



### Call to Order / Welcome – Lynn Lawson, President

Public Comments -*The public is invited to provide comment at the beginning of each regular meeting. Any person or group wishing to speak is requested to sign in prior to the meeting indicating the issue they are addressing. The time for comments is limited to 3 minutes. The Board will listen but may not comment and no action will be taken during the time period. However, the full Board may give direction to staff following a presentation.*

### Consent Agenda

*The President / presiding Officer will remove any Consent Agenda item upon request by any Board Member. Items removed upon request will be considered separately by the Board immediately following action on the remaining Consent Agenda.*

1. Board of Trustees meeting Minutes: April 15, 2024
2. Income & Expense Year-to-date Report: March 2024 and April 2024
3. Study session: Status report on the library building renovation plan: May 2, 2024

### Staff Presentation

- *Meet the Staff:* Program & Outreach Team (4<sup>th</sup> of 4 board presentations)

### Strategic Discussion & Reports

- Gov't Affairs Committee – Lawson & Morriss
  - Legislative updates: SB 24-216 and others
- Finance Committee – Hemphill & Polson
  - Renovation: Redirecting 2024 funds from Design-Build to Design, only
- Library Report – Director Perrault
  - Monthly Admin Report
  - 1st Qtr Strategic Staff Report
- Policy Committee – Dewey & Kirtland
  - Reprioritizing the Policy review schedule: change of sequence
- Library Friends & Foundation Report

### Action Items

- Gov't Affairs Committee – Lawson & Morriss
  - Accept Dewey resignation from Board of Trustees
- Finance Committee - Hemphill & Polson
  - Accept 2023 Audited Financial Statements
  - Board Resolution to dissolve the Capital Reserve Fund
  - Approve revised Library Finance Policies

### Upcoming Meetings of the Board of Trustees

1. *No June Study Session*
2. Regular Session: June 17, 2024, 6:30p (Wasson Board Room)

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#### LIBRARY MISSION STATEMENT:

To be a hub of community-driven resources for people to share



ESTES VALLEY  
LIBRARY

# BOARD OF TRUSTEES MEETING AGENDA

Monday, May 20, 2024, 6:30 PM  
Estes Valley Library / **Wasson Room**

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## Other Events

- Holiday Closure: **Memorial Day** on Monday, May 27, 2024
- Director vacation/out of office: May 27 - June 12, 2024
- Friends & Foundation: **Special Event with Author Aimee Runyan** - Friday, June 14, 2024 (at the Library)

## Adjourn

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LIBRARY MISSION STATEMENT:

To be a hub of community-driven resources for people to share

**Estes Valley Public Library District**  
**BOARD OF TRUSTEES MEETING MINUTES**  
Monday, April 15, 2024 at 6:30pm  
Estes Valley Library / Wasson Room / Hybrid

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**Call to Order / Welcome** – Lynn Lawson called the meeting to order at 6:31 pm. The following were present:

**TRUSTEES:** Lynn Lawson, President; Cindy Morriss, Vice-President; Anne Dewey, Secretary; David Hemphill, Treasurer; Beth Ellis; Kirt Kirtland; Marlys Polson

**FRIENDS & FOUNDATION LIAISON:** Sarah Walsh

**STAFF:** Claudine Perrault, Cindy Seckman; Joanna Stensland

Public Comments: There were no public comments.

**Consent Agenda**

1. Board of Trustees meeting Minutes: March 18, 2024
2. Income & Expense Year-to-Date Report: February 2024
3. Study Session: Meet the TS Team & Collections Report: April 4, 2024

**Polson moved to approve the April Consent Agenda. Morriss seconded the motion. Ayes all (24-12)**

**Strategic Discussion & Reports**

- Gov't Affairs Committee - Lawson & Morriss  
Information is now available on the Special District Association (SDA) workshops. Board Action: Trustees should contact Perrault and Stensland if interested in attending. In June, there will be more discussion on the annual SDA conference. In August *Short Takes for Trustees* will be introduced at monthly Board meetings..  
May's study session will be devoted to the renovation and bringing trustees up-to-speed with developments.  
The Gov't Affairs Committee will meet with Perrault tomorrow to discuss performance goals.
- Finance Committee - Hemphill & Polson  
The March financial report will be completed soon. The Committee had a meeting with a company about financing options. Details to come at the next study session. Today the Committee met with the auditor. The auditor has written a clean report for 2023 financial statements, which will be presented to the Board at the May regular session.
- Design Advisory Group (DAG) - Polson & Hemphill  
On April 25 the DAG will meet to look at the current architect drawings and to discuss financing options.
- Library Report – Director Perrault
  - Monthly Admin Report

Much of the report answers previous questions from the Board. The Facilities Report has a new color-coding system. The tenure of Library staff compares well nationally.

- Children's Circulation Statistics Report - 2023

The numbers represent circulation from the Library building, not from the schools. The numbers are encouraging. From a per capita point of view, our children's material circulation is above average. Perrault commended Children's Librarian Kozlowski for her work.

STAFF ACTION: Staff will include personnel changes in future Admin Reports.

Perrault will be reaching out to an HR consultant for advice on staffing strategies.

- Annual MOUs/IGAs Report

Perrault thanked the Admin Team for their work on the MOUs/IGAs. The question was raised whether it was necessary for the Board to continue reviewing this report.

Board Action: When the Financial Management policy is revised, the question of the MOUs/IGAs trustee review will be revisited.

- Library Friends & Foundation (F&F) - Walsh, Exec. Director

In addition to the summary in the Admin Report, Walsh reported that on March 19 the 2023 audited financial statement was approved and the 990 approved on April 2. Walsh gave more information about the F&F special event on June 14.

#### Action Items

- Policy Committee - Dewey & Kirtland

- Approve revised Collection Development policy

**Dewey moved to approve the revised Collection Development policy. Morriss seconded the motion.** The Committee reported that the main goal of the revision was to make the policy more succinct yet maintaining the intent of the content. The revisions were also informed by suggestions from staff. President Lawson thanked the Policy Committee and the staff for their work. **Ayes all (24-13)**

Perrault updated the Board on SB24-049. If the bill passes, Library policies may need to adapt further. Board Action: The Policy Committee will review all policies and develop a recommended revision schedule which the Committee will present at the May regular session.

#### Upcoming Meetings of the Board of Trustees

1. Study Session: May 2, 2024, 6:30p (Wasson Room - in-person only)
  - Review of Library Renovation plan, funding and timeline
2. Regular Session: May 20, 2024, 6:30p (Wasson Room)

#### Other Events

- Friends & Foundation Board Meeting: no April meeting
- Next Library Closure - **Staff Development Day:** Thursday, April 18, 2024

President Lawson adjourned the meeting at 7:34 pm.

Minutes prepared by Joanna Stensland

Respectfully submitted,  
Anne Dewey, Board Secretary

**[attachments]**

**ESTES VALLEY PUBLIC LIBRARY DISTRICT  
BOARD OF TRUSTEES**  
Resolutions from April 15, 2024

(24-12) Polson moved to approve the April Consent Agenda. Morriss seconded the motion.  
**Ayes all.**

(24-13) Dewey moved to approve the revised Collection Development policy. Morriss seconded the motion. **Ayes all.**

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**Lynn Lawson, President**  
Estes Valley Public Library District  
Board of Trustees

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**Anne Dewey, Secretary**  
Estes Valley Public Library District  
Board of Trustees

## ESTES VALLEY LIBRARY - BOARD OF TRUSTEES - 2024 INCOME & EXPENSE REPORT

*As of 03/31/2025 25% of Year Elapsed*

### GENERAL FUND

#### OPERATING REVENUE

REVENUE	BUDGET	YTD 2024	% BUDGET
TAXES	\$2,785,624	\$1,245,440	45%
INTERGOVERNMENTAL REVENUE	\$0	\$0	0%
FEES AND INTEREST	\$133,565	\$45,970	34%
DONATIONS/OTHER REVENUE	\$523,730	\$12,479	2%
<b>TOTAL REVENUE</b>	<b>\$3,442,919</b>	<b>\$1,303,889</b>	<b>38%</b>

#### OPERATING EXPENDITURES

##### SERVICES

SERVICES	BUDGET	YTD 2024	% BUDGET
PATRON SERVICES	\$377,307	\$82,757	22%
PROGRAM & OUTREACH	\$634,597	\$145,771	23%
TECHNICAL SERVICES	\$711,361	\$205,792	29%
<b>SERVICE</b>	<b>\$1,723,264</b>	<b>\$434,320</b>	<b>25%</b>

##### SUPPORT

SUPPORT	BUDGET	YTD 2024	% BUDGET
ADMINISTRATION	\$884,018	\$232,749	26%
BUILDING	\$206,353	\$65,523	32%
<b>SUPPORT</b>	<b>\$1,090,371</b>	<b>\$298,273</b>	<b>27%</b>

<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$2,813,637</b>	<b>\$732,592</b>	<b>26%</b>
CAPITAL	\$2,050,500	\$25,422	1%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$4,864,137</b>	<b>\$758,014</b>	<b>16%</b>
<b>EXCESS - REVENUE OVER EXPENSE</b>	<b>\$629,282</b>	<b>\$571,297</b>	

### CAPITAL RESERVE FUND

	BUDGET	YTD 2024	% BUDGET
<b>BEGINNING RESERVE BALANCE</b>	\$77,864	\$74,578	96%
ADDITIONAL RESERVES	\$190,000	\$25,422	13%
FEES AND INTEREST	\$9,000	\$1,351	15%
<b>TOTAL FUND BALANCE &amp; REVENUE</b>	<b>\$276,864</b>	<b>\$101,351</b>	<b>37%</b>

#### EXPENDITURES

	BUDGET	YTD 2024	% BUDGET
<b>TOTAL CAP RESERVE FUND EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

<b>EXCESS - REVENUE OVER EXPENSE</b>		<b>\$101,351</b>	
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### LIQUID FUNDS

OPERATING ACCOUNT	\$534,628
SHORT-TERM OPERATING RESERVE	\$713,077
LONG-TERM OPERATING RESERVE	\$2,461,054
CAPITAL REPLACEMENT RESERVE	\$101,351
<b>TOTAL GENERAL FUND + CAPITAL RESERVE FUND LIQUID BALANCE</b>	<b>\$3,810,109</b>

## ESTES VALLEY LIBRARY - BOARD OF TRUSTEES - 2024 INCOME & EXPENSE REPORT

*As of 04/30/2024 33.33% of Year Elapsed*

### GENERAL FUND

#### OPERATING REVENUE

REVENUE	BUDGET	YTD 2024	% BUDGET
TAXES	\$2,785,624	\$1,847,953	66%
INTERGOVERNMENTAL REVENUE	\$0	\$0	0%
FEES AND INTEREST	\$133,565	\$63,306	47%
DONATIONS/OTHER REVENUE	\$523,730	\$152,281	29%
<b>TOTAL REVENUE</b>	<b>\$3,442,919</b>	<b>\$2,063,540</b>	<b>60%</b>

#### OPERATING EXPENDITURES

##### SERVICES

	BUDGET	YTD 2024	% BUDGET
PATRON SERVICES	\$377,307	\$110,753	29%
PROGRAM & OUTREACH	\$634,597	\$187,939	30%
TECHNICAL SERVICES	\$711,361	\$258,801	36%
<b>SERVICE</b>	<b>\$1,723,264</b>	<b>\$557,493</b>	<b>32%</b>

##### SUPPORT

	BUDGET	YTD 2024	% BUDGET
ADMINISTRATION	\$884,018	\$318,645	36%
BUILDING	\$206,353	\$75,156	36%
<b>SUPPORT</b>	<b>\$1,090,371</b>	<b>\$393,802</b>	<b>36%</b>

<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$2,813,637</b>	<b>\$951,295</b>	<b>34%</b>
CAPITAL	\$2,050,500	\$25,422	1%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$4,864,137</b>	<b>\$976,717</b>	<b>20%</b>
<b>EXCESS - REVENUE OVER EXPENSE</b>	<b>\$629,282</b>	<b>\$1,112,245</b>	

#### CAPITAL RESERVE FUND

	BUDGET	YTD 2024	% BUDGET
BEGINNING RESERVE BALANCE	\$77,864	\$74,578	96%
ADDITIONAL RESERVES	\$190,000	\$25,422	13%
FEES AND INTEREST	\$9,000	\$1,803	20%
<b>TOTAL FUND BALANCE &amp; REVENUE</b>	<b>\$276,864</b>	<b>\$101,803</b>	<b>37%</b>

#### EXPENDITURES

	BUDGET	YTD 2024	% BUDGET
	\$0	\$0	0%
<b>TOTAL CAP RESERVE FUND EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

<b>EXCESS - REVENUE OVER EXPENSE</b>		<b>\$101,803</b>	
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#### LIQUID FUNDS

OPERATING ACCOUNT	\$793,592
SHORT-TERM OPERATING RESERVE	\$716,256
LONG-TERM OPERATING RESERVE	\$2,472,026
CAPITAL REPLACEMENT RESERVE	\$101,803
<b>TOTAL GENERAL FUND + CAPITAL RESERVE FUND LIQUID BALANCE</b>	<b>\$4,083,677</b>



**Potential Funds Needed for Full Renovation**

Project & Design	4,350,000	
Library	(1,750,000)	LTR - Leaving \$750k Balance (see note)
Friends	<u>(600,000)</u>	Committed on 2024 budget
Net	2,000,000	
Plus Loan Costs	<u>100,000</u>	
Funds Needed	2,100,000	
Projected 2024 Surplus	(592,782)	May not apply all to project
Final Projected Funds Needed	<u>1,507,218</u>	<u>1,510,000</u> ROUNDED

**REMAINING RESERVES (Without Interest)**

Short-Term Reserve	\$ 713,077	Balance as of 03/31/2024
Long-Term Reserve	\$ 750,000	Remainder
Capital Reserve Fund	<u>\$ 100,000</u>	Balance as of 03/31/2024
	<b>\$ 1,563,077</b>	

2024 Operating Revenue	\$ 3,442,919
Less 2022 Backfill	<u>\$ (138,785)</u>
	\$ 3,304,134

2024 Budgeted Expenditures	
Operating	\$ 2,813,637
Capital in General Fund	<u>\$ 10,500</u>
	\$ 2,824,137

Total Reserves as a % of Oper Rev. 47%

Total Reserves as a % of Oper Exp 55%

**Payment Annual**

<i>10 year amortization, semi-annual payment</i>		
4.75%	(95,546)	(191,092)
5.00%	(96,684)	(193,367)
5.50%	(98,982)	(197,963)
5.75%	(100,142)	(200,283)
6.00%	(101,309)	(202,617)

*15 year amortization, semi-annual payment*

4.75%	(70,816)	(141,633)
5.00%	(72,011)	(144,023)
5.50%	(74,433)	(148,866)
5.75%	(75,660)	(151,320)
6.00%	(76,897)	(153,794)

<b>Net Excess</b>	<b>Before Capital</b>	<b>After Capital</b>
2023 Actual	272,269	113,645
2024 Budget	629,282	592,782

2024 Capital (excluding remodel)	Budget	Used for Calculation	
Cap Reserve with HVAC	190,000	26,000	Actual amount transferred to restore balance to \$100k
Def'd Maint	350,000	-	
RFID	<u>10,500</u>	<u>10,500</u>	
Total	<u>550,500</u>	<u>36,500</u>	

Notes:

If the \$350,000 def'd maintenance was included in 2024 Capital, only appx. \$240,000 would be available for debt service and other capital items not covered by the renovation. If the reserve was fully funded to match the budget, the remaining excess would be \$78,000

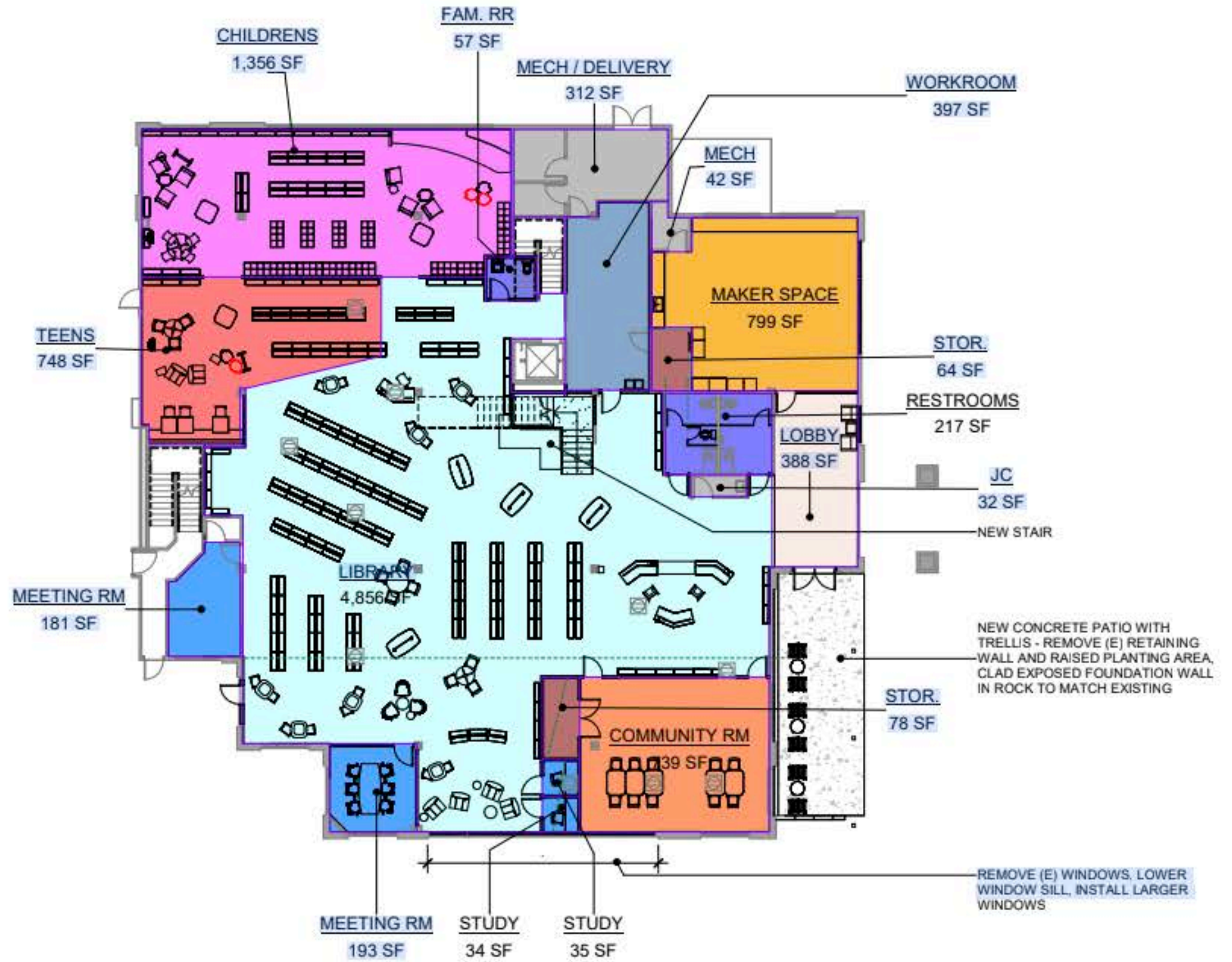
A total annual payment of \$78,000 @5%, 10 years, semi-annual pmts, support a COP of: \$ 607,977  
 Since the deferred maintenance may be covered in the renovation, it was excluded for the purpose of determining after capital cash flow.

Projected amount for 2024, excluding deferred maintenance would be sufficient to cover COP.  
 However, property tax revenue is uncertain and a net excess similar to 2023 would not be enough.

Leaving only \$500,000 in the reserve is likely insufficient. If the draw from reserves is reduced to the \$900,000 budgeted for 2024, the annual payment at 5.0% is just over \$300,000.

### AREA PLAN SCHEME

- BUILDING SUPPORT
- CHILDRENS
- COMMUNITY ROOM
- LIBRARY
- LOBBY
- MAKER SPACE
- MEETING RM
- RESTROOMS
- STAFF
- STORAGE
- TEENS



**LEVEL 01 AREA PLAN**  
 1/16" = 1'-0"

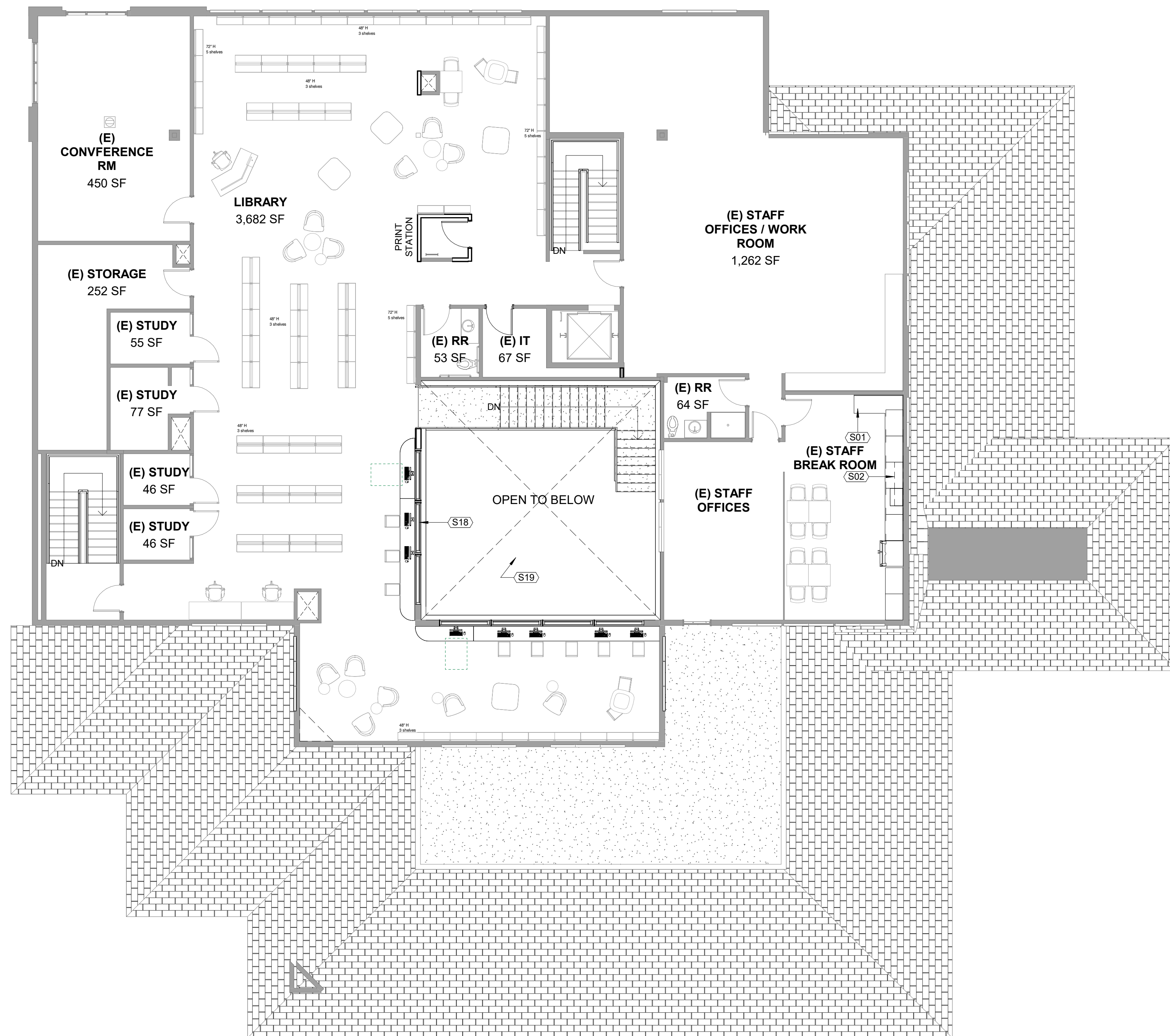
**ESTES VALLEY PUBLIC LIBRARY**  
 335 EAST ELKHORN AVE.  
 ESTES PARK, CO 80517  
 PROJECT:  
 ISSUE DATE: 02.07.2024

AREA PL  
**A-**  
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 2/23/2024 11:17



SHELVING SCHEDULE - LEVEL 2					
TYPE	Shelving Type	QTY	Shelf count	Height	Total 3' Shelves
NONFIC	Jelly Drop 6H	4	5	4' - 8"	40
NONFIC	(3) 48H	90	3	4' - 0"	270
NONFIC	(5) 72" (excludes bottom shelf)	17	5	6' - 0"	68
Grand total:					378
					378

OVERSIZE	big books	10
BIOGRAPHY	books	25
NONFIC	books	40
NONFIC	books	20
NONFIC	books	260



**GENERAL NOTES:**

- DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS SHALL TAKE PRECEDENCE. IF ADDITIONAL DIMENSIONS ARE REQUIRED, CONTACT ARCHITECT.
- ALL DIMENSIONS ON PLANS ARE TO FACE OF BLOCK/CONCRETE OR TO FACE OF FINISH UNLESS NOTED OTHERWISE.
- CONTRACTOR TO VERIFY ALL FIELD CONDITIONS AND DIMENSIONS AND LAY OUT PROPOSED WORK PRIOR TO CONSTRUCTION IN NEW WORK AREA. REPORT DISCREPANCIES TO ARCHITECT FOR RESOLUTION.
- IN THE EVENT OF CONFLICTING OR UNCLEAR INFORMATION, CONTRACTOR SHALL CONTACT ARCHITECT FOR CLARIFICATION DURING THE WORK AFFECTED.
- ALL WORK SHALL CONFORM TO APPLICABLE CODES. NOTIFY ARCHITECT OF ANY CONDITIONS OR DETAILS WHICH ARE DEEMED TO BE NONCONFORMING.
- SITE SURVEY PROVIDED IS DEEMED TO BE RELIABLE AND ACCURATE. CONTRACTOR TO NOTIFY ARCHITECT AND CIVIL ENGINEER WHEN DISCREPANCIES ARE ENCOUNTERED PRIOR TO OR DURING CONSTRUCTION.

**GENERAL NOTES: FLOOR PLAN**

- DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS SHALL TAKE PRECEDENCE. IF ADDITIONAL DIMENSIONS ARE REQUIRED, CONTACT ARCHITECT.
- CONTRACTOR TO VERIFY ALL FIELD CONDITIONS AND DIMENSIONS AND LAY OUT PROPOSED WORK PRIOR TO CONSTRUCTION IN NEW WORK AREA. REPORT DISCREPANCIES TO ARCHITECT FOR RESOLUTION.
- IN THE EVENT OF CONFLICTING OR UNCLEAR INFORMATION, CONTRACTOR SHALL CONTACT ARCHITECT FOR CLARIFICATION.
- SITE SURVEY PROVIDED IS DEEMED TO BE RELIABLE AND ACCURATE. CONTRACTOR TO NOTIFY ARCHITECT AND CIVIL ENGINEER WHEN DISCREPANCIES ARE ENCOUNTERED PRIOR TO OR DURING CONSTRUCTION.
- ALL WORK SHALL CONFORM TO APPLICABLE CODES. NOTIFY ARCHITECT OF ANY CONDITIONS OR DETAILS WHICH ARE DEEMED TO BE NONCONFORMING.
- BUILDING TO REMAIN OPEN TO THE PUBLIC AND IN USE THROUGHOUT CONSTRUCTION.
- DUST PARTITIONS ARE REQUIRED AND EXCESSIVELY NOISY ACTIVITIES MUST BE SCHEDULED DURING OFF-HOURS.
- COORDINATE WITH ALL OTHER DRAWINGS AND SPECIFICATIONS FOR ADDITIONAL SCOPE.
- ALL BUILDING EXITS AND STAIRS MUST REMAIN OPERATIONAL DURING ALL PHASES OF CONSTRUCTION.
- FOR ALL EXISTING SURFACES TO REMAIN THAT HAVE BEEN IDENTIFIED TO RECEIVE NEW PAINT, SCRAPE, SPACKLE, PATCH, CLEAN, OR OTHERWISE PREPARE SURFACE TO RECEIVE PAINT WITHOUT NOTICEABLE IMPERFECTION.
- REFER TO INTERIOR DRAWING FOR FLOOR AND WALL FINISHES.
- REFER TO FINISH PLAN FOR EXTENT OF NEW FLOORING.
- DIRECTIONS WHERE NOTED ARE ALWAYS IN REFERENCE TO PLAN NORTH.

**SHEET NOTES**

NOTE	DESCRIPTION
S01	NEW COUNTERTOP
S02	NEW CASEWORK
S18	INSTALL GLASS RAILING AT ENLARGED OPENINGS AT TWO STORY SPACE
S19	ADD ARCHITECTURAL ENHANCEMENT TO (E) SOLARTUBES AT CEILING ABOVE TWO STORY SPACE



**OWNER**  
ESTES VALLEY LIBRARY DISTRICT  
335 EAST ELKHORN AVE.  
ESTES PARK, CO 80517

**ARCHITECT / INTERIOR DESIGN**  
STUDIOTROPE DESIGN COLLECTIVE  
2942 WELTON AVE  
DENVER, CO 80205  
303.308.1144

**CIVIL ENGINEER**

**LANDSCAPE ARCHITECT**

**STRUCTURAL ENGINEER**

**MEP ENGINEER**

**AV DESIGN**

**OTHER**

**ESTES VALLEY PUBLIC LIBRARY**  
335 EAST ELKHORN AVE.  
ESTES PARK, CO 80517

PROJECT:

PROJECT NO: 2312

ISSUE DATE: 02.07.2024  
PHASE / REV NAME: 25% SCHEMATIC DESIGN

**LEVEL 02 FLOOR PLAN**  
1/8" = 1'-0"

LEVEL 02 FLOOR PLAN

**A-102**

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3/5/2024 4:05:04 PM



# ESTES VALLEY LIBRARY

## Monthly Administration Report May 2024

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### Financials - Seckman

**April 2024 YTD Budget Report:** With 33.33% of the year complete, General Fund revenue is at 59.94%, County revenue is 67.83% and Specific Ownership is at 39.06%. Total expenditures are at 20.08% (total Operating at 33.81%).

**Capital Reserve Fund:** The Finance Committee recommends dissolving this Fund and transferring the balance to the Long-Term Reserve account within the General Fund. The Capital Replacement Reserve Fund was originally created using monies left over from the early payoff of a bond issue in 2013. The Financial Management Policy requires this Fund to have a minimum balance of \$100,000. The promise to the community in 2013 was that we would set those funds aside to be used for capital improvements, and that we would not seek an increase in Mill Levy for 10 years. Both promises have been fulfilled, so maintaining this separate Fund is no longer necessary. Our financial auditor, Uli Keeley from Prospective Business Solutions, recommends a Board Resolution for the dissolution of this fund.

**Library Reserves:** In the process of exploring available funds for the renovation of the Library, the Finance Committee felt it was important to establish a target minimum *overall* reserve balance for the Library. The discussion surrounded extreme risks the Library faces such as flood or fire, operational risk due to the uncertainty of property tax legislation, and capital expenditure risk such as the elevator and/or HVAC system. Also discussed were reserve level recommendations from the Government Finance Officers Association (GFOA) as well as a poll taken on other Library guidelines.

The Finance Committee settled on a **target range between 50% and 55% of current year operating expenditures**. Spending that would result in less than an *overall* 50% reserve balance will **require Board approval**.

The Financial Management Policy will reflect this change as follows:

- **Short-Term Operating Reserve:** *NO CHANGE*. The District will maintain an account balance for fiscal cash liquidity purposes that will provide for sufficient cash flow to operate the District for three months. This reserve balance shall be at least **25%**

of the current year's budget. This reserve account incorporates the 3% of fiscal year budget required by TABOR as emergency reserve.

- **Long-Term Reserve:** The title will change from 'Long-Term Operating Reserve' to simply 'Long-Term Reserve' to read as follows (subject to wordsmithing):
  - o Target reserve of **25% to 30%** of current operating expenditures will be maintained in anticipation of ordinary facility maintenance and/or extreme events. Spending of this reserve below the 25% minimum target requires Board approval.

**SB22-238 Backfill** related to 2022 property tax revenue in the amount of \$138,662 was received on April 19<sup>th</sup>. There will be no backfill related to 2023 or 2024 property tax revenue. Anything beyond 2024 is uncertain.

#### **Financial Management Policy Compliance:**

- **ColoTrust PLUS Account Daily Yield** is **down** to **5.4138%** on April 30th from 5.4441% on March 31st. (Budgeted at 4.5% taking into consideration Long Term Reserve is budgeted to decrease by \$900k).

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## **Facilities - Antozzi**

**Icy Parking Lot Followup:** In April, APEX Roofing rerouted the storm water drainage from the front entrance area to the northside downspout to alleviate the problematic icy spot near the library's front entrance way. Please see March's Board Packet ADMIN Report for context.

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## **Communications - Hazelton**

*Per the Board's request, Communications reports now include talking points that trustees can use in conversations with patrons and community members around town:*

- Our Summer Reading Program (SRP) officially launched on May 17. Beginning June 1, there are challenges and prizes for readers of all ages, from newborns (whose guardians can read to them) to adults. Readers can visit [estesvalleylibrary.org/SRP2024](https://estesvalleylibrary.org/SRP2024) to learn about and sign up for the program. **The Takeaway:** SRP is often associated with school-aged kids. However, SRP is a multi-generational program intended to improve literacy and increase reading time for all community members, regardless of age. Encourage your family and friends to get involved!
- The paid parking season starts on May 24 and as such, we've begun promoting our Park Like A Local (PLAL) campaign. In its second year, PLAL is intended to

make accessing library programs and resources easier during the busy summer season. There are four main tenets:

- Sign up at the Library for your free Local Permit (two hours of free parking daily in any lot)
- Visit during off peak hours (mornings and evenings) when parking is free and available, and attend offsite programs held outside of Library walls
- Use the Twig: pick up holds and drop off returns at the Library kiosk at the Community Center
- Use the parking garage and public transportation and/or the Riverwalk: free parking all day, free trolley rides, and/or a scenic 5-10 minute walk along the river

Community members who have previously signed up for a Local Permit, via the Library or otherwise, do not need to take action to have their permit renewed for the 2024 parking season – it is automatic, unless there has been a change in vehicle or license plate.

**The Takeaway:** We listened to patron feedback about challenges to access the downtown library during the summer, and the Library responded with an effective and easy-to-follow solution. Any interested folks can be directed to [estesvalleylibrary.org/PLAL](https://estesvalleylibrary.org/PLAL).

## HR - Stensland

We say goodbye to Seph Reed at the end of this month and also Barbara Jo in the near future, both departures occasioned by housing issues. Shari Baze has been welcomed and onboarded as the new Technical Arts Librarian and has spent the last few weeks shadowing Seph at programs. Her full-time start date is May 20. Action on filling the Program & Outreach Supervisor position is pending results of a staffing study by Graves Consulting.

We had a very successful Staff Development Day on April 18th with positive feedback from staff such as *"The day was fun and informative"*, *"One of the best staff development days we've had"*, *"Great topics, well presented"*. Topics included Emergency Preparedness, Design Thinking & Working Genius, Customer Service, Early Literacy & Storytime as well as a field trip to the Estes Park R-3 School District libraries. I've put a copy of all the staff responses to the follow-up survey in the Board packet folder.

## Acquisitions / Tech Services - Maggetti

We've made adjustments to search features on the new website, catalog page, and event/room reservation calendar. These are based on important feedback received from both patrons and staff, and include all necessary accessibility features. Patrons will now

enjoy a broadened search experience of our collection on the website's "omnisearch" page, with streamlined filters and search limits on the catalog. The public view of room and equipment reservations will also shift to show availability for the week rather than the day, with more accessible color schemes and more straightforward access for patrons to search their confirmed bookings.

---

## **Programs & Outreach - Limmiatis**

In April we experimented with a general spring programming theme. Highlights included a great turnout at our Solar Eclipse Party held at Estes Park Memorial the Observatory, the continued success of 'Estes Grows Readers' in conjunction with Estes Valley Investment in Childhood Success (EVICS), the increased use of Digital Navigators, and the 'Living Room Conversation: Mental Health & Youth' with the Estes Park School District.

Positive feedback we received in April included:

*"Thanks for the opportunity to connect with the library & community. That really helped me learn more about Estes & helped us make the right decision to move there." - Judy Ludwig-Keller, 2023 Meditation Program Series Host*

*"I've [taken] this whole thing (iPhone, Macbook, and Apple Watch) to The Apple Store and the AT&T store, and you helped when they couldn't. I'm very pleased that I now know the sequence of commands to achieve what I want to have happen.... You are doing a BIG service to the community by being here." - Anonymous, Digital Navigator*

*"Thank you for your storytime! We go to many different library storytimes and Estes has the best." - Mother of Two Children, Storytime*

*"The heavy duty sewing machine works great! This is the first time I have used it - I fixed a backpack seam." - Anonymous, Makerspace Feedback Form*

New Technology Arts Librarian Shari Baze was hired on April 22, 2024 in a part time capacity. She brings decades of teaching experience to the position in addition to her passion for the arts. Baze will begin full time on May 20, 2024.

---

## **Patron Services - Wisneski**

No report.

---

## **Director's Report - Perrault**

The Policy committee was tasked with assessing and potentially reprioritizing the sequence of policies up for 2024 review. While the Finance and Management policy sets are the only ones up for consideration, the committee agrees that the following policies would benefit from governance review, in order to enable best Library practices/operations:



1. Finance
  2. Fees
  3. Behavior
  4. Employee Handbook
  5. Reconsideration of Library Resources
  6. Programs & Partnerships
  7. Meeting Rooms
- 

## **Library Friends & Foundation - Walsh**

Thank you to the newly formed Grants Committee (David Hemphill, Claudine Perrault, and Cindy Seckman) for making the first steps with 3 potential grantors.

- Chris La May from the Department of Local Affairs suggested we apply for a Tier 2 \$1 million grant. The timing will depend on the projected start of construction.
- Lisa Rucker from the Gates Family Foundation in Denver encouraged us to apply on September 1 for a \$75,000 capital grant that could be used as a match to encourage donors to engage with the project.
- We completed the eligibility form for a Community Change Grant with the EPA. The EPA has \$2 billion to fund community-driven projects by November 21.

The committee will continue to explore other grant opportunities and form relationships with their grants managers.

Please join us for our third "Book Date" on May 23 from 4-5pm at Cliffhanger.

Please join us on June 14 at 6pm for An Evening with Aimie Runyan.  
You may purchase tickets here: <https://bit.ly/3wNTVxQ>





# 1st Qtr 2024 Strategic Report

## RENOVATE THE BUILDING & REINVIGORATE SOCIAL INFRASTRUCTURE

### Goal 1: Respond to community needs.

#### Objective A: Gather and build upon patron data and feedback

##### Activities

1. Standardize a system for capturing patron input in order to better inform services and respond to community needs - *TS Supervisor/PS & PO Team*
2. Explore optimal hours of service to account for post-COVID behaviors, paid parking, and Bond Park events - *Director/All Supervisors*
3. Implement new, streamlined, user-friendly event calendar system - *Systems Librarian/IT Specialist*
4. Conduct a Library Communications audit - *Communications Specialist*

##### Performance Measures

1. A shareable method of gathering feedback has entries over 6 months, and has generated action items for the library at large.
2. Optimal hours of service in time for the 2025 calendar year.
3. Event, space, and equipment reservations for Quarter 2-4 2024 are equal to or greater than an average of the same quarters in 2021-2023
4. A streamlined, clear process for how communications decisions are made, for both internal and external collateral in a refreshed "Marketing Workflow" document. All Library collateral will be consistently branded.

##### Progress Q1

1. No report.
2. **On target.** TS installed an additional door counter in the atrium to gather additional data, and we've created new means of analyzing hourly door counts.
  - 1st Draft: [Study of Peer Library Hours - field study](#)
3. **On target.** Libcal was introduced as the Library's new event calendar, room reservation, and Makerspace equipment reservation system February 1. We continue to customize its look, feel, and functionality according to feedback from staff and patrons. Study room(s) are now reservable for the first time for patrons.
4. No report.

#### Objective B: Provide responsive services and resources to a diverse public

##### Activities

1. Evaluate collections to reduce hold wait times and favor what circulates - *TS Supervisor/TS Team*
2. Add and promote Freegal (music) to our digital collection - *Acquisitions Librarian/TS Team*

3. **Delayed to 2025:** Implement translation tech for service desks - *TS Supervisor/PS Team*
4. Re-introduce Book a Librarian (BAL) services - *PS Supervisor/PS & PO Teams*
5. Add color copier/printer for patron use - *TS Supervisor*

### Performance Measures

1. Average hold wait times for New Fiction, New Non Fiction, and Biography are reduced, and overall circulation remains constant
2. Freegal has 100 users
3. **Delayed to 2025:** Translation technology used at least once a month
4. By Q1 2025, BAL services will be operational
5. Patrons can make prints in color using our existing processes on the second floor.

### Progress Q1

1. **On target.** Reported our plan to the Board of Trustees as part of the April Study Session. New purchases include multiple copies of select titles immediately, and we are leveraging leased items to further increase availability of in-demand books. Baseline reporting from 2023 showed over 70% of patron holds were filled within the first week of being placed, with 45% hitting the hold shelf on the same day. 9% of patron holds were not filled for 29 days or more. New Fiction's average hold wait time was 26 days, New Non Fiction was 22 days, and Biography was 14 days for the year in 2023.
2. **On target.** Freegal launched for our patrons January 4, featured in both digital collections and databases webpages. A print article was published immediately after launch. 96 users have streamed 7,901 songs and 37 users have downloaded 433 songs to their own collection.
3. **Delayed** until 2025 to make time for more urgent Cybersecurity needs.
4. **On target.** In March 2024, Digital Navigation services began thanks to our participation in a grant received and administered by Loveland Public Library. This pilot program is designed to provide us with a trained AmeriCorps service member at no cost who helps patrons with a variety of technical issues to facilitate learning digital skills. Digital Navigators help individuals navigate technology so that they may develop their own resilience and knowledge base. Our goal is to use this opportunity as a way to learn what are the most frequently asked questions to guide staff training once the program ends in September 2024. PS will be reviewing the issues the Digital Navigator helps with as a means of preparing to launch Book-A-Librarian by Q1 2025.
5. **Complete.** A color printer is leased and operational as of February 26. Budget for materials and service contract is based on our 2023 average of approximately 40,000 black and white prints.

## Goal 2: Bring people back to a vibrant library.

### Objective A: Refresh spaces to energize the Library experience

#### Activities

1. Engage professional design team to renovate the Library so that it better suits patron needs.  
*Director/Tactical Team*

#### Performance Measures

1. **Delayed:** Patron feedback on new design features is 60% positive and overall space usage (door count, study/meeting rooms, program attendance, computer usage, in 2025 increases over 2024

## Progress Q1

1. **Delayed** as funding for preferred renovation plan takes priority.

### **Objective B: Tend to comfort, accessibility and safety**

#### **Activities**

1. Create and implement an ADA/website accessibility plan to comply with HB 21-1110. **TS Supervisor/TS Team**

#### **Performance Measures**

1. When we have a report of WCAG deficiencies with issues prioritized, issues are remediated by the end of the year, and compliance is considered in future procurement.

## Progress Q1

1. **On target.** Following the launch of our new website and event calendar February 1st, with grant funds awarded through the Colorado Statewide Internet Portal Authority, we began a complete audit of our website to comply with the most current Web Content Accessibility Guidelines (WCAG), the baseline requirement for websites in HB 21-1110. Accessible Web is completing our audit. It includes automated and manual screening of each guideline and access to a prioritized list of tasks for remediation, which we are working through. The next step in our audit is human testing by people requiring the use of assistive technologies.

### **Objective C: Make patrons the main characters of the Library story**

#### **Activities**

1. Implement integrative marketing tool that connects with the Integrated Library System, events calendar, program registration system and e-book platforms - **Communications Specialist**

#### **Performance Measures**

1. Higher open rate and click through rate for Library emails, increased rate of conversions (e.g., program and service registrations), more customized and tailored content for patrons.

## Progress Q1

1. **On target.** Began process of onboarding Patron Point (with assistance of TS, thank you!). Waiting on final ILS data/access, then we'll begin training (involving multiple members of Library staff). With that next step will come a project management plan so all involved folks understand the flow and timeline, and once everything is in place, we'll be able to start customizing content based on patron behavior, interest, demographic, and more.

## **Goal 3: Reach outside library walls to build community.**

### **Objective A: Meet target audiences where they are**

#### **Activities**

1. Participate in a minimum of six annual community events - **PO Supervisor/PO Team**
2. Identify target audiences to better serve individuals in the community - **PO Supervisor/PO Team**

#### **Performance Measures**

1. Demonstrated increase in number of individuals directly engaged and the number of individuals exposed to the library in our annual report.

2. By end of Q4, a list of identified target audiences, locations and events will be compiled.

### **Progress Q1**

1. **On target.** At the end of Q1, Program & Outreach Services team participated in one community event; the Magic of Masks held at the Art Center of Estes Park. Technology Arts Librarian Reed held three Makerspace programs in conjunction with the Art Center of Estes Park and the Estes Arts District for 20 participants to create submissions for the annual Magic of Masks community art show at no cost.

Most of the identified community events we participate in occur during the summer. We have multiple events scheduled for the coming months including Arbor Day, Cinco de Mayo, Kindergarten Round Up, and Friends of Folk.

2. **On target.** Draft lists have been created for offsite locations and community events. Job descriptions are being more clearly defined to reflect target audiences for each programming librarian. While no Librarians are solely dedicated to serving our retirement population, Technology Arts and Adult Services Librarians dedicate time to making their adult programs appealing to a wide range of adult participants.

### **Objective B: Nurture our village partnerships**

#### **Activities**

1. Align database subscriptions with local interest, starting with student needs in consultation with our school partners - **TS Supervisor/TS & PO Teams**
2. Reinvigorate village partnership lists, planning guide and MOUs - **PO Supervisor/PO Team**

#### **Performance Measures**

1. By end Q4, 10% increase in our electronic resource usage from students
2. By end Q4, the Planning Guide is complete and MOUs updated

### **Progress Q1**

1. **On target.** Meeting regularly with our new liaison representing public school librarians, Jen Maley. Jen recommended *Gale In-Context* and *Pebble Go* as learning platforms for use with school curriculum.

P&O recommended *Craft & Hobby* for our lifelong learner library patrons, and in Q1 we added all three of these subscription services.

Based on patron use, we also purchased add-ons for the *New York Times* including Games and Cooking, and the *Wall Street Journal*. We added the *Denver Post* as well.

2. **On target.** At the end of Q1, Program & Outreach Services team located all the best practices documents that are available in Google Drive, created several new "How To" documents for our operations, began to draft our partnership, offsite location and events lists, and received updated language from our lawyers for MOUs. This information will be compiled and begin to take shape in Q2. We are learning and developing best practices for the new event management platform and calendar in conjunction with Technical Services.

### **Objective C: Enable community conversations**

#### **Activities**

1. Create opportunities to help program participants engage with each other - **PO Team**
2. Explore Public Deliberation training for staff and volunteers - **Adult Services Librarian**

## Performance Measures

1. PO Team uses the new program operation plan including tools to enable more meaningful conversations.
2. Certificate of completion. Ability to plan for and use new tools by Q1 2025

## Progress Q1

1. **On target.** Questions were uniformly asked during programs in Q1 to help program participants engage with one another.  
A "Howdy Neighbor!" program was also held at Lumpy Ridge Brewing Company in February to engage with younger adults, encourage meeting new people and get to know your neighbors better. Conversational prompts were provided to break the ice and structure the conversation.
2. **On target.** Adult Services Librarian White enrolled in Deliberative Theory and Practice at CSU with Dr. Martín Carcasson in January.

## Goal 4: Invest in our team and operations.

### Objective A: Take the team to the next level (excellence)

#### Activities

1. Tour other libraries for inspiration on how to improve operationally.
2. Establish consistent customer service standards & procedures - *PS Supervisor/PS Team*
3. Cross-train TS Team on the 1st floor service desk - *PS Supervisor/TS & PS Team*
4. Train PS Team on effective Reference Interview techniques - *PS Supervisor*
5. Maintain our excellent staff retention strategies - *Admin Specialist*

#### Performance Measures

1. The team has collectively toured at least 2 other libraries by the 3rd quarter and created a report with pictures and action items of how we can adapt inspiration to our operation.
2. Fewer incident reports each year
3. Each TS Team member completes 25 hours of training at the circulation desk and updates have been made to the first floor manual.
4. **Delayed to 2025** Every PS Team member has completed the training.
5. The departure rate of 2024 stays below 10%.

## Progress Q1

1. **On target:** Teams have started to plan for visits to inspirational libraries, based on their areas of interest and responsibilities.
2. **On target:** PS spent Q1 revising procedures & agreeing on customer service standards. Began identifying traits in patrons whose needs were becoming very demanding and time consuming. Team recognized their individual roles in helping these patrons and changed their ways to be on the same page with their teammates to provide consistent service while not being drawn into long helping sessions.
3. No report.
4. **Delayed to 2025:** Reference is a long term goal, delayed until 2025. The PS team will be doing homeless training throughout the year using the Ryan Dowd model.
5. **On target:** The departure rate was at 0% in the first quarter with no departures.

## Objective B: Prepare for the future

No 2024 activities

## Objective C: Ensure the Library's financial health

### Activities

1. Communicate with property taxpayers on the value of their investment in the Library -  
*Communications Specialist*

### Performance Measures

1. Prepare for 2025 patron satisfaction survey

### Progress Q1

1. **On target:** Promotional and educational content continues to focus on benefits and outcomes first, so patrons understand not just what we do, but how it provides value. This is an ongoing initiative that's currently without an associated performance measure.

## VISION

A connected Valley where people and ideas flourish

## MISSION

To be a hub of community-driven resources for people to share

## VALUES

**Intellectual Freedom:** *Offering unrestricted access to the world of ideas*

**Community:** *Fostering connections as the village gathering place*

**Hospitality:** *Providing service excellence in a welcoming environment*

**Teamwork:** *Ensuring a respectful, cooperative culture*

**Professionalism:** *Demonstrating integrity in all we do*

## GOALS

1. We respond to community needs.
2. We bring people back to a vibrant library.
3. We reach outside library walls to build community.
4. We invest in our team and operations.

Anne Dewey  
811 Old Ranger Dr  
Estes Park, CO 80517

May 17, 2024

Dear Lynn,

This letter is to inform you that I will be resigning my position as Estes Valley Library Trustee as of June 30, 2024, because my family and I are moving to Timnath, CO.

I am so very grateful for the opportunity to serve on this board. My time spent in service to my community for the library has been a personally rewarding and enlightening experience. I appreciate your leadership on the board; you have been a great leader from whom I have learned so much!

Thank you,

  
Anne Dewey

**ESTES VALLEY PUBLIC LIBRARY DISTRICT  
ESTES PARK, COLORADO**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2023**



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## **FINANCIAL SECTION**



**PROSPECTIVE  
BUSINESS  
SOLUTIONS, LLC**  
Certified Public Accountants

Auditing, Accounting, and Consulting Services for  
Governments and Nonprofit Organizations

Board of Trustees  
Estes Valley Public Library District  
Estes Park, Colorado

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Estes Valley Public Library District (the "District"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Estes Valley Public Library District as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedules of the District's proportionate share, and the schedules of the District's contributions on pages 43-47 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.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Budgetary Comparison Schedule – Capital Reserve Fund listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule – Capital Reserve Fund is fairly stated in all material respects in relation to the financial statements as a whole.

*PB Solutions LLC*

Littleton, Colorado  
April 1 2024

# ESTES VALLEY PUBLIC LIBRARY DISTRICT

## Management's Discussion and Analysis

As management of Estes Valley Public Library District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Overview of the Financial Statements

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative data are presented when available.

### Government-wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

- The *Statement of Net Position*. This is the government-wide statement of financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of District infrastructure, in addition to the financial information provided in this report.
- The *Statement of Activities* reports how the District's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by property taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general library operations. The District has no business-type activities.

The government-wide financial statements include not only the District itself (known as the primary government), but also a legally separate entity, which has a significant operational or financial relationship with the District. This entity, a discretely presented component unit, is the Estes Valley Library Friends and Foundation, Inc. More information on the functions of this entity can be found in Note 1 to the financial statements.

### Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's significant funds. Each major fund is separately reported.

The District has one fund type. *Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements.

However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the difference between these two perspectives.

### Notes to Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's detailed budget presentation. This statement demonstrates compliance with the District's adopted and final revised budget.

### **Government-Wide Financial Analysis**

The following represents condensed financial information taken from the government-wide (accrual basis) financial statements for the years ended December 31, 2023 and 2022.

	<b>2023</b>	<b>Percent of Total</b>	<b>2022</b>	<b>Percent of Total</b>
<b>ASSETS</b>				
Current Assets	\$ 6,269,915	79.9%	\$ 5,438,140	78.9%
Capital Assets, Net of Accumulated Depreciation	1,546,666	19.7%	1,360,269	19.7%
Subscription Asset, Net of Accumulated Amortization	32,274	0.4%	0	0.0%
Net Pension Asset	0	0.0%	97,248	1.4%
Total Assets	<u>7,848,855</u>	<u>100.0%</u>	<u>6,895,657</u>	<u>100.0%</u>
<b>DEFERRED OUTFLOWS</b>				
Pensions, Net of Accumulated Amortization	788,249	96.0%	141,415	91.1%
OPEB, Net of Accumulated Amortization	32,993	4.0%	13,808	8.9%
Total Deferred Outflows	<u>821,242</u>	<u>100.0%</u>	<u>155,223</u>	<u>100.0%</u>
<b>LIABILITIES</b>				
Current Liabilities	59,574	3.9%	53,103	29.6%
Long-term Liabilities	1,484,714	96.1%	126,461	70.4%
Total Liabilities	<u>1,544,288</u>	<u>100.0%</u>	<u>179,564</u>	<u>100.0%</u>
<b>DEFERRED INFLOWS</b>				
Property Taxes	2,643,624	98.7%	1,974,526	73.9%
Pensions, Net of Accumulated Amortization	9,501	0.4%	671,277	25.1%
OPEB, Net of Accumulated Amortization	25,668	0.9%	26,193	1.0%
Total Deferred Inflows of Resources	<u>2,678,793</u>	<u>100.0%</u>	<u>2,671,996</u>	<u>100.0%</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 1,592,289	35.8%	\$ 1,360,269	32.4%
Restricted for Special Needs: Materials Nonexpendable				
Restricted for Emergencies	72,000	1.6%	67,000	1.6%
Unrestricted	<u>2,782,727</u>	<u>62.6%</u>	<u>2,772,051</u>	<u>66.0%</u>
Total Net Position	<u>\$ 4,447,016</u>	<u>100.0%</u>	<u>\$ 4,199,320</u>	<u>100.0%</u>

	2023	Percent of Total	2022	Percent of Total
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 7,789	0.3%	\$ 7,998	0.3%
Operating Grants and Contributions	346,262	12.2%	216,420	8.8%
Capital Grants and Contributions	86,344	3.1%	0	0.0%
General Revenues:				
Taxes	2,123,864	75.0%	2,157,830	87.6%
Contributions Not Restricted to Specific Programs				
Investment Income	79,193	2.8%	61,491	2.5%
Other Revenues	187,038	6.6%	20,447	0.8%
<b>Total Revenues</b>	<u>2,830,490</u>	<u>100.0%</u>	<u>2,464,186</u>	<u>100.0%</u>
<b>EXPENSES</b>				
Library Services	\$ 2,582,794	100.0%	\$ 1,756,495	100.0%
<b>CHANGE IN NET POSITION</b>	<b>\$ 247,696</b>		<b>\$ 707,691</b>	

The District's net position increased in 2023 primarily due to an increase in interest rates resulting in higher interest income on investments, increased capitalized assets which included a roof replacement and an upgrade to the library's audio visual system, offset by the 2022 net pension asset reverting back to a net pension liability position in 2023. This is the tenth year of reporting net pension liability due to the adoption of GASB Statement No. 68, representing the District's proportionate share of the Local Government Division Trust Fund (LGDTF) pension liability (asset), administered by the Public Employees' Retirement Association of Colorado (PERA). As of December 31, 2023, LGDTF is reporting a net pension liability. The District's proportionate share of this net pension liability is \$1,286,470, a change from \$97,248 net pension asset in 2022.

The District is reliant on property tax revenue to support operations. During 2023, taxes provided 75% of the District's total revenues. Note that program revenues, including from the Library Friends & Foundation accounted for 25% of total revenues.

For the tax collection years 2000 - 2004, the annual authorized operating mill levy was 2.39. On November 2, 2004, the voters approved an increase to 3.28 mills for 2005 collection and each year thereafter. Since 1999, the voters allowed the District to collect, keep and expend all revenues (other than excess property tax revenue). It was also exempted from the 5.5% property tax revenue limitation. This has prevented the "ratchet-down" effect that the Taxpayer's Bill of Rights used to have on the District's property tax revenue. In addition, the District was successful with an election question to District residents seeking a mill levy tax increase. In 2014, the annual property tax rate for the District increased from 3.28 to 4.52 mills.

The District maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. However, to make this ratio meaningful, we have eliminated the property taxes receivable and the related deferred revenue. After this elimination, governmental current assets are \$3,583,730 and current liabilities are \$59,574. As a result, the current ratio for the District overall is 60 to 1 (48 to 1 for 2022).



## Financial Analysis of the Funds

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financial requirements. In particular, *unrestricted, unassigned fund balance* may serve as a useful measure of the District's net resources that are available for spending at the end of the fiscal year.

The District has two governmental funds: The General Fund and the Capital Reserve Fund. The General Fund is the chief operating fund of the District, whereas the Capital Reserve Fund is held for capital facilities projects. Total governmental funds fund balances increased \$113,645 in 2023, with ending fund balances totaling \$3,524,156 (\$3,449,577 in the General Fund; \$74,579 in the Capital Reserve Fund).

### **Capital Assets and Long-Term Debt**

Capital assets for the District consist of furniture, equipment, building improvements, and collection inventory. In 2023 the library's WiFi system was upgraded, the audio visual system was upgraded in the meeting rooms, the roof was replaced, and the siding was refinished and sealed. There was no capital outlay for furniture during 2023. Collection inventory showed a net increase for 2023 of \$24,945. This modest increase indicates the continued demand for digital materials which are not included in the inventory count.

Long-Term Debt for the District consists of net pension liability, net OPEB liability and compensated absences. The net pension liability for 2023 is \$1,286,470. See Notes 6 and 7 for more information on pension and OPEB liability. Compensated absences is the total vacation payout liability (unused vacation) as of the end of the year. Compensated absences increased in 2023 by \$34,077.

At the end of 2012, the District paid off its general obligation bonds prior to maturity. Upon retirement of the bonds, there were funds remaining in the former Debt Service Fund. The District Board of Trustees approved these funds to be used for facility maintenance and reinvestment, and a Capital Reserve Fund was created. 2023 was the first year since the inception of the Capital Reserve Fund that planned capital expenses were warranted outside of the General Fund. A formal budget was created and utilized for expenses including the replacement of both the shingle and flat roofs, painting and sealing of the exterior siding, an upgrade to the audio visual equipment in library meeting rooms, and architectural plans for a possible future library renovation. See Supplementary Information for the Capital Reserve Fund Budgetary Comparison Schedule.

### **General Fund Budgetary Highlights**

General Fund revenues were \$2,692,359; an increase of \$87,493 over final budget estimates. This is primarily due to rising interest rates and higher than expected Specific Ownership taxes. General Fund expenditures were \$144,900 less than budgeted. This was primarily due to staff turnover and the corresponding decrease in health benefits, retirement expense, and staff development expense.

### **Currently Known Facts**

Members of the District Board of Trustees, staff, and Library Friends & Foundation Board prepared a one year Operating Plan extending the most recent Strategic Plan. The Plan outlines several goals:

- 1) Focus on Early Literacy
- 2) Enable Lifelong Learning
- 3) Enable a Greater Sense of Community
- 4) Deliver Materials on a Personalized Basis
- 5) Grow Internally to Succeed Externally

The Library meets community expectations by fulfilling its Operating Plan. In 2023, the Library began work on the next 5-Year Strategic Plan to begin in 2024, while completing significant projects from the annual operating plan. Successful projects included implementation of the five recommendations from 2022 Community Needs Assessment. Addressing those recommendations in 2023 resulted in a new locals parking program that reduced challenges to access, and implementation of modern A/V equipment in several meeting rooms. These changes resulted in an overall increase in program participation of 22%, and an increase to the door count by 11% over the prior year.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Estes Valley Public Library District, PO Box 1687, Estes Park, Colorado 80517, or you may call the library director at (970) 586-8116.

## **BASIC FINANCIAL STATEMENTS**

## ESTES VALLEY PUBLIC LIBRARY DISTRICT

## STATEMENT OF NET POSITION

December 31, 2023

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNIT FOUNDATION
<b>ASSETS</b>		
Cash and Investments	\$ 3,545,083	\$ 1,485,702
Cash Held with County Treasurer	9,226	-
Taxes Receivable	2,643,624	-
Accounts Receivable	-	23,013
Prepaid Expenses	29,421	-
Loan Origination Fee, Net	-	4,650
Capital Assets, Not Depreciated	42,561	138,350
Capital Assets, Depreciated, Net of Accumulated Depreciation	1,546,666	631,082
Subscription Asset, Net of Accumulated Amortization	32,274	-
<b>TOTAL ASSETS</b>	<b>7,848,855</b>	<b>2,282,797</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to Pensions	788,249	-
Related to OPEB	32,993	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>821,242</b>	<b>-</b>
<b>LIABILITIES</b>		
Accounts Payable	27,331	2,342
Accrued Salaries and Benefits	32,243	-
Deposits	-	3,458
Noncurrent Liabilities		
Due Within One Year	48,934	25,317
Due in More Than One Year		
Compensated Absences	58,306	-
Subscription Liability	6,474	-
Mortgage Payable	-	482,403
Net Pension Liability	1,286,470	-
Net OPEB Liability	84,530	-
<b>TOTAL LIABILITIES</b>	<b>1,544,288</b>	<b>513,520</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Tax Revenues	2,643,624	-
Related to Pensions	9,501	-
Related to OPEB	25,668	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,678,793</b>	<b>-</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,592,289	261,712
Restricted	72,000	1,526,268
Unrestricted	2,782,727	(18,703)
<b>TOTAL NET POSITION</b>	<b>\$ 4,447,016</b>	<b>\$ 1,769,277</b>

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY	COMPONENT
					GOVERNMENTAL ACTIVITIES	UNIT FOUNDATION
<b>PRIMARY GOVERNMENT</b>						
<b>Governmental Activities</b>						
Library Services	\$ 2,582,794	\$ 7,789	\$ 346,262	\$ 86,344	\$ (2,142,399)	\$ -
Total Primary Government	\$ 2,582,794	\$ 7,789	\$ 346,262	\$ 86,344	\$ (2,142,399)	\$ -
<b>Component Unit</b>						
Foundation	\$ 607,612	\$ -	\$ 108,560	\$ -	\$ -	\$ (499,052)
<b>GENERAL REVENUES</b>						
					1,981,598	-
					142,266	-
					-	138,288
					79,193	132,026
					187,038	215,323
					<u>2,390,095</u>	<u>485,637</u>
					247,696	(13,415)
					<u>4,199,320</u>	<u>1,782,692</u>
					<u>\$ 4,447,016</u>	<u>\$ 1,769,277</u>

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2023

	GENERAL FUND	CAPITAL RESERVE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and Investments	\$ 3,470,504	\$ 74,579	\$ 3,545,083
Cash Held at County Treasurer	9,226	-	9,226
Taxes Receivable	2,643,624	-	2,643,624
Prepaid Expenses	29,421	-	29,421
TOTAL ASSETS	<u>\$ 6,152,775</u>	<u>\$ 74,579</u>	<u>\$ 6,227,354</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 27,331	\$ -	\$ 27,331
Accrued Salaries and Benefits	32,243	-	32,243
TOTAL LIABILITIES	<u>59,574</u>	<u>-</u>	<u>59,574</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Tax Revenues	<u>2,643,624</u>	<u>-</u>	<u>2,643,624</u>
<b>FUND BALANCES</b>			
Nonspendable	29,421	-	29,421
Restricted for Emergencies	72,000	-	72,000
Assigned to Facility Maintenance	-	74,579	74,579
Unassigned	<u>3,348,156</u>	<u>-</u>	<u>3,348,156</u>
TOTAL FUND BALANCES	<u>3,449,577</u>	<u>74,579</u>	<u>3,524,156</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 6,152,775</u>	<u>\$ 74,579</u>	<u>\$ 6,227,354</u>

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances of governmental funds \$ 3,524,156

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Capital Assets, Not Depreciated	42,561	
Capital Assets, Depreciated	4,162,879	
Accumulated Depreciation	(2,616,213)	
Subscription Asset	105,990	
Accumulated Amortization	<u>(73,716)</u>	1,621,501

Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.

Subscription Payable	(29,212)	
Compensated Absences	(84,502)	
Net Pension Asset	(1,286,470)	
Net OPEB Liability	<u>(84,530)</u>	(1,484,714)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources - Related to Pensions	788,249	
Deferred inflows of resources - Related to Pensions	(9,501)	
Deferred outflows of resources - Related to OPEB	32,993	
Deferred inflows of resources - Related to OPEB	<u>(25,668)</u>	<u>786,073</u>

Net position of governmental activities \$ 4,447,016

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended December 31, 2023

	GENERAL FUND	CAPITAL RESERVE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>			
Property Taxes	\$ 1,981,598	\$ -	\$ 1,981,598
Specific Ownership Taxes	142,266	-	142,266
Charges for Services	7,789	-	7,789
Grants and Contributions	346,262	86,344	432,606
Earnings on Investments	179,264	7,774	187,038
Miscellaneous	35,180	44,013	79,193
	<u>2,692,359</u>	<u>138,131</u>	<u>2,830,490</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Current			
Library Services	2,395,582	-	2,395,582
Capital Outlay	24,509	296,754	321,263
	<u>2,420,091</u>	<u>296,754</u>	<u>2,716,845</u>
<b>TOTAL EXPENDITURES</b>			
<b>CHANGE IN FUND BALANCES</b>			
	272,268	(158,623)	113,645
<b>FUND BALANCES, Beginning</b>			
	<u>3,177,309</u>	<u>233,202</u>	<u>3,410,511</u>
<b>FUND BALANCES, Ending</b>			
	<u>\$ 3,449,577</u>	<u>\$ 74,579</u>	<u>\$ 3,524,156</u>

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



ESTES VALLEY PUBLIC LIBRARY DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds			\$	113,645
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.				
	Capital Outlay	429,250		
	Depreciation and Amortization	(210,101)		
	Loss on Disposal of Assets	<u>(7,856)</u>		211,293
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.				
	Changes in Compensated Absences	(34,077)		
	Principal Payments on Subscription Liability	<u>20,727</u>		(13,350)
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for governmental activities those amounts reported in the statement of net position and amortized in the statement of activities.				
	Deferred charges related to Pension Plan	(75,108)		
	Deferred charges related to OPEB	<u>11,216</u>		<u>(63,892)</u>
Change in net position of governmental activities			\$	<u>247,696</u>

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Estes Valley Public Library District (the “District”) was formed on November 8, 1988, by the electorate of Larimer County and the Town of Estes Park. The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units. The District is governed by an elected board of seven members. Following is a summary of the more significant policies:

**Reporting Entity**

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

The Estes Valley Library Friends and Foundation, Inc. (the “Foundation”) is a non-profit organization with the purpose to assist in the promotion, development, and enhancement of the facilities and educational programs of the District. The Foundation is reported as a discreetly presented component unit. Separate financial statements for the Foundation may be obtained by writing to P.O. Box 1470, Estes Park, Colorado 80517.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District and its component unit. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the District is financially accountable.

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1:** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1:** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

In the fund financial statements, the District reports the following major governmental funds:

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

The *Capital Reserve Fund* accounts for the remaining debt service property taxes following final payment of the District's general obligation debt during the year ended December 31, 2012. These funds were set aside for the use of facility maintenance and reinvestment. 2023 was the first year that planned capital expenses were warranted outside of the General Fund. See the supplementary information section for the 2023 Capital Reserve Fund Budgetary Comparison Schedule. In 2024 the District intends to replenish these funds and retain this reserve for future facility maintenance and reinvestment.

**Assets, Liabilities, and Fund Balance/Net Position**

Deposits and Investments –The District considers cash and cash equivalents to be all demand deposits as well as short- term investments with a maturity date of three months or less. Investments are stated at fair value.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses.

Capital Assets – Capital assets, which include property, equipment, and books and audio-visual materials, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year except for library books and audio-visual materials, which are capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1:** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities, and Fund Balance/Net Position** (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives. Library books and audio-visual materials are depreciated using a composite rate on a first-in, first-out basis.

Buildings and Improvements	5-40 years
Furniture and Equipment	5-10 years
Books and Audio-Visual Materials	6 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Accrued Salaries and Benefits – Salaries and benefits of employees that were earned, but unpaid, as of December 31, 2023, were \$32,243.

Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Employees are limited to the amount of accumulated vacation leave that can be carried to the next fiscal year depending on the employee's years of service. Upon termination of employment, employees are entitled to receive compensation for accrued vacation days at their current pay rate. These compensated absences are recognized as expenditures when due in the governmental funds. A liability in the amount of \$84,502 has been recorded in the government-wide financial statements for the accrued compensated absences.

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1:** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities, and Fund Balance/Net Position** (Continued)

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent, and penalties and interest may be assessed by the County Treasurer on the postmark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. The County Treasurer’s Office collects property taxes and remits them to the District on a monthly basis.

Net Position – The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While District management may have categorized and segmented a portion for various purposes, the District Board has the unrestricted right to revisit or alter these managerial decisions.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

:

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1:**     **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities, and Fund Balance/Net Position** (Continued)

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District reports prepaid expenses as nonspendable.
  
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
  
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. As of December 31, 2023, the District does not report any committed resources.
  
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The District has classified the fund balance of the Capital Reserve Fund as assigned because its use has been designated for a specific purpose by the District.
  
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1:** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors omissions, injuries to employees, or acts of God. The District carried commercial insurance for these risks of loss through December 31, 2023.

Beginning on January 1, 2024, The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members.

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

**Subsequent Events**

The District has evaluated events subsequent to the year ended December 31, 2023 through April 1, 2024, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

**NOTE 2:** **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

State statutes require that all funds have legally adopted budgets and appropriations. Total expenditures may not exceed the amounts appropriated at the fund level. Budgets are adopted on a basis consistent with generally accepted accounting principles. For the year ended December 31, 2023, the District adopted a budget for the General Fund and Capital Reserve Fund.



ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 2:**     **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Trustees to obtain taxpayer comments.
- Prior to December 15, the budget is adopted by formal resolution.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Trustees.

**NOTE 3:**     **CASH AND INVESTMENTS**

Cash and investments on December 31, 2023 consist of the following:

Petty Cash	\$     260
Deposits - Primary Government	98,944
Deposits - Component Unit	18,620
Investments - Primary Government	3,445,879
Investments - Component Unit	<u>1,467,082</u>
Total	<u>\$ 5,030,785</u>

The above amounts are classified in the statement of net position as follows:

Primary Government Cash and Investments	\$ 3,545,083
Component Unit Cash and Investments	<u>1,485,702</u>
	<u>\$ 5,030,785</u>

The Estes Valley Library Friends and Foundation (the “Component Unit”) is a nonprofit entity with its own investment policy and is not subject to state statutes.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 3:** **CASH AND INVESTMENTS** (Continued)

**Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2023, the District had deposits with financial institutions with a carrying amount of \$98,944. The bank balances with the financial institutions were \$385,254. Of these balances, \$258,132 was covered by federal depository insurance and \$127,122 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

**Investments**

Interest Rate Risk

State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five year. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 3:**     **CASH AND INVESTMENTS** (Continued)

**Investments** (Continued)

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Concentration of Credit Risk

State statutes do not limit the amount the District may invest in one issuer, except for corporate securities.

Local Government Investment Pools

The District had invested \$3,445,879 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 3: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

Local Government Investment Pools (Continued)

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023, is summarized below:

	Balance <u>12/31/2022</u>	Additions	Deletions	Balance <u>12/31/2023</u>
<b>Governmental Activities</b>				
Capital Assets, Not Depreciated				
Construction in Progress	\$ -	\$ 42,561	\$ -	\$ 42,561
Capital Asset, Being Depreciated				
Buildings and Improvements	\$ 2,654,799	\$ 178,724	\$ 27,530	\$ 2,805,993
Furniture and Equipment	428,958	104,987	14,703	519,242
Books and Audio-Visual Materials	812,699	102,978	78,033	837,644
Subscription Asset	105,990	-	-	105,990
Total Capital Assets, Being Depreciated	<u>4,002,446</u>	<u>386,689</u>	<u>120,266</u>	<u>4,268,869</u>
Accumulated Depreciation and Amortization				
Buildings and Improvements	1,630,304	84,370	19,674	1,695,000
Furniture and Equipment	340,772	22,514	14,703	348,583
Books and Audio-Visual Materials	565,111	85,552	78,033	572,630
Accumulated Amortization Subscription Asset	56,051	17,665	-	73,716
Total Depreciation and Amortization	<u>2,592,238</u>	<u>210,101</u>	<u>112,410</u>	<u>2,689,929</u>
Capital Assets, Depreciated, Net	<u>1,410,208</u>	<u>176,588</u>	<u>7,856</u>	<u>1,578,940</u>
Net Capital Assets	<u>\$ 1,410,208</u>	<u>\$ 219,149</u>	<u>\$ 7,856</u>	<u>\$ 1,621,501</u>

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 4:**     **CAPITAL ASSETS** (Continued)

Depreciation and Amortization expenses were charged to the Library Services program.

As a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, \$105,990 for the District’s subscription asset and \$56,051 in accumulated amortization for the subscription asset have been added to the beginning balance presented above. As the adjustment to the beginning balance for this asset is offset by an equal amount of the subscription liability, the District does not report a restatement of the beginning net position related to the implementation of GASB 96.

**NOTE 5:**     **LONG-TERM DEBT**

The following is a summary of the District’s long-term debt transactions for the year ended December 31, 2023:

	Balance 12/31/2022	Additions	Payments	Balance 12/31/2023	Due In One Year
Subscription Liability	\$ 49,939	\$ -	\$ 20,727	\$ 29,212	\$ 22,738
Net Pension Liability	(92,248)	1,378,718	-	1,286,470	-
Net OPEB Liability	76,036	8,494	-	84,530	-
Compensated Absences	50,425	34,077	-	84,502	26,196
Total	\$ 84,152	\$ 1,421,289	\$ 20,727	\$ 1,484,714	\$ 48,934

Compensated absences are recognized as expenditures when due in the General Fund.

**Subscription Liability**

In May 2020, the District entered into a subscription agreement for its integrated library system. Interest on the subscription agreement is calculated using an estimated incremental borrowing rate of 6.25%. Annual payments on the subscription are due through October 2025.

As a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, \$49,939 for the District’s subscription liability has been added to the beginning balance presented above. As the adjustment to the beginning balance for this asset is offset by an equal amount of the net subscription asset, the District does not report a restatement of the beginning net position related to the implementation of GASB 96.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2023

**NOTE 5: LONG-TERM DEBT** (Continued)

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

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 22,738	\$ 1,826	\$ 24,564
2025	<u>6,474</u>	<u>405</u>	<u>6,879</u>
Total	<u>\$ 29,212</u>	<u>\$ 2,231</u>	<u>\$ 31,443</u>

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

Plan description. Eligible employees of the District are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 6:** **DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

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

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

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

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2023

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

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

Contributions provisions as of December 31, 2023: Eligible employees of, the District and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of January 1, 2022, through December 31, 2023 are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employee contribution (all employees other than State Troopers)	8.50%	9.00%	9.00%	9.00%
State Troopers	12.50%	13.00%	13.00%	13.00%

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

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ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

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

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employer contribution rate	10.50%	11.00%	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.48%	9.98%	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.03%	0.03%	0.06%	0.06%
Total employer contribution rate to the LGDTF	13.21%	13.71%	13.74%	13.74%

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 6:** **DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from District were \$159,773 for the year ended December 31, 2023.

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

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

At December 31, 2023 the District reported a liability of \$1,286,470 for its proportionate share of the net pension liability.

At December 31, 2022, the District's proportion was 0.1283%, which was an increase of 0.0149% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023 the District recognized pension expense of \$75,108. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$-	\$967
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	578,092	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	50,384	8,534
Contributions subsequent to the measurement date	159,773	N/A
Total	\$788,249	\$9,501

\$159,773 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2024	\$110,951
2025	200,293
2026	307,731

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial assumptions**

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20%-11.30%
State Troopers	3.20%-12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

<sup>1</sup> Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

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

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

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 6:** **DEFINED BENEFIT PENSION PLAN** (Continued)

**Actuarial assumptions** (Continued)

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

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

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

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

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

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

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

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**Actuarial assumptions** (Continued)

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

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

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

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

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

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 6:** **DEFINED BENEFIT PENSION PLAN** (Continued)

**Actuarial assumptions** (Continued)

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

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

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

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2023

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$2,159,660	\$1,286,470	\$555,466

Pension plan fiduciary net position. Detailed information about the LGDTF’s FNP is available in PERA’s ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

**Summary of Significant Accounting Policies**

*OPEB:* The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.



ESTES VALLEY PUBLIC LIBRARY DISTRICT  
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**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**General Information about the OPEB Plan** (Continued)

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$11,862 for the year ended December 31, 2023.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

At December 31, 2023 the District reported a liability of \$84,530 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District’s proportion of the net OPEB liability was based on The District’s contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District’s proportion was 0.0103%, which was an increase of 0.00153% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023 the District recognized OPEB expense of (\$11,216)). At December 31, 2023, The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$-	\$13,517
Changes of assumptions or other inputs	869	7,057
Net difference between projected and actual earnings on OPEB plan investments	4,887	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	15,375	5,094
Contributions subsequent to the measurement date	11,862	N/A
Total	\$32,993	\$25,668

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 7:**     **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

\$11,862 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended December 31,</b>	
2024	(\$5,988)
2025	(2,274)
2026	1,250
2027	(353)
2028	2,150
Thereafter	678

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ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial Assumptions**

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

	Local Government Division
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than State Troopers	3.20%-11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial Assumptions** (Continued)

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

**Age-Related Morbidity Assumptions**

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and	0.0%	0.0%

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2023

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial Assumptions** (Continued)

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

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2023

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial Assumptions** (Continued)

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

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

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

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

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

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



ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 7:**     **DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial Assumptions** (Continued)

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial Assumptions** (Continued)

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

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

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Sensitivity of The District’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.**

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate <sup>1</sup>	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$82,138	\$84,530	\$87,134

<sup>1</sup>For the January 1, 2023, plan year.

**Discount rate**

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2023

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Discount rate** (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

**Sensitivity of The District’s proportionate share of the net OPEB liability to changes in the discount rate**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$97,996	\$84,530	\$73,013

*OPEB plan fiduciary net position.* Detailed information about the HCTF’s FNP is available in PERA’s ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

ESTES VALLEY PUBLIC LIBRARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 8:** **COMMITMENTS AND CONTINGENCIES**

**Claims and Judgments**

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of December 31, 2023, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

**Tabor Amendment**

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Tabor Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The District believes it has complied with the Amendment.

In November 1999, the electors within the District authorized the District to collect and keep and expend all revenues received and to continue to levy its operating mill levy of 2.39 mills in 1999 and each year thereafter. An election in November 2014 increased the mill levy to 4.52 mills.

The District has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of \$72,000 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

**Ground Lease**

On March 1, 1990, the District approved a ground lease with the Town of Estes Park to allow for the construction of a library facility on the site. Lease payments of \$1 are due annually on March 1, through 2089. At the end of the lease term, all title and interest of the District in the site will vest with the Town of Estes Park.

**REQUIRED SUPPLEMENTARY INFORMATION**

ESTES VALLEY PUBLIC LIBRARY DISTRICT

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
<b>REVENUES</b>				
Property Taxes	\$ 1,976,526	\$ 1,981,598	\$ 5,072	\$ 2,013,912
Specific Ownership Taxes	130,000	142,266	12,266	143,918
Charges for Services	6,650	7,789	1,139	7,998
Grants and Contributions	340,997	346,262	5,265	216,420
Earnings on Investments	118,036	179,264	61,228	57,481
Miscellaneous	32,657	35,180	2,523	20,447
<b>TOTAL REVENUES</b>	<b>2,604,866</b>	<b>2,692,359</b>	<b>87,493</b>	<b>2,460,176</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Administration	773,373	762,471	10,902	761,078
Patron Services	317,103	293,378	23,725	262,025
Program and Outreach	624,728	515,696	109,032	420,135
Technical Services	644,122	648,074	(3,952)	605,372
Building	190,295	175,963	14,332	154,448
Capital Outlay	15,370	24,509	(9,139)	26,526
<b>TOTAL EXPENDITURES</b>	<b>2,564,991</b>	<b>2,420,091</b>	<b>144,900</b>	<b>2,229,584</b>
<b>CHANGE IN FUND BALANCE</b>	<b>\$ 39,875</b>	<b>272,268</b>	<b>\$ 232,393</b>	<b>230,592</b>
<b>FUND BALANCES, Beginning</b>		<b>3,177,309</b>		<b>2,946,717</b>
<b>FUND BALANCES, Ending</b>		<b>\$ 3,449,577</b>		<b>\$ 3,177,309</b>

See the accompanying independent auditor's report

ESTES VALLEY PUBLIC LIBRARY DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PERA LOCAL GOVERNMENT TRUST FUND PLAN

Years Ended December 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability (Asset)	0.1283%	0.1134%	0.1219%	0.1243%	0.1198%	0.1145%	0.1218%	0.1228%	0.1203%	0.1139%
Proportionate Share of the Net Pension Liability (Asset)	\$ 1,286,470	\$ (97,248)	\$ 635,562	\$ 909,399	\$ 1,505,825	\$ 1,275,372	\$ 1,644,900	\$ 1,353,053	\$ 1,078,527	\$ 937,107
Covered payroll	\$ 1,050,566	\$ 943,991	\$ 860,706	\$ 856,242	\$ 785,595	\$ 725,150	\$ 681,069	\$ 697,569	\$ 659,381	\$ 607,538
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	122.45%	-10.30%	73.84%	106.21%	191.68%	175.88%	241.52%	193.97%	163.57%	154.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.99%	101.49%	90.88%	86.26%	75.96%	79.00%	74.00%	77.00%	81.00%	78.00%

See the accompanying independent auditor's report



ESTES VALLEY PUBLIC LIBRARY DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PERA LOCAL GOVERNMENT TRUST FUND PLAN

Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	\$ 159,773	\$ 141,415	\$ 111,403	\$ 114,823	\$ 108,573	\$ 99,902	\$ 91,951	\$ 86,359	\$ 88,380	\$ 83,605
Contributions in Relation to the Contractually Required Contributions	159,773	141,415	111,403	114,823	108,573	99,902	91,951	86,359	88,380	83,605
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,162,843	\$ 1,050,564	\$ 843,985	\$ 888,055	\$ 856,241	\$ 787,871	\$ 725,150	\$ 681,069	\$ 697,001	\$ 659,381
Contributions as a Percentage of Covered Payroll	13.74%	13.46%	13.20%	12.93%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

See the accompanying independent auditor's report

ESTES VALLEY PUBLIC LIBRARY DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
PERA HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net OPEB Liability (Asset)	0.0104%	0.0088%	0.0088%	0.0093%	0.0095%	0.0093%	0.0089%
Proportionate Share of the Net OPEB Liability (Asset)	\$ 84,530	\$ 76,036	\$ 88,440	\$ 107,027	\$ 126,375	\$ 115,680	\$ 121,230
Covered payroll	\$ 1,050,566	\$ 943,991	\$ 860,706	\$ 856,242	\$ 785,595	\$ 725,150	\$ 681,069
Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	8.05%	8.05%	10.28%	12.50%	16.09%	15.95%	17.80%
Plan Fiduciary Net position as a Percentage of the Total OPEB Liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.70%

NOTE: Information for the prior three years was not available for this report.

See the accompanying independent auditor's report

ESTES VALLEY PUBLIC LIBRARY DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PERA HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 11,862	\$ 10,713	\$ 8,610	\$ 9,058	\$ 8,734	\$ 8,036	\$ 7,397
Contributions in Relation to the Contractually Required Contributions	11,862	10,713	8,610	9,058	8,734	8,036	7,397
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,162,843	\$ 1,050,564	\$ 843,985	\$ 888,055	\$ 856,241	\$ 788,159	\$ 725,150
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: Information for the prior three years was not available for this report.

See the accompanying independent auditor's report

**SUPPLEMENTARY INFORMATION**

ESTES VALLEY PUBLIC LIBRARY DISTRICT

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL RESERVE FUND  
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
<b>REVENUES</b>					
Grants and Contributions	\$ -	\$ 86,344	\$ 86,344	\$ -	\$ -
Earnings on Investments	4,600	4,600	7,774	3,174	4,010
Miscellaneous	-	44,013	44,013	-	-
<b>TOTAL REVENUES</b>	<b>4,600</b>	<b>134,957</b>	<b>138,131</b>	<b>3,174</b>	<b>4,010</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Capital Outlay	190,000	304,850	296,754	8,096	-
<b>TOTAL EXPENDITURES</b>	<b>190,000</b>	<b>304,850</b>	<b>296,754</b>	<b>8,096</b>	<b>-</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(185,400)</b>	<b>(169,893)</b>	<b>(158,623)</b>	<b>11,270</b>	<b>4,010</b>
FUND BALANCES, Beginning	233,000	233,000	233,202	202	229,192
FUND BALANCES, Ending	\$ 47,600	\$ 63,107	\$ 74,579	\$ 11,472	\$ 233,202

See the accompanying independent auditor's report

## **Resolution to Dissolve the Capital Reserve Fund**

WHEREAS, the Estes Valley Public Library District Board of Trustees established a Capital Reserve Fund in 2013. This Fund was established with monies that remained in a Debt Service Fund after the retirement of general obligation bonds at the end of 2012, paid off prior to maturity. The Board approved these funds to be used for facility maintenance and reinvestments.

WHEREAS, the Estes Valley Public Library District Board of Trustees has determined that the purpose of this fund was fully satisfied in 2023 with the replacement of the roof on the library building, the upgraded audio-visual equipment in the library meeting rooms, and the upgraded WiFi in the library building and outdoor spaces.

NOW, THEREFORE, BE IT RESOLVED BY THE LIBRARY BOARD OF THE ESTES VALLEY PUBLIC LIBRARY DISTRICT, COLORADO:

That the Capital Reserve Fund be dissolved and the balance in the fund transferred to the Long-Term Reserve account within the General Fund:

<b>Capital Reserve Balance</b>	<b>\$ 102,028.78</b>
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**ADOPTED**, this 20<sup>th</sup> day of May, A.D., 2024.

**ATTEST:**

\_\_\_\_\_, President, Board of Trustees

\_\_\_\_\_, Secretary, Board of Trustees

# Estes Valley Library

## Financial Management Policies

### 1. MONETARY ASSETS: FUNDS AND RESERVES

A. Funds are self-balancing accounting entities with separate financial statements detailing their own income, expenses, assets and liabilities.

B. General Fund: The General Fund finances all District programs and consists of the 3 accounts described below. Funds can move as needed among these accounts.

i) Operating Account – This is the approved Annual Budget, which represents the day-to-day planned operations of the District. The balance will fluctuate throughout the budget year; but at each year's end, the account should retain sufficient funds for operating the first two months of the following year until new tax revenue is received to sustain operating expenses.

ii) Short-Term Operating Reserve – The District will maintain an account balance for fiscal cash liquidity purposes that will provide for sufficient cash flow to operate the District for three months. This reserve balance shall be at least 25% of the current year's budget. This reserve account incorporates the 3% of fiscal year budget required by TABOR as emergency reserve.

iii) Long-Term Reserve – Target reserve of three months or 25%, whichever is greater, of current operating expenditures will be maintained in anticipation of ordinary facility maintenance and/or extreme events. Spending of the long-term reserve below the 25% minimum target requires Board approval. Whenever the District's revenue exceeds annual budgeted operating needs, the surplus will be assigned to this account to meet anticipated future operating and/or capital expenses. The transfer of surplus funds shall take place when the 13th month is finalized, no later than the end of 1st Quarter.

The District will endeavor to maintain 50% of total operating expenses in reserve.

D. Debt Service Fund: In the event that the District assumes debt for capital construction, this fund would be created and restricted to the expenditure of principal and interest to repay that debt.

### 2. DISTRICT STRATEGIC FINANCIAL FORECAST

A. The Board shall establish, in consultation with the Director, a 10-Year Strategic Financial Forecast and shall review it annually.

### 3. ANNUAL BUDGET

A. The fiscal year for the District is January 1 through December 31. The annual budget is the financial plan for the operation of the District for the current year. It provides the framework for both expenditures and revenues for the year, and translates the priorities of the District into financial terms.

B. The development, presentation and administration of the annual budget are the responsibility of the Director assisted by the Accountant. The process begins in July with the final budget approved by the Board in December prior to the deadline established by the State of Colorado.

C. The proposed budget will be available for public viewing in mid-October. Public hearings will be conducted during the November and/or December Board Meetings, with final approval at the December Board Meeting or, prior to the established budget submittal date established by the County or State.

D. The final budget will be approved by resolution and submitted as a total allocated expense amount with a resolution authorizing the mill levy assessment.

E. The Board must approve any subsequent increase to the total allocated expenditures by resolution as soon as practical after an overage is known.

#### 4. PURCHASING, CONTRACTS, CHECKWRITING AND CREDIT CARDS

A. It is the policy of the District to ensure a responsible method of procurement accountability, maintain budgetary control and secure quality goods and services at the best possible cost.

B. Purchases shall be from the supplier that is lowest in cost when quality and timeliness are comparable.

C. If a purchase is less than \$20,000, the Director may make a selection without soliciting bids or proposals; but, the Director shall take informal quotations and compare prices from as many suppliers of the goods or services as may be practical.

D. For purchases between \$20,001 and \$50,000, the director has the discretion to use government purchasing programs. Because these programs have already acquired multiple bids, these vendors can be used without the bidding process. If not used, the Director shall solicit quotes from three or more vendors known to provide the goods or services required. If three providers are not available, the Director shall solicit bids from as many providers as are determined to be practicable.

E. For purchases over \$50,000 a formal Request for Proposal (RFP) is required; 3 vendors minimum. Only the Board shall award bids greater than \$50,000.



<b>Limit/Circumstance</b>	<b>Price Solicitation</b>	<b>Approval</b>
Over \$50,000 total order or contract	Request for Proposal; Seek 3 vendor minimum	Board of Trustees
\$20,000 - \$50,000	Written bids or quotes; Seek 3 vendor preferred	Library Director
Up to \$20,000	Invoices & estimates	Library Director

F. The Director shall check vendor and contractor references and require proof contractors are licensed, bonded and insured before awarding a contract for services to be performed for the Library.

G. The Director will review all existing contracts with the Board annually. Upon renewal date, it may be decided to rebid the contracts as stated above.

H. Credit cards may only be used for official library business. Credit cards will be distributed to the Director, and the Director has authority to further distribute cards to staff with significant purchasing responsibilities. Each cardholder must sign the District Credit Card Agreement. Credit cards must be surrendered upon termination of employment or at the request of the Director.

## 5. FIXED ASSETS

A. The District considers it in the best interest of the public it represents to provide a record of fixed assets owned by the District. To be classified as a fixed asset, a specific unit of property must possess three attributes: tangible value, an expected life of more than one year, and an original cost or recorded value of at least \$20,000. A unit includes all components necessary for the unit to be used for its intended purpose.

B. The District shall maintain a system for an annual inventory of all items meeting the above criteria. This system shall serve the functions of controlling and monitoring the assets of the District. Responsibility for the system shall lie with the Director or their designee.

C. Assets purchased and classified as a fixed asset pursuant to this policy shall be recorded as capital outlay and inventoried as fixed assets for financial reporting purposes. Assets meeting all but the original cost criteria shall be recorded as a separate category of capital outlay.

D. Fully depreciated surplus property may be disposed of with the following priorities:

- i) Another library or other non-profit public agency, preferably by sale.
- ii) A publicly advertised sale.

- iii) Sold to liquidators or auction houses.
- iv) Discarded if deemed to be in such poor condition that it cannot be sold.

## 6. INVESTMENTS

A. Scope: This Investment Policy (Policy) applies to activities of the District with regard to investing the financial assets of the District.

B. Objectives: Funds of the District will be invested in accordance with this policy and Colorado Revised Statutes (C.R.S.) § 24-75-601. The District's investment portfolio shall be managed in a manner to attain an adequate rate of return throughout budgetary and economic cycles while preserving and protecting capital in the overall portfolio. The primary investment criteria in priority sequence are safety, liquidity and yield.

Investment maturity terms must be selected and planned to ensure availability of funds for planned expenses. All General Fund accounts are eligible for investments; however, liquid assets must be readily available when their designated use is required.

C. Delegation of Authority: The Director or designee shall be the Investment Manager (Manager) responsible for investment decisions and activities. Prior to any delegation, the Director shall report the proposed delegation to the Board, with rationale for the delegation. The person or entity that receives the delegation may not further delegate the function. The Manager shall operate the investment management program consistent with this policy. The Finance Committee (Committee) appointed by the Board shall assure that the Manager complies with this policy and report any inconsistencies to the Board.

D. Prudence:

- i) The standard of prudence to be applied by the Manager shall be the Prudent Investor Rule, which states that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. This rule shall be applied in the context of managing the overall portfolio.
- ii) The Manager, acting in accordance with this policy and exercising due diligence, shall not be held personally responsible for specific investment transactions, a security's credit risk, or market price changes.
- iii) The Manager will be held responsible for ensuring sufficient liquidity of investment so District operations can be maintained with minimal borrowing in the event of failure of any financial institution.

E. Portfolio Management and Monitoring:

i) All investments will be made in accordance with the C.R.S., which include the following: § 30-10-708 C.R.S. (Deposit of Funds in Banks and Savings and Loan Associations); § 11-10.5-101 C.R.S. et. seq. (Public Deposit Protection Act (PDPA)); § 24-75-601 C.R.S. et. seq. (Funds – Legal Investments); § 24-75-603 C.R.S. (Depositories); and § 24-75-702 C.R.S. (Local Governments – Authority to Pool Surplus Funds). Any revisions or extensions of these sections of the statutes will be considered to be part of this policy immediately upon the effective date following enactment.

ii) The Manager shall organize, control, and make decisions relating to cash flow needs and investment opportunities. When entering into any fixed term investments, the Manager shall select investments with maturity terms consistent with the District's future cash flow requirements. Instruments should be selected that provide the greatest value within the maturity required and within the parameters of this policy. In addition, the Manager shall conduct a due diligence review of the condition and the regulatory history of each financial institution, including state pools, prior to investing.

iii) The contents of the investment portfolio shall be regularly reviewed by the Committee and presented to the Board for review annually, or more frequently as requested, as an investment report. The report shall consist of: ratings of investments, yield, benchmark comparisons, and narratives.

iv) The Manager may convene a group of knowledgeable citizens to act as advisors. This group shall have no power to modify these investment policies or make any decision delegated to the Investment Manager under these policies, but shall be advisory only.

#### F. Portfolio Diversification:

i) All investments will be considered either short-term (less than one year) or long-term (one to five years). Investments should be chosen by the Manager to meet the objectives for cash flows set forth in Board approved strategic plans and budgets.

ii) The Manager shall diversify investments by using multiple investment vehicles so that, whenever possible, the total portfolio is well diversified.

iii) Instruments and diversification for the long-term portfolio shall be the same as for the short-term portfolio. No long-term investments shall exceed 5 years without approval by the Board.

#### G. Safekeeping and Collateralization:

i) All fixed term investment securities purchased under this policy shall be held in third-party safekeeping by a custodial institution (Custodian) eligible under § 24-

75-601 C.R.S. The Custodian shall issue a safekeeping receipt listing the specific instrument, rate, maturity, and other pertinent information.

ii) Deposit-type securities, such as certificates of deposit, shall be collateralized as required by PDPA for any amount exceeding Federal Deposit Insurance Corporation (FDIC) or Federal Saving and Loan Insurance Corporation (FSLIC) coverage. Money market instruments such as U.S. Securities and Exchange Commission (SEC) registered money market mutual funds qualified under § 24-75-601 C.R.S. and state pools under § 24-75-701 C.R.S. shall be collateralized as required by law.

## 7. CASH MANAGEMENT AND BANKING

A. It is the policy of the District to ensure safe and secure handling of monies through an efficient cash management program. Funds will be held only by banks, which insure funds through the FDIC or are organized as a Government Investment Pool as defined in § 24-75-701 C.R.S.

B. The District subscribes to dual-control practice. The Director, Accountant, Board President and Treasurer are the only approved signers. Two signatures are required for:

- i) Opening and closing of accounts.
- ii) Signing checks generated in-house.
- iii) Authorizing any funds transferred between accounts.

C. All bank statements will be reconciled monthly by the Accountant and reviewed by the Director and the Committee on a quarterly basis. All Expenditures will be reviewed monthly by the Committee.

D. Cash receipts will be accounted for using procedures and documentation developed by the Director.

E. The District accepts payments in cash, checks, electronic transfer and by credit card via a patron's library account. Individuals issuing checks that are returned for insufficient funds or any other reason may be submitted to collections and assessed a charge of \$20.00.

F. The District is authorized to maintain petty cash up to \$ 100.00. The purpose of petty cash is to provide money for staff making small purchases which are needed immediately and do not exceed the sum of \$20.00. Receipts are required.

G. Cash and salary advances to employees and cashing of employee personal checks are not allowed.

## 8. DEBT MANAGEMENT

A. All legal debt as prescribed by § 24-75-9 C.R.S. and § 29-15-104 C.R.S. is a potential means for raising or securing funds.

B. A business line of credit, not to exceed \$100,000, shall be established for the purpose of providing business credit cards to designated staff (see Section 4. I). The total amount of the credit line shall be established by the Director and approved by the Board. Two signatures shall be required to secure a business line of credit; 1) the Director, and 2) either the Board President or the Board Treasurer. The Director shall designate the Accountant to act as Administrator of the business credit card account.

C. The Board may authorize temporary short-term borrowing when appropriate. Term of the loan may not exceed six months.

D. The Board may authorize borrowing for major projects, including but not limited to the following financing options: certificates of participation, tax-exempt lease purchase financing, or ballot issues as permitted by C.R.S. 24-90-516.

## 9. GIFTS & MEMORIALS

A. The District acknowledges the great importance of gifts and donations to the Library's future development and growth. All gifts are considered accepted when the Director or the Board determines that they can be utilized by or be of benefit to the Library.

B. The Estes Valley Library Friends & Foundation (Friends & Foundation) will accept and manage all gifts of cash, securities, real property and bequests made to the District that are compatible with the Library and the Friends & Foundation policies and procedures, the donor's intent, and applicable laws.

C. Donations of books and other similar materials are transferred to the Friends & Foundation after the Library staff selects those materials that comply with the Library's regular selection criteria.

## 10. MONITORING AND REPORTING

A. The Director is responsible for submitting to the Board a monthly report showing revenue, expenses and fund balances to date. The Director will highlight variances to the approved budget in the monthly report.

B., The Director shall provide an update to the Board on a monthly basis addressing compliance with requirements of these Financial Management Policies as the compliance/event occurs. This report shall include required reporting on investments as prescribed in Section 6. INVESTMENTS, subsection E. Portfolio Management and Monitoring.

C. In the event that any of the Reserve accounts fall below their required minimums, the Director shall immediately alert the Board, and shortly thereafter propose a plan for reestablishing those accounts to their minimum requirements.

## 11. ANNUAL AUDIT

A. As required by § 29-1-601 through § 29-1-608 C.R.S. (Local Government Audit Law), and § 24-90-109 (Library Law), the Board shall ensure that an annual audit of the financial affairs and transactions of all funds and activities of the District be conducted for each fiscal year, and that the results of the audit be distributed as described in these statutes.

B. It is the duty of the Committee to oversee the annual Financial Audit. It is the auditor's responsibility to plan and conduct the audit. The auditor, with input from the Library staff, determines that the District's financial statements are in accordance with generally accepted accounting principles.

C. Audit shall be completed and the audit report submitted by the auditor to the District Board no later than the June board meeting.

D. The Committee, working with the Director will initiate a review of the audit engagement and performance of the contracted Auditor every seven years. Bids may be solicited as part of this review in order to ensure competitive rates.

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The Estes Valley Library Financial Management Policies were adopted and approved by the Estes Valley Public Library District Board of Trustees on November 17, 2014 and revised on September 15, 2017, November 18, 2019, February 16, 2021 and May 20, 2024.

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Lynn Lawson, President

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Anne Dewey, Secretary