STOCKMAN KAST RYAN + COMPANY

EL PASO COUNTY RETIREMENT PLAN

Management's Discussion and Analysis
and Financial Statements

For the Years Ended December 31, 2022 and 2021,

Required Supplementary Information

And

Independent Auditors' Report

EL PASO COUNTY RETIREMENT PLAN

TABLE OF CONTENTS

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INDEPENDENT AUDITORS' REPORT

Board of Retirement
El Paso County Retirement Plan
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of the El Paso County Retirement Plan (the Plan), which comprise the statements of fiduciary net position as of December 31, 2022 and 2021 and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the El Paso County Retirement Plan as of December 31, 2022 and 2021, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan'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 Plan'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, Schedule of Changes in the Employers' Net Pension Liability, Schedule of Employers' Net Pension Liability, Schedule of Employer Contributions, Schedule of Investment Returns, and Notes to Required Supplementary Information (collectively, the required supplementary information), as 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.

Stockman Kast Ryan + Co, LLP

May 10, 2023

EL PASO COUNTY RETIREMENT PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management is pleased to provide this overview and analysis of the financial activities of the El Paso County Retirement Plan (the Plan). Please read it in conjunction with the Plan's financial statements and accompanying notes.

The Plan is a cost-sharing, multiple employer defined benefit plan covering all permanent, full-time and job-share employees of El Paso County, El Paso County Public Health, Pikes Peak Library District, 4th Judicial District Attorney and El Paso County Board of Retirement.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The *Statement of Fiduciary Net Position* provides a statement of account balances at the end of the year. This statement reports the assets available for future payments to retirees and any current liabilities that are owed at the end of the year. These assets, less liabilities, represent the net amount of funds that are available for future payments. The *Statement of Changes in Fiduciary Net Position* reports additions and deductions in the Plan's net position during the current year.

The financial statements report the resources available to pay benefits to retirees and other beneficiaries as of the end of the year, as well as the changes in resources during the year. These statements include all assets and liabilities, using an economic resources measurement focus and the accrual basis of accounting. The notes to the financial statements are an integral part of the financial statements. The notes communicate information that is not displayed on the face of the financial statements that is essential for the fair presentation of the financial statements. These financial statements should be reviewed along with the Required Supplementary Information and Supporting Schedules to determine whether the Plan is financially strong and to understand changes over time in the financial status of the Plan.

FINANCIAL HIGHLIGHTS

Fiduciary Net Position

Net position restricted for pensions decreased during 2022 by $59.9 million to $431.5 million. The primary reason for the decrease in net position during 2022 was investment losses of $49.8 million, along with benefit payments of $46.5 million, offset by contributions of $36.9 million.

Net position restricted for pensions increased during 2021 by $61.1 million to $492.5 million. The primary reason for the increase in net position during 2021 was investment income of $72.0 million, along with contributions of $30.1 million, offset by benefit payments of $43.2 million.

The statements of fiduciary net position are summarized below:

Condensed Statements of Fiduciary Net Position
(in thousands)

	2022	2021	2020
ASSETS			
Cash and cash equivalents	$ 7,291	$ 10,312	$ 11,267
Investments	424,871	481,826	419,967
Receivables	137	104	77
Capital assets, net	3	9	52
Total assets	432,302	492,251	431,363
LIABILITIES	758	769	966
NET POSITION RESTRICTED FOR PENSIONS	$ 431,544	$ 491,482	$ 430,397

Additions To Fiduciary Net Position

The collection of employee and employer contributions, as well as income from investments, provides the reserves needed to finance retirement benefits. Additions to fiduciary net position are summarized below (in thousands):

	2022	2021	2020
Investment income (loss)	$ (49,756)	$ 71,959	$ 38,402
Employer contributions	19,089	14,078	14,231
Employee contributions	17,822	16,013	15,314
Other income	3	2,925	1,077
Total additions (net of investment loss in 2022)	$ (12,842)	$ 104,975	$ 69,024

The investment loss of $49.8 million in 2022 resulted primarily from the net depreciation in fair value of investments of $55.4 million. The depreciation in fair value of investments was the result of losses across all asset classes, reflective of the investment market conditions in 2022.

Investment income of $72.0 million in 2021 consisted primarily of net appreciation in fair value of investments of $67.6 million. The appreciation in fair value of investments was mainly the result of the performance of the equity and real asset markets during 2021. The Plan had realized and unrealized gains on its equity and real asset portfolios of $47.3 million and $13.8 million, respectively.

Investment income of $38.4 million in 2020 consisted primarily of net appreciation in fair value of investments of $36.7 million. The appreciation in fair value of investments was mainly the result of the performance of the domestic and international equity markets during 2020. The Plan had realized and unrealized gains on its domestic and international equity portfolios of $19.3 million and $8.8 million, respectively.

Employer contributions increased in 2022 primarily due to the increase in the contribution percentage from 8.0% to 10.2% effective on January 1, 2022. This increase is pursuant to an amendment to the Plan that increases the employer contribution percentage gradually to the rate of 12.0% in 2025 and thereafter (see further discussion below). Employer contributions in 2021 were relatively consistent with 2020.

Employee contributions increased in 2022 and 2021 due mainly to an increase in purchased service credit, the number of participants and employee compensation increases.

Other income consisted mainly of reimbursement of administrative and investment expenses by the Plan's employers during 2021 and 2020. Such reimbursement was discontinued in 2022.

Deductions From Fiduciary Net Position

The principal purpose for which the Plan was created was to provide retirement annuities and survivor benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, as designated by the Plan, refunds of contributions to terminated employees, and the cost of administering the Plan. These costs resulted in deductions from fiduciary net position of $47.1 million during 2022. Deductions from fiduciary net position are summarized below (in thousands):

	2022	2021	2020
Pension benefits	$ 40,843	$ 38,072	$ 35,906
Termination refunds	5,272	4,851	2,889
Death benefits	358	243	1,040
Administrative expenses	623	725	728
Total deductions	$ 47,096	$ 43,891	$ 40,563

Deductions from fiduciary net position increased by 7% in 2022 and 8% in 2021, primarily due to increased pension benefit payments. The increase in pension benefit payments is mainly the result of an increase in the number of retirees in both 2022 and 2021.

NET PENSION LIABILITY

The Plan's fundamental financial objective is to meet long-term benefit obligations through employer and employee contributions and investment income. Actuarial valuations, using various assumptions, examine the Plan's assets as compared to liabilities and determine annual contribution rates necessary to pay current and future benefit obligations.

The total pension liability of the Plan as of December 31, 2022 was determined by an actuarial valuation as of December 31, 2021 and rolled forward to December 31, 2022 (the measurement date). The net pension liability is calculated as the total pension liability less the plan fiduciary net position. As of December 31, 2022, 2021 and 2020, the Plan's net pension liability and fiduciary net position as a percentage of the total pension liability are as follows (in thousands):

	2022	2021	2020
Total pension liability	$ 710,925	$ 690,577	$ 1,039,172
Plan fiduciary net position	431,544	491,482	430,397
Employers' net pension liability	$ 279,381	$ 199,095	$ 608,775
Net position as percentage of total pension liability	60.70%	71.17%	41.42%

The substantial decrease in the net pension liability as of December 31, 2021 as compared with December 31, 2020 is primarily the result of the following factors:

1. Several significant amendments to the Plan were made in 2021 and are effective as of January 1, 2022, including an increase to employer contribution rates in future years. Employer contributions will be made to the Plan in an amount equal to or greater than the following percentage of its' participants' monthly compensation:

    - 10.2% for the period January 1, 2022 through December 31, 2022;
    - 10.8% for the period January 1, 2023 through December 31, 2023;
    - 11.4% for the period January 1, 2024 through December 31, 2024;
    - 12.0% for the period January 1, 2025 through December 31, 2025.

2. Under the rules of the Governmental Accounting Standards Board (GASB), the Plan is required to project its fiduciary net position to determine if it is adequate to make all projected future benefit payments of the Plan, based on its actuarial assumptions. The projections as of December 31, 2021 give effect to the increase in employer contribution rates above. As a result of the increase in employer contribution rates, as well as the positive investment performance during 2021, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term investment rate of return on pension plan investments of 7.0% was applied to all periods of projected benefit payments to determine the total pension liability. As of December 31, 2020, the Plan fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, under GASB rules a municipal bond rate was required to be used to develop a blended discount rate. The discount rates were as follows as of December 31, 2022, 2021 and 2020:

December 31, 2022	7.00%
December 31, 2021	7.00%
December 31, 2020	3.39%

The increase in the net pension liability as of December 31, 2022 as compared with December 31, 2021 is primarily the result of investment losses incurred in 2022 resulting in a decline in the plan fiduciary net position. See further information above regarding the investment losses incurred during 2022, as well as other changes in the fiduciary net position of the Plan.

Future actuarial measurements may differ materially from the above measurements due to Plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as the natural result of the methodology used for these measurements, and changes in Plan provisions and applicable law.

For more detail on the Plan's net pension liability and required contribution levels, see Note 3 to the financial statements and the Required Supplementary Information section.

CONTACTING THE PLAN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Plan's finances. If you have any questions about this report or need additional financial information, contact the Executive Director, 2880 International Circle, Suite N030, Colorado Springs, CO 80910.

EL PASO COUNTY RETIREMENT PLAN

STATEMENTS OF FIDUCIARY NET POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CASH AND CASH EQUIVALENTS	$ 7,291,277	$ 10,311,753
INVESTMENTS		
Equities:		
Domestic	140,012,828	141,632,174
International	77,896,317	93,552,633
Fixed income	69,097,800	92,876,560
Real assets	68,469,368	83,901,494
Multi-asset fund	39,713,033	36,696,833
Hedge fund of funds	16,824,948	17,881,880
Commodities funds	12,856,934	15,284,255
Total investments	424,871,228	481,825,829
RECEIVABLES	137,031	104,306
CAPITAL ASSETS, NET	2,679	9,107
TOTAL ASSETS	432,302,215	492,250,995
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	758,400	768,745
NET POSITION RESTRICTED FOR PENSIONS	$ 431,543,815	$ 491,482,250

See notes to financial statements.

EL PASO COUNTY RETIREMENT PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
ADDITIONS		
INVESTMENT INCOME (LOSS)		
Net appreciation (depreciation) in fair value of investments	$ (55,451,901)	$ 67,568,302
Interest and dividends	8,028,157	7,213,297
Investment expenses	(2,332,213)	(2,822,772)
Net investment income (loss)	(49,755,957)	71,958,827
CONTRIBUTIONS		
Employers	19,089,097	14,078,462
Employees	17,822,474	16,013,442
Total contributions	36,911,571	30,091,904
OTHER INCOME	2,560	2,925,145
TOTAL ADDITIONS (NET OF INVESTMENT LOSS IN 2022)	(12,841,826)	104,975,876
DEDUCTIONS		
BENEFITS PAID TO PARTICIPANTS		
Pension	40,843,345	38,072,398
Termination refunds	5,271,822	4,851,083
Death	358,327	242,864
Total	46,473,494	43,166,345
ADMINISTRATIVE EXPENSES	623,115	724,768
TOTAL DEDUCTIONS	47,096,609	43,891,113
NET INCREASE (DECREASE) IN NET POSITION	(59,938,435)	61,084,763
NET POSITION RESTRICTED FOR PENSIONS:		
Beginning of year	491,482,250	430,397,487
End of year	$ 431,543,815	$ 491,482,250

See notes to financial statements.

EL PASO COUNTY RETIREMENT PLAN

1. DESCRIPTION OF THE PLAN

The following brief description of the El Paso County Retirement Plan (the Plan) is provided for informational purposes only. Participants should refer to the Plan document for more complete information.

General — The Plan is a cost-sharing multiple employer defined benefit plan covering all permanent, full-time and job-share employees of the participating employers upon their date of employment. Employers, as defined in the Plan document, include El Paso County, El Paso County Public Health, Pikes Peak Library District, 4th Judicial District Attorney and El Paso County Retirement Plan. All employees hired after September 1, 1967 are required to participate. Employees hired from 1974 through 1981 who were age 60 or older at their date of employment could elect to become a member as of January 1, 1982.

The participants of the Plan consisted of the following as of December 31, 2021 (the most recent actuarial valuation date):

Inactive Plan members currently receiving benefits	$	1,950
Inactive Plan members entitled to but not yet receiving benefits		735
Active Plan members		2,922
Total	$	5,607

The El Paso County Board of Retirement (the Board) manages and administers the Plan. The Board consists of five members, one of whom is the El Paso County Treasurer, two of whom are appointed by the El Paso County Board of Commissioners (the Board of Commissioners) and two of whom are employees of the participating employers elected by participants. The Board shall have all powers necessary to affect the management and administration of the Plan in accordance with its terms. The Board has the powers set forth in Part 1, Title 24, Article 54, of the Colorado Revised Statutes.

Plan Amendments — The Board has the right to alter, amend, or terminate the Plan or any part thereof in such manner as it may determine; provided that no such alteration or amendment shall provide that a retirement benefit payable to any retired member shall be less than that provided by his or her accumulated contributions or affect the right of any member to receive a refund of his accumulated contributions and provided further that no alteration, amendment or termination of the Plan or any part thereof shall permit any part of the Plan to revert to or be recoverable by any employer or be used for or diverted to purposes other than the exclusive benefit of members, retired members, terminated vested members or beneficiaries under the Plan, except such funds, if any, as may remain at termination of the Plan after satisfaction of all liabilities with respect to members, retired members, terminated vested members and beneficiaries under the Plan and are due solely to erroneous actuarial calculations.

The Plan is intended to comply with the requirements of the applicable provisions of Internal Revenue Service Code Section 401(a) as now in effect or hereafter amended, and any modification or amendment of the Plan may be made retroactive, as necessary or appropriate, to establish and maintain such compliance.

See Note 7 for plan amendments approved during 2021 that went into effect in 2022.

Contributions — Contribution requirements are established and may be amended by the Board. Through December 31, 2009, participants contributed 6% of their monthly compensation to the Plan. The Plan was amended during 2009 to increase the participant monthly contribution rate to 6.5% effective January 1, 2010, 7.0% effective January 1, 2011 and 7.5% effective January 1, 2012. The Plan was further amended in 2013 to increase the participant monthly contribution rate to 8.0% effective January 1, 2014. Employer contribution rates were 10.2% and 8.0% for the years ended December 31, 2022 and 2021, respectively. Interest is credited on employee contributions at the rate of 3% per annum, compounded monthly. Employee and employer basic contributions amounted to 18.2% and 16% of covered payroll for the years ended December 31, 2022 and 2021, respectively.

Contributions are tax-deferred to the participants for federal income tax purposes. If participants have at least five or eight years of credited service (see Retirement Benefits below), they are eligible to receive a future monthly retirement benefit. Any refund of contributions paid waives all future rights to any benefits. However, eligible participants who return to employment with a participating employer within 48 months and were previously refunded their contributions may reinstate withdrawn service if they repay the Plan the amount received when employment was terminated, plus interest, within twelve months of rehire.

A participant may elect to purchase up to 5 years of service credit for any reason. A participant may begin to purchase service credit after they have accrued 5 years of Credited Service in the Plan. However, for a non-Vested participant, the amount of service credit purchased must be at least the amount required for that participant to become Vested in the Plan immediately following the purchase.

Participants may elect to pay for purchases of service credit in a lump sum or on an installment basis. Effective July 2016, service credit purchases may also be made by rollover contributions from an eligible retirement plan. Payments may be made on a monthly, quarterly or annual basis with interest due at the actuarial equivalent interest rate for periodic benefits. The period over which installment payments may be made cannot exceed a period equal to the total amount of credited service to be purchased. Purchased service is recognized when paid.

Administrative Expenses — The Plan's administrative expenses are paid from the assets of the Plan accumulated from contributions and investment earnings. During 2021, the Plan received $2,925,000 from the Plan's employers for reimbursement of administrative and investment expenses, which is included in Other Income in the accompanying financial statements. No reimbursement of administrative and investment expenses was received in 2022.

Termination Benefits — Participants vest in accumulated contributions as follows:

(a) If hired before January 1, 2013 and credited with less than five years of service or hired on or after January 1, 2013 and credited with less than eight years of service: Refund of the participant's accumulated contributions.

(b) If hired before January 1, 2013 and credited with five or more years of service or hired on or after January 1, 2013 and credited with eight or more years of service:

   (i) The participant may elect to receive a deferred retirement benefit which shall be equal to the participant's accrued benefit as of the date of termination and payable on the participant's normal retirement date. The participant may elect to receive a reduced retirement benefit beginning on the first day of any month subsequent to the participant's attainment of age 55. The reduction shall be 3% for each year by which payments commence prior to the first of the month following the participant's normal retirement date.

   (ii) In lieu of (i), a participant may elect a current refund of accumulated contributions made by the participant.

Retirement Benefits — Participants hired before January 1, 2010 are eligible for normal retirement on the first of the month coincident with attainment of age 62. Participants hired after December 31, 2009 are eligible for normal retirement after attainment of age 62, but not before the completion of 60 months of continuous service. Participants hired after December 31, 2012 are eligible for normal retirement after attainment of age 62, but not before the completion of 96 months of continuous service.

If hired before January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.22% times the final average monthly compensation, times years of credited service earned through December 31, 2012 and 2.00% times the final average monthly compensation, times years of credited service earned after December 31, 2012. If hired on or after January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.00% times final average monthly compensation times years of credited service.

The normal retirement benefit will not be greater than 75% of the participant's final average monthly compensation if hired before January 1, 2013 and not greater than 60% of final average monthly compensation if hired on or after January 1, 2013. Final average compensation is the highest monthly average of considered compensation during the 36 consecutive calendar months of credited service out of the last 120 calendar months of credited service.

A participant is eligible for an early retirement benefit at age 55, provided the member has completed five or eight years of credited service. If the participant is hired before January 1, 2013, five years is required. If hired on or after January 1, 2013, eight years is required. The monthly pension is based on the vested portion of the normal retirement benefit, reduced by 3% for each year the early retirement date precedes the normal retirement date.

For employees hired prior to January 1, 2022, a participant is eligible for special early retirement benefits if the sum of the participant's age and credited service equals 75 or more. Employees hired on or after January 1, 2016 must be a minimum age of 50 to be eligible under this provision. For employees hired on and after January 1, 2022, special early retirement shall be satisfied when the sum of member's age plus credited service equals 80 or more. An exception shall exist for employees who meet the definition of a Sworn Officer, in which case Special Early Retirement shall be satisfied when the sum of member's age plus credited service equals 75 or more.

The monthly benefit is equal to the normal retirement benefit and is not reduced for early commencement. The annuity for delayed retirement is computed by the normal retirement formula considering credited service and compensation to actual retirement.

Disability Benefits — A participant is eligible for disability benefits if the participant's employment is terminated due to total and permanent disability as determined by eligibility for and receipt of disability benefits continuously until the normal retirement date under (1) the employer's long-term disability plan, or (2) Title II of the Federal Social Security Act. The annuity, payable at age 62, shall be calculated as for normal retirement considering the credited service that would have accrued had the participant been employed until the normal retirement date and the final average compensation during the calendar year preceding the year of the member's disability retirement.

Payment of Benefits — The monthly benefit, computed as set forth above, shall be paid in equal monthly payments commencing one month after the actual retirement date continuing at monthly intervals for the retired participant's lifetime thereafter. If the retired participant's death occurs prior to the payment of 120 monthly payments, the remainder of the 120 payments shall be paid to the participant's beneficiary.

Death Benefits Prior to Retirement — In the event that an active participant or vested participant dies prior to their normal retirement date, the participant's surviving beneficiary will be entitled to either two times the participant's accumulated contributions payable immediately or a monthly benefit equal to 60% of the monthly retirement benefit earned by the member prior to the date of death. Payment of the monthly benefit to the beneficiary will begin on the first of the month following the death or the date the member would have attained age 55, if later. If the participant met the rule of 75 while working and had not applied for retirement nor ceased employment as of date of death, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

Death Benefits Between Normal and Delayed Retirement — In the event that a participant dies after their normal retirement date but prior to their actual retirement, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

Death Benefits After Retirement — Death benefits after retirement consist of a lump-sum benefit of $3,000 payable upon the death of a retired participant.

Plan Termination — Although not presently contemplated, the Board has the right to terminate the Plan at any time, subject to limitations. In the event of termination, after payment of expenses, accumulated contributions would be returned to the participants, and the remaining assets distributed on a pro rata method to the participants based on accrued benefits. Participating employers would not receive any Plan assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity — The Plan is considered a multi-employer cost-sharing pension trust fund.

Basis of Accounting and Presentation — The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America that apply to governmental accounting for fiduciary funds. Employee and employer contributions are recognized in the period they are due. Investment earnings are recognized in the period earned. Expenses are recognized when incurred. Benefits and refunds are recognized when due and payable in accordance with the Plan provisions.

Investments — Investments are stated at fair value. Fair value is the amount the Plan can reasonably expect to receive to sell an investment in an orderly transaction between market participants. See Note 5 for further information on the fair values of investments. Investment income is recognized when earned by the Plan. Investment income from funds and limited partnerships measured at net asset value is included in net appreciation in fair value of investments consistent with the presentation provided by the asset custodian.

Capital Assets — Capital assets are recorded at cost. Depreciation is calculated using the straight-line method over useful lives of 3 to 7 years.

Tax Status — The Plan is a governmental plan within the meaning of the Internal Revenue Code (the Code). The Internal Revenue Service has determined and informed the Plan by a letter dated July 1, 2014, that the Plan is designed in accordance with the applicable sections of the Code. The Plan has been subsequently amended; however, management of the Plan believes that the Plan is designed and operating in accordance with the Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Subsequent Events — The Plan has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

3. NET PENSION LIABILITY

Net Pension Liability — The measurement date for the net pension liability is the Plan’s year-end, December 31, 2022. Plan fiduciary net position is measured at December 31, 2022. The total pension liability is determined by an actuarial valuation as of December 31, 2021, and rolled forward to the measurement date of December 31, 2022. Adjustments to roll forward the total pension liability include service cost, interest on total pension liability and benefit payments. The net pension liability is the difference between the total pension liability and fiduciary net position as of December 31, 2022.

The components of the net pension liability as of December 31, 2022 are as follows:

Total pension liability	$ 710,924,779
Plan fiduciary net position	431,543,815
Net pension liability	$ 279,380,964
Plan fiduciary net position as a percentage of the total pension liability	60.70%

Actuarial Assumptions — The total pension liability was determined by an actuarial valuation as of December 31, 2021, and rolled forward to the measurement date of December 31, 2022. The following is a summary of the actuarial assumptions as of December 31, 2022:

Inflation	2.5%
Salary increases	Graded by service, from 8.0% to 3.0%
Investment rate of return	7.0%, net of investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 4.5%.
Mortality rates	Based on the RP-2000 Sex-Distinct Mortality Table projected generationally using Projection Scale MP-2107. Mortality rates used for disabled members is based on the RP-2000 Disabled Mortality Table projected generationally using Projection Scale MP-2017.

The Plan's last actuarial experience study was for the period from January 1, 2013 to December 31, 2017.

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 weighing the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Long-Term Expected Real Rate of Return
Public and Private Equities (domestic and international)	7.74%
Fixed income	4.74%
Real assets	6.53%
Diversifying alternative investments	5.60%

Discount Rate — The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employer contributions will follow the amended contribution rates effective as of January 1, 2022 as discussed in Note 7.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.0% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following presents the net pension liability, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	**Current Discount Rate (7.0%)**	**1% Increase (8.0%)**
Net pension liability	$ 366,366,903	$ 279,380,964	$ 208,319,470

Actuarial Measurements — Future actuarial measurements may differ materially from the above measurements due to Plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as the natural result of the methodology used for these measurements, and changes in Plan provisions and applicable law.

4. DEPOSITS

The Plan has bank balances of $7,259,381 and $8,924,133 on deposit with banking institutions at December 31, 2022 and 2021, respectively. Of the bank balances, up to $250,000 per institution is insured by the Federal Deposit Insurance Corporation at December 31, 2022 and 2021. The uninsured balance is collateralized with securities held by the banking institutions but not in the Plan's name. In addition, $31,896 and $1,387,620 was held by money managers in banking institutions at December 31, 2022 and 2021, respectively.

5. INVESTMENTS

Fair Value Measurements — The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest level to unobservable inputs (level 3), as follows:

Level 1 Unadjusted quoted prices for identical instruments in active markets.

Level 2 Observable inputs other than quoted market prices.

Level 3 Valuation derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The Plan has the following fair value measurements as of December 31, 2022 and 2021:

		Fair Value Measurements Using:		
	Fair Value	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
December 31, 2022:				
Investments by fair value level:				
International equity funds	$ 33,977,436	$ 33,977,436		
Domestic equity funds	28,659,254	28,659,254		
Fixed income:				
Fixed income funds	9,593,295	9,593,295		
U.S. Government agencies	4,276,962		$ 4,276,962	
Corporate securities	2,213,155		2,213,155	
Municipal bonds	2,229,392		2,229,392	
U.S. Treasuries	923,099		923,099	
Commodities funds	12,856,934	12,856,934		
Real asset funds	13,709,875	13,709,875		
Total investments by fair value level	108,439,402	$ 98,796,794	$ 9,642,608	$ —
Investments measured at NAV:				
Domestic equity funds	111,353,574			
Real asset funds	54,759,493			
Fixed income funds	49,861,897			
International equity funds	43,918,881			
Multi-asset fund	39,713,033			
Hedge fund of funds	16,824,948			
Total investments measured at NAV	316,431,826			
Total investments at fair value	$ 424,871,228			

	Fair Value	Fair Value Measurements Using: Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2021:				
Investments by fair value level:				
International equity funds	$ 43,786,693	$ 43,786,693		
Domestic equity funds	26,895,409	26,895,409		
Fixed income:				
Fixed income funds	13,931,882	13,931,882		
U.S. Government agencies	4,739,017		$ 4,739,017	
Corporate securities	3,297,785		3,297,785	
Municipal bonds	2,018,094		2,018,094	
U.S. Treasuries	1,797,680		1,797,680	
Commodities funds	15,284,255	15,284,255		
Real asset funds	14,246,618	14,246,618		
Total investments by fair value level	125,997,433	$ 114,144,857	$ 11,852,576	$ —
Investments measured at NAV:				
Domestic equity funds	114,736,765			
Real asset funds	69,654,876			
Fixed income funds	67,092,102			
International equity funds	49,765,940			
Multi-asset fund	36,696,833			
Hedge fund of funds	17,881,880			
Total investments measured at NAV	355,828,396			
Total investments at fair value	$ 481,825,829			

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued primarily using quoted prices in inactive markets, as well as other pricing methods using observable inputs.

Investments Measured at NAV as of December 31, 2022:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic equity funds (1)	$ 111,353,574	$ 8,694,524	Daily, Monthly, None	1-5 days, N/A
Real asset funds (2)	54,759,493	4,965,022	Qtrly, None	90 Days, N/A
Fixed income funds (3)	49,861,897	4,166,295	Daily, Monthly, None	31 days, N/A
International equity funds (4)	43,918,881	1,960,164	Daily, None	1-2 days, N/A
Multi-asset fund (5)	39,713,033	None	Monthly	15 days
Hedge fund of funds (6)	16,824,948	None	Quarterly	70 days
Total investments measured at NAV	$ 316,431,826			

(1) Domestic equity funds – Domestic equity funds reported at net asset value consist of 20 limited partnerships and collective investment funds with various investment objectives. The domestic equity funds are diversified by investment type with respect to the underlying company size, industry and other factors. The funds have redemption features from daily to non-redeemable. The non-redeemable funds total $22.7 million.

(2) Real asset funds – Real asset funds stated at net asset value consist of 12 limited partnerships and limited liability corporations. 65% of the real asset funds stated at net asset value consists of an investment in a core-style, open-end real estate fund that holds a strategically diversified portfolio of real estate assets across the four main property types in major markets throughout the United States. The primary performance objective is to combine an attractive income yield with long-term capital growth. This fund allows for quarterly redemptions with 90 days notice and values its underlying real estate investments using income, cost and sales comparison approaches. The remaining real estate investments valued at net asset value consist primarily of investments in limited partnerships and limited liability corporations that are diversified by investment type and cannot be redeemed. Instead, the nature of the investments in these limited partnerships and limited liability corporations are that distributions are received through the liquidation of the underlying properties over 7 to 10 years.

(3) Fixed income funds – Fixed income funds stated at net asset value include 13 funds that seek results which correspond generally to the price and yield performance of a particular index or to produce returns in excess of the total rate of return of a particular benchmark. The funds include both domestic and international fixed income investments. Redemption frequencies vary from daily to monthly to none. The non-redeemable funds total $12.0 million.

(4) International equity funds – International equity funds stated at net asset value consist of collective investment funds that invest in global equity securities. 54% of the international equity funds stated at net asset value consists of an investment in a global minimum volatility index fund, which seeks to track the investment results of an index composed of global equities that, in the aggregate, have lower volatility characteristics relative to the broader markets.

(5) Multi-asset fund – The multi-asset fund's objective is to generate absolute risk adjusted returns over time by utilizing a multi-asset investing approach through a combination of strategic asset allocation and tactical portfolio management and by balancing risk across and within a broad array of asset classes. The fund is redeemable monthly with 15 days notice.

(6) Hedge fund of funds – The hedge fund of funds is a limited partnership which invests in a portfolio of funds. The underlying funds generally implement non-traditional or alternative investment strategies. The hedge fund of funds is redeemable quarterly with 70 days notice.

Investments Measured at NAV as of December 31, 2021:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic equity funds (1)	$ 114,736,765	$ 19,489,024	Daily, Monthly, None	1-5 days, N/A
Real asset funds (2)	69,654,876	9,058,122	Qtrly, None	90 Days, N/A
Fixed income funds (3)	67,092,102	8,311,718	Daily, Monthly, None	31 days, N/A
International equity funds (4)	49,765,940	8,474	Daily, None	1-2 days, N/A
Multi-asset fund (5)	36,696,833	None	Monthly	15 days
Hedge fund of funds (6)	17,881,880	None	Quarterly	70 days
Total investments measured at NAV	$ 355,828,396			

(1) Domestic equity funds – Domestic equity funds reported at net asset value consist of 19 limited partnerships and collective investment funds with various investment objectives. The domestic equity funds are diversified by investment type with respect to the underlying company size, industry and other factors. The funds have redemption features from daily to non-redeemable. The non-redeemable funds total $24.2 million.

(2) Real asset funds – Real asset funds stated at net asset value consist of 12 limited partnerships and limited liability corporations. 61% of the real asset funds stated at net asset value consist of an investment in a core-style, open-end real estate fund that holds a strategically diversified portfolio of real estate assets across the four main property types in major markets throughout the United States. The primary performance objective is to combine an attractive income yield with long-term capital growth. This fund allows for quarterly redemptions with 90 days notice and values its underlying real estate investments using income, cost and sales comparison approaches. The remaining real estate investments valued at net asset value consist primarily of investments in limited partnerships and limited liability corporations that are diversified by investment type and cannot be redeemed. Instead, the nature of the investments in these limited partnerships and limited liability corporations are that distributions are received through the liquidation of the underlying properties over 7 to 10 years.

(3) Fixed income funds – Fixed income funds include 10 funds that seek results which correspond generally to the price and yield performance of a particular index or to produce returns in excess of the total rate of return of a particular benchmark. The funds include both domestic and international fixed income investments. Redemption frequencies vary from daily to monthly to none. The non-redeemable funds total $8.8 million.

(4) International equity funds – International equity funds stated at net asset value consist of collective investment funds that invest in global equity securities. 60% of the international equity funds consists of an investment in a global minimum volatility index fund, which seeks to track the investment results of an index composed of global equities that, in the aggregate, have lower volatility characteristics relative to the broader markets. 42% of the international equity funds consist of an all country world index, excluding U.S., and an emerging markets fund, both of which are redeemable daily.

(5) Multi-asset fund – The multi-asset fund’s objective is to generate absolute risk adjusted returns over time by utilizing a multi-asset investing approach through a combination of strategic asset allocation and tactical portfolio management and by balancing risk across and within a broad array of asset classes. The fund is redeemable monthly with 15 days notice.

(6) Hedge fund of funds – The hedge fund of funds is a limited partnership which invests in a portfolio of funds. The underlying funds generally implement non-traditional or alternative investment strategies. The hedge fund of funds is redeemable quarterly with 70 days notice.

Investment Policies — Funds of the Plan are managed in accordance with Colorado statutes and any other applicable law, and in compliance with the prudent investor rule. The investment of the Plan's assets shall be for the exclusive purpose of providing benefits for the participants and their beneficiaries, and paying the Plan's administrative expenses. The investments shall be prudently selected and properly diversified to fulfill fiduciary responsibilities.

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. The following is the Plan's asset allocation targets as of December 31, 2022:

Asset Class	Target Allocation
Public and private equities (domestic and international)	50.25%
Real assets	20.00%
Fixed income (defensive growth and rate sensitive)	15.00%
Diversifying alternative investments	14.25%
Cash	0.50%

Rate of Return — For the years ended December 31, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (10.03)% and 18.46%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk — Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The purpose of the Plan's fixed income segment is to provide diversification to reduce the overall volatility of the portfolio, and therefore reduce the variability of contribution amounts required. This segment also provides for current income and liquidity in support of current benefit payments. The fixed income segment may be invested across both investment grade and below investment grade opportunities and may include both fixed rate and floating rate obligations.

The Plan's exposure to fixed income credit risk based on Standard & Poor's ratings is as follows as of December 31, 2022 and 2021:

2022

Credit Rating	Corporate Securities	US Treasuries	US Govt Agencies	Municipal Bonds	Fixed Income Funds	Total
AAA	$ 83,445	$ 923,099		$ 883,796		$ 1,890,340
AA+			$ 4,276,962	748,987		5,025,949
AA	21,436			346,395		367,831
AA-	130,698					130,698
A+	127,573				$ 9,722,251	9,849,824
A	333,938			95,447		429,385
A-	890,967					890,967
BBB+	526,632					526,632
BBB	98,466			70,328	260,117	428,911
BBB-					14,203,347	14,203,347
BB					2,268,221	2,268,221
B+					5,221,517	5,221,517
B					3,967,897	3,967,897
CCC and below					535,841	535,841
Not rated				84,439	23,276,001	23,360,440
Total	$ 2,213,155	$ 923,099	$ 4,276,962	$ 2,229,392	$ 59,455,192	$ 69,097,800

2021

Credit Rating	Corporate Securities	US Treasuries	US Govt Agencies	Municipal Bonds	Fixed Income Funds	Total
AAA	$ 218,380	$ 1,797,680		$ 789,408	$ 4,255,799	$ 7,061,267
AA+			$ 4,739,017	591,185		5,330,202
AA	432,739			308,174		740,913
AA-	221,245					221,245
A+	200,890				11,954,617	12,155,507
A	532,387			123,531		655,918
A-	978,567					978,567
BBB+	475,433					475,433
BBB	238,144			94,285	483,804	816,233
BBB-					21,031,383	21,031,383
BB					4,218,772	4,218,772
B					22,520,759	22,520,759
CCC and below					996,637	996,637
Not rated				111,511	15,562,213	15,673,724
Total	$ 3,297,785	$ 1,797,680	$ 4,739,017	$ 2,018,094	$ 81,023,984	$ 92,876,560

Concentration of Credit Risk — Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan limits its investments in any one issuer of equity securities, fixed income securities, short-term investments and commercial paper to no more than 5% of the applicable portfolio. No limitation is placed on investments in U.S. Government guaranteed obligations. No individual investments exceeded 5% of the Plan's net position at December 31, 2022 and 2021.

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. Unless expressly permitted by the Board, the effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the broad market benchmark included in the instructions to the portfolio manager.

As of December 31, 2022 and 2021, the effective duration of the Plan's fixed income portfolio was 5.3 and 4.9 years, respectively.

Foreign Currency Risk — Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan’s foreign currency risk exposure resides primarily within the international equities asset class. As of December 31, 2022 and 2021, the Plan's investments denominated in currencies other than the United States dollar were as follows:

	2022	2021
Euro	$ 3,803,284	$ 841,809
Other	2,682,784	1,904,161
Total	$ 6,486,068	$ 2,745,970

Appreciation (Depreciation) in Fair Value of Investments — During the years ended December 31, 2022 and 2021, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value as follows:

	2022	2021
Equities:		
Domestic	$ (14,019,563)	$ 39,359,950
International	(16,924,136)	7,920,232
Fixed income	(9,804,169)	1,721,645
Real assets	(447,248)	13,786,964
Other	(14,256,785)	4,779,511
Net appreciation (depreciation) in fair value of investments	$ (55,451,901)	$ 67,568,302

6. CAPITAL ASSETS

Capital assets consist of the following at December 31, 2022 and 2021:

	2022	2021
Software	$ 650,000	$ 650,000
Furniture and equipment	29,094	29,094
Total	679,094	679,094
Less: accumulated depreciation and amortization	(676,415)	(669,987)
Capital assets, net	$ 2,679	$ 9,107

7. PLAN AMENDMENTS

Several significant amendments to the Plan were made in 2021 and are effective as of January 1, 2022, including the following:

Employer Contributions — Employer contributions will be made to the Plan in an amount equal to or greater than the following percentage of its' participants' monthly compensation: 10.2% for the period January 1, 2022 through December 31, 2022, 10.8% for the period January 1, 2023 through December 31, 2023, 11.4% for the period January 1, 2024 through December 31, 2024, and 12.0% for the period January 1, 2025 and thereafter.

Service Credit — A participant may elect to purchase up to 5 years of service credit for any reason; there will be no requirement to link this to previous employment. A participant may begin to purchase service credit after they have accrued 5 years of Credited Service in the Plan; Participants are no longer required to be fully vested in the Plan before purchasing service. However, for a non-vested participant, the amount of service credit purchased must be at least the amount required for that participant to become vested in the Plan immediately following the purchase.

Vesting Service — "Vesting Service" means the period of Credited Service earned for service as a Full-Time Employee, plus any (1) Qualified Military Service earned by the participant and (2) service purchased under those newly defined rules above. Vesting Service shall only include periods during which the participant is Disabled if the participant remains Disabled upon attaining his Disability Retirement Age.

Breaks in Service — For purposes of vesting, a participant who terminates service as a Full-Time Employee and returns to service as a Full-Time Employee shall receive credit for all Vesting Service, whether or not contiguous, so long as the participant has not taken a refund of his Accumulated Contributions.

Rule of 75 or 80 — For participants hired on or before December 31, 2015, a participant shall be eligible for retirement under the Rule of 75 if the sum of his age plus Vesting Service equals 75 or more. Payment of a Rule of 75 Retirement Benefit may be made on and after his Early Retirement Date and before his Normal Retirement Date and shall be made in the same manner as a Regular Early Retirement Benefit, but without reduction for early payment.

For employees hired on and after January 1, 2022:

1) Accrued Benefit shall be a monthly life annuity without a minimum of 120 monthly payments.
2) Final Average Monthly Compensation will be based on the last 60 months of full-time employment.
3) Special Early Retirement shall be satisfied when the sum of participant's age plus credited service equals 80 or more ("Rule of 80"). An exception shall exist for employees who meet the definition of a Sworn Officer, in which case Special Early Retirement shall be satisfied when the sum of participant's age plus credited service equals 75 or more ("Rule of 75").

EL PASO COUNTY RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION

EL PASO COUNTY RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY
FOR THE YEARS ENDED DECEMBER 31, 2014 THROUGH 2022 (2013 not readily available)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY									
Service cost	$ 22,607,480	$ 49,309,813	$ 31,983,784	$ 25,693,335	$ 14,603,164	$ 14,137,051	$ 13,323,018	$ 12,598,114	$ 12,000,723
Interest	47,519,193	36,173,983	41,517,844	40,262,706	42,220,721	40,612,030	38,646,606	36,512,406	34,726,814
Differences between expected and actual experience	(3,305,203)	7,780,958	(12,426,786)	6,493,184	(692,671)	2,645,182	5,389,208	1,041,616	
Changes of assumptions		(398,694,229)	240,914,197	(13,948,350)	205,487,369				
Benefit payments	(46,473,494)	(43,166,345)	(39,834,794)	(37,793,171)	(37,589,712)	(31,961,194)	(29,760,901)	(27,333,365)	(24,759,906)
Net change in total pension liability	20,347,976	(348,595,820)	262,154,245	20,707,704	224,028,871	25,433,069	27,597,931	22,818,771	21,967,631
Total pension liability – Beginning	690,576,803	1,039,172,623	777,018,378	756,310,674	532,281,803	506,848,734	479,250,803	456,432,032	434,464,401
Total pension liability – Ending (a)	$ 710,924,779	$ 690,576,803	$ 1,039,172,623	$ 777,018,378	$ 756,310,674	$ 532,281,803	$ 506,848,734	$ 479,250,803	$ 456,432,032
PLAN FIDUCIARY NET POSITION									
Contributions - employer	$ 19,089,097	$ 14,078,462	$ 14,230,827	$ 12,912,807	$ 12,329,099	$ 11,941,183	$ 11,315,200	$ 10,638,797	$ 10,321,799
Contributions - member	17,822,474	16,013,442	15,314,376	13,332,171	13,230,297	12,526,961	11,757,671	11,620,764	10,389,283
Net investment income (loss)	(49,755,957)	71,958,827	38,401,653	52,894,552	(11,425,480)	45,641,047	29,392,926	(2,031,080)	21,581,313
Benefit payments	(46,473,494)	(43,166,345)	(39,834,794)	(37,793,171)	(37,589,712)	(31,961,194)	(29,760,901)	(27,333,365)	(24,759,906)
Administrative expense	(623,115)	(724,768)	(727,872)	(974,243)	(761,400)	(787,070)	(685,555)	(667,752)	(589,681)
Other	2,560	2,925,145	1,076,764	1,081,371	1,108,794	465,966	7,438	28,420	16,083
Net change in plan fiduciary net position	(59,938,435)	61,084,763	28,460,954	41,453,487	(23,108,402)	37,826,893	22,026,779	(7,744,216)	16,958,891
Recognition of pension liability under GASB 68								(160,000)	
Plan fiduciary net position – Beginning	491,482,250	430,397,487	401,936,533	360,483,046	383,591,448	345,764,555	323,737,776	331,641,992	314,683,101
Plan fiduciary net position – Ending (b)	$ 431,543,815	$ 491,482,250	$ 430,397,487	$ 401,936,533	$ 360,483,046	$ 383,591,448	$ 345,764,555	$ 323,737,776	$ 331,641,992
Employer net pension liability – Ending ((a)-(b))	$ 279,380,964	$ 199,094,553	$ 608,775,136	$ 375,081,845	$ 395,827,628	$ 148,690,355	$ 161,084,179	$ 155,513,027	$ 124,790,040

See notes to required supplemental information.

EL PASO COUNTY RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY
FOR THE YEARS ENDED DECEMBER 31, 2014 THROUGH 2022 (2013 not readily available)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	$ 710,924,779	$ 690,576,803	$ 1,039,172,623	$ 777,018,378	$ 756,310,674	$ 532,281,803	$ 506,848,734	$ 479,250,803	$ 456,432,032
Plan fiduciary net position	431,543,815	491,482,250	430,397,487	401,936,533	360,483,046	383,591,448	345,764,555	323,737,776	331,641,992
Employers' net pension liability	$ 279,380,964	$ 199,094,553	$ 608,775,136	$ 375,081,845	$ 395,827,628	$ 148,690,355	$ 161,084,179	$ 155,513,027	$ 124,790,040
Plan fiduciary net position as a precentage of the total pension liability	60.70%	71.17%	41.42%	51.73%	47.66%	72.07%	68.22%	67.55%	72.66%
Covered-employee payroll	$ 187,148,010	$ 175,980,775	$ 177,885,338	$ 158,714,516	$ 151,258,230	$ 146,372,726	$ 138,679,959	$ 130,478,820	$ 123,889,837
Employer net pension liability as a percentage of covered-employee payroll	149.28%	113.13%	342.23%	236.32%	261.69%	101.58%	116.16%	119.19%	100.73%

See notes to required supplemental information.

EL PASO COUNTY RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31, 2013 THROUGH 2022 (dollar amounts in thousands)

	Actuarially Determined Employer Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2013	13,160	8,931	4,229	115,762	7.7
2014	10,604	10,322	282	123,890	8.3
2015	10,763	10,639	124	130,479	8.2
2016	11,629	11,315	314	138,680	8.2
2017	12,260	11,941	319	146,373	8.2
2018	12,466	12,329	137	151,258	8.2
2019	16,314	12,912	3,401	158,715	8.1
2020	18,838	14,231	4,607	177,885	8.0
2021	23,071	14,078	8,993	175,981	8.0
2022	23,805	19,089	4,716	187,148	10.2

See notes to required supplemental information.

EL PASO COUNTY RETIREMENT PLAN

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
FOR THE YEARS ENDED DECEMBER 31, 2014 THROUGH 2022 (2013 not readily available)

	Annual money-weighted rate of return, net of investment expense
2022	(10.03)%
2021	18.46%
2020	9.98%
2019	15.18%
2018	(2.74)%
2017	13.50%
2016	9.20%
2015	(0.66)%
2014	6.89%

See notes to required supplemental information.

1. CHANGES IN BENEFIT TERMS AND CONTRIBUTION RATES

See Note 7 to the financial statements regarding the plan amendments that changed contribution rates and certain benefits, effective beginning on January 1, 2022.

2. CHANGES IN ASSUMPTIONS

2021

Discount rate - increased from 3.39% as of December 31, 2020 to 7.0% as of December 31, 2021. The Plan's fiduciary net position as of December 31, 2021 was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.0% was applied to all periods of projected benefit payments to determine the total pension liability.

2020

Discount rate - Decreased from 5.37% as of December 31, 2019 to 3.39% as of December 31, 2020. The Plan's fiduciary net position as of December 31, 2020 was projected to be available to make all projected future benefit payments of current Plan members until 2044. In accordance with GASB requirements, a municipal bond rate was used in the development of the blended GASB discount rate after that point. Based on the long-term investment rate of return of 7.0% and the municipal bond rate of 2.0%, the blended GASB discount rate was 3.39% as of December 31, 2020.

Investment rate of return – reduced from 7.5% to 7.0%, net of investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 4.5%.

2019

Discount rate – Increased from 5.23% as of December 31, 2018 to 5.37% as of December 31, 2019. The Plan's fiduciary net position as of December 31, 2019 was projected to be available to make all projected future benefit payments of current Plan members until 2050. In accordance with GASB requirements, a municipal bond rate was used in the development of the blended GASB discount rate after that point. Based on the long-term investment rate of return of 7.5% and the municipal bond rate of 3.26%, the blended GASB discount rate was 5.37% as of December 31, 2019.

(Continued)

2018

The Board adopted various new assumptions in October 2018 based on an experience study for the period January 1, 2013 to December 31, 2017. The changes in assumptions included the following:

Investment rate of return – reduced from 8.0% to 7.5%, net of investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 5.0%.

Discount rate – reduced from 8.0% as of December 31, 2018 to 5.23% as of December 31, 2019. The Plan's fiduciary net position as of December 31, 2019 was projected to be available to make all projected future benefit payments of current Plan members until 2045. In accordance with GASB requirements, a municipal bond rate was used in the development of the blended GASB discount rate after that point. Based on the long-term investment rate of return of 7.5% and the municipal bond rate of 3.64%, the blended GASB discount rate was 5.23%.

Inflation – reduced from 3.5% to 2.5%.

Salary increases – graded by service, from 8.0% to 3.0%. Previously, graded by service, from 7.76% to 3.75%.

Mortality – based on the RP-2000 Generational Mortality Table projected generationally using Projection Scale MP-2017 and for disabled members the RP-2000 Disabled Mortality Table projected generationally using Projection Scale MP-2017.

Retirement and Withdrawal Rates – changes made to assumed retirement and withdrawal rates throughout age ranges.

Percent Married – 75% assumed to have eligible spouses, reduced from 85%.

(Continued)

3. METHODS AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED AMOUNTS

Valuation date (rollforward)	December 31, 2022 (rolled forward from last actuarial valuation date of December 31, 2021).

Actuarially determined contribution rates are calculated as of December 31.

Methods and assumptions used:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent, Closed
Remaining amortization period	28 years
Asset valuation method	Actuarial value that recognizes investment gains and losses over 5 years, constrained to a range of 80% - 120% of fair value.
Investment rate of return	7.0%, net of pension plan investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 4.5%.
Inflation	2.5% per annum.
Salary increases	Graded by service, from 8.0% to 3.0%.
Retirement age	An age-related assumption is used for members not yet receiving payments.
Mortality	RP-2000 Sex-Distinct Mortality Table projected generationally using Projection Scale MP-2017 and for disabled members the RP-2000 Disabled Mortality Table projected generationally using Projection Scale MP-2017.
Discount rate	The discount rate used to measure the total pension liability was 7.0%, based on the long-term investment rate of return of 7.0%.

See notes to required supplemental information. (Concluded)