

**Clearview Library District
Windsor, Colorado**

Financial Statements
with Independent Auditor's Report

December 31, 2023



Clearview Library District

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December 31, 2023

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**HINKLE &
COMPANY**

Strategic ^{PC}
Business Advisors

Independent Auditor's Report

Board of Trustees
Clearview Library District
Windsor, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Clearview 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 present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the District, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Hick & Company, PC

Englewood, Colorado
July 31, 2024



Clearview Library District

Management's Discussion and Analysis

December 31, 2023

As management of the Clearview Library District (the "District"), we offer readers of the District's financial statement 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 statement 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 and from business-type activities that are intended to recover a portion of their costs through user fees and charges. Governmental activities include general library operations. The District has no business-type activities.

Clearview Library District
Management's Discussion and Analysis
December 31, 2023

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 statement 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 presentations. This statement demonstrates compliance with the District's adopted and final revised budget.

As discussed, the district reports major funds in the basic financial statements. The District reports one such fund – The General Fund.

Government-wide Financial Analysis

The following represents condensed financial information taken from the government-wide (accrual basis) financial statement for the year ended December 31, 2023.

Clearview Library District
Management's Discussion and Analysis
December 31, 2023

Financial Analysis of the Funds

Statement of Net Position		
	2023	Percent of Total
Assets		
Cash and Investments	\$ 8,963,131	33.09%
Restricted Cash and Investments	1,296,693	4.79%
Accounts Receivable	590	0.01%
Property Tax Receivable	5,736,273	21.18%
Prepaid Expenses	19,573	0.05%
Capital Assets, Not Being Depreciated	7,508,662	27.72%
Capital Assets, Being Depreciated	3,563,799	13.16%
Total Assets	27,088,721	100.00%
Deferred Outflows of Resources		
Pension, Net of Accumulated Amortization	1,172,818	96.66%
OPEB, Net of Accumulated Amortization	40,485	3.34%
Total Deferred Outflows of Resources	1,213,303	100.00%
Liabilities		
Accounts Payable	959,985	11.05%
Accrued Liabilities	16	0.00%
Accrued Interest Payable	9,301	0.12%
Noncurrent Liabilities		
Due Within One Year	310,037	3.57%
Due in More Than One Year	5,134,861	59.09%
Net Pension Liability	2,135,143	24.57%
Net OPEB Liability	140,006	1.61%
Total Liabilities	8,689,349	100.00%
Deferred Inflows of Resources		
Property Taxes	5,736,273	98.95%
Deferred Inflows – Pension	10,645	0.18%
Deferred Inflows - OPEB	50,484	0.87%
Total Deferred Inflows of Resources	5,797,402	100.00%
Net Position		
Net Investment in Capital Assets	7,029,154	50.88%
Restricted	135,000	.98%
Unrestricted	6,651,119	48.14%
Total Net Position	\$ 13,815,273	100.00%

Clearview Library District
Management's Discussion and Analysis
December 31, 2023

Statement of Activities		2023	Percent of Total Revenue
Revenues			
Property Taxes	\$	5,736,930	86.97%
Specific Ownership Taxes		244,106	3.70%
Charges for Services		9,751	0.15%
Grant		248,059	3.76%
Investment Income		426,308	6.47%
Miscellaneous		2737	.05%
Loss on Disposal of Assets		-(70,900)	(1.06)%
Total Revenue		6,596,991	100.00%
Expenditures			
Library Services		3,452,027	52.33%
Debt Service		116,204	1.77%
Total Expenditures		3,568,231	54.10%
Change in Net Position	\$	3,028,760	45.90%

Financial Highlights

- As of December 31, 2023 the District's net pension liability was \$2,135,143 which is an increase from 2022 of \$2,311,173.
- The District realized an increase to total net position of \$3,028,760 to a total of \$13,815,273. Of the total net position, \$7,029,154 is reflected in the net investment in capital assets and \$135,000 is restricted for emergencies.
- The District is reliant on property tax revenue to support operations. During 2023, property taxes provided 86.97% of the District's total revenue.
- Beginning with tax collection year 2002, the annual authorized combined operating and debt service mill levy is 3.546. Since 2001, the voters allowed the District to collect, keep and expend all revenues related to this levy. It was also exempted from the old law 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.
- The District had a net decrease in fund balance of \$2,896,698, primarily due to planned capital outlay expenditures of \$1,636,948 for the Windsor branch renovation and construction of the Severance branch.
- The District made the required payments on the certificate of participation of \$356,204.

Clearview Library District
Management's Discussion and Analysis
December 31, 2023

- In 2023 a major renovation of the Windsor Severance Library (renamed as the Windsor Library in 2024) was completed.

- Ground was broken for the Severance Library in May of 2023 and construction started soon after. Funds from the Department of Local Affairs and the 2022 certificate of participation issuance partially used to fund the construction in 2023.

Request for Information

This financial report is designed to provide a general overview of the District's finances for anyone who is interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Clearview Library District, 1194 W. Ash St., Windsor, CO 80550, or you may call the library director at (970)-686-9955.

Basic Financial Statements

Clearview Library District
Statement of Net Position
December 31, 2023

	<u>Primary Governmental Activities</u>
Assets	
Cash and Investments	\$ 8,963,131
Restricted Cash and Investments	1,296,693
Accounts Receivable	590
Property Taxes Receivable	5,736,273
Prepaid Expenses	19,573
Capital Assets, Not Being Depreciated	7,508,662
Capital Assets, Net of Accumulated Depreciation	<u>3,563,799</u>
Total Assets	<u>27,088,721</u>
Deferred Outflows of Resources	
Pensions, Net of Accumulated Amortization	1,172,818
OPEB, Net of Accumulated Amortization	<u>40,485</u>
Total Deferred Outflows of Resources	<u>1,213,303</u>
Liabilities	
Accounts Payable	959,985
Accrued Liabilities	16
Accrued Interest Payable	9,301
Noncurrent Liabilities:	
Due Within One Year	310,037
Due in More Than One Year	5,134,861
Net Pension Liability	2,135,143
Net OPEB Liability	<u>140,006</u>
Total Liabilities	<u>8,689,349</u>
Deferred Inflows of Resources	
Property Taxes	5,736,273
Pensions, Net of Accumulated Amortization	10,645
OPEB, Net of Accumulated Amortization	<u>50,484</u>
Total Deferred Inflows of Resources	<u>5,797,402</u>
Net Position	
Net Investment in Capital Assets	7,029,154
Restricted	135,000
Unrestricted	<u>6,651,119</u>
Total Net Position	<u>\$ 13,815,273</u>

See Notes to the Financial Statements.

Clearview Library District
Statement of Activities
December 31, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position Governmental Activities
		Charges for Services	Operating Grant and Contributions	
Primary Government				
<i>Governmental Activities</i>				
Library Services	\$ 3,452,027	\$ 9,751	\$ 248,059	\$ (3,194,217)
Interest on Debt	<u>116,204</u>	<u>-</u>	<u>-</u>	<u>(116,204)</u>
Total Primary Government	<u>\$ 3,568,231</u>	<u>\$ 9,751</u>	<u>\$ 248,059</u>	<u>\$ (3,310,421)</u>
General Revenues				
				5,981,036
				426,308
				2,737
				<u>(70,900)</u>
				<u>6,339,181</u>
				3,028,760
				<u>10,786,513</u>
				<u>\$ 13,815,273</u>

Clearview Library District
Balance Sheet
Governmental Funds
December 31, 2023

	General
Assets	
Cash and Investments	\$ 8,963,131
Restricted Cash and Investments	1,296,693
Accounts Receivable	590
Property Taxes Receivable	5,736,273
Prepaid Items	19,573
Total Assets	16,016,260
Liabilities	
Accounts Payable	959,985
Accrued Liabilities	16
Total Liabilities	960,001
Deferred Inflows of Resources	
Property Taxes	5,736,273
Fund Balance	
Nonspendable:	
Prepaid Items	19,573
Restricted for:	
Emergencies	135,000
Committed:	
Operating Reserve	2,228,240
Capital Reserve	1,210,651
Long-term Building	2,446,458
Unrestricted, Unassigned	3,280,064
Total Fund Balance	9,319,986
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 16,016,260
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Total Fund Balance of Governmental Funds	\$ 9,319,986
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	11,072,461
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Notes Payable	(5,340,000)
Accrued Compensated Absences	(104,898)
Accrued Interest Payable	(9,301)
Net Pension Liability	(2,135,143)
OPEB Liability	(140,006)
Deferred Outflows - Pension	1,172,818
Deferred Outflows - OPEB	40,485
Deferred Inflows - Pension	(10,645)
Deferred Inflows - OPEB	(50,484)
Total Net Position of Governmental Activities	\$ 13,815,273

See Notes to the Financial Statements.

Clearview Library District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	General
Revenues	
Property Taxes	\$ 5,736,930
Specific Ownership Taxes	244,106
Charges for Services	9,751
Grants	248,059
Investment Income	426,308
Miscellaneous	<u>2,737</u>
Total Revenues	<u>6,667,891</u>
Expenditures	
Current	
Library Services	3,680,362
Capital Outlay	5,524,605
Debt Service	<u>356,622</u>
Total Expenditures	<u>9,561,589</u>
Net Change in Fund Balance	(2,893,698)
Fund Balance, Beginning of Year	<u>12,213,684</u>
Fund Balance, End of Year	<u>\$ 9,319,986</u>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Change in Fund Balance of Governmental Funds	\$ (2,893,698)
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Depreciation Expense	(290,802)
Capital Outlays	5,812,275
Loss on Disposal of Capital Assets	<u>(70,900)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Compensated Absences	(1,568)
Accrued Interest Payable	418
Principal Payments on Notes Payable	240,000
Net Pension Liability	(2,311,173)
OPEB Liability	(2,378)
Deferred Outflows - Pension	932,093
Deferred Outflows - OPEB	17,876
Deferred Inflows - Pension	1,588,227
Deferred Inflows - OPEB	<u>8,390</u>
Change in Net Position of Governmental Activities	<u>\$ 3,028,760</u>

See Notes to the Financial Statements.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies

The Clearview Library District (the District) was formed on August 25, 1985, by the Town of Windsor and the Weld RE4 School District. The District is governed by a five-member Board of Trustees appointed in accordance with the by-laws of District.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. 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 there is a potential for the organization to provide benefits to, or impose financial burdens on, the District.

The District Friends and Foundation (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 discretely presented component unit in the District's financial statements. Separate financial statements for the Foundation may be obtained by writing to 720 3rd Street, Windsor, Colorado 80550.

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 activities of the District. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported in a single column. The *primary government* is reported separately from the legally separate *component unit* 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 or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes 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.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when 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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and investment income associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues 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 a specific use, it is the District's practice to use restricted resources first, and unrestricted resources as they are needed.

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

The *General Fund* is the District's primary operating fund. It is used to account for all financial activities of the District, except those accounted for in another fund.

Assets, Liabilities and Net Position/Fund Balance

Receivables - 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.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

Capital Assets - Capital assets, which include buildings and improvements, furniture and 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 \$3,000 or more 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 the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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	15 - 40 years
Furniture and Equipment	5 - 15 years
Library Books and Audio-Visual Materials	10 years

Compensated Absences - Employees of the District are allowed to accumulate unused vacation time. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time at their current pay rate.

These compensated absences are recognized as expenditures when due in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences, which are expected to be liquidated with revenues of the General Fund.

Pensions - The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the LGDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the LGDTF. 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.

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent fiscal year.

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The Board of Trustees is authorized to commit fund balance through passage of a resolution and has assigned fund balances to specific purposes using the budget message.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

The District has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the District uses restricted fund balance first, followed by committed, assigned and unassigned fund balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the District on a monthly basis.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance for these risks of loss.

Subsequent Events

The District has evaluated subsequent events through July 31, 2024, the date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2023, follows:

Petty Cash	\$ 515
Deposits	1,721,956
Investment	<u>8,537,353</u>
 Total	 <u>\$ 10,259,824</u>

Cash and Investments are presented in the accompanying financial statements as follows:

Unrestricted Cash and Investments	\$ 8,963,131
Restricted Cash and Investments	<u>1,296,693</u>
 Total	 <u>\$ 10,259,824</u>

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's 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

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 years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

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 Pool - At December 31, 2023, the District had \$8,537,353 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating ColoTrust. ColoTrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. ColoTrust is rated AAAM by Standard and Poor's. Investments of ColoTrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 2: Cash and Investments (Continued)

Investments (Continued)

Fair Value Measurements - The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2023, the District's investment in ColoTrust was reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

Note 3: Capital Assets

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

	Balance 12/31/22	Additions	Transfers	Deletions	Balance 12/31/23
<i>Capital Assets, not being depreciated</i>					
Land	\$ 1,037,824	\$ -	\$ -	\$ -	\$ 1,037,824
Construction in Progress	1,602,768	5,478,698	(610,628)	-	6,470,838
Total Capital Assets, <i>not being depreciated</i>	<u>2,640,592</u>	<u>5,478,698</u>	<u>(610,628)</u>	<u>-</u>	<u>7,508,662</u>
<i>Capital Assets, being depreciation</i>					
Buildings and Improvement	\$ 3,977,226	\$ -	\$ 580,500	\$ -	\$ 4,557,726
Land Improvements	146,656	-	-	-	146,656
Books	861,432	283,600	-	(141,800)	1,003,232
Furniture and Equipment	838,515	49,977	30,128	-	918,620
Total Capital Assets, <i>being depreciation</i>	<u>5,823,829</u>	<u>333,577</u>	<u>610,628</u>	<u>(141,800)</u>	<u>6,626,234</u>
<i>Less Accumulated Depreciation:</i>					
Buildings and Improvement	(1,634,413)	(123,186)	-	-	(1,757,599)
Land Improvements	(125,304)	(4,280)	-	-	(129,584)
Books	(281,892)	(156,530)	-	70,900	(367,522)
Furniture and Equipment	(800,924)	(6,806)	-	-	(807,730)
Total Accumulated Depreciation	<u>(2,842,533)</u>	<u>(290,802)</u>	<u>-</u>	<u>70,900</u>	<u>(3,062,435)</u>
Total Capital Assets, <i>being depreciated</i>	<u>2,981,296</u>	<u>42,775</u>	<u>610,628</u>	<u>(70,900)</u>	<u>3,563,799</u>
Capital Assets, Net	<u>\$ 5,621,888</u>	<u>\$ 5,521,473</u>	<u>\$ -</u>	<u>\$ (70,900)</u>	<u>\$ 11,072,461</u>

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 4: Long-Term Debt

The long-term debt transactions for the year ended December 31, 2023, is summarized below.

	<u>Balance 12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/23</u>	<u>Due Within One Year</u>
Notes Payable					
Certification of Participation	\$ 5,580,000	\$ -	\$ (240,000)	\$ 5,340,000	\$ 245,000
Compensated Absences	103,330	64,542	(62,974)	104,898	65,037
Total Long-term Debt	<u>\$ 5,683,330</u>	<u>\$ 64,542</u>	<u>\$ (302,974)</u>	<u>\$ 5,444,898</u>	<u>\$ 310,037</u>

On March 1, 2022, the District issued certificates of participation in the amount of \$5,760,000. The proceeds are being used to renovate the newly acquired Ash and Severance properties. The certificates require semi-annual interest and annual principal payments on June 1 and December 1 through December 2041. The Certificates bear an interest rate of 2.09%.

The District has the right to terminate the lease and pre-pay remaining balance with no pre-payment penalty. The District has the requirement to not be in default in the payments and to maintain adequate insurance on the property. The District does not have to comply with specific financial covenants.

The annual debt service requirements for the Certificates are as follows:

<u>Year End December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2024	\$ 245,000	\$ 111,606	\$ 356,606
2025	255,000	106,486	361,486
2026	260,000	101,156	361,156
2027	265,000	95,722	360,722
2028	270,000	90,184	360,184
2029 to 2033	1,430,000	364,184	1,794,184
2034 to 2038	1,585,000	208,373	1,793,373
2038 to 2041	1,030,000	43,368	1,073,368
	<u>\$ 5,340,000</u>	<u>\$ 1,121,079</u>	<u>\$ 6,461,079</u>

Note 5: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the LGDTF, a cost-sharing multiple-employer defined benefit pension plan administered by PERA. All employees of the District participate in the LGDTF. 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 financial report (ACFR) that includes information on the LGDTF that may be obtained at www.copera.org/investments/pera-financial-reports.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 5: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Benefits Provided - The LGDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure under which the member retires, the benefit option selected at retirement, and age at retirement.

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also 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 percent or 100 percent 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 are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 5: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Eligible benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007, will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned AIR for a given year up to one-quarter of 1 percent based on the parameter's specified 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 a disability. The disability benefit amount is based on the lifetime retirement benefit formula described previously, considering a minimum of twenty years of service credit, if deemed disabled.

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

Contributions - The District and eligible employees 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. The contribution rate for eligible employees was 10.50% of covered salaries during the period of January 1, 2022 to June 30, 2022, and 11% of covered salaries during the period of July 1, 2022 through December 31, 2023. The District's contribution rate for calendar year 2023 was 13.70% of covered salaries, respectively. However, a portion of the Authority's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 5). Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. The District's contributions to the LGDTF for the year ended December 31, 2023, were \$279,309, equal to the required contributions.

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 at December 31, 2022, and the total pension liability 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 total pension liability to December 31, 2022.

The District's proportion of the net pension liability was based on District's contributions to the LGDTF for the calendar year ended December 31, 2022 relative to the total contributions of participating employers to the LGDTF. At December 31, 2022 the District's proportion was 0.2129684972%, which was an increase of 0.0076548023% from its proportion measured at December 31, 2021.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 5: Defined Benefit Pension Plan (Continued)

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

At December 31, 2023, the District reported a net pension liability of \$2,135,143, representing its proportionate share of the net pension liability of the LGDTF.

For the year ended December 31, 2023, the District recognized pension expense of \$198,983. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,645
Changes of assumptions and other inputs	-	-
Net difference between projected and actual earnings on plan investments	871,662	-
Changes in proportion	21,847	-
Contributions subsequent to the measurement date	279,309	-
 Total	 \$ 1,172,818	 \$ 10,645

District contributions subsequent to the measurement date of \$279,309 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31,</u>			
2024		\$	(267,597)
2025			320,658
2026			319,071
2027			510,732
 Total		 \$	 882,864

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 5: Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total pension liability using the following actuarial assumptions and other inputs.

	Assumptions
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.2% - 11.30%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by the Annual Increase Reserve (AIR)

¹The discount rate reflected in the roll-forward calculation of the total pension liability to the measurement date was 7.25%.

Healthy mortality assumptions for active members were based on the PubG-2010 Employee Table with generational projection using scale MP-2019.

Healthy, post-retirement mortality assumptions were based on the PubS-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.

For disabled retirees, the mortality assumption was based on 90 percent of the PubS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019..

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2020.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 5: Defined Benefit Pension Plan (Continued)

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

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, 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 percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation, and best estimates of geometric real rates of return for each major asset class, as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternative	6.00%	4.70%
Total	<u>100%</u>	

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 rate of return assumption of 7.25%.

Discount Rate - The discount rate used to measure the total pension liability 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 scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 5: Defined Benefit Pension Plan (Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the 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 included 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 fiduciary net position, 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 fiduciary net position 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 projection test indicates the LGDTF's fiduciary net position 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 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the District's 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, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ <u>3,584,368</u>	\$ <u>2,135,143</u>	\$ <u>921,902</u>

Pension Plan Fiduciary Net Position - Detailed information about the LGDTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 6: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the HCTF, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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. PERA issues a publicly available financial report that includes information on the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

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

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

Enrollment in the PERACare 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.

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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The basis for 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 percent 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.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 6: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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 or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions - As established by Title 24, Article 51, Section 208 of the CRS, 1.02% of the District's contributions to the LGDTF (see Note 4) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Clearview Library District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District for the year ended December 31, 2023, was \$17,616, equal to the required amount.

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 net OPEB liability of \$140,006 representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2022, and the total OPEB liability 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 total OPEB liability 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 ended December 31, 2022, relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.0171475411%, which was an increase of 0.0011870546% from its proportion measured at December 31, 2021.

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 6: Postemployment Healthcare Benefits (Continued)

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

For the year ended December 31, 2023, the District recognized OPEB benefit of \$1,137. 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>
Differences between expected and actual experience	\$ 19	\$ 33,804
Changes in assumptions and other inputs	2,235	15,451
Net difference between projected and actual earnings on plan investments	8,551	-
Changes in proportion	8,945	1,229
Contributions subsequent to the measurement date	<u>20,735</u>	<u>-</u>
Total	<u>\$ 40,485</u>	<u>\$ 50,484</u>

District contributions subsequent to the measurement date of \$20,735 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended December 31,</u>	
2024	\$ (12,631)
2025	(11,642)
2026	(4,137)
2027	592
2028	(2,346)
Thereafter	<u>(570)</u>
Total	<u>\$ (30,734)</u>

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 6: Postemployment Healthcare Benefits (Continued)

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

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

	Assumptions
Price inflation	2.30%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	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:	0.0%
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 total OPEB liability for the Trust Fund, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S § 24-51-313, of the of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

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

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.

Clearview Library District

Notes to Financial Statements

December 31, 2023

Note 6: Postemployment Healthcare Benefits (Continued)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, 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.

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on 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.

For disabled retirees, the mortality assumption was based on 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 measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in 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 cost 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

Clearview Library District

Notes to Financial Statements

December 31, 2023

Note 6: Postemployment Healthcare Benefits (Continued)

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

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the 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 total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2020.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, 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 percentage 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, as presented previously (See Note 5).

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%.

Clearview Library District

Notes to Financial Statements

December 31, 2023

Note 6: Postemployment Healthcare Benefits (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the Trust Fund 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 projection test indicates the HCTF's fiduciary net position was projected 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 total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as the District's proportionate share of the net OPEB liability 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, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ <u>162,309</u>	\$ <u>140,006</u>	\$ <u>120,930</u>

Clearview Library District
Notes to Financial Statements
December 31, 2023

Note 6: Postemployment Healthcare Benefits (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the District's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, ranging from 3% to 5%, as well as the District's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Proportionate share of the net OPEB liability	\$ <u>136,043</u>	\$ <u>140,006</u>	\$ <u>144,318</u>

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

Note 7: Commitments and Contingencies

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation, but the District believes it is in substantial compliance with the Amendment.

In November 2001, 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 3.546 mills in 2002, and each year thereafter.

The District has established a reserve for emergencies, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of \$135,000 was reported as restricted fund balance in the General Fund.

Required Supplementary Information

Clearview Library District
Schedules of Proportionate Share of Net Pension Liability and Contributions
(And Related Statistics)
For the Years Ended December 31, 2023, 2022, 2021, 2020 and 2019

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Proportionate Share of the Net Pension Liability					
District's Proportion of the Net Pension Liability	0.2129684972%	0.2053136949%	0.2033565142%	0.1939148053%	0.1905991238%
District's Proportionate Share of the Net Pension Liability	\$ 2,135,143	\$ (176,030)	\$ 1,059,746	\$ 1,418,275	\$ 2,396,237
District's Covered Payroll	\$ 1,727,088	\$ 1,529,214	\$ 1,433,942	\$ 1,335,391	\$ 1,314,385
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	124%	-12%	74%	106%	182%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83%	101%	91%	86%	76%
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
District Contributions					
Statutorily Required Contribution	\$ 279,309	\$ 250,557	\$ 201,851	\$ 171,736	\$ 169,328
Contributions in Relation to the Statutorily Required Contribution	<u>(279,309)</u>	<u>(250,557)</u>	<u>(201,851)</u>	<u>(171,736)</u>	<u>(169,328)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's Covered Payroll	\$ <u>2,032,811</u>	\$ <u>1,727,088</u>	\$ <u>1,529,214</u>	\$ <u>1,433,942</u>	\$ <u>1,335,391</u>
Contributions as a Percentage of Covered Payroll	13.74%	14.51%	13.20%	11.98%	12.68%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Clearview Library District
Schedules of Proportionate Share of Net Pension Liability and Contributions
(And Related Statistics)
For the Years Ended December 31, 2018, 2017, 2016 and 2015
(Continued)

	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Proportionate Share of the Net Pension Liability				
District's Proportion of the Net Pension Liability	0.1960687538%	0.1847000000%	0.1720000000%	0.1718000000%
District's Proportionate Share of the Net Pension Liability	\$ 2,183,094	\$ 2,494,489	\$ 1,895,070	\$ 1,540,151
District's Covered Payroll	\$ 1,235,566	\$ 1,119,697	\$ 977,063	\$ 941,566
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	177%	223%	194%	164%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79%	74%	77%	81%
	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
District Contributions				
Statutorily Required Contribution	\$ 158,517	\$ 156,838	\$ 141,978	\$ 123,885
Contributions in Relation to the Statutorily Required Contribution	<u>(158,517)</u>	<u>(156,838)</u>	<u>(141,978)</u>	<u>(123,885)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's Covered Payroll	\$ <u>1,314,385</u>	\$ <u>1,314,385</u>	\$ <u>1,119,697</u>	\$ <u>977,063</u>
Contributions as a Percentage of Covered Payroll	12.06%	11.93%	12.68%	12.68%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Clearview Library District
Schedules of Proportionate Share of Net OPEB Liability and Contributions
(And Related Statistics)
For the Years Ended December 31, 2023, 2022, 2021 and 2020

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Proportionate Share of the Net OPEB Liability				
District's Proportion of the Net OPEB Liability	0.0171475411%	0.0159604865%	0.0155093452%	0.0147809766%
District's Proportionate Share of the Net OPEB Liability	\$ 162,309	\$ 137,628	\$ 168,819	\$ 225,015
District's Covered Payroll	\$ 1,727,088	\$ 1,529,214	\$ 1,433,942	\$ 1,335,391
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	9%	9%	12%	17%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	17%	33%	17%
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
District Contributions				
Statutorily Required Contribution	\$ 20,735	\$ 17,616	\$ 15,598	\$ 14,626
Contributions in Relation to the Statutorily Required Contribution	<u>(20,735)</u>	<u>(17,616)</u>	<u>(15,598)</u>	<u>(14,626)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,032,811</u>	<u>\$ 1,727,088</u>	<u>\$ 1,529,214</u>	<u>\$ 1,433,942</u>
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Clearview Library District
Schedules of Proportionate Share of Net OPEB Liability and Contributions
(And Related Statistics)
For the Years Ended December 31, 2019, 2018 and 2017
(Continued)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
Proportionate Share of the Net OPEB Liability			
District's Proportion of the Net OPEB Liability	0.0148515701%	0.0152354666%	0.0141805787%
District's Proportionate Share of the Net OPEB Liability	\$ 226,090	\$ 198,000	\$ 183,856
District's Covered Payroll	\$ 1,314,385	\$ 1,235,566	\$ 1,147,307
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	17%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17%	17%	17%
	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
District Contributions			
Statutorily Required Contribution	\$ 13,621	\$ 12,751	\$ 11,985
Contributions in Relation to the Statutorily Required Contribution	<u>(13,621)</u>	<u>(12,751)</u>	<u>(11,985)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's Covered Payroll	\$ <u>1,335,391</u>	\$ <u>1,314,385</u>	\$ <u>1,235,566</u>
Contributions as a Percentage of Covered Payroll	1.02%	0.97%	0.97%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Clearview Library District
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Property Taxes	\$ 5,736,273	\$ 5,736,930	\$ 657
Specific Ownership Taxes	230,000	244,106	14,106
State Library Grant	11,607	248,059	236,452
Charges for Services	8,000	9,751	1,751
Investment Income	130,000	426,308	296,308
Miscellaneous	3,500	2,737	(763)
Total Revenues	6,119,380	6,667,891	548,511
Expenditures			
Current			
Library Services	4,492,484	3,680,362	812,122
Capital Outlay	8,683,478	5,524,605	3,158,873
Debt Service	356,622	356,622	-
Total Expenditures	13,532,584	9,561,589	3,970,995
Net Change in Fund Balance	\$ (7,413,204)	(2,893,698)	\$ 4,519,506
Fund Balance, Beginning of Year		12,213,684	
Fund Balance, End of Year		\$ 9,319,986	

Clearview Library District
Notes to Required Supplementary Information
December 31, 2023

Note 1: Schedule of Proportionate Share of the Net Pension Liability and Contributions

The Public Employees' Retirement Association of Colorado (PERA) Local Government Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The District's contributions and related ratios represent cash contributions and any related accruals that coincide with the District's fiscal year ending on June 30.

Changes in Assumptions and Other Inputs

For the year ended December 31, 2023, the total pension liability was determined by an actuarial valuation as of December 31, 2018. The following revised economic and demographic assumptions were effective as of December 31, 2018.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.4% per year. This assumption did not change from the prior year.
- Wage inflation assumption increased from 3.5% - 9.7% to 3.5% - 10.45%.
- Healthy and disabled mortality assumptions are based on the RP-2014 Mortality Tables.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Budgets are required by State statutes for all funds and are adopted on a basis consistent with generally accepted accounting principles.

The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Governing Board a proposed budget for the fiscal year commencing the following October 15. The budget includes proposed expenditures and the means of financing them.
- Prior to December 31, the budget is adopted by the Governing Board.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Governing Board.
- All appropriations lapse at fiscal year-end.