ADAMS COUNTY RETIREMENT PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2020 AND 2019

ADAMS COUNTY RETIREMENT PLAN
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
FINANCIAL STATEMENTS	
STATEMENTS OF FIDUCIARY NET POSITION	9
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION	10
NOTES TO FINANCIAL STATEMENTS	11
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS	29
SCHEDULE OF NET PENSION LIABILITY	30
SCHEDULE OF EMPLOYER CONTRIBUTIONS	31
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS	32
SCHEDULE OF INVESTMENT RETURNS	33
OTHER SUPPLEMENTARY INFORMATION	
SCHEDULES OF ADMINISTRATIVE AND INVESTMENT EXPENSES	35
TEN-YEAR HISTORICAL TREND INFORMATION	36

INDEPENDENT AUDITORS' REPORT

Retirement Board
Adams County Retirement Plan
Brighton, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the Adams County Retirement Plan (the Plan), which comprise the statements of fiduciary net position as of December 31, 2020 and 2019, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2020 and 2019, and the changes in fiduciary net position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of administrative and investment expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of administrative and investment expenses listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of administrative and investment expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The ten-year historical trend information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on the schedule.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
May 13, 2021

This discussion presents management's view of the Adams County Retirement Plan's (the Plan) financial activities and performance during the fiscal years ended December 31, 2020 and 2019, and is to be read in conjunction with the Plan's financial statements.

FINANCIAL STATEMENT HIGHLIGHTS

The fiduciary net position of the Plan at the close of 2020 was $314,056,449, compared to $281,913,703 for 2019 and $248,844,713 for 2018.

The Plan's fiduciary net position restricted for pension benefits increased by $32,142,746 in 2020 or an increase of 11.4%, compared to an increase of $33,068,990, or 13.29%, in 2019 and a decrease of $13,927,458, or 5.30%, in 2018. The increases in each year were primarily a result of global stock market gains as well as the increased contribution rates implemented at the beginning of 2016.

The Plan's funding objective is to meet the long-term benefit obligations through contributions and investment income. As of January 1, 2020, the date of the Plan's last actuarial valuation, the funded ratio for the Adams County Retirement Plan based on the actuarial value of assets was 52%, compared to a funded status of 52.6% as of January 1, 2019, and 53.6% as of January 1, 2018. As of January 1, 2020, the funded ratio for the Adams County Retirement Plan based on market value of assets was 53.2%, compared to a funded status of 49.2% as of January 1, 2019, and 54.3% as of January 1, 2018.

At the end of 2020, the Plan's actuary rolled forward the total pension liability and compared it to the Plan fiduciary net position, as required under Government Accounting Standards Board Statement No. 67. The resulting ratio of 57.01% represents the Plan's fiduciary net position as a percentage of the total pension liability as of December 31, 2020.

Revenues (additions to Plan fiduciary net position) for 2020 were $66,057,152, which included employee and employer contributions totaling $30,944,162 and net investment income of $35,112,990. Revenues for 2019 and 2018, respectively, were $65,760,927 and $17,360,616, which included employee and employer contributions for 2019 and 2018, respectively, of $27,410,136 and $25,497,150. The Plan had net investment income of $38,350,791 during 2019 and a loss of $8,136,534 during 2018.

Annual gross pension benefits paid to retirees and beneficiaries were $30,833,131, $29,377,350, and $27,017,192, for 2020, 2019, and 2018, respectively.

Refunds of contributions paid to former members upon termination of employment were $2,510,968, $2,666,844, and $3,357,700, in 2020, 2019, and 2018, respectively.

Administrative expenses decreased in 2020 to $570,307, compared to $647,743 in 2019, and $913,182 in 2018.

Investment manager, consultant, and trustee fees for 2020 were $1,610,402, compared to $1,708,052 and $1,638,856 in 2019 and 2018, respectively. The investment manager fees decreased in 2020 mainly due to a decrease in appreciation in the fair value of investments, compared to the prior year, and corresponding fees associated with such gains, while they increased from 2018 to 2019 due to the a large increase in the fair value of investments in 2019, as fees are generally assessed on the fair value of assets under management.

OVERVIEW OF THE FINANCIAL STATEMENTS

Because of the long-term nature of a defined benefit plan, financial statements alone cannot provide sufficient information to properly reflect the Plan's future perspective. This discussion and analysis is intended to serve as an introduction to the Plan's financial statements, which comprise the following components:

Financial Statements

- Statements of Fiduciary Net Position
- Statements of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Required Supplementary Information

- Management's Discussion and Analysis
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Net Pension Liability
- Schedule of Employer Contributions
- Notes to Schedule of Employer Contributions
- Schedule of Investment Returns

Other Supplementary Information

- Schedules of Administrative and Investment Expenses
- Ten-Year Historical Trend Information

Financial Statements

The Statements of Fiduciary Net Position provide a snapshot of asset and liability balances at year-end and are presented comparatively. The statements indicate the assets available for future payments to retirees and any current liabilities that are owed as of the financial statement dates.

The Statements of Changes in Fiduciary Net Position, on the other hand, provide a view of the additions to and deductions from the Plan for the years presented.

The above noted statements include all assets and liabilities using the accrual basis of accounting in accordance with generally accepted accounting principles applicable to governmental accounting in accordance with Governmental Accounting Statements Board (GASB).

Increases and decreases in the Plan's net position, over time, are one indication of whether the financial stability of the Plan is improving or deteriorating. Market conditions and other factors should be considered when measuring the Plan's overall financial structure.

Notes to the Financial Statements provide additional information that is essential to obtain a full understanding of the data provided in the financial statements.

(See Notes to the Financial Statements on pages 11-27 of this report).

Required Supplementary Information

Required Supplementary Information provides additional information. Such information, although not a part of the basic financial statements, is required by GASB, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Required Supplementary Information includes the Management's Discussion and Analysis and the Schedules of Changes in Net Pension Liability, Net Pension Liability, Employer Contributions (and Notes to the Schedule of Contributions), and Investment Returns, which are presented to supplement the basic financial statements.

Other Supplementary Information

Schedules of Administrative and Investment Expenses include investment fees, professional contracts, personnel services and other operating expenses, which are presented as a supporting schedule to the financial section and are found on page 35.

Ten-Year Historical Trend Information is designed to provide information about the Plan's progress made in accumulating sufficient assets to pay benefits when due.

FINANCIAL ANALYSIS

The Plan provides retirement benefits to the employees of Adams County, Colorado (the County), Rangeview Library District (the Library District), and their beneficiaries. Plan benefits are funded by employee and employer contributions and by earnings on Plan investments. As noted earlier, net position may serve, over time, as an indication of the Plan's financial position. On the following pages are condensed snapshots of the Plan's fiduciary net position and changes in fiduciary net position over the previous three years.

ASSETS	2020	2019	2018
Cash	$ 2,469,748	$ 2,121,488	21,442
Investments, at Fair Value:			
Total Investments	311,433,360	279,759,674	248,973,283
Total Cash and Investments	313,903,108	281,881,162	248,994,725
Receivables:			
Accrued Income and Contributions Receivable	178,961	177,575	33,973
Other Assets:			
Prepaid Expenses	113,520	-	-
Total Assets	314,195,589	282,058,737	249,028,698
LIABILITIES			
Accrued Liabilities	139,140	145,034	183,985
FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS	$ 314,056,449	$ 281,913,703	$ 248,844,713

Statements of Changes in Fiduciary Net Position (Condensed)

ADDITIONS TO FIDUCIARY NET POSITION

	2020	2019	2018
Contributions:			
Employer	$ 17,085,000	$ 14,698,525	13,634,301
Plan Members	13,859,162	12,685,915	11,634,301
Purchase of Service	-	25,696	228,548
Total Contributions	30,944,162	27,410,136	25,497,150
Investment Income (Loss):			
Net Appreciation (Depreciation) in Fair Value of Investments	33,306,366	35,244,424	(11,060,695)
Interest	825,435	725,729	1,284,039
Dividends	2,579,927	4,074,021	3,278,662
Other Income	11,664	14,669	316
Total Investment Income (Loss)	36,723,392	40,058,843	(6,497,678)
Less: Investment Expenses	(1,610,402)	(1,708,052)	(1,638,856)
Net Investment Income (Loss)	35,112,990	38,350,791	(8,136,534)
Total Additions to Fiduciary Net Position	66,057,152	65,760,927	17,360,616
DEDUCTIONS FROM FIDUCIARY NET POSITION			
Benefit Payments	30,833,131	29,377,350	27,017,192
Refunds of Contributions	2,510,968	2,666,844	3,357,700
Other Administrative Costs	570,307	647,743	913,182
Total Deductions from Plan Net Position	33,914,406	32,691,937	31,288,074
NET INCREASE (DECREASE) IN PLAN NET POSITION	32,142,746	33,068,990	(13,927,458)
FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS			
Beginning of Year	281,913,703	248,844,713	262,772,171
End of Year	$ 314,056,449	$ 281,913,703	$ 248,844,713

SECURITIES LENDING TRANSACTIONS

State statutes and Adams County Board of Retirement (the Board) policies permit the Plan to lend its securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future. There were no securities lending arrangements for 2020, 2019, or 2018.

REVENUE – ADDITIONS TO PLAN NET POSITION

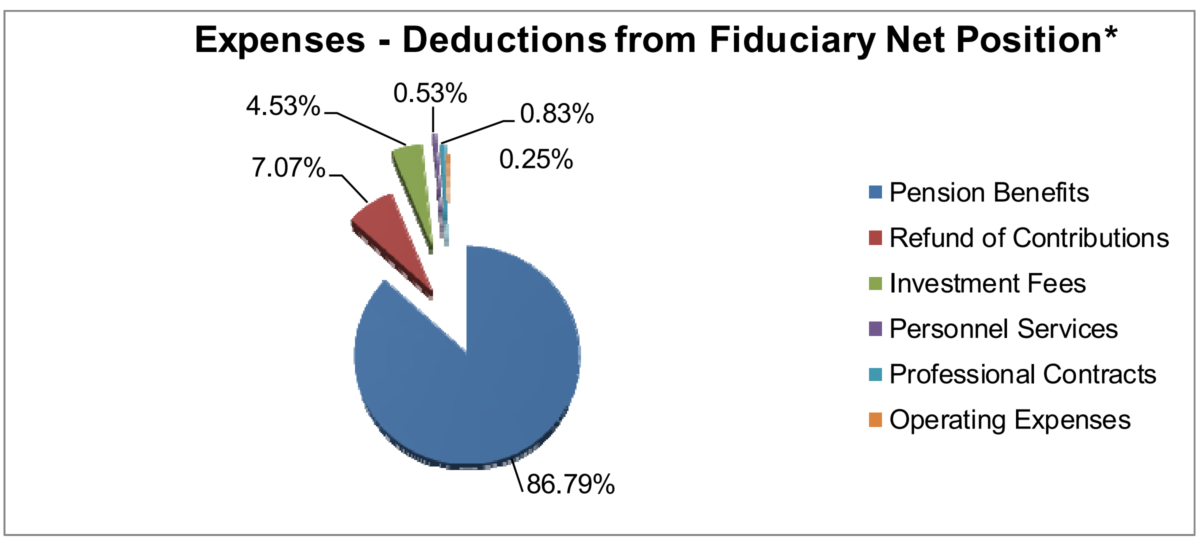
Additions to the Plan net position held in trust include employee and employer contributions, as well as investment income or loss. The total contribution rate was 18% for 2019 and 2018, split equally between the employee and the employers. In 2020, the employer contribution rate was increased to 9.5%, and will continue to increase .5% each year until reaching 11.5%. The employee contribution rate remained unchanged at 9%.

Contributions totaling $30,944,162 ($17,085,000 employers, $13,859,162 employees, $0 purchase of service), $27,410,136 ($14,698,525 employers, $12,685,915 employees, $25,696 purchase of service), $25,497,150 ($13,634,301 employers, $11,634,301 employees, $228,548 purchase of service), were made during the years ended December 31, 2020, 2019, and 2018, respectively. Employer contributions in 2020, 2019 and 2018 also included $2,455,845, $2,012,610 and $2,000,000, respectively, contributed by the County, on behalf of both employers, based on an agreement to provide such additional funding of no less than $2 million each fiscal year until the Plan reaches an 80 percent funded rate on both a market and actuarial basis. The contributions are based on a reallocation of at least 0.314 mills of the County's total mill levy.

For actuarial funding calculations, the Plan's actuary uses a five-year smoothed market to determine the actuarial value of assets. The smoothing prevents extreme volatility in employer contribution requirements due to fluctuations in the markets.

EXPENSES – DEDUCTIONS FROM PLAN NET POSITION

The Plan was created to provide lifetime retirement annuities, survivor benefits and disability benefits to qualified members and their beneficiaries. The cost of these programs includes recurring benefit payments, as designated by the Plan, refunds of contributions to terminated members, and the cost of administering the system. The Plan had an increase in pension annuities due to an increase in the number of retirees in 2020. The Plan also noted a slight decrease in participant refunds and administrative expenditures in 2020. Investment manager and trustee fees decreased due to changes in money managers and decreases in the fair value of investments for which fees were charged.



ADAMS COUNTY RETIREMENT PLAN - FIDUCIARY RESPONSIBILITY

The Board is the fiduciary of the pension trust fund. Under Colorado State Statutes the assets can only be used for the exclusive benefit of such employees or beneficiaries and the payment of the Plan expenses.

The members of the Board have each acknowledged and signed a Conflict of Interest and Adherence to Colorado Code of Ethics Acknowledgement Form, which states that as members of the Board for the Plan, their behavior was in accordance with the requirements of Section 24-18-108.5 of the Colorado Revised Statutes.

DESCRIPTION OF THE PLAN AND PLAN CHANGES

The Board is the administrator of the Plan, which is a cost-sharing multiple-employer plan. The Plan is a qualified tax-exempt plan under Sections 401(a) and 501(a) of the Internal Revenue Code and is not subject to the provisions of the Employee's Retirement Income Security Act of 1974 (ERISA). The Plan is a defined benefit pension plan for eligible employees of the County and the Library District.

The Plan received a favorable determination letter from the Department of the Treasury for Adams County and Rangeview Library District, effective October 14, 2014.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview for the Board, Plan participants, taxpayers, and investment managers. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Adams County Retirement Plan
4430 South Adams County Parkway
Suite C3406
Brighton, Colorado 80601-8202

Prepared and Submitted By:
Debbie Haines, CEBS
Executive Director
Adams County Retirement Plan
May 13, 2021

ADAMS COUNTY RETIREMENT PLAN
STATEMENTS OF FIDUCIARY NET POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CASH	$ 2,469,748	$ 2,121,488
INVESTMENTS (at Fair Value)		
Money Market Funds	6,497,769	4,718,556
Public Equity	163,470,786	130,901,825
Private Equity	19,093,990	14,371,698
Floating Rate Debt	17,609,869	14,874,689
Fixed Rate Debt	43,961,036	41,124,806
Low Volatility	15,328,742	27,480,804
Real Estate Funds	45,471,168	46,287,296
Total Investments	311,433,360	279,759,674
Total Cash and Investments	313,903,108	281,881,162
RECEIVABLES		
Accrued Income Receivable	178,961	177,575
OTHER ASSETS		
Prepaid Expenses	113,520	-
Total Assets	314,195,589	282,058,737
LIABILITIES		
ACCRUED LIABILITIES	139,140	145,034
FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS	$ 314,056,449	$ 281,913,703

See accompanying Notes to Financial Statements.

ADAMS COUNTY RETIREMENT PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
ADDITIONS:		
CONTRIBUTIONS		
Employer	$ 17,085,000	$ 14,698,525
Plan Members	13,859,162	12,685,915
Purchase of Service	-	25,696
Total Contributions	30,944,162	27,410,136
INVESTMENT INCOME		
Net Appreciation in Fair Value of Investments	33,306,366	35,244,424
Interest	825,435	725,729
Dividends	2,579,927	4,074,021
Other Income	11,664	14,669
Total Investment Income	36,723,392	40,058,843
Less: Investment Expense	(1,610,402)	(1,708,052)
Net Investment Income	35,112,990	38,350,791
Total Additions	66,057,152	65,760,927
DEDUCTIONS:		
BENEFIT PAYMENTS	30,833,131	29,377,350
REFUNDS OF CONTRIBUTIONS	2,510,968	2,666,844
OTHER ADMINISTRATIVE COSTS	570,307	647,743
Total Deductions	33,914,406	32,691,937
NET INCREASE IN FIDUCIARY NET POSITION	32,142,746	33,068,990
FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS:		
Beginning of Year	281,913,703	248,844,713
End of Year	$ 314,056,449	$ 281,913,703

See accompanying Notes to Financial Statements.

NOTE 1 DESCRIPTION OF PLAN

The Adams County Retirement Board (the Board) is the administrator of Adams County Retirement Plan (the Plan). The Plan is a multiple employer defined benefit pension plan covering substantially all full-time employees of Adams County (the County) and Rangeview Library District (the Library District). The authority under which obligations to contribute to the Plan by Plan members and employers is established and may be amended by the Board. The Plan was amended and restated effective January 1, 2020.

The Plan is not subject to the provisions of the Employee's Retirement Income Security Act of 1974 (ERISA). It is qualified as a tax-exempt plan under Sections 401(a) and 501(a) of the Internal Revenue Code. Employee contributions are required as a condition of employment and are matched, dollar for dollar, by the employer. Contribution provisions are established Board for the members' and the employers' contributions.

Membership

The Plan includes any person who is an elected or appointed County official or Deputy, and staff of such person, and any person who is employed by the employer in a position budgeted for thirty (30) hours or more per week. Any employee of the Retirement Board who meets these requirements shall be considered an employee of the employer for purposes of the Plan. The Plan excludes temporary employees and employees who are in a position budgeted for less than thirty (30) hours per week.

Employee membership data as of January 1, 2020 and 2019 was:

	January 1,	
	2020	2019
Retirees and Beneficiaries Currently Receiving Benefits	1,225	1,177
Members with Deferred Benefits	216	200
Active Members	2,230	2,127
Members Due a Refund of Contribution	144	141
Total Members	3,815	3,645

Purchase of Credited Service

Members hired before January 1, 2010, with seven or more years of Continuous Service who have not previously purchased a total of five years of service credit are eligible to purchase additional service so that their total purchased service credit equals five years. For members hired after January 1, 2010, and prior to January 1, 2014, with at least 10 years of Continuous Service, service may be purchased for up to five years of service credit related to the member's previous employment with a public or private employer.

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Benefits

The Plan provides retirement benefits, as well as death and disability benefits. Employees hired before January 1, 2010 with less than five years of continuous service at the date of termination may elect to receive a refund of their contributions. Employees hired on or after January 1, 2010 with less than five years of continuous service at the date of termination may elect to receive a refund of their contributions. The refunds include interest at the current rate of three percent. Employees with at least five years of continuous service at the time of termination may choose a refund of their contributions, including interest and the accumulated value of the amounts paid for purchase of service credit, if any, or a deferred vested benefit when retirement eligibility is reached.

Normal retirement begins at age 65 with full benefits, regardless of credited service. However, the Plan has provisions for early and delayed retirement. A reduced early retirement may be elected if the employee has reached age 55 and completed at least five years of service, and the employee was hired in covered employment before January 1, 2005, or has met the reemployment rule. Employees hired in covered employment on or after January 1, 2005, can take a reduced early retirement after reaching the age of 55 with at least 10 years of service. Employees hired prior to January 1, 2010, will be eligible for an unreduced retirement ("Special Early Retirement") once their age plus service (including purchase of service) equals 70 or more, and for an employee hired on or after January 1, 2005, and prior to January 1, 2010, if they have attained the age of 50 prior to termination of employment. Employees hired on or after January 1, 2010, will be eligible for Special Early Retirement once their age plus service (including purchase of service) equals 80 or more and they have reached the age of 55 prior to termination of employment. Elected officials are eligible for immediate vesting if not re-elected or re-employed by an Employer within 30 days after their term expires.

Effective January 1, 2017, any employee who terminates employment and is re-employed and was otherwise entitled to the Rule of 70 (with or without a minimum age of 50), and who is re-employed on or after January 1, 2017 (Post-December 31, 2016 Rehire), shall be eligible for a Special Early Retirement (a) with respect to the portion of such employee's accrued benefit attributable to Credited Service earned prior to the period of reemployment when the sum of their age plus service (including purchase of service) equals 70 or more and they are not employed by any Employer as an employee, and (b) with respect to the portion of such employee's accrued benefit attributable to Credited Service earned after the period of reemployment when the sum of their age plus service (including purchase of service) equals 80 or more and they are not employed by any Employer as an employee, if the Rule of 80 date is not earlier than the date the employee would have been eligible for a Special Early Retirement if the employee had remained in service since December 31, 2016.

Effective January 1, 2019, a Vested Member for Tier 3 is a member hired in Covered Employment on or after January 1, 2010, who has completed five or more years of Continuous Service and performed this Service on or after January 1, 2019.

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Benefits (Continued)

For employees hired in covered employment before January 1, 2005, the average monthly compensation is calculated using a 36 month average, multiplied by 2.5% and then multiplied by the total years of credited service through December 31, 2013, to determine Component A of the employee's retirement benefit. Career Compensation earned on or after January 1, 2014, is multiplied by 1.75% and divided by 12 to determine Component B of the employee's retirement benefit. The sum of components A and B will equal the employee's monthly benefit under the Plan, subject to minimum benefit provisions and an 80% Cap described by the Plan.

For employees hired in covered employment after January 1, 2005, and prior to January 1, 2010, the average monthly compensation is calculated using a 60-month average, multiplied by 2.5% and then multiplied by the total years of credited service through December 31, 2013, to determine Component A of the employee's retirement benefit. Career Compensation earned on or after January 1, 2014, is multiplied by 1.75% and divided by 12 to determine Component B of the employee's retirement benefit. The sum of components A and B will equal the employee's monthly benefit under the Plan, subject to minimum benefit provisions and an 80% Cap described by the Plan.

For employees hired in covered employment after January 1, 2010, the retirement benefit is based on the employee's Career Compensation, multiplied by 1.75% and divided by 12, subject to minimum benefit provisions and an 80% Cap described by the Plan.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental accounting in accordance with Governmental Accounting Standards Board (the GASB). Both Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit and refund payments are recognized when due and payable in accordance with the terms of the Plan.

Investments

Investments are reported at fair value. Securities and funds traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value. The fair value of real estate investments is based upon the net asset value (NAV) of the funds in which the Plan is invested. Fair value of other securities is determined by the mean of the most recent bid and ask prices as obtained from dealers that make markets in such securities. Fair value for investments in private equity, partnerships/joint ventures and hedge funds are estimated by adjusting the most recent market values reported by the funds. These adjustments are made by estimates from investment managers as to market values at year-end, including known cash activity such as capital calls, distributions and management fees, as well as, adjustments to audited financial statements of the funds.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Plan presents, in the statement of changes in fiduciary net position, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments.

Purchases and sales are recorded on the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

There are certain market risks, credit risks, foreign currency exchange risks, and event risks which may subject the Plan to economic changes occurring in certain industries, sectors or geographies.

Fixed Assets

As of December 31, 2020 and 2019, all real property and workstations used by the Plan are owned by the County, and as a result, are not reported in the financial statements.

Administrative Expenses

The cost of administering the Plan is financed through the contributions it receives and earnings on Plan investments.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates. Actuarially determined future benefit payments require the use of significant estimates. The Plan believes that the techniques and assumptions used in establishing these estimates are appropriate.

Actuarial Valuation

The information included in the required supplementary schedules is based on the actuarial valuation performed as of January 1, 2020, which is the date of the latest available information. Significant actuarial assumptions used in the valuation are included in the notes to the required supplementary schedules.

NOTE 3 CASH DEPOSITS

Cash Deposits

At December 31 2020 and 2019, the Plan has deposits in financial institutions with bank balances of $44,876 and $43,787, respectively, and carrying values of $32,373 and $25,856, respectively, all of which was covered by the Federal Depository Insurance Corporation. Additionally, $2,437,375 and $2,095,632 in cash was held with the custodial bank as of December 31, 2020 and 2019, and subject to custodial credit risk.

NOTE 4 INVESTMENTS

Investment Risk Factors

There are many factors that can affect the value of investments. Some, such as custodial risk, credit risk, interest rate risk, concentration of credit risk, and foreign currency risk, may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings, performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates. The Plan has established investment policies to provide the basis for the management of a prudent investment program appropriate to the particular fund types.

Credit Risk

Fixed income securities are subject to credit risk, which is the risk that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make these payments will cause prices to decline. A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond and, ultimately, to pay the principal. Credit quality is evaluated by the Plan by using one of the independent bond-rating agencies, either Moody's Investors Service or Standard and Poor's. The lower the rating, the greater the chance that the bond issuer will default or fail to meet its payment obligations.

Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. Government or those explicitly backed by the U.S. Government, are not considered to have credit risk.

NOTE 4 INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The Plan has policies and guidelines for each fixed income portfolio, prohibiting direct investment in derivative securities and non-dollar denominated investments. At the time of purchase, up to 15% of the portfolio may be invested in securities rated below investment grade (Baa3/BBB-) using the higher rating by Moody's or S&P, and at the time of purchase, no more than 2% of the portfolio may be invested in the securities of any one issuer, except debt obligations issued or guaranteed by the U.S. Government or its agencies and instrumentalities.

	2020				
Rating	Corporate Bonds	Municipal Bonds	Foreign Bonds	Total	% of Total
AAA	$ 259,346	$ 409,043	$ -	$ 668,389	2.5%
AA	554,382	1,527,075	-	2,081,457	7.8%
A	3,077,808	306,442	156,750	3,541,000	13.2%
BBB/BAA	5,460,425	123,445	843,215	6,427,085	24.0%
BB/BA	2,198,708	-	138,872	2,337,580	8.7%
B	277,206	-	-	277,206	1.0%
Total Exposed to Credit Risk	$ 11,827,875	$ 2,366,005	$ 1,138,837	15,332,717	57.2%
U.S. Government Agency Obligations				10,336,106	38.6%
Non-rated Bonds				1,114,909	4.2%
Total Fixed Income Portfolio				$ 26,783,732	100.0%

	2019				
Rating	Corporate Bonds	Municipal Bonds	Foreign Bonds	Total	% of Total
AAA	$ 570,059	$ 306,062	$ -	$ 876,121	4.3%
AA	1,036,777	1,008,807	-	2,045,584	10.0%
A	2,458,847	327,709	329,318	3,115,874	15.3%
BBB/BAA	4,645,940	-	815,709	5,461,649	26.1%
BB/BA	556,561	-	51,625	608,186	3.0%
Total Exposed to Credit Risk	$ 9,268,184	$ 1,642,578	$ 1,196,652	12,107,414	59.3%
U.S. Government Agency Obligations				6,861,092	33.6%
Non-rated Bonds				1,447,151	7.1%
Total Fixed Income Portfolio				$ 20,415,657	100.0%

At December 31, 2020 and 2019, respectively, the Plan held $34,787,173 and $35,583,838 in fixed income investment partnerships and mutual funds for which information related to credit risk was not available and are not included in the tables above.

NOTE 4 INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Through the specific identification method, the Plan manages its exposure to fair value losses arising from changes in interest rates by requiring the average maturity of the portfolio be maintained in the range of plus or minus 25% of the benchmark index.

Using the specific identification method, the Plan had the following investments and maturities at December 31, 2020:

		Investment Maturities (in Years)			
Descriptions	Fair Value	Less than 1	1-5	6-10	>10
Corporate Bonds	$ 12,764,715	$ 353,601	$ 5,494,791	$ 3,861,154	$ 3,055,169
Municipal Bonds	2,544,074	-	291,182	262,193	1,990,699
Foreign Bonds	1,138,837	-	790,799	251,309	96,729
U.S. Government Agency Obligations	10,336,106	-	2,220,593	1,269,130	6,846,383
Total	$ 26,783,732	$ 353,601	$ 8,797,365	$ 5,643,786	$ 11,988,980

Using the specific identification method, the Plan had the following investments and maturities at December 31, 2019:

		Investment Maturities (in Years)			
Descriptions	Fair Value	Less than 1	1-5	6-10	>10
Corporate Bonds	$ 10,372,919	$ 301,452	$ 4,901,156	$ 2,340,860	$ 2,829,451
Municipal Bonds	1,984,994	-	174,235	336,326	1,474,433
Foreign Bonds	1,196,652	-	849,823	230,109	116,720
U.S. Government Agency Obligations	6,861,092	-	1,312,672	1,627,074	3,921,346
Total	$ 20,415,657	$ 301,452	$ 7,237,886	$ 4,534,369	$ 8,341,950

At December 31, 2020 and 2019, respectively, the Plan held $34,787,173 and $35,583,838 in fixed income investment partnerships and mutual funds for which information relating to interest rate risk was not available and are not included in the table above.

Custodial Credit Risk

Custodial credit risk for deposits and investments is the risk that in the event of the failure of the custodian, the Plan may not be able to recover the value of the investment securities that are in the possession of an outside party.

The Board is responsible for oversight of the Plan's investments. Investments in U.S. Government agency obligations, corporate and foreign bonds, equity and foreign securities, and real estate investments are insured or registered and are held by the Plan or by U.S. Bank, the custodian, in the Plan's name. Investments in open-ended mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form.

NOTE 4 INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss associated with a lack of diversification having too much invested in a few individual users, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments. For its corporate bond portfolio, no more than two percent of the portfolio may be invested in the securities of any one issuer, except debt obligations issued or guaranteed by the U.S. Government or its agencies and instrumentalities.

For its U.S. Small Capitalization Stock portfolio, no more than five percent of the market value of the portfolio may be invested in the stock of any one issuer, and no more than seven percent of the market value of the Mid-Capitalization Stocks portfolio may be invested in the stock of any one issuer.

As of December 31, 2020 and 2019, respectively, the Plan held investments in partnerships and mutual funds that represented more than five percent of its fiduciary net position, however, none of these investments in partnerships or mutual funds was with a single issuer.

Foreign Currency Risk

Foreign currency risk is the possibility that changes in exchange rates between the U.S. dollar and foreign currencies could adversely affect a deposit or investment's fair value. The Plan's investment policy allows 20% - 30% of total investments to be in foreign equities, and no more than 15% of the market value of the Mid-Capitalization Stocks portfolio may be invested in foreign securities. The Plan has no policy for investment in foreign bond issues. Plan investments in international equity mutual funds, foreign equity securities and foreign bond issues have exposure to foreign currency risk. Exposure to foreign currency risk as of December 31 is as follows:

	2020	2019
Foreign Portfolio (All Are U.S. Dollar Denominations)	$ 1,138,837	$ 1,196,652

NOTE 4 INVESTMENTS (CONTINUED)

Fair Value of Investments

The Plan has the following recurring fair value measurements as of December 31, 2020 and 2019:

Investments and Derivative Instruments Measured at Fair Value
($ in thousands)

		Fair Value Measurements Using		
	December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Public Equity	$ 145,578,783	$ 145,578,783	$ -	$ -
Fixed Rate Debt	43,961,036	20,790,576	23,170,460	-
Total Investments by Fair Value Level	189,539,819	$ 166,369,359	$ 23,170,460	$ -
Investments Measured at the Net Asset Value (NAV)				
Public Equity	17,892,003			
Private Equity	19,093,990			
Floating Rate Debt	17,609,869			
Low Volatility	15,328,742			
Real Estate Funds	45,471,168			
Total Investments Measured at the NAV	115,395,772			
Investments Measured at Amortized Cost				
Money Market Funds	6,497,769			
Total Investments Measured at Fair Value	$ 311,433,360			

Investments and Derivative Instruments Measured at Fair Value
($ in thousands)

		Fair Value Measurements Using		
	December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Public Equity	$ 114,505,453	$ 114,505,453	$ -	$ -
Fixed Rate Debt	41,124,806	25,227,390	15,897,416	-
Total Investments by Fair Value Level	155,630,259	$ 139,732,843	$ 15,897,416	$ -
Investments Measured at the Net Asset Value (NAV)				
Public Equity	16,396,372			
Private Equity	14,371,698			
Floating Rate Debt	14,874,689			
Low Volatility	27,480,804			
Real Estate Funds	46,287,296			
Total Investments Measured at the NAV	119,410,859			
Investments Measured at Amortized Cost				
Money Market Funds	4,718,556			
Total Investments Measured at Fair Value	$ 279,759,674			

NOTE 4 INVESTMENTS (CONTINUED)

Fair Value of Investments (Continued)

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued based on evaluated prices using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs. Pricing for all securities was provided by a third-party pricing vendor and developed in accordance with the provisions of GASB Statement No. 72.

The valuation methods for investments measured at the net asset value (NAV) per share (or its equivalent) are presented below:

Investments Measured at the NAV
($ in thousands)

	Fair Value as of 12/31/2020	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Public Equity	$ 17,892,003	$ -	Daily	1-2 Days
Private Equity	19,093,990	9,696,966	None	N/A
Floating Rate Debt	17,609,869	18,467,808	Daily/Monthly	1-30 Days
Low Volatility	15,328,742	-	Quarterly	70 Days
Real Estate Funds	45,471,168	9,665,774	Daily/None	1 day/N/A
Total Investments Measured at the NAV	$ 115,395,772	$ 37,830,548		

	Fair Value as of 12/31/2019	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Public Equity	$ 16,396,372	$ -	Daily	1-2 Days
Private Equity	14,371,698	11,896,195	None	N/A
Floating Rate Debt	14,874,689	15,191,332	Daily/Monthly	1-30 Days
Low Volatility	27,480,804	-	Quarterly	70 Days
Real Estate Funds	46,287,296	10,503,116	Daily/None	1 day/N/A
Total Investments Measured at the NAV	$ 119,410,859	$ 37,590,643		

Public Equity

This fund category includes an investment in an external investment pool that invests in publicly listed U.S. and international equities. Unitized external investment pools are reported at fair value based upon the NAV of shares/units held at year end provided by fund administrators. Based on the valuation policies and procedures provided by investment managers, all investments contained in the pooled funds are valued in accordance with the authoritative guidance on fair value measurements and disclosures. Funds are available for withdrawal daily.

NOTE 4 INVESTMENTS (CONTINUED)

Private Equity

This fund category includes investments in private equity funds and private equity fund-of-funds, which invest in private investment funds. Private equity funds are reported at fair value based upon the net value of the Plan's ownership interest in partners' capital, as provided by the investment administrators. Based on the valuation policies and procedures provided by investment managers, all investments contained in private equity funds of funds are valued in accordance with the authoritative guidance on fair value measurements and disclosures.

Fund-of-fund managers rely on the values reported by the underlying private equity managers to prepare the funds' financial reports. If audited capital values are not available, a combination of the roll forward method of valuation, independent auditor confirmation of valuation, and review of the unaudited values is used as an alternative valuation method.

Floating Rate Debt

This fund category includes investments in external investment pools that primarily invest in U.S. fixed income securities, including bonds and leveraged loans. Unitized external investment pools are reported at fair value based upon the NAV of shares/units held at year end, provided by fund administrators. Closed-end funds, Principal Real Estate Debt Fund, Principal Real Estate Debt Fund II, Principal Real Estate Debt Fund III, Golub Partners 11, and Varde Dislocation Fund are reported at fair value based upon the net value of the Plan's ownership interest in partners' capital, as provided by the investment administrator. Based on the valuation policies and procedures provided by investment managers, all investments contained in the floating rate debt funds are valued in accordance with the authoritative guidance on fair value measurements and disclosures.

Low Volatility

This fund category includes investments in a hedge fund-of-funds that is a multi-strategy fund pursuing a variety of absolute return strategies, investing in a wide range of financial instruments, including, but not limited to, long or short positions in U.S. or non-U.S. publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate or sovereign debt, bonds, notes or other debentures or debt participations, commodities, partnership interests, interests in investment companies, convertible securities, swaps, options (purchased or written), futures contracts and other derivative instruments markets and relative value, as well as private investment funds (hedge fund of funds). The fair values of the investments in this category have been determined using the NAV per share of the investments, as provided by the investment administrator. Based on the valuation policies and procedures provided by investment managers, all investments contained in hedge funds are valued in accordance with the authoritative guidance on fair value measurements and disclosures.

Real Estate Funds

This fund category includes open-end and closed-end real estate funds. Principal U.S. Property invests primarily in U.S. commercial real estate. Open-end funds are reported at fair value based upon the NAV of shares/units held at year end, provided by fund administrators. Closed-end funds, Harbert United States Real Estate Fund V, Fund VI, L.P., and Harbert United States Real Estate Fund VII, L.P. are reported at fair value based upon the net value

NOTE 4 INVESTMENTS (CONTINUED)

of the Plan's ownership interest in partners' capital, as provided by the investment administrator. Generally, individual holdings contained in the real estate funds are recorded at their estimated fair value using a combination of the income, cost and sales comparison methods. Managers use independent appraisers to determine the value of the holdings at least on an annual basis. Amounts ultimately realized from each investment may vary materially from the fair values reflected in the manager statements.

Investments in the open-end real estate funds can be redeemed with the fund managers at any time. Redemption requests are subject to certain restrictions and the availability of cash. Should redemption requests exceed such available cash, the funds prorate available cash among withdrawing investors according to the ratio of the requesting investor's units to the total units of all investors then requesting redemptions. The funds are not obligated to sell assets, borrow funds, alter investment or capital improvement plans or reduce reserves in order to honor redemption requests. The investment in the closed-end funds cannot be redeemed. Distributions from the fund are received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next seven to 10 years.

NOTE 5 CONTRIBUTIONS

The total contribution rate was 18.5% (9% employee, 9.5% employer) for the year ended December 31, 2020, and 18% for the year ended December 31, 2019, split equally between the employees and the employers. Effective January 1, 2018, in addition to the employer contributions made by the County and Rangeview pursuant to Section 4.1 of the Plan, the County has agreed to reallocate at least 0.314 mills from the total County mill levy to fund Plan costs and expenses and to contribute such reallocated mill levy amounts to the Plan as they are collected, but in no event shall the County contribute less than two million dollars ($2,000,000) from any source, including the General Fund, each calendar year (such amount, the "Annual Additional Contribution") until the first calendar year following the first year that the Plan is at least eighty percent (80%) funded on both a market and actuarial basis as determined by the Plan's actuary and presented in the annual actuarial valuation report. The Library District shall have no obligation to make an additional contribution to the Plan under this agreement. Contributions made pursuant to this agreement are included in employer contributions on the statement of changes in fiduciary net position and totaled $2,455,845 and $2,012,610 in 2020 and 2019, respectively.

Contributions totaling $28,488,317 ($14,629,155 employers and $13,859,162 employees) and $28,488,317 ($12,685,915 employers and $12,685,915 employees) were made during the years ended December 31, 2020 and 2019, respectively. Total employer contributions fell below the actuarially determined contribution amounts for the years ended December 31, 2020 and 2019, by $1,069,422 and $6,316,353, respectively. Purchases of service for the years ended December 31, 2020 and 2019, were $0 and $25,696, respectively.

NOTE 6 NET PENSION LIABILTIY

The components of the net pension liability of the Plan at December 31, 2020 and December 31, 2019, which were determined using valuations as of January 1, 2020 and 2019, respectively, and rolled forward to the measurement dates of December 31, 2020 and 2019, respectively, are as follows:

Net Pension Liability Measurement Date	**12/31/2020**
Total Pension Liability	$ 549,241,407
Fiduciary Net Position	314,056,449
Net Pension Liability	$ 235,184,958
Fiduciary Net Position as a % of Total Pension Liability	57.18%
Covered Payroll	$ 154,012,485
Net Pension Liability as a % of Covered Payroll	152.71%

Net Pension Liability Measurement Date	**12/31/2019**
Total Pension Liability	$ 522,566,268
Fiduciary Net Position	281,913,703
Net Pension Liability	$ 240,652,565
Fiduciary Net Position as a % of Total Pension Liability	53.95%
Covered Payroll	$ 140,925,363
Net Pension Liability as a % of Covered Payroll	170.77%

The assumptions and methods presented below were determined based upon the actuarial valuations at the dates indicated below.

Valuation Date	January 1, 2020	January 1, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return	7.25%	7.25%
Projected Salary Increases	3.5%-6.1%	3.5%-6.1%
Inflation	2.5%	2.5%

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the Plan's trustees after considering input from the Plan's investment consultant and actuary.

NOTE 6 NET PENSION LIABILTIY (CONTINUED)

Long-Term Expected Return on Plan Assets (Continued)

For each major asset class that is included in the Plan's target asset allocation as of December 31, 2020 and 2019, the best estimates of arithmetic rates of return are summarized in the following tables:

Asset Allocation - December 31, 2020

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Developed Markets Equity	47.00%	5.11%
Public Emerging Markets Equity	3.00%	6.93%
Private Equity	5.00%	8.90%
Hedge Fund-of-Funds/Low Volatility	5.00%	1.18%
Fixed Rate Debt	15.00%	-0.45%
Private Credit	10.00%	5.55%
Private Equity Real Estate	15.00%	4.18%
Total	100.00%	

Asset Allocation - December 31, 2019

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Developed Markets Equity	40.00%	5.15%
Public Emerging Markets Equity	5.00%	7.60%
Private Equity	5.00%	9.10%
Hedge Fund-of-Funds/Low Volatility	10.00%	2.10%
Fixed Rate Debt	15.00%	0.10%
Private Credit	10.00%	6.60%
Private Equity Real Estate	15.00%	3.50%
Total	100.00%	

Rate of Return

For the years ended December 31, 2020 and 2019, respectively, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expense, were 11.54% and 15.63%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Single Discount Rate

A Single discount rate of 7.25% and 7.25% was used to measure the total pension liability as of December 31, 2020 and 2019, respectively. This single discount rate was based on the expected rates of return on pension plan investments of 7.25% and 7.25%, respectively. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions, by ordinance will equal the member contributions. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members.

NOTE 6 NET PENSION LIABILTIY (CONTINUED)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Results

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Plan's net pension liability, calculated using the single discount rate of 7.25% at December 31, 2020 and 2019, respectively, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher.

As of December 31, 2020:

Sensitivity of Net Position Liability to the Single Discount Rate Assumption		
1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
$ 248,941,730	$ 235,184,958	$ 183,564,823

As of December 31, 2019:

Sensitivity of Net Position Liability to the Single Discount Rate Assumption		
1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
$ 300,849,704	$ 240,652,565	$ 190,376,019

NOTE 7 FINANCIAL OBLIGATIONS WITH OFF BALANCE SHEET RISK

Derivatives

Mutual Funds

The Plan is permitted to own derivative investments. During the years ended December 31, 2020 and 2019, the Plan owned indirect derivative investments in connection with managed (mutual) funds. Because the Plan does not own any specific identifiable investment securities held by managed funds, the market risk associated with any derivative investments held in these funds is not apparent. The degree of market risk depends on the underlying portfolios of the funds, which were selected by the Plan in accordance with its investment policy guidelines including risk assessment.

Hedge Funds of Funds

The hedge funds of funds investments in portfolio funds are subject to various risk factors arising from the investment activities of the portfolio funds including market, credit, and currency risk. The portfolio funds owned by the hedge fund transact in short sales and various domestic and international derivative investments, including forward foreign currency contracts, futures, written and purchased options and swaps.

NOTE 7 FINANCIAL OBLIGATIONS WITH OFF BALANCE SHEET RISK (CONTINUED)

Investments in securities of non-U.S. issuers may be subject to greater illiquidity and price volatility than securities of U.S. issuers.

Investments denominated in currencies other than the portfolio fund's reporting currency expose the portfolio fund to risks that the exchange rate of the portfolio fund's currency relative to other currencies may change in a manner which has an adverse effect on the value of the portfolio fund's foreign currency denominated assets.

NOTE 8 RISK MANAGEMENT

The Plan is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees and natural disasters. Some losses, particularly regarding the occupancy of office space in the County building, are covered by the County's risk management policies and agreements. For other losses, commercial insurance has been purchased by the Plan. The Plan has not had claims on losses in the past three years.

NOTE 9 TAX STATUS

The Plan received two favorable determination letters (one for the County, and one for the Library District) from the Internal Revenue Service dated October 14, 2014, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended and restated since receiving the determination letters, the Plan Administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and remains in tax exempt status. The letters relate only to the status of the Plan under the Internal Revenue Code and are not a determination regarding the effect of other federal or local statutes.

NOTE 10 PLAN TERMINATION

The Retirement Board intends to continue the Plan indefinitely but reserves the right to change the Plan or discontinue it. Any changes to the Plan must be for the exclusive benefit of the eligible employees of the employers and their beneficiaries.

Upon termination or partial termination of the Plan, or a permanent discontinuance of contributions, the benefits accrued up to the date of termination by the affected employees and their beneficiaries, respectively, shall be nonforfeitable; however, actual payment of such benefits shall only be to the extent permitted from Plan assets. No funds may be returned to the employers unless all liabilities to members or their beneficiaries have been satisfied. The Retirement Board will determine when benefits are to be paid.

NOTE 11 RELATED PARTIES

The Plan is administered by a Retirement Board consisting of five members, one of whom is the incumbent County Treasurer, two of whom are non-elected County employees elected by said employees, and two of whom are registered electors of the County appointed by the Board of County Commissioners. Adams County provides office space, use of office furniture and information systems as well as payroll and human resources support for the Plan. The Plan employs U.S. Bank to act as custodian over plan assets.

REQUIRED SUPPLEMENTARY INFORMATION

ADAMS COUNTY RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (CONTINUED)
(ULTIMATELY 10 FISCAL YEARS WILL BE DISPLAYED)
(UNAUDITED)

	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY							
Service Cost	$ 14,853,309	$ 13,309,824	$ 12,771,072	$ 11,102,693	$ 10,890,125	$ 10,685,864	$ 10,504,796
Interest on the Total Pension Liability	37,753,187	35,958,226	34,465,925	32,392,035	30,882,010	29,329,180	28,030,202
Benefit Changes	-	-	86,597	-	-	-	-
Difference Between Expected and Actual Experience	7,412,442	4,286,627	2,477,217	4,992,048	5,993,817	2,376,203	-
Assumption Changes	-	-	25,485,910	-	-	-	-
Benefit Payments	(30,833,131)	(29,377,350)	(27,017,192)	(25,057,619)	(23,098,280)	(21,639,193)	(19,385,185)
Refunds	(2,510,968)	(2,666,844)	(3,357,700)	(2,328,219)	(2,989,507)	(3,086,203)	(3,253,473)
Net Change in Total Pension Liability	26,674,839	21,510,483	44,911,829	21,100,938	21,678,165	17,665,851	15,896,340
Total Pension Liability - Beginning of Year	522,566,568	501,056,085	456,144,256	435,043,318	413,365,153	395,699,302	379,802,962
TOTAL PENSION LIABILITY - END OF YEAR	$ 549,241,407	$ 522,566,568	$ 501,056,085	$ 456,144,256	$ 435,043,318	$ 413,365,153	$ 395,699,302
PLAN FIDUCIARY NET POSITION							
Employer Contributions	$ 17,085,000	$ 14,698,525	$ 13,634,301	$ 10,954,633	$ 10,316,491	$ 9,709,230	$ 8,964,812
Employee Contributions	13,859,162	12,711,611	11,862,849	10,954,633	10,316,491	9,709,230	8,964,812
Pension Plan Net Investment Gain (Loss)	35,112,990	38,350,791	(8,136,534)	31,331,719	18,616,452	(3,946,416)	15,626,796
Benefit Payments	(30,833,131)	(29,377,350)	(27,017,192)	(25,057,619)	(23,098,280)	(21,639,193)	(19,385,185)
Refunds	(2,510,968)	(2,666,844)	(3,357,700)	(2,328,219)	(2,989,507)	(3,086,203)	(3,253,473)
Pension Plan Administrative Expense	(570,307)	(647,743)	(913,182)	(636,159)	(837,324)	(687,810)	(806,310)
Other	-	-	-	95,523	150,173	111,955	399,805
Net Change in Plan Fiduciary Net Position	32,142,746	33,068,990	(13,927,458)	25,314,511	12,474,496	(9,829,207)	10,511,257
Plan Fiduciary Net Position - Beginning of Year	281,913,703	248,844,713	262,772,171	237,457,660	224,983,164	234,812,371	224,301,114
PLAN FIDUCIARY NET POSITION - END OF YEAR	$ 314,056,449	$ 281,913,703	$ 248,844,713	$ 262,772,171	$ 237,457,660	$ 224,983,164	$ 234,812,371
NET PENSION LIABILITY - END OF YEAR	$ 235,184,958	$ 240,652,865	$ 252,211,372	$ 193,372,085	$ 197,585,658	$ 188,381,989	$ 160,886,931
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	57.18%	53.95%	49.66%	57.61%	54.58%	54.43%	59.34%
Covered Payroll	$ 154,012,485	$ 140,925,363	$ 129,305,972	$ 121,711,439	$ 114,718,224	$ 107,883,710	$ 102,462,200
Net Pension Liability as a Percentage of Covered Payroll	152.71%	170.77%	195.05%	158.88%	172.24%	174.62%	157.02%

NOTES TO SCHEDULE

N/A

ADAMS COUNTY RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY
(ULTIMATELY 10 FISCAL YEARS WILL BE DISPLAYED)
(UNAUDITED)

Year	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	$ 395,699,302	$ 234,812,371	$ 160,886,931	59.34%	$ 102,462,200	157.02%
2015	413,365,153	224,983,164	188,381,989	54.43%	107,883,710	174.62%
2016	435,043,318	237,457,660	197,585,658	54.58%	114,718,224	172.24%
2017	456,144,256	262,772,171	193,372,085	57.61%	121,711,439	158.88%
2018	501,056,085	248,844,713	252,211,372	49.66%	129,305,972	195.05%
2019	522,566,268	281,913,703	240,652,565	53.95%	140,925,363	170.77%
2020	549,241,407	314,056,449	235,184,958	57.18%	154,012,485	152.71%

ADAMS COUNTY RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEN YEARS ENDED DECEMBER 31, 2020
(UNAUDITED)

Year	Actuarially Determined Contributions	Actual Employer Contributions		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2011	17,559,138	7,235,764		$ 10,323,374	90,447,480	8.00%
2012	18,762,499	7,533,395		11,229,104	91,323,478	8.25%
2013	19,659,013	8,289,767		11,369,246	97,526,649	8.50%
2014	15,406,279	8,964,812		6,441,467	102,462,200	8.75%
2015	15,254,244	9,709,230		5,545,014	107,883,710	9.00%
2016	15,858,211	10,316,491		5,541,720	114,718,224	8.99%
2017	16,276,851	10,954,633		5,322,218	121,711,439	10.00%
2018	19,360,970	10,954,633	*	8,406,337	129,305,972	8.47%
2019	21,014,878	14,698,525	**	6,316,353	140,925,363	10.43%
2020	18,154,422	17,085,000	***	1,069,422	154,012,485	11.09%

* Includes $2.00 million in contributions made by the County pursuant to a separate agreement to reallocate 0.314 mills of the County’s total mill levy. The employer contribution rate was 9.00% in 2018.

** Includes $2.01 million in contributions made by the County pursuant to a separate agreement to reallocate 0.314 mills of the County’s total mill levy. The employer contribution rate was 9.00% in 2019.

*** Includes $2.44 million in contributions made by the County pursuant to a separate agreement to reallocate 0.314 mills of the County’s total mill levy. The employer contribution rate was 9.50% in 2020.

ADAMS COUNTY RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)

Valuation Date:	January 1, 2020

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, open
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market; 20% corridor
Inflation	2.50%
Salary Increases	3.50% to 6.10% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to an experience study of the period 2013-2019.
Mortality	RP-2014 Blue Collar Healthy Annuitant Generational Mortality Table.

Other Information:

Notes	Employee and employer are contributing at the rate of 9.00% and 9.50%, respectively, of members’ monthly compensation for 2020. Additional revenue (employer contributions) related to mill levy agreement with Adams County included in the assets of the Plan. Tier 3 vesting was changed from 10 years to five years as of January 1, 2019. Assumptions were updated since the last valuation and were approved by the Board in 2019.

ADAMS COUNTY RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
(UNAUDITED)

Fiscal Year Ending December 31,	Annual Return*
2015	(1.93)%
2016	7.93
2017	13.00
2018	(3.28)
2019	15.63
2020	11.54

*Annual money-weighted rate of return, net of investment expenses.

This schedule is intended to show 10 years of information. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

ADAMS COUNTY RETIREMENT PLAN
SCHEDULES OF ADMINISTRATIVE AND INVESTMENT EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
INVESTMENT EXPENSE		
Investment Manager Fees	$ 1,564,636	$ 1,664,390
Trustee Fees	45,766	43,662
Total Investment Expense	1,610,402	1,708,052
PROFESSIONAL CONTRACTS		
Audit and Consulting Fees	33,000	32,000
Legal Counsel	103,986	79,020
Investment Consultant Fees	98,134	90,462
Insurance and Bonding	2,773	130,768
Actuarial Fees	55,800	48,157
Total Professional Contracts	293,693	380,407
PERSONNEL SERVICES		
Salaries	137,491	129,793
Employee Benefits	52,055	46,418
Total Personnel Services	189,546	176,211
OTHER OPERATING EXPENSES		
Bank Fees	6,966	7,015
Computer Expense	57,024	58,347
Other	99	5,825
Subscriptions, Education, and Dues	1,670	1,645
Postage	4,674	4,547
Printing and Mailing	6,738	3,835
Retirement Services	6,500	4,331
Supplies	2,698	4,882
Research Expense	699	698
Total Other Operating Expenses	87,068	91,125
Total Administrative and Investment Expenses	$ 2,180,709	$ 2,355,795

ADAMS COUNTY RETIREMENT PLAN
TEN-YEAR HISTORICAL TREND INFORMATION
YEARS ENDED DECEMBER 31, 2020 AND 2019

Ten-year historic trend information, designed to provide information about the Adams County Retirement Plan's progress made in accumulating sufficient assets to pay benefits when due is presented below:

Revenues by Source

Fiscal Year	Employee Contributions	Employer Contributions		Total Contributions	Other Income	Investment Income (Loss)*	Total
2011	$ 7,153,366	$ 7,153,366		$ 14,306,732	$ -	$ 16,978,240	$ 31,284,972
2012	7,235,773	7,235,764		14,471,537	-	45,494	14,517,031
2013	7,533,416	7,533,395		15,066,811	-	22,745,953	37,812,764
2014	8,289,767	8,289,767		16,579,534	-	28,959,935	45,539,469
2015	8,964,812	8,964,812		17,929,624	-	17,248,522	35,178,146
2016	9,709,230	9,709,230		19,418,460	-	(2,258,139)	17,160,321
2017	11,050,156	10,954,633		22,004,789	-	32,979,409	54,984,198
2018	11,862,849	13,634,301	**	25,497,150	-	(6,497,678)	18,999,472
2019	12,711,611	14,698,525	**	27,410,136	-	40,058,843	67,468,979
2020	13,859,162	17,085,000	**	30,944,162	-	36,723,392	67,667,554

Contributions were made in accordance with the Plan's funding policy and are not actuarially determined.
* Income includes unrealized gains and losses on investments.
** Includes contributions made by the County pursuant to a separate agreement to reallocate 0.314 mills of the County's total mill levy.

Expenses by Type

Fiscal Year	Benefits	Administrative*	Refunds	Total
2011	$ 14,669,214	$ 1,661,305	$ 1,761,213	$ 18,091,732
2012	16,095,266	1,863,194	1,870,042	19,828,502
2013	17,392,107	1,901,667	2,029,377	21,323,151
2014	19,385,185	2,310,729	3,253,473	24,949,387
2015	21,639,193	2,376,087	3,086,203	27,101,483
2016	23,098,280	2,425,023	2,989,507	28,512,810
2017	25,057,619	2,283,849	2,328,219	29,669,687
2018	27,017,192	2,552,038	3,357,700	32,926,930
2019	29,377,350	2,355,795	2,666,844	34,399,989
2020	30,833,131	2,180,709	2,510,968	35,524,808

* Administrative expenses include both investment expenses and other administrative costs.