

- **Committed fund balance.** Amounts 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 $769,212 of the General Fund balance as an operating reserve, to be drawn upon during periods of economic fluctuation.

  The District has committed $2,000,000 of the General Fund balance as an election cost reserve, to be drawn upon for costs related to reauthorization in future years.

- **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, 2025.

- **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 9).

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025 modified the appropriation from $84,531,526 to $87,022,900 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).

Interfund Balances

Interfund balances at December 31, 2025 consisted of the following:

Due to General Fund from:	
Special Revenue Fund	$ 4,140,325

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, 2025 consisted of the following:

Transfer to General Fund from:	
Special Revenue Fund	$ 854,625

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, 2025, consisted of the following:

	Amount
Deposits with Financial Institutions	$ 940,562
Investments	8,509,043
Total Cash and Investments	$ 9,449,605

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, 2025, the District's cash deposits had a carrying balance of $940,562. 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, 2025, the District had invested $8,509,043 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, 2025 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets:				
Office Furniture and Equipment	$ 14,165	$ -	$ -	$ 14,165
Lease Asset - Building	405,900	-	-	405,900
Subtotal	420,065	-	-	420,065
Less: Accumulated Depreciation for:				
Office Furniture and Equipment	10,515	1,095	-	11,610
Lease Asset - Building	156,114	52,038	-	208,152
Subtotal	166,629	53,133	-	219,762
Total Capital Assets, Net	$ 253,436	$ (53,133)	$ -	$ 200,303

NOTE 5 LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended December 31, 2025 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Lease Payable	$ 270,959	$ -	$ (49,736)	$ 221,223	$ 52,407
Compensated Absences	77,767	-	(14,100)	63,667	21,814
Total	$ 348,726	$ -	$ (63,836)	$ 284,890	$ 74,221

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

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 $24,471 for the year ended December 31, 2025.

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

Year Ending December 31,	Principal	Interest	Total
2026	$ 52,407	$ 5,840	$ 58,247
2027	55,158	4,252	59,410
2028	57,983	2,590	60,573
2029	55,675	826	56,501
Total	$ 221,223	$ 13,508	$ 234,731

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, multiemployer 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/forms-resources/financial-reports-and-studies.

Benefits Provided as of December 31, 2024

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 (IRC).

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided as of December 31, 2024 (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 five 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 Safety Officers 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, 2025

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% and 13% for Safety Officers for the period of January 1, 2025 through December 31, 2025.

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions Provisions as of December 31, 2025 (Continued)

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

	All Members Other Than Safety Officers January 1, 2025 Through December 31, 2025	Safety Officers January 1, 2025 Through December 31, 2025
Employer Contribution Rate	11.00 %	14.10 %
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	(1.02)	(1.02)%
Amount Apportioned to the LGDTF	9.98	13.08 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	2.20	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	1.50	1.50 %
Defined Contribution Supplement as specified in C. R. S. § 24-51-415	0.11	0.11 %
Total Employer Contribution Rate to the LGDTF	13.79 %	16.89 %

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $118,985 for the year ended December 31, 2025.

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

At December 31, 2025, the District reported a liability of $515,408 for its proportionate share of the net pension liability.

For the year ended December 31, 2025, the District recognized pension expense of $166,849.

At December 31, 2024, the District's proportion was 0.08400%, which was a decrease of 0.00022% from its proportion measured as of December 31, 2023.

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, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 38,892	$ -
Changes of Assumptions or Other Inputs	15,211	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	48,502	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	-	545
Contributions Subsequent to the Measurement Date	118,985	-
Total	$ 221,590	$ 545

$118,985 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2026	$ 93,805
2027	122,852
2028	(82,095)
2029	(32,502)
Total	$ 102,060

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

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

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20 - 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Future Post-Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to 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

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

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

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)

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members Other Than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
Members Other Than Safety Officers	PubG-2010 Healthy Retiree	Males: 94% of the Rates Prior to Age 80; 90% of the Rates Age 80 and Older Females: 87% of the Rates Prior to Age 80; 107% of the Rates Age 80 and Older
Safety Officers	PubS-2010 Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the Rates for All Ages Females: 105% of the Rates for All Ages

Disabled	Mortality Table	Adjustments, as Applicable
Members Other Than Safety Officers	PubNS-2010 Disabled Retiree	99% of the Rates for All Ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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

Salary Increases, Including Wage Inflation:	
Members Other Than Safety Officers	3.40%-13.00%
Safety Officers	3.20%-16.30%

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)

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members Other Than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
Members Other Than Safety Officers	PubG-2010 Healthy Retiree	Males: 90% of the Rates for All Ages Females: 85% of the Rates Prior to Age 85; 105% of the Rates Age 85 and Older
Safety Officers	PubS-2010 Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the Rates for All Ages Females: 100% of the Rates for All Ages

Disabled	Mortality Table	Adjustments, as Applicable
Members Other Than Safety Officers	PubNS-2010 Disabled Retiree	95% of the Rates for All Ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

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)

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 November 15, 2019 meeting, and again at the Board's September 20, 2024 meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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%.

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%.

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)

- 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.

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

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 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 1,128,126	$ 515,408	$ 656

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/forms-resources/financial-reports-and-studies.

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, multiemployer 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/forms-resources/financial-reports-and-studies.

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 $8,801 for the year ended December 31, 2025.

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

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

At December 31, 2025, the District reported a liability of $31,935 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on SCFD's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.00668%, which was a decrease of 0.00002% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized OPEB expense of $130. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 7,044
Changes of Assumptions or Other Inputs	366	10,208
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	108	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	13,181	1,856
Contributions Subsequent to the Measurement Date	8,801	-
Total	$ 22,456	$ 19,108

$8,801 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2026	$ (2,307)
2027	(284)
2028	(717)
2029	(362)
2030	(860)
Thereafter	(923)
Total	$ (5,453)

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT 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, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Trust Fund			
	State State Division	School School Division	Local Government Division	Judicial Division
Actuarial Cost Method	Entry Age			
Price Inflation	2.30%			
Real Wage Growth	0.70%			
Wage Inflation	3.00%			
Salary Increases, Including Wage Inflation:				
Members Other Than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%			
Discount Rate	7.25%			
Health Care Cost Trend Rates:				
Service-Based Premium Subsidy	0.00%			
PERACare Medicare Plans	16.00% in 2024, Then 6.75% in 2025, Gradually Decreasing to 4.50% in 2034			
MAPD PPO #2	105.00% in 2024, Then 8.55% in 2025, Gradually Decreasing to 4.50% in 2034			
Medicare Part A Premiums	3.50% in 2024, Gradually Increasing to 4.50% in 2033			

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

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023 actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were 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 POSTEMPLOYMENT 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)
65-68	2.20 %	2.30 %
69	2.80	2.20
70	2.70	1.60
71	3.10	0.50
72	2.30	0.70
73	1.20	0.80
74	0.90	1.50
75-85	0.90	1.30
86 and Older	0.00	0.00

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

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

The 2024 Medicare Part A premium is $505 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 POSTEMPLOYMENT 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. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

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

[1] Increase in 2024 trend rates due to the effect of the Inflation Reduction Act

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (Members Other Than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT 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)

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (Members Other Than Safety Officers)	PubG-2010 Healthy Retiree	Males: 94% of the Rates Prior to Age 80; 90% of the Rates Age 80 and Older Females: 87% of the Rates Prior to Age 80; 107% of the Rates Age 80 and Older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 112% of the Rates Prior to Age 80; 94% of the Rates Age 80 and Older Females: 83% of the Rates Prior to Age 80; 106% of the Rates Age 80 and Older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the Rates for All Ages Females: 105% of the Rates for All Ages

Disabled	Mortality Table	Adjustments, as Applicable
Members Other Than Safety Officers	PubNS-2010 Disabled Retiree	99% of the Rates for All Ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2024 plan year.

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT 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 health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.

- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023 valuations were based on the 2020 experience analysis, dated October 28, 2020 and November 4, 2020, for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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

	State Division	School Division	Local Government Division	Judicial Division
Salary Increases, Including Wage Inflation:				
Members Other Than Safety Officers	2.70% - 13.30%	4.00% - 13.40%	3.40% - 13.00%	2.30% - 4.70%
Safety Officers	3.20% - 16.30%	N/A	3.20% - 16.30%	N/A

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

- Salary scale assumptions were altered to better reflect actual experience.

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

- Participation rates were reduced.

- MAPD premium costs are no longer age graded.

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT 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)

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

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (Members Other Than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (Members Other Than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the Rates for All Ages Females: 85% of the Rates Prior to Age 85; 105% of the Rates Age 85 and Older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the Rates for All Ages Females: 86% of the Rates Prior to Age 85; 115% of the Rates Age 85 and Older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT 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)

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the Rates for All Ages Females: 100% of the Rates for All Ages

Disabled	Mortality Table	Adjustments, as Applicable
Members Other Than Safety Officers	PubNS-2010 Disabled Retiree	95% of the Rates for All Ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation 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 November 15, 2019 meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT 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)

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

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%.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following table 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 1-percentage-point lower or 1-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	5.75 %	6.75 %	7.75 %
Ultimate PERACare Medicare Trend Rate	3.50	4.50	5.50
Initial MAPD PPO#2 trend rate	7.55	8.55	9.55
Ultimate MAPD PPO#2 trend rate	3.50	4.50	5.50
Initial Medicare Part A Trend Rate	2.75	3.75	4.75
Ultimate Medicare Part A Trend Rate	3.50	4.50	5.50
Proportionate Share of the Net OPEB Liability	$ 31,074	$ 31,935	$ 32,908

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

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

Discount Rate

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

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

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination did 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.

NOTE 7 DEFINED BENEFIT OTHER POSTEMPLOYMENT 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 39,136	$ 31,935	$ 25,726

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/forms-resources/financial-reports-and-studies.

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 (the Pool) as of December 31, 2025. 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
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN YEARS

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Plan Measurement Date Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.08400%	0.08422%	0.07006%	0.06066%	0.06663%	0.06692%	0.05990%	0.05170%	0.04981%	0.04976%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 515,408	$ 618,187	$ 702,377	$ (52,005)	$ 347,221	$ 489,443	$ 753,101	$ 575,592	$ 672,589	$ 548,160
District's Covered Payroll	$ 806,050	$ 714,361	$ 572,204	$ 451,341	$ 470,598	$ 460,840	$ 392,568	$ 326,116	$ 302,132	$ 282,605
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	63.9%	86.5%	122.7%	(11.5%)	73.8%	106.2%	191.8%	176.5%	222.6%	194.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.5%	88.0%	83.0%	101.5%	90.9%	86.3%	76.0%	79.4%	73.6%	76.9%

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

See accompanying Notes to Required Supplementary Information.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 118,985	$ 110,912	$ 98,153	$ 77,193	$ 59,577	$ 60,822	$ 58,434	$ 49,819	$ 41,352	$ 38,310
Contributions in Relation to the Contractually Required Contribution	118,985	110,912	98,153	77,193	59,577	60,822	58,434	49,819	41,352	38,310
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 862,837	$ 806,050	$ 714,361	$ 572,204	$ 451,341	$ 470,598	$ 460,840	$ 392,568	$ 326,116	$ 302,132
Contributions as a Percentage of Covered Payroll	13.79%	13.76%	13.74%	13.49%	13.20%	12.92%	12.68%	12.69%	12.68%	12.68%

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

See accompanying Notes to Required Supplementary Information.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST TEN YEARS*

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion (Percentage) of the Collective Net OPEB Liability	0.00668%	0.00670%	0.00564%	0.00472%	0.00509%	0.00513%	0.00465%	0.00402%	0.00382%
District's Proportionate Share of the Collective Net OPEB Liability	$ 31,935	$ 47,786	$ 46,039	$ 40,660	$ 48,356	$ 57,607	$ 63,203	$ 52,205	$ 49,573
Covered Payroll	$ 806,050	$ 714,361	$ 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	3.96%	6.69%	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	59.8%	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

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

* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

See accompanying Notes to Required Supplementary Information.

SCIENTIFIC AND CULTURAL FACILITIES DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 8,801	$ 8,222	$ 7,286	$ 5,852	$ 4,604	$ 4,798	$ 4,701	$ 4,008	$ 3,326	$ 3,082
Contributions in Relation to the Contractually Required Contribution	8,801	8,222	7,286	5,852	4,604	4,798	4,701	4,008	3,326	3,082
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 862,837	$ 806,050	$ 714,361	$ 572,204	$ 451,341	$ 470,598	$ 460,840	$ 392,568	$ 326,116	$ 302,132
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.

See accompanying Notes to Required Supplementary Information.

NOTE 1 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS– PENSION

Changes in assumptions or other input effective for the December 31, 2024 measurement period are as follows:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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

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

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% to 1%, 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, non-disabled 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.

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

- The post-retirement, non-disabled 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 2 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS – OPEB

Changes in assumptions or other input effective for the December 31, 2024 measurement period are as follows:

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

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

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, 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.
- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

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, non-disabled 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, non-disabled 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, non-disabled 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 non-disability 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.



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