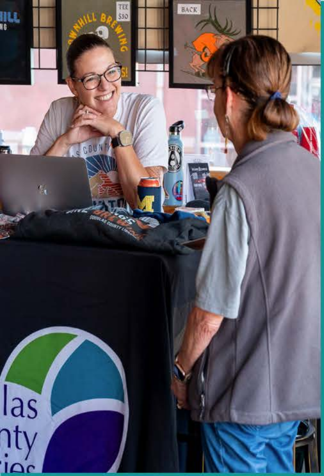
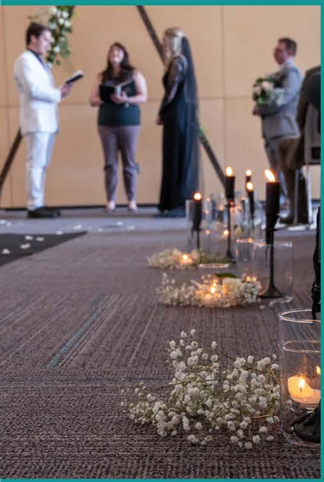
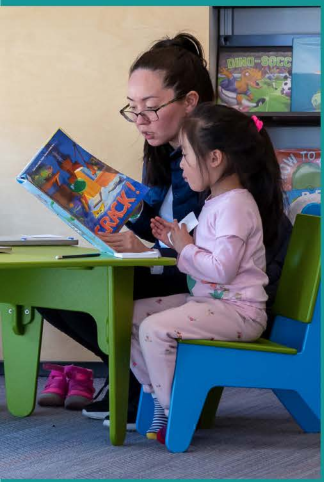
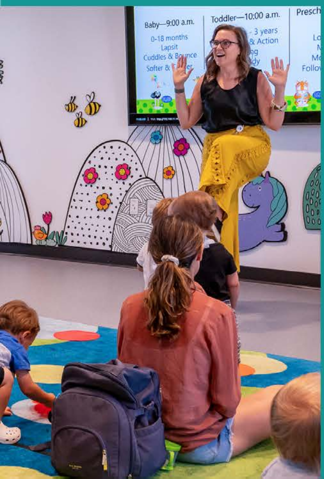
ANNUAL REPORT
2023

Douglas County Libraries

ANNUAL REPORT 2023

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Douglas County Libraries

TRANSMITTAL LETTER

April 23, 2024

To the Douglas County Commissioners, the Board of Trustees of the Douglas County Libraries, and the Citizens of Douglas County:

As required by Colorado Audit Law, Section 29-1-601, et seq., C.R.S. and Colorado Library Law Section 24-90-109(1)(l), C.R.S. 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. The goal of the annual audit is to provide assurance that the financial statements of the District are presented in conformity with governmental accounting standards. The audit must be performed by an independent firm of licensed certified public accountants. In accordance with this requirement, we submit for your information and review, the Douglas County Libraries Annual Report for the year ended December 31, 2023.

Management for the District is responsible for the completeness and reliability of information presented in this report. To provide a reasonable basis for making these representations, the District has established a comprehensive internal framework that is designed to protect the District's assets from loss, theft, or misuse and to provide sufficient reliable information for the preparation of the financial statements. Because the cost of the internal controls should not exceed the benefits, the internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The District's financial statements have been audited by Eide Bailly, LLP, and they have issued an unmodified opinion on the District's financial statements. An "unmodified" opinion means that the financial statements meet the "in conformity with generally accepted accounting principles (GAAP)" requirement.

Management provides a narrative introduction, overview and analysis of the basic financial statements. Management's Discussion and Analysis (MD&A) provides an overview of the financial statements and is intended to complement this letter of transmittal. The MD&A can be found in the Financial Section of this Annual Report immediately following the report of independent auditors.

PROFILE OF THE DOUGLAS COUNTY LIBRARIES DISTRICT

Douglas County Libraries elevates our community by inspiring a love of reading, discovery and connection.

Douglas County Libraries ("the District") was established in November 1990, by resolution of the Board of County Commissioners of Douglas County, pursuant to a vote by the electors of Douglas County in favor of establishing a library district with the authority for a mill levy on real and personal property in Douglas County for the establishment, operation and maintenance of the District. The District includes all property within the boundaries of Douglas County, Colorado.

In order to achieve its vision, Douglas County Libraries provides the following services to all residents of Douglas County.

- Circulation, consisting of the provision of books, e-books, periodicals, audios, videos and other library content for lending use to the public;
- Online services, consisting of the District's website, research resources, tools for online learning, and an online catalog of downloadable materials;
- Community gathering spaces, including public computers and wireless access, large public meeting rooms, and smaller, private meeting/study rooms;
- Reader's advisory services, consisting of collaboration with customers to determine their likes and dislikes and recommend appropriate reading materials;
- Children's events that emphasize development of early literacy skills that enable children to translate words to images, develop their brains, and nurture the cognitive, emotional and social skills they need to develop the habits of lifelong learners;
- Reference services that provide informational and research assistance to customers, entrepreneurs and small business persons;
- Events and activities that address a variety of needs or interests among all age groups: summer reading, pairing teens with struggling young readers, group reading comprehension competitions, senior services, community and lifelong learning events, book clubs, hands-on science experiments, creative activities, High School Equivalency (HSE), English as a Second Language (ESL), local economic development and current affairs, technology literacy and job seeker skills improvement, author events, and events celebrating stories and literature.
- Douglas County Archives & Local History, which collects and preserves the history of Douglas County in order to provide historical research resources to the public.

In 2023:

- More than 1,340,683 customers visited the District's facilities (a slight increase over 2022);
- The District circulated more than 5,582,225 items from its library content;
- More than 166,500 people participated in 5,478 events offered by the District. These represent a 13% increase in event attendance over 2022, despite a 1.35% decrease in the number of events, due in part to an extended closure in Castle Rock.
- The District hosted 9,096 free room-use events in community gathering spaces, an increase of 8.8% over 2022. Paid room use equaled 1,119 events, an increase of 7.7% over 2022.

Large Events, Campaigns & Outreach

We were pleased to offer several signature events, bringing people to our libraries in large numbers for events they have come to expect from DCL. Our customers often tell us these events represent treasured family traditions.

- Summer Reading: The Dog Days of Summer was a traditional summer reading program, including 69 kickoff and supplemental events serving more than 7,000 customers. We registered 15,826 customers for The Dog Days of Summer, a 13.5% increase over 2022.
- Fairy Tale Ball: Robin Hood, a free event held at six locations, served nearly 1,800 customers.
- Storybook Holiday: Paid signature events in the spring (Silly Old Bear's Blustery Day), fall (The Legend of Sleepy Hollow) and winter (The Snow Ball) brought more than 1,800 customers to DCL.
- Camp DCL: Full-day and half-day camps offered during summer break operated at five library locations and served 279 school-aged campers and their families. Our Castle Rock location was closed and did not host camps in 2023.
- A Visit with Santa: Santa returned to DCL for 18 events serving 1,512 customers. In 2023, DCL's holiday offerings expanded via Booked for the Holidays, which served nearly 400 customers at five evening events, and thousands at the seven-week, open-house Forest of Stories exhibit.
- Battle of the Books, a literature-themed quiz-bowl style tournament, engaged 950 participants from 44 local elementary schools, and brought 9,832 audience members to four DCL locations over six weeks.
- Page to Stage provided arts-in-education enrichment to 10,054 students via 36 performances at local elementary schools.
- Fête des Fables: Our annual Foundation gala represented a net gain of $48,909 for the DCLF, achieved through ticket sales, pulls/auctions and direct donations/sponsorships (in-kind, individual and corporate).
- Colorado Gives Day (CGD) and an associated year-end giving campaign engaged 699 individual donors, 186 of whom donated to the Douglas County Libraries Foundation for the first time. Around 57.7% of 2022 CGD donors gave again during the 2023 campaign. Total CGD donations equaled $69,223, and total year-end giving (Nov. 1-Dec. 31) was $93,856.

LONG-TERM FINANCIAL PLANNING

The District develops an annual budget in accordance with the statutory requirements of Colorado Local Government Budget Law, Section 29-1-101 et seq., C.R.S. The budget is also compiled in compliance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards for budget preparation and presentation or other relevant regulations. The budget shall reflect the plans and strategies of the District as adopted by the Board.

The District is committed to maintaining the infrastructure and finishes of its libraries and has completed a facilities master plan that identifies:

- Equipment replacement and infrastructure maintenance needs to be funded from current property tax revenues, and
- Facility upgrades and expansion requirements, to be funded from District reserves.

In addition, the District has developed a long-range forecast in an effort to ensure that operations, debt service obligations, and capital outlay for program expenditure requirements do not require the use of reserves and can be fully funded from current property tax revenues going forward.

As previously indicated, employees of the District are provided with pension benefits through the PERA defined benefit plan. The District, and its employees, belong to the Local Government Division of the pension trust fund. As such, the District, and its employees, are obligated to contribute to PERA at those rates established by the Colorado legislature for the Local Government Division of the pension trust fund.

The District has identified a capital improvement need for a larger facility in northwest Douglas County to serve projected growth in the area.

FACTORS AFFECTING FINANCIAL CONDITION

The historical financial statements and the 2023 budget are best understood when considered from the broader perspective of the specific environment in which the District operates.

Property Tax Revenues and Constitutional Limitations

The District derives the majority of its revenues from property taxes. In general, the county assessor revalues real estate in odd-numbered years on the basis of comparable sales during the previous two-year period.

The District, under the leadership of our citizen-led Board of Trustees, is temporarily reducing its mill levy and limiting its 2024 property tax increase to 11.5%. The 11.5% increase allows the Library to respond to inflation. It also keeps the Library's annual, average revenue growth to approximately 5%.

Operating, Facility Maintenance, and Debt Service Expenditures

The District is investing in several important areas in 2024: the compensation line has grown by approximately 7%, which allows for a market adjustment, a 4% merit increase, and recognition for top performance. The District is also investing $.680 million into Library content, and allows for an amount of approximately $2 million to be set aside toward a new facility planned in Northwest Douglas County. Additionally, the budget will allow for customary maintenance costs and several large projects including updates to the Parker branch, a new roof and HVAC system for the Highlands Ranch branch, and planning costs associated with the update to the Castle Pines branch.

The District has adopted a compensation strategy that supports competitive wages and benefits. The District, as a participant in the Local Government Division, contributes 10% of qualifying salaries and wages to each employee's PERA account, and 4.78% of salaries and wages are deposited in the Local Government Division Trust fund to pay off unfunded liabilities of the DB Plan.

The District celebrated the grand opening of the Philip and Jerry Miller Library on August 26, 2024, came in under budget by $.618 million, and opened within the targeted timeline. Approximately 10,000 citizens attended the grand opening ceremony.

Maximum debt service under the terms of the 2015 CoPs is $2.000 million. The District made a $1.385 million principal payment plus interest and premium amortization payments of $0.627 million in 2023.

Operating revenues budgeted for 2024 are projected to exceed operating expenditures, interest and principal payments and the costs to maintain the District's facilities by $1.145 million.

ACKNOWLEDGEMENTS

We'd like to acknowledge the outstanding effort of the Accounting and Finance department who worked diligently on preparing for the audit, and to both the Accounting / Finance department and the Community Engagement division for assisting with the preparation of this document.

Respectfully Submitted,

Bob Pasicznyuk
Executive Director

Casie Cook
Director of Finance

Tammy Goodwin
Controller

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Board of Trustees
Douglas County Libraries
Castle Rock, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, and the major fund information of Douglas County Libraries (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, and the major fund information of the District, as of December 31, 2023, and the respective changes in financial position 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.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*, for the year ended December 31, 2023. As a result of implementing the standard, there was no effect on the General Fund and governmental activities beginning fund balance and net position as of January 1, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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 management's discussion and analysis, pension schedules, OPEB schedules, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

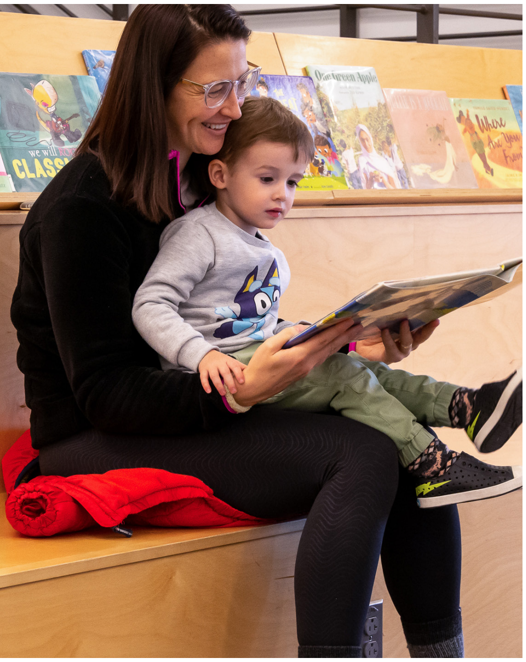
Management is responsible for the other information included in the annual report. The other information comprises the summary of revenues, expenditures and change in fund balance-general fund, summary historical comparison of revenues, expenditures and change in fund balance-general fund, history of assessed valuations and history of mill levies, and property tax collections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

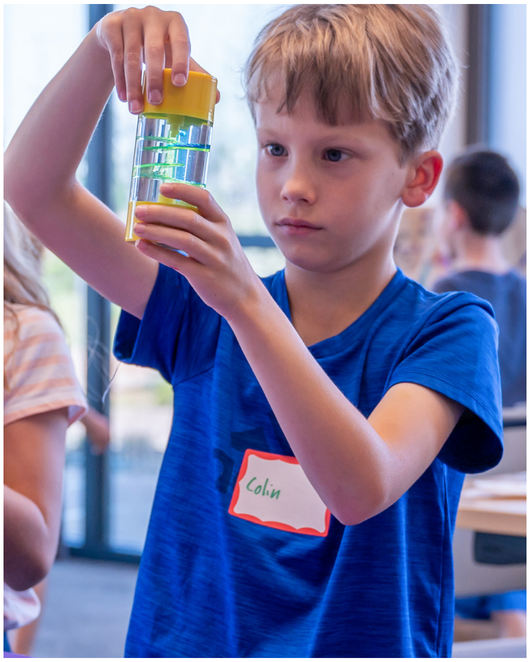
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Eide Bailly LLP

Denver, Colorado
May 20, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS





MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING RESULTS

December 31, 2023

Douglas County Libraries elevates our community by inspiring a love of reading, discovery and connection.

The District operates seven library facilities throughout Douglas County. In addition, the District operates Douglas County Libraries Archives & Local History, which collects and preserves the history of Douglas County in order to provide historical research resources to the public. In 2023, the District employed a workforce of 253 full-time equivalent persons, who were complemented by approximately 1,198 volunteers who provided 26,209 hours of service at no cost to the District or Douglas County. The District's workforce is broken down as follows:

Percent of Workforce	
88%	Library Operations & Community Engagement
5%	Facilities & Information Technology
7%	Executive, Financial, Human Resources

The District's strategic plan includes a goal focused on crafting the next generation of libraries to support delivery of premium and personal experiences to all library customers. The District has adopted a facilities master plan to establish the priorities, tasks and budget commitments necessary to construct and maintain facilities that meet the needs of Douglas County in the premium and personal fashion embodied in the District's strategic plan.

In 2023, the District completed the construction of the Philip and Jerry Miller Library in Castle Rock. The project came in at $.618 million under budget.

The District's financial results for the year ended December 31, 2023, also reflect the impact of the following:

- Payment of principal, interest and premium amortization obligations totaling $2.012 million on the District's 2015 Certificates of Participation (2015 CoPs).
- Payment of $11.074 million for the replacement of the Castle Rock facility.
- Payments of $2.164 million relating to the Castle Rock build include furniture, fixtures & equipment
- Leases showing an increase in Capital Outlay of $0.473 and other financing sources of $0.427 million.

The District's financial commitments that are tied to its facilities master plan make it essential to distinguish the results of normal recurring operating activities vs. the financial impact of non-operating transactions such as capital outlays for facility improvements, lease income, and disposals of capital assets. Accordingly, the comparison of year-over-year results in this Discussion and Analysis has been presented on both an as-adjusted and as-reported basis in order to better illustrate the results of normal recurring operating activities.

The District uses a single general operating fund to account for all transactions and financial resources. The District is committed to ensuring that expenditures associated with day-to-day library operations and routine maintenance of District facilities, furniture and equipment do not exceed annual program and general revenues. Accordingly, the District reports capital expenditures on two separate line items on the financial statements.

- Capital Outlay for program expenditures are funded from current operating revenues and include those normal recurring expenditures to repair, maintain or upgrade computers, equipment, furniture, carpeting, roofs, parking lots, and heating, ventilation, and air conditioning (HVAC) units.
- Capital outlay for non-expenditures represent facility upgrades, remodels, and new construction including planning and design costs, and new furniture, fixtures and equipment associated with these projects. Capital outlay for non-operating expenditures are funded from District reserves.

The District maintains financial statements under two separate methods of accounting, as required by Government Accounting Standards:

Governmental Fund Financial Statements;
Government Activities Financial Statements.

An analysis of the District's financial position, and its results of operations, under each of these two methods of accounting is presented below, including the distinctions between the two methods.

Governmental Fund Financial Statements

The government fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are generally recorded when cash is received or expenses are paid. Accordingly, funds received through financing activities are recorded as revenues in the period received, expenditures for capital assets are reported as an expense in the period expended, and long-term liabilities are recorded when currently payable, rather than when an obligation is incurred.

Statement of Revenues, Expenditures, and Change in Fund Balance

	2023		2022	
	Amount	% of Total	Amount	% of Total
Program Revenues:				
Operating contributions and grants	$ 303,961	0.81%	$ 421,593	1.15%
Charges for services	534,069	1.42%	567,080	1.54%
General Revenues:				
Property taxes	32,295,064	85.66%	32,350,900	88.02%
Auto ownership taxes	3,036,478	8.05%	2,894,516	7.88%
Investment earnings	1,531,656	4.06%	521,327	1.42%
Total Revenues	37,701,228	100.00%	36,755,416	100.00%
Program Expenditures				
Operating expenditures	25,639,534	84.15%	24,571,609	82.83%
Capital outlay	2,479,094	8.14%	2,866,330	9.66%
Interest and principal payments	2,349,845	7.71%	2,225,930	7.50%
Total Program Expenditures	30,468,473	100.00%	29,663,869	100.00%
Net Change in Fund Balance - As Adjusted	7,232,755		7,091,547	
Non-Operating Revenues (Expenditures):				
Capital outlay	(13,238,407)	103.24%	(11,483,732)	107.35%
Lease income (expense), net	(11,538)	0.09%	2,138	(0.02) %
Lease to Purchase	0	0.00%	347,310	(3.25) %
Leases issued-inflow	404,906	(3.16%)	436,818	(4.08) %
Subscriptions issued-inflow	21,741	(0.17%)	0	0.00%
Total Non-Operating Revenues (Expenditures), net	(12,823,298)	100.00%	(10,697,466)	100.00%
Net Change in Fund Balance - As Reported	(5,590,543)		(3,605,919)	
Beginning fund balance	25,691,946		29,297,865	
Ending Fund Balance	$ 20,101,403		$ 25,691,946	

Revenues increased $.946 million due primarily to increases in investment earnings of $1.010 million (193.80%). The increase in investment earnings was primarily due to a significant increase in earnings rates due to the Federal Fund Rates rising from 4.5% to 5.56% early in 2023. Higher than normal balances were invested at this rate until late into 2023.

Total program expenditures increased $.805 million (2.71%). This increase in total program expenditures was primarily due to an increase of $1.025 million in Library salary and wages, an increase of $.257 million in PERA Retirement-Pension and a decrease of $.465 million in health insurance.

Capital outlays for program expenditures decreased by $0.387 million. This decrease in capital outlays for program expenditures was primarily due to a decrease of $.476 million in computer equipment.

Capital outlays for non-operating expenditures increased by $1.755 million due to the cost of building the replacement Castle Rock facility. The building was completed in 2023.

Lease to purchase proceeds decreased by $0.357 million due to no lease funding received in 2023. In 2022, lease funding was received for servers that were replaced.

Leases issued-inflow for a total of $0.406 million, included leases on the facilities shop of $.157 million, and district courier trucks of $.249 million.

Due to the implementation of GASB 96 in 2023, there was an increase of $.021 million in subscriptions issued-inflow.

The District is reporting an ending fund balance of $20.101 million at December 31, 2023. This represents a decrease of $5.591 million from the December 31, 2022, fund balance of $25.692 million. The District's fund balance decreased in 2023 primarily due to expenditures for the new Castle Rock library, and an increase of Salary & Wages.

- The non-spendable fund balance, which represents prepaid expenses and security deposits, increased $0.211 million, from a balance of $0.426 million at December 31, 2022, to a balance of $0.637 million at December 31, 2023.
- The restricted fund balance, comprised of emergency reserves as required by Article X, Section 20, of the Colorado Constitution, increased $0.020 million, from a balance of $1.101 million at December 31, 2022, to a balance of $1.121 million at December 31, 2023. Emergency reserves are calculated as three percent of general revenues, excluding grants.
- The committed fund balance in 2022 was specifically created for the purpose of the new Castle Rock building project. With the completion of this project in 2023, this balance has decreased from $11.705 as of December 31, 2022, to zero.
- The assigned fund balance is calculated by combining 1) reserves, established by the Board of Trustees to fund first-quarter operations due to the timing of property tax receipts, and 2) reserves to cover insurance deductibles. The assigned fund balance decreased $.300 million, from $3.900 million as of December 31, 2022, to $3.600 million as of December 31, 2023.
- The unassigned fund balance represents amounts available for any purpose, including debt service for the Certificates of Participation and for future acquisitions of capital assets. The unassigned fund balance increased $6.183 million, from a balance of $8.560 million at December 31, 2022, to a balance of $14.743 million at December 31, 2023.

Analysis of 2023 Budget vs Actual Results

	Budget	Actual	Variance
Revenues			
Property taxes	$32,436,073	$32,295,064	($141,009)
Auto ownership taxes	1,568,000	3,036,478	1,468,478
Contributions and grants	305,932	303,961	(1,971)
Charges for services	514,402	534,069	19,667
Investment earnings	195,783	1,531,656	1,335,873
Total Revenues	35,020,190	37,701,228	2,681,038
Operating Expenditures			
Salaries, wages & benefits	18,792,231	17,482,263	(1,309,968)
Library Content	3,934,530	3,969,124	34,594
Facilities	2,338,387	1,801,238	(537,149)
Technology equipment and services	1,789,525	1,462,249	(327,276)
Library programs & outreach	1,259,077	1,177,265	(81,812)
District-wide support	1,516,944	1,318,090	(198,854)
Capital outlay	537,681	908,399	370,718
Subtotal Operating Expenditures	30,168,375	28,118,628	(2,049,747)
Debt service	2,109,725	2,349,845	240,120
Total operating expenditures, debt service & fees	32,278,100	30,468,473	(1,809,627)
Revenues Over (Under) Operating Expenditures	2,742,090	7,232,755	4,490,665
Non-Operating Revenues (Expenditures)			
Lease income (expense), net	0	(11,538)	(11,538)
Capital outlay	(13,856,103)	(13,238,407)	617,696
Leases issued-inflow	0	404,906	404,906
Subscriptions issued-inflow	0	21,741	21,741
Total Non-Operating Revenues (Expenditures), net	(13,856,103)	(12,823,298)	1,032,805
Total Revenues Over (Under) Total Expenditures	($11,114,013)	($5,590,543)	$5,523,470

The District's final 2023 budget anticipated an excess of total expenditures over total revenues of ($11.114) million. Actual 2023 total expenditures exceeded total revenues by ($5.591) million.

Total 2023 revenues were over budget by $2.681 million (7.7%) primarily due to auto ownership taxes and investment earnings.

Total operating expenditures were under budget by ($2.050) million (6.8%), due to salaries, wages, and benefits cost savings related to the District in 2023.

Spending on non-operating expenditures was under budget by ($1.033) million due to coming in under budget on the Castle Rock library building, the increase of leases issued-inflow of $.406 million and the increase of subscriptions issued-inflow of $.021 million.

Governmental Activities Financial Statements

The governmental activities financial statements measure and report all assets, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses using the economic resource measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Accordingly, the governmental activities statement of net position includes capital assets and long-term liabilities.

Statement of Activities

	2023		2022	
	Amount	**% of Total**	**Amount**	**% of Total**
Program Revenues				
Operating contributions and grants	$ 303,961	0.81%	$ 421,593	1.15%
Charges for services	534,069	1.42%	567,080	1.54%
General Revenues				
Property taxes	32,295,064	85.66%	32,350,900	88.02%
Auto ownership taxes	3,036,478	8.05%	2,894,516	7.88%
Investment earnings	1,531,656	4.06%	521,327	1.42%
Total Revenues	37,701,228	100.00%	36,755,416	100.00%
Program Expenses				
Operating expenses	29,169,958	98.56%	23,644,724	98.11%
Interest and principal payments	426,387	1.44%	455,059	1.89%
Total Program Expenses	29,596,345	100.00%	24,099,783	100.00%
Change in Net Position - As Adjusted	8,104,883		12,655,633	
Non-Operating Expenses:				
Lease income (expense), net	(11,538)	0.39%	2,139	-2.11%
Loss on disposal of capital assets	(2,978,375)	99.61%	(103,376)	102.11%
Total Non-Operating Expenses	(2,989,913)	100.00%	(101,237)	100.00%
Change in Net Position - As Reported	5,114,970		12,554,396	
Beginning Net Position	59,589,589		47,035,193	
Ending Net Position	$ 64,704,559		$ 59,589,589	

As adjusted, which is more representative of normal recurring operations, the change in net position decreased $4.551 million, from $12.656 million for the year ended December 31, 2022, to $8.105 million over the same period in 2023. The increase in the change in net position is primarily due to the following:

- Revenues increased by $.946 million primarily due to increases in investment earnings of $1.010 million (193.80%). These results are consistent with those reported on the District’s Government Fund financial statements.

- Operating expenses increased by $5.525 million, driven primarily by pension expense. The proportionate share of pension expense was a credit of ($3.480) in 2022 compared to an expense of $1.264 in 2023, increasing expenses by $4.744 million.

As reported, the change in net position decreased $7.439 million, from $12.554 million at December 31, 2022, to $5.115 million at December 31, 2023. This decrease in change in net position is due to the changes noted above in the adjusted change in net position, plus the following:

- In 2023, the District recorded a loss of ($2.978) million, which is equivalent to the net book value for end-of-life capital asset disposals.

Statement of Net Position

	2023		2022	
	Amount	% of Total	Amount	% of Total
Assets				
Current Assets	$ 21,915,354	24.28%	$ 59,684,921	49.21%
Capital Assets	68,330,393	75.72%	60,212,847	49.64%
Net Pension asset	—	0.00%	1,400,685	1.15%
Total Assets	90,245,747	100.00%	121,298,453	100.00%
Total Deferred Outflows of Resources	8,356,847	100.00%	2,395,672	100.00%
Liabilities				
Current Liabilities	5,183,231	15.69%	4,840,061	25.32%
Long-Term Liabilities	27,847,424	84.31%	14,272,185	74.68%
Total Liabilities	33,030,655	100.00%	19,112,246	100.00%
Total Deferred Inflows of Resources	867,380	100.00%	44,992,290	100.00%
Net Position				
Net investment in capital assets	54,780,862	84.66%	45,173,130	75.81%
Restricted Fund	1,121,120	1.73%	11,916,079	20.00%
Unrestricted	8,802,577	13.60%	2,500,380	4.20%
Total Net Position	$ 64,704,559	100.00%	$ 59,589,589	100.00%

The increase in net investment in capital assets of $9.608 million, from $45.173 million at December 31, 2022, to $54.781 million at December 31, 2023, is due primarily to the following:

- an increase in assets being depreciated for 2023 depreciation expense
- a reduction in the remaining principal balance and unamortized premium for the 2015 CoPs, which are an offset to the net investment in capital assets
- a decrease in Lease to Purchase due to current year lease payments

- an increase in Leases due to new building and vehicle leases
- an increase in Subscriptions due to the implementation of GASB 96 Subscription-Based Information Technology

The decrease in restricted fund balance of $10.795 million, from $11.916 million as of December 31, 2022, to $1.121 million at December 31, 2023, is primarily attributable to the Net Pension Asset of $10.815 million. The District participates in a) a pension fund administered by the Public Employees' Retirement Association (PERA), and b) an Other Post-Employment Benefits (OPEB) fund also administered by PERA. The District records deferred outflows of resources (an asset), long-term liabilities, and deferred inflows of resources (a liability) pursuant to its participation in these plans. See note 6 of the attached financial statements of the District for further information regarding the District's defined benefit pension and OPEB plans.

The increase in the unrestricted fund balance of $6.303 million, from $2.500 million as of December 31, 2022, to $8.803 million at December 31, 2023, is primarily attributable to an increase in pension liability of 10.815 million.

Douglas County Libraries Foundation

The Douglas County Libraries Foundation (the Foundation) was founded in 1992 as a 501c3 nonprofit organization to fund capital improvements and support various programs that enhance the vision and core values of the District. The Foundation is reported in the District's financial statements as a Discretely Presented Component Unit.

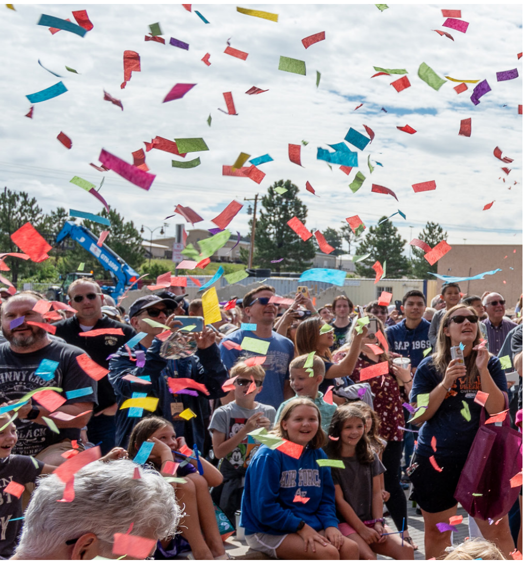
The Foundation is governed by an independent Board of Directors, including one member from the District's Board of Trustees; and nine additional directors. The Foundation board includes the District's Director of Community Engagement, who acts as the Foundation Executive Director; the District's Director of Finance, who acts as the Foundation Treasurer, and the District's Executive and Culture Administrator, who acts as the Foundation Secretary, all of whom are ex-officio.

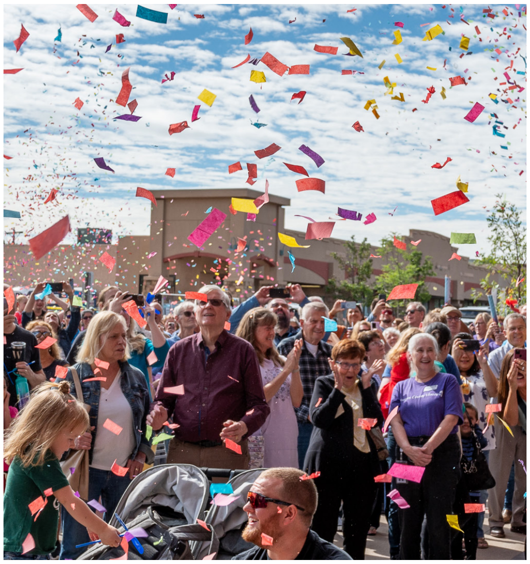
During 2022, the Foundation granted $0.025 million of unrestricted funds plus $0.027 million of restricted funds to the District. The Foundation granted $0.125 million of unrestricted funds, plus $0.019 million of restricted funds to the District for the year ended December 31, 2023.

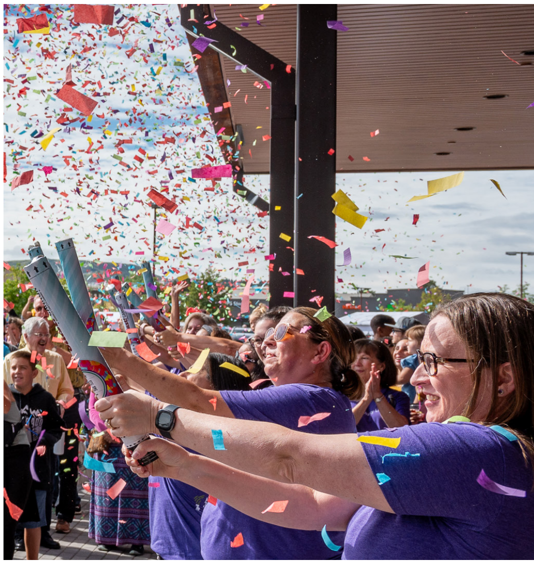
Requests for Information

This financial report is designed to provide a general overview of the finances for the District and the Foundation. For questions concerning the information provided in this report or to request a copy of the Foundation's internal financial statements, please contact the Director of Finance at Douglas County Libraries, 100 South Wilcox Street, Castle Rock, CO 80104.

BASIC FINANCIAL STATEMENT







DOUGLAS COUNTY LIBRARIES
BALANCE SHEET
GOVERNMENTAL FUND /STATEMENT OF NET POSITION
December 31, 2023

	Primary Government			Component Unit
	General - Governmental Fund	**Adjustments**	**Statement of Net Position - Governmental Activities**	**Douglas County Libraries Foundation**
Assets				
Cash and investments	$20,847,693	$0	$20,847,693	$2,144,976
Property taxes receivable	196,915	0	196,915	0
Prepaids and other assets	636,787	0	636,787	3,100
Receivable from component unit	225,000	0	225,000	0
Other receivables	8,959	0	8,959	0
Capital assets, net of accumulated depreciation/amortization	0	61,496,818	61,496,818	0
Capital assets not being depreciated	0	6,833,575	6,833,575	0
Total Assets	21,915,354	68,330,393	90,245,747	2,148,076
Deferred Outflows of Resources				
Deferred outflows - net pension liability	0	8,138,652	8,138,652	0
Deferred outflows - net OPEB liability	0	218,195	218,195	0
Total Deferred Outflows of Resources	0	8,356,847	8,356,847	0
Liabilities				
Accounts payable	1,470,267	0	1,470,267	0
Accrued salaries and benefits	343,684	0	343,684	0
Accrued interest payable	0	49,881	49,881	0
Payable to primary government	0	0	0	225,000
Noncurrent liabilities				0
Due within one year	0	3,319,398	3,319,398	0
Due in more than one year	0	11,567,821	11,567,821	0
Net pension liability	0	15,281,393	15,281,393	0
Net OPEB liability	0	998,211	998,211	0
Total Liabilities	1,813,951	31,216,704	33,030,655	225,000
Deferred Inflows of Resources				
Deferred inflows - net pension liability	0	424,862	424,862	0
Deferred inflows - net OPEB liability	0	442,518	442,518	0
Total Deferred Inflows of Resources	0	867,380	867,380	0
Fund Balance/Net Position				
Fund balance				
Nonspendable Fund	636,787	(636,787)	0	0
Restricted Fund	1,121,120	(1,121,120)	0	0
Assigned Fund	3,600,000	(3,600,000)	0	0
Unassigned fund balance	14,743,496	(14,743,496)	0	0
Total Fund Balances	20,101,403	(20,101,403)	0	0
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$21,915,354			
Net Position				
Net investment in capital assets	0	54,780,862	54,780,862	0
Restricted Fund	0	1,121,120	1,121,120	0
Unrestricted	0	8,802,577	8,802,577	1,923,076
Total Net Position	$0	$64,704,559	$64,704,559	$1,923,076

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

DOUGLAS COUNTY LIBRARIES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND / STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	Primary Government			Component Unit
	General - Governmental Fund	Adjustments	Statement of Activities - Governmental Activities	Douglas County Libraries Foundation
Expenditures/Expenses				
Current				
Operating	$23,545,267	$4,720,561	$28,265,828	$230,569
Pension expense	2,094,267	(1,004,876)	1,089,391	0
OPEB expense	0	(185,261)	(185,261)	0
Capital Outlay	15,717,501	(15,717,501)	0	0
Debt Service				
Principal	1,685,367	(1,685,367)	0	0
Interest and fees	664,478	(238,091)	426,387	0
Total Expenditures/Expenses	43,706,880	(14,110,535)	29,596,345	230,569
Program Revenues				
Operating contributions and grants	303,961	0	303,961	152,440
Charges for services	534,069	0	534,069	184,413
Total Program Revenues	838,030	0	838,030	336,853
Net Program Revenues/(Expenses)	(42,868,850)	14,110,535	(28,758,315)	106,284
General Revenues/(Expenses)				
Property taxes	32,295,064	0	32,295,064	0
Auto ownership taxes	3,036,478	0	3,036,478	0
Investment earnings	1,531,656	0	1,531,656	195,068
Total General Revenues/(Expenses)	36,863,198	0	36,863,198	195,068
Other Financing Sources (Uses)				
Loss on disposal of capital assets	0	(2,978,375)	(2,978,375)	0
Lease income (expense), net	(11,538)	0	(11,538)	0
Leases issued-inflow	404,906	(404,906)	0	0
Subscriptions issued-inflow	21,741	(21,741)	0	0
Total Other Financing Sources (Uses)	415,109	(3,405,022)	(2,989,913)	0
Net Change in Fund Balance	(5,590,543)	5,590,543	0	0
Change in Net Position		5,114,970	5,114,970	301,352
Fund Balance/Net Position				
Beginning of Year	25,691,946	33,897,643	59,589,589	1,621,724
End of Year	$20,101,403	$44,603,156	$64,704,559	$1,923,076

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

DOUGLAS COUNTY LIBRARIES
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION
December 31, 2023

Fund Balance - Governmental Fund		$20,101,403
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Capital Assets	$92,982,836	
Accumulated depreciation	(24,652,443)	68,330,393
Certificates of Participation are not due and payable in the current period and, therefore, are not reported in the governmental fund.		
Principal, Certificates of Participation Series 2015	(11,830,000)	
Premium, Certificates of Participation Series 2015	(802,560)	
Accrued interest	(46,448)	(12,679,008)
Lease to Purchase is not due and payable in the current period and, therefore, are not reported in the governmental fund.		
Principal, lease to purchase	(334,075)	
Accrued interest	(2,930)	(337,005)
Lease is not due and payable in the current period and, therefore, are not reported in the governmental fund.		
Principal, lease	(561,154)	
Accrued interest	(233)	(561,387)
Subscription Assets is not due and payable in the current period and, therefore, are not reported in the governmental fund. Principal, Subscription Assets & Accrued Interest		
Principal, Subscription Assets	(21,742)	
Accrued Interest	(270)	(22,012)
Pension liability is not due and payable in the current period and, therefore, is not reported in the governmental fund.		
Pension related deferred outflows	8,138,652	
Pension related deferred inflows	(424,862)	
Net pension liability	(15,281,393)	(7,567,603)
OPEB liability is not due and payable in the current period and, therefore, is not reported in the governmental fund.		
OPEB related deferred outflows	218,195	
OPEB related deferred inflows	(442,518)	
Net OPEB liability	(998,211)	(1,222,534)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental fund.		(1,337,688)
Net Position of Governmental Activities		$64,704,559

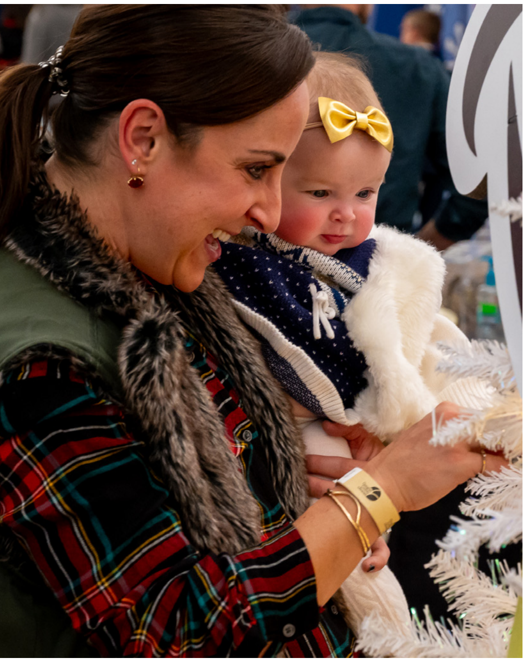
The accompanying notes are an integral part of these financial statements.

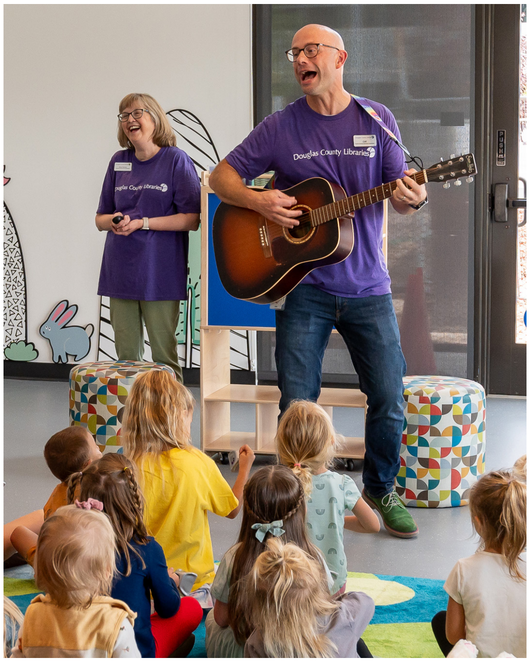
DOUGLAS COUNTY LIBRARIES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

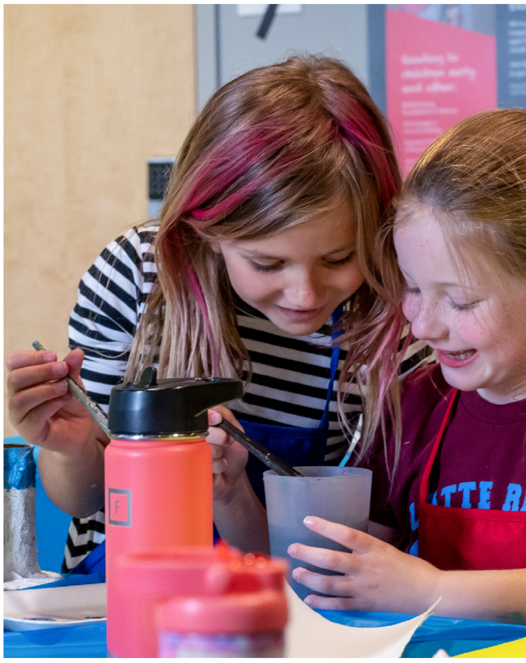
Net Change in Fund Balance - Governmental Fund		($5,590,543)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and disposals.		
Capital asset additions	$15,717,501	
Depreciation	(4,621,581)	
Capital asset disposals	(2,978,375)	8,117,545
Compensated absences do not require use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.		(98,980)
Interest and payment activities on the 2015 CoPs do not require use of current financial resources and, therefore, are not reported in the governmental fund.		
Principal payment	1,385,000	
Amortization of premium	231,466	
Accrued interest expense	5,771	1,622,237
Leases issued provide inflows of resources to governmental funds, but increases liabilities in the statement of net position		(404,906)
Subscriptions issued provide inflows of resources to governmental funds, but increases liabilities in the statement of net position		(21,741)
Interest and payment activities on lease to purchase do not require use of current financial resources and, therefore, are not reported in the governmental fund.		
Principal payment	132,614	
Accrued interest expense	1,357	133,971
Debt service payments for principal payments are reported as expenditures in the governmental funds, but are not reported as expenses in the statement of activities		
Principal, lease	167,753	
Accrued interest expense	(233)	167,520
Debt service payments for principal payments are reported as expenditures in the governmental funds, but are not reported as expenses in the statement of activities		
Accrued interest expense		(270)
Pension liability does not require use of current financial resources and, therefore, is not reported as expenditures in the governmental fund		1,004,876
OPEB liability does not require use of current financial resources and, therefore, is not reported as expenditures in the governmental fund		185,261
Change in Net Position of Governmental Activities		$5,114,970

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

NOTES TO FINANCIAL STATEMENT







NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. Summary of Significant Accounting Policies

Reporting Entity

Douglas County Libraries (the District) was established in 1990 to provide library services within Douglas County, Colorado. A seven-member Board of Trustees, appointed by the Douglas County Commissioners, governs the District.

The accompanying financial statements present the District, which is the primary government, and its component unit. A component unit is a legally separate organization for which the District is considered to be financially accountable.

Discretely Presented Component Unit. The Douglas County Libraries Foundation (the Foundation) is a nonprofit organization whose sole purpose is to support the District by funding opportunities above and beyond the District's normal operating budget. The Foundation is governed by a seven-member Board of Directors led by the Foundation's and District's Executive Director. Separately issued internal financial statements of the Foundation may be obtained by contacting the Foundation's offices at 100 South Wilcox Street, Castle Rock, Colorado 80104.

Governmental Activities and Fund Financial Statements

The basic financial statements are presented in a combined format for both the fund and governmental activities level. These include the balance sheet governmental fund/statement of net position and the statement of revenues, expenditures, and change in fund balance governmental fund/statement of activities.

The statement of activities demonstrates the degree to which the expenses of the District are offset by program revenues. Program revenues include operating contributions and grants and charges to users of the District's services.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund statements are reported using the current financial resource 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 collectible 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. The major sources of revenue that are susceptible to accrual are property taxes and investment earnings. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when an obligation is incurred, as under accrual accounting; however, expenditures related to compensated absences and debt are recorded only when payment is due.

The governmental activities financial statements measure and report all assets, liabilities, deferred inflows and outflows of resources, revenues, expenses, gains, and losses using the economic resource measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The governmental activities financial statements do not include fiduciary funds or component units that are fiduciary in nature.

The general operating fund is the District's only fund and is used to account for all financial resources of the District.

Cash and Investments

Colorado Revised Statutes (CRS) authorize the District to invest in certain obligations of the U.S. Treasury and U.S. agencies, commercial paper, repurchase agreements, local government investment pools, and other specified investments. The District's investment policy is to follow state statutes regarding investments, which generally limit investments to those instruments with maturities of five years or less, unless the governing body of the District authorizes investment for a longer period. All District investments are held in a local government investment pool and are reported at net asset value. Securities with maturities of 12 months or less from the balance sheet date are reported as short-term investments.

Property Taxes Receivable

Property values are assessed and a lien placed on the property as of January 1. Property taxes are levied no later than December 22. Taxes are payable in the following year, either in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31. Property taxes are reported as deferred inflows of resources and recognized as revenue upon collection.

In 2023, the District experienced an exception to the above rule. Due to the legislative special session related to property taxes, deadlines to adopt the budget, certify the mill levy, and appropriate funds were extended to early January 10, 2024. Douglas County Libraries, as publicly noticed, held a special board meeting on January 9, 2024 to adopt the budget and appropriate funds.

Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental fund and governmental activities financial statements.

Capital Assets

Capital assets, which include land, buildings, furniture, equipment, and library materials, are reported in the governmental activities financial statements. In the governmental fund financial statements, capital assets are charged to expenditures when purchased. Capital assets, which are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life of more than one year, are recorded at historical cost, with the exception of library materials, which are capitalized regardless of cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. The District values donated capital assets at the estimated acquisition value of the item at the date of donation.

Capital assets of the District are depreciated using the straight-line method. The composite method is used in the depreciation of library materials. These assets are depreciated over the following estimated useful lives:

Asset	Years
Buildings	30
Building improvements	15
Shelving	10
Furniture	10
Equipment and machinery	5
Computers	4
Library materials	4

Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused personal time off (PTO). All PTO is accrued when earned in the governmental activities financial statements. A liability for these amounts is reported in the governmental fund statements only if they are due, for example, as a result of employee resignations and retirements.

Long-Term Debt

In the governmental activities financial statements, long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method.

In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of the debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources or uses. Issuance costs are reported as current period expenditures.

Lease Liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the District.

Subscription Liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the District.

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund 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.

Other Post-Employment Benefits

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.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then. The District has recognized deferred outflows of resources in the governmental activities financial statements in accordance with the presentation requirements for Pension and OPEB.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then. The District has recognized deferred inflows of resources in the governmental activities financial statements in accordance with the presentation requirements for property taxes, Pension and OPEB.

Implementation of GASB Statement No. 96

As of December 31, 2023, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset, an intangible asset and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the District recognized a right to use subscription asset and subscription liability of $65,819 and $21,742 as of December 31, 2023, respectively. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Note 4.

Fund Balance

The District reports fund balance and net position in accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement identifies fund balance categories to make the nature and extent of the constraints placed on a governmental entity's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints under GASB 54:

- Nonspendable fund balance represents amounts that are nonspendable in form or are legally or contractually required to be maintained intact.
- Restricted fund balance represents amounts constrained to specific purposes by external parties, such as grantors, contributors, or through constitutional provisions. Restricted fund balance also includes revenues raised pursuant to legislation that restricts the use of funds to a specific purpose.
- Committed Fund balance represents amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

- Assigned fund balance represents amounts the District intends to use for a specific purpose. Intent can be expressed by either the District's Board of Trustees or by an official or body to which the Board delegates the authority. Assigned fund balance is established through adoption of a Board resolution or the amendment of the budget as intended for a specific purpose, such as the purchase of fixed assets, construction, debt service, etc.
- Unassigned fund balance represents amounts that are available for any purpose.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When amounts in multiple unrestricted fund balance classifications could be used, the District considers committed funds to be used first, then assigned, and finally unassigned fund balances.

As a nonprofit organization operating under the Financial Accounting Standards Board (FASB), the Foundation reports net position with restricted or unrestricted funds, in accordance with donor requests.

2. Cash and Investments

At December 31, 2023, the District had the following cash and investments:

	Unrestricted
Total Cash and Investments	
Cash	$ 237,899
Local government investment pool	20,609,794
Total Cash and Investments	$ 20,847,693

Amounts held by the local government investment pool are invested with COLOTRUST and CSIP, which are investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state regulations governing local government investment pools. COLOTRUST and the CSIP Liquid Portfolio operate similarly to a money market fund, are rated AAA by Standard & Poor's, and each share is equal in value to $1.00. The CSIP Term portfolio invests only in securities permissible under Colorado law and is rated AAAf by Fitch Ratings. The CSIP Term portfolio offers fixed-rate, fixed-term investments with maturities of 90-365 days. The rate is fixed for the full term of the investment, and there may be a penalty for early redemption. The CSIP Term portfolio has a goal of $1.00 per share net asset value at maturity, however the value may fluctuate prior to maturity. Financial statements and additional information about COLOTRUST are available at http://www.colotrust.com/about. Financial statements and additional information about CSIP are available at http://www.csipinvest.com.

The District limits its exposure to credit risk, which is the risk of loss due to the failure of the security issuer or backer, by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings. Management believes at December 31, 2023, no investments subject the District to credit concentration risk. The District's interest rate risk is related only to its investments with the Colorado Local Government Liquid Asset Trust (COLOTRUST) and Colorado Statewide Investment Pool (CSIP).

In addition, District funds may only be deposited in banks that are members of the Federal Deposit Insurance Corporation (FDIC) or have been designated by the State Banking Board as an eligible public depository under the Colorado Public Deposit Protection Act (PDPA). Under the provisions of PDPA, amounts on deposit in excess of federal insurance levels must be collateralized by the depository using securities with a market value of 102 percent of the aggregate uninsured deposits. The State Regulatory Commission for banks and financial services is required by statute to qualify eligible PDPA depositories, limit the types of securities that can be used for collateral, and monitor the reporting of uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District had deposits with a book balance of $237,899 and a bank balance of $579,553, of which $295,360 was covered by the FDIC. As required by State of Colorado Law, no deposits held by the district as of December 31, 2023, in a single depository institution exceeded 25 percent of the District's total investment portfolio.

The provisions of GASB Statement No. 72, *Fair Value Measurements and Application* (GASB 72), are effective for financial statement periods beginning after June 30, 2015. GASB 72 defines a hierarchy of inputs used to determine fair value and requires disclosure of the valuation techniques and the nature of inputs employed to determine fair value.

The District holds investments in external government investment pools, which are stated at net asset value, which approximate fair value. At this time, the District does not hold investments carried at fair value as defined by GASB 72.

The Foundation holds the following cash and investments at December 31, 2023:

	Unrestricted
Total Cash and Investments	
Cash	$ 167,532
Investments	1,781,138
Endowments	196,306
Total Cash and Investments	$ 2,144,976

The Foundation reports investments in accordance with GASB, all of which are considered to be Level 1, at market value as an approximation of fair value on December 31, 2023.

In late 2020, the Foundation established the Douglas County Libraries Foundation Fund (the Fund). The Fund is a Nonprofit Agency Endowment Fund that is held and managed by the Rose Community Foundation on behalf of the Foundation. The Fund is designed to preserve investment principal in perpetuity, and provide investment income that can be channeled into the Foundation's support efforts for the District. In August, 2023, the Foundation invested an additional $75,000 of its own liquid assets in the Fund.

The Fund's assets are invested according to the Rose Community Foundation's asset allocation methods. Up to 2% of the Fund's assets are eligible to be distributed annually (the Spendable Amount), with any unused Spendable Amount being returned to Fund Principle at the end of each calendar year. The Foundation did not distribute any of the Fund's assets in 2023.

The Foundation funds may also only be deposited in a bank that is a member of the FDIC or has been designated by the State Banking Board as an eligible public depository under the Colorado PDPA. At December 31, 2023, the Foundation had deposits with a book balance of $167,532 and bank balance of $167,532, which was insured by the FDIC. As required by State of Colorado Law, no deposits held by the district as of December 31, 2023, in a single depository institution exceeded 25 percent of the Foundation's total investment portfolio. The Foundation currently invests excess cash in an investment account with Bank of Oklahoma where funds are used to purchase a mix of equities, mutual funds, bonds, Real Estate Investment Trusts (REITs), as well as cash.

3. Capital Assets

The District disposed of items with a net book value totaling $2,978,375, comprised mostly of the former Castle Rock building and contents.

The District recorded depreciation expense of $4,621,581 for the year ended December 31, 2023, of which $1,725,499 is attributable to the District's library materials and the remainder being primarily attributable to the newly capitalized facilities, due to the age of the District's other facilities.

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

	Balance 1/1/2023	Additions	Deductions	Reclass	Balance 12/31/2023
Capital assets not being depreciated:					
Land	$ 6,591,347	$ 0	$ 0	$ 0	$ 6,591,347
Construction in progress	12,903,817	21,000	0	(12,903,817)	21,000
Artwork	188,195	55,234	(22,200)	0	221,229
Total capital assets not being depreciated	19,683,359	76,234	(22,200)	(12,903,817)	6,833,576
Capital assets being depreciated:					
Buildings	43,166,319	10,917,159	(7,193,726)	12,791,036	59,680,788
Building Improvements	6,262,124	149,358	(542,315)	0	5,869,167
Computers	4,718,358	416,155	(659,761)	0	4,474,752
Shelving	1,569,056	316,793	(2,878)	0	1,882,971
Furniture	2,617,097	1,271,293	(217,820)	5,250	3,675,820
Equipment and machinery	2,797,160	526,674	(660,764)	107,531	2,770,601
Right to use leased assets	429,122	404,906	(26,162)	0	807,866
Subscription assets	0	68,234	0	0	68,234
Archives and Collections	6,850,504	1,570,696	(1,502,138)	0	6,919,062
Total capital assets being depreciated	68,409,740	15,641,268	(10,805,564)	12,903,817	86,149,261
Accumulated depreciation:					
Buildings	(15,407,114)	(1,297,692)	4,508,294	0	(12,196,512)
Building Improvements	(1,722,438)	(386,617)	306,844	0	(1,802,211)
Computers	(3,473,846)	(426,531)	659,761	0	(3,240,616)
Shelving	(964,967)	(148,120)	2,878	0	(1,110,209)
Furniture	(1,411,248)	(248,886)	182,548	0	(1,477,586)
Equipment and machinery	(2,313,313)	(212,189)	660,764	0	(1,864,738)
Right to use leased assets	(117,844)	(173,632)	26,162	0	(265,314)
Subscription assets	0	(2,415)	0	0	(2,415)
Archives and Collections	(2,469,482)	(1,725,499)	1,502,138	0	(2,692,843)
Total accumulated depreciation	(27,880,252)	(4,621,581)	7,849,389	-	(24,652,444)
Total capital assets being depreciated, net	40,529,488	11,019,687	(2,956,175)	12,903,817	61,496,817
Governmental activities capital assets, net	$ 60,212,847	$ 11,095,921	$ (2,978,375)	$ 0	$ 68,330,393

4. Long-Term Debt

Certificates of Participation

In 2015, the District issued $20,655,000 in Certificates of Participation (2015 CoPs) to partially fund the construction of three new libraries. The 2015 CoPs carry an average coupon rate of 2.545 percent. Interest payments are due semi-annually in June and December. Principal payments are due annually in December, through 2030.

Annual debt service requirements are as follows as of December 31, 2023:

Year Ending December 31,	Principal	Interest	Total
2024	$ 1,455,000	$ 557,375	$ 2,012,375
2025	1,525,000	484,625	2,009,625
2026	1,600,000	408,375	2,008,375
2027	1,680,000	328,375	2,008,375
2028	1,765,000	244,375	2,009,375
2029 - 2030	3,805,000	219,500	4,024,500
	$11,830,000	$2,242,625	$14,072,625

Lease to Purchase

In 2021, the District entered into a lease to purchase for nineteen self-check kiosks for a total purchase price of $222,863 and a financed cost of $196,844. Principal and interest payments are due annually in May from 2022 through 2025. In 2022, the District entered into a lease to purchase for two servers located at Iron Mountain and Lone Tree library for a total purchase price and finance cost of $347,310. Principal and interest payments are due monthly from 2022 through 2027.

Annual debt service requirements are as follows as of December 31, 2023:

Year Ending December 31,	Principal	Interest	Total
2024	$ 136,409	$ 13,490	$ 149,899
2025	136,291	7,191	143,482
2026	45,074	1,822	46,896
2027	16,301	156	16,457
	$ 334,075	$ 22,659	$ 356,734

Leases

In 2022, the District implemented GASB 87 Leases that included the Roxborough Library and a courier truck for a total purchase price of $429,122 and a financed cost of $347,310. In 2023, the courier truck was disposed of for $26,163. Douglas County Libraries has entered into two lease agreements for library branch space and a courier truck. Douglas County Libraries is required to make principal and interest payments through December 2025. In 2023, the District entered into lease agreements for two courier trucks and the Facilities shop for a total purchase price of $404,906. The District is required to make principal and interest payments through February, 2029, and January, 2028, respectively. The lease liability was valued using discount rates between 1.0% and 4.8%. The rate was determined such as based on the interest rates for similar lengths as disclosed in the Bond Buyer State and Local Government's Series Rates for similar terms as of the date of projected close, plus an additional 200 basis points (2%).

Remaining principal and interest payments on leases are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ 173,020	$ 19,889	$ 192,909
2025	181,209	11,818	193,027
2026	75,263	6,039	81,302
2027	78,556	3,169	81,725
2028	46,972	804	47,776
2029	6,134	12	6,146
	$ 561,154	$ 41,731	$ 602,885

Subscription-Based Information Technology Arrangements (SBITA)

During the current year, the District entered into a SBITA contract for the use of lease asset software. As of December 31, 2023, the value of the subscription liability was $21,742. The District is required to make annual principal and interest payments through October 2025. The subscription has an interest rate of 6.19%. In the prior year, the District entered into a SBITA contract for the use of internet security software. The subscription was valued using a discount rate of 6.19%. Interest rates for similar lengths as disclosed in the Bond Buyer State and Local Government's Series Rates for similar terms as of the date of projected close, plus an additional 200 basis points (2%) (as the rate is published from US Treasury Securities). The rate is found at https://fiscaldata.treasury.gov/datasets/slgs-daily-rate-table/demand-deposit-rate by selecting "State and Local Government Series Rates."

Remaining principal and interest payments on SBITAs are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ 10,223	$ 1,264	$ 11,487
2025	11,519	592	12,111
	$ 21,742	$ 1,856	$ 23,598

Changes in Long-Term Debt

Changes in the District's long-term obligations for the year ended December 31, 2023, consisted of the items below:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental Activities:					
Compensated absences	$ 1,238,708	$ 1,654,503	$ 1,555,523	$ 1,337,688	$1,337,688
2015 Certificates of Participation	13,215,000	0	1,385,000	11,830,000	1,455,000
2015 Premium	1,034,026	0	231,466	802,560	207,058
Lease to Purchase	466,689	0	132,614	334,075	136,409
Leases	324,001	404,906	167,753	561,154	173,020
Subscriptions	0	68,234	46,492	21,742	10,223
Total	$ 16,278,424	$ 2,127,643	$ 3,518,848	$ 14,887,219	$3,319,398

The general fund is used to liquidate compensated absences.

5. Employee Retirement Plans

Defined Benefit 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 may be obtained at 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.

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.

It is possible for employees participating in the LGDTF to be earning service credit under the DPS benefit structure. The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

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

- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For State Troopers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions. 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 CRS § 24-51-401, *et seq*. and § 24-51-413. Employee contribution rates for the period of January 1, 2023, 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%

The employer contribution requirements for all employees other than State Troopers are summarized in the tables 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).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $1,900,058 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's proportion of the net pension liability was based on District 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 $15,281,393 for its proportionate share of the net pension liability.

At December 31, 2022, the District's proportion was 1.524 percent, which was a decrease of 0.110 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized pension expense that was reduced by ($1,004,876) and reported pension related deferred outflows of resources and deferred inflows of resources related to pensions as shown in the following table:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 0	$ 76,181
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on pension plan investments	6,238,594	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	348,681
Contributions subsequent to the measurement date	1,900,058	0
Total	$ 8,138,652	$ 424,862

$1,900,058 reported as deferred outflows of resources related to pension, 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	$	(1,367,149)
2025		660,429
2026		2,185,084
2027		4,335,368
	$	5,813,732

Actuarial assumptions. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	**Entry Age**
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20-11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07, and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06	Financed by the AIR

The total pension liability 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.

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 percent 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 percent of the rates for ages 80 and older, 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.

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 percent.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. 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 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP

assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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

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

- The AIR balance was excluded from the initial 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 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 rate determination does not use the municipal bond index 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 or asset to changes in the discount rate. The table below presents the proportionate share of the net pension liability or asset calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability or asset would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	$ 25,653,614	$ 15,281,393	$ 6,598,129

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

At December 31, 2023, the District recorded a payable of $42,000, owed to PERA, due to a correction in PERA contributions for employees hired on or after July 1, 2019. Employees hired after July 1, 2019, must contribute based upon gross wages; employees hired before that date had the choice to contribute based upon gross wages or adjusted wages (after section 125 cafeteria plan deductions). The $42,000 is an estimate the District arrived at based upon a review of prior payrolls; PERA is auditing this information and plans to provide a final bill to be paid in 2024.

Other Post-Employment Benefits

Health Care Trust Fund

Plan description. Eligible employees of the District are provided with other post-employment benefits (OPEB) through the Health Care Trust Fund (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. 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. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (ACFR) that may be obtained at 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. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

PERA Benefit Structure. The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

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. 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 percent 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 $141,052 for the year ended December 31, 2023.

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 $998,211 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 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 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 0.122 percent, which was a decrease of 0.004 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized OPEB expense of $185,261. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 130	$ 241,401
Changes of assumptions or other inputs	16,044	110,172
Net difference between projected and actual earnings on OPEB plan investments	60,969	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	90,945
Contributions subsequent to the measurement date	141,052	0
	$ 218,195	$ 442,518

$141,052 reported as deferred outflows of resources related to OPEB, which resulted from contributions subsequent to the measurement date and 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:

Year Ended December 31,	
2024	$ (141,661)
2025	(121,433)
2026	(60,738)
2027	(11,618)
2028	(29,925)
	$ (365,375)

Actuarial assumptions. The total OPEB liability 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	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
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The total OPEB liability 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.

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 older	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

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

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, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. 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.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability 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 State Division, Local Government Division, and Judicial Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2021, valuation for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of these Division Trust Funds 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 projections using scale MP-2019.

Pre-retirement mortality assumptions for the School Division were based upon the PubT-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 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent 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 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent 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 percent 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 the 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, 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 were 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 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 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 rate of return assumption of 7.25%.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the health care cost trend rates. The following 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	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	$ 969,957	$ 998,211	$ 1,028,954

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. 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 percent.
- 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 transfer 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 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 OBEP 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; 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 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 percent, 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 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25)
Proportionate share of the net OPEB liability (asset)	$ 1,157,222	$ 998,211	$ 862,205

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

6. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources or revenue until that time.

At December 31, 2023, the District did not record a deferred inflow for property tax revenues to be levied and collected in 2024. The mill levy certification for 2024 did not take place until January 2024. Accordingly, the District has not presented these unavailable revenues as a deferred inflow of resources in the balance sheet – governmental fund/statement of net position as prescribed under Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65).

Additionally, at December 31, 2023, the District has recorded a deferred inflow for pension and OPEB-related liabilities of $424,862 and $442,518, respectively. Accordingly, the District has presented these unavailable revenues as a deferred inflow of resources in the balance sheet – governmental fund/statement of net position as prescribed under GASB 68 and GASB 75.

7. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period and so will not be recognized as an outflow of resources until that time.

At December 31, 2023, the District has recorded a deferred outflow for pension and OPEB-related liabilities of $8,138,652 and $218,195, respectively. Accordingly, the District has presented these unavailable revenues as a deferred outflow of resources in the balance sheet – governmental fund/statement of net position as prescribed under GASB 68 and GASB 75.

8. Fund Balance/Net Position

The District reports fund balance and net position in accordance with GASB 54. This statement redefines the elements of fund balance in governmental funds and more clearly describes the different types of governmental funds.

Amounts reported as nonspendable fund balance at December 31, 2023, include prepaids of $577,172 considered nonspendable in form and $59,615 of security deposits.

At December 31, 2023, the District reported restricted fund balance of $1,121,120, which is the emergency reserve as required by Article X, Section 20, of the Colorado Constitution.

Assigned fund balance at December 31, 2023, includes $3,600,000, which is pursuant to the District's reserve policy to establish reserves to cover first-quarter obligations prior to receipt of property tax revenues, contingencies, and insurance deductibles.

The District reported unassigned fund balance at December 31, 2023, of $14,743,496.

Net position as reported at December 31, 2023, includes a net investment in capital assets of $54,780,862. This amount represents the District's investment in capital assets of $68,330,393, net of the District's remaining obligation under the 2015 CoPs at December 31, 2023, of $12,632,560, which is net of unamortized premium of $802,559, net of Lease to Purchase of $334,075, net of leases of $561,154, and net of subscriptions of $21,742.

The Foundation reported net position at December 31, 2023, comprised of unrestricted funds of $1,923,076.

9. Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters for which the District carries commercial and workers' compensation insurance. Settled claims have not exceeded coverage for property, liability, or workers' compensation deductibles in the past five fiscal years. In the 2024 Budget, the District has included funds to provide limited medical benefits for volunteers who serve in the District in lieu of workers' compensation for which volunteers are ineligible.

10. Tax, Spending and Debt Limitations

Article X, Section 20, of the Colorado Constitution contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments. In 1996, the voters of the County approved an increased mill levy and authorized the District to collect and spend or retain all revenue without regard to any limitations under this article or any other Colorado law. A Colorado Attorney General's opinion issued in 1999 affirms the ability of a district that holds a vote pursuant to statute to obtain such voter approval.

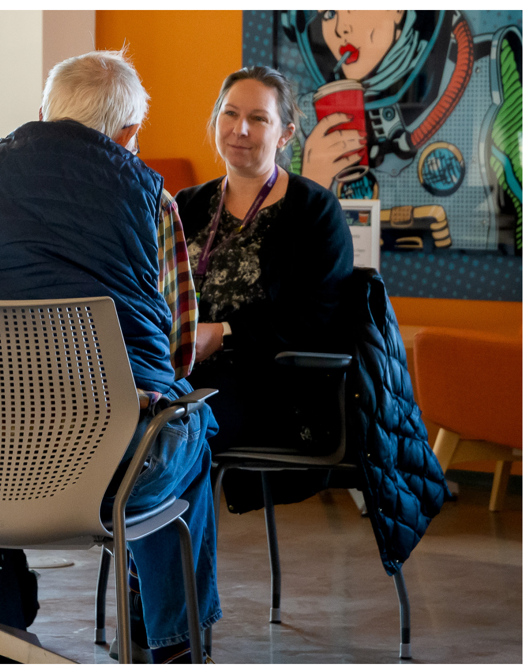
11. Commitment & Contingencies

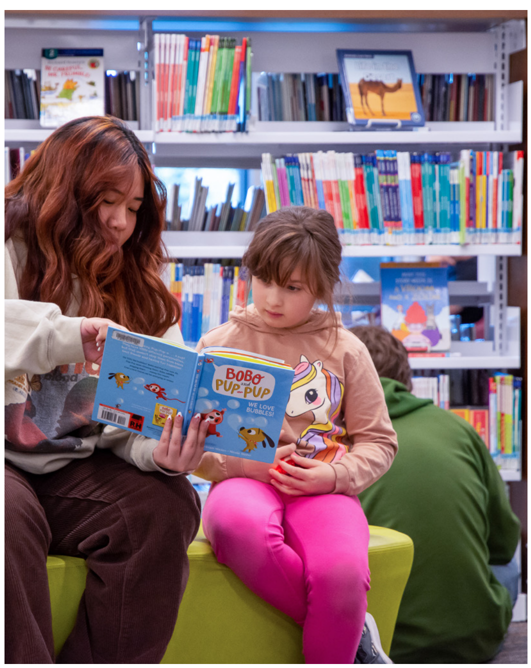
The District does not currently have reportable Commitments and/or Contingencies.

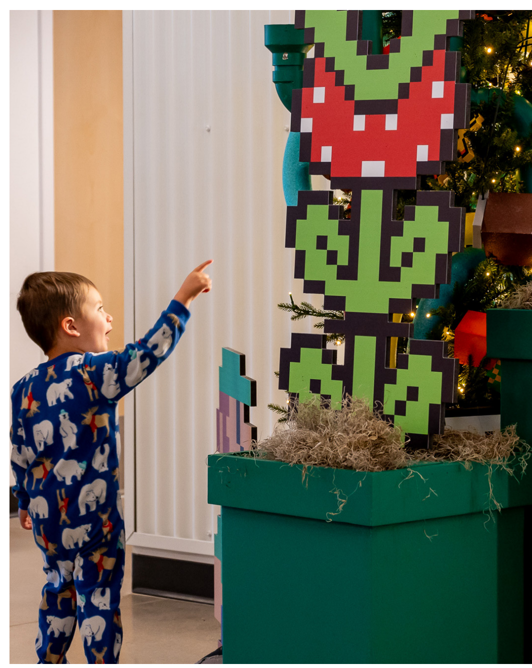
12. Subsequent Events

Purchase agreement dated June 13, 2023, was fully executed for the sale of 102 South Wilcox Street from Douglas County Libraries to Berkenkotter Holdings. Funds were received on January 8, 2024, in the amount of $3,048,230. This amount includes the total consideration of $3,250,000 (purchase price), $1,000 in interest earned on earnest money deposit, less $202,770 in settlement costs.

REQUIRED SUPPLEMENTARY INFORMATION







BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
For the Years Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance
Expenditures				
Current				
Operating				
Salaries and benefits	$ 18,791,174	$ 18,792,231	$ 17,482,263	$ (1,309,968)
Library materials	3,934,530	3,934,530	3,969,124	34,594
Facilities	2,338,387	2,338,387	1,801,238	(537,149)
Technology and support services	1,841,551	1,789,525	1,462,249	(327,276)
Programs and outreach	1,259,677	1,259,077	1,177,265	(81,812)
District-wide support	1,489,374	1,516,944	1,318,090	(198,854)
Capital Outlay	8,324,516	14,393,784	14,146,806	(246,978)
Debt Service	2,011,625	2,109,725	2,349,845	240,120
Total Expenses	39,990,834	46,134,203	43,706,880	(2,427,323)
Program Revenues				
Operating contributions and grants	305,932	305,932	303,961	(1,971)
Charges for services	514,402	514,402	534,069	19,667
Total Program Revenues	820,334	820,334	838,030	17,696
Net Program Expenses	(39,170,500)	(45,313,869)	(42,868,850)	2,445,019
General Revenues				
Property taxes	32,436,073	32,436,073	32,295,064	(141,009)
Auto ownership taxes	1,568,000	1,568,000	3,036,478	1,468,478
Investment earnings	268,859	195,783	1,531,656	1,335,873
Total General Revenues	34,272,932	34,199,856	36,863,198	2,663,342
Other Financing Sources (Uses)				
Lease income (expense), net	0	0	(11,538)	(11,538)
Leases issued-inflow	0	0	404,906	404,906
Subscriptions issued-inflow	0	0	21,741	21,741
Total Other Financing Sources (Uses)	0	0	415,109	415,109
Net Change in Fund Balance	(4,897,568)	(11,114,013)	(5,590,543)	5,523,470
Fund Balance, Beginning of Year	0	0	25,691,946	25,691,946
Fund Balance, End of Year	$ (4,897,568)	$ (11,114,013)	$ 20,101,403	$ 31,215,416

See the accompanying independent auditor's report.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Years Ended December 31,

	District's proportion (percentage) of the collective net pension liability (asset)	District's proportionate share of the collective pension liability (asset)	Covered payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net pension as a percentage of the total pension liability
2023	1.52%	$15,281,393	$12,624,049	121%	82.99%
2022	1.63%	-$1,400,686	$12,279,731	-11%	101.49%
2021	1.64%	$8,539,635	$11,664,855	73%	90.88%
2020	1.70%	$12,441,110	$11,715,798	106%	86.26%
2019	1.72%	$21,675,902	$11,308,418	192%	75.96%
2018	1.80%	$20,082,094	$11,800,629	170%	79.37%
2017	1.85%	$24,917,735	$11,184,779	223%	73.60%
2016	1.76%	$19,433,036	$10,018,742	194%	76.90%
2015	1.76%	$15,770,396	$9,641,175	164%	62.80%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
For the Years Ended December 31,

	District's proportion (percentage) of the collective net OPEB liability (asset)	District's proportionate share of the collective OPEB liability (asset)	Covered payroll	District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net OPEB as a percentage of the total pension liability
2023	0.12%	$998,211	$12,624,049	7.91%	38.57%
2022	0.13%	$1,090,415	$12,279,731	8.88%	39.40%
2021	0.12%	$1,186,573	$11,664,855	10.17%	32.78%
2020	0.13%	$1,464,199	$11,715,798	12.50%	24.49%
2019	0.13%	$1,819,124	$11,308,418	16.09%	17.03%
2018	0.14%	$1,821,389	$11,800,629	15.43%	17.53%
2017	0.14%	$1,836,557	$11,184,779	16.42%	

See Note 2 to the Required Supplementary Information.

See the accompanying independent auditor's report.

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS TO THE PENSION PLAN
For the Years Ended December 31,

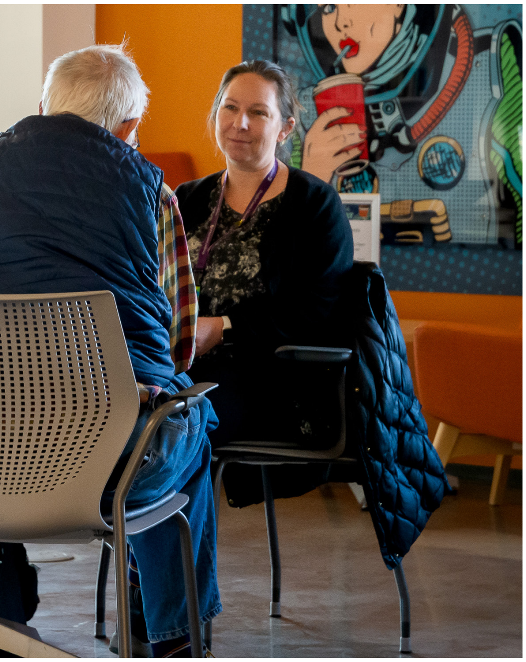
	Statutorily required contributions	Contributions in relation to the statutorily required distribution	Contribution deficiency (excess)	Covered payroll	Contribution as a percentage of covered payroll
2023	$ 1,900,058	$ 1,900,058	$ -	$ 13,828,660	13.74%
2022	$ 1,699,413	$ 1,699,413	$ -	$ 12,624,049	13.46%
2021	$ 1,620,924	$ 1,620,924	$ -	$ 12,279,731	13.20%
2020	$ 1,505,196	$ 1,505,196	$ -	$ 11,664,855	12.90%
2019	$ 1,485,563	$ 1,485,563	$ -	$ 11,715,798	12.68%
2018	$ 1,433,907	$ 1,433,907	$ -	$ 11,308,418	12.68%
2017	$ 1,496,320	$ 1,496,320	$ -	$ 11,800,629	12.68%
2016	$ 1,364,600	$ 1,364,600	$ -	$ 11,184,779	12.20%
2015	$ 1,270,376	$ 1,270,376	$ -	$ 10,018,742	12.68%

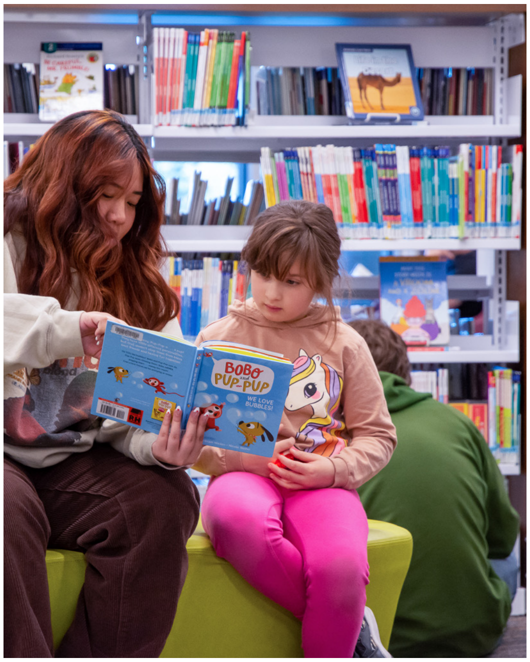
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS TO OPEB
For the Years Ended December 31,

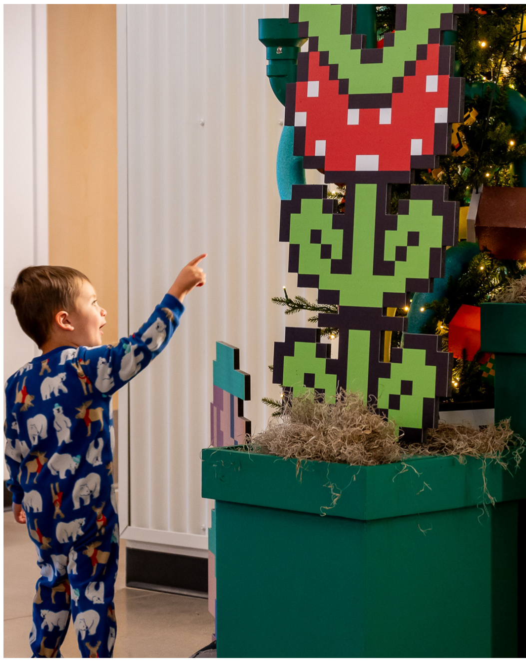
	Statutorily required contributions	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contribution as a percentage of covered payroll
2023	$ 141,052	$ 141,052	$ -	$ 13,828,660	1.02%
2022	$ 128,765	$ 128,765	$ -	$ 12,624,049	1.02%
2021	$ 125,254	$ 125,254	$ -	$ 12,279,731	1.02%
2020	$ 118,982	$ 118,982	$ -	$ 11,664,855	1.02%
2019	$ 119,501	$ 119,501	$ -	$ 11,715,798	1.02%
2018	$ 115,346	$ 115,346	$ -	$ 11,308,418	1.02%
2017	$ 116,056	$ 116,056	$ -	$ 11,800,629	0.98%

See Note 2 to the Required Supplementary Information.
See the accompanying independent auditor's report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION







NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

1. Stewardship, Compliance, and Accountability

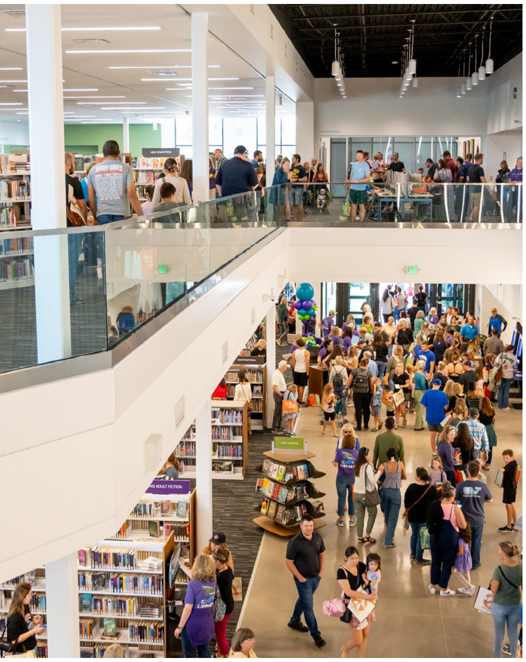
The District's Board of Trustees holds a public hearing in the fall each year to approve the budget for the general fund and appropriate the funds for the ensuing year. Expenditures may not legally exceed amounts appropriated by fund. Any change in the budget for a particular fund requires approval by the Board of Trustees. Management is authorized to make transfers between line items within a fund.

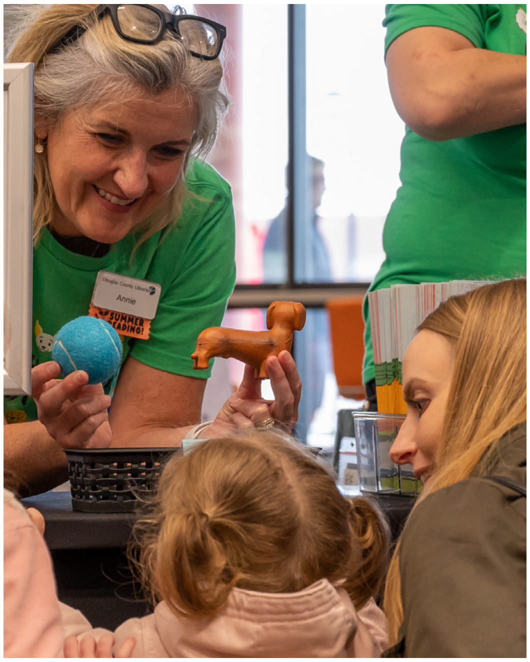
This budgetary comparison schedule is presented on a basis in conformity with generally accepted accounting principles (GAAP).

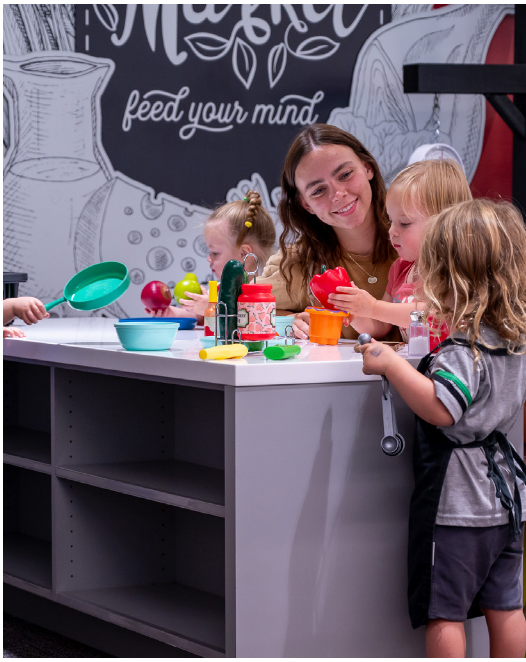
2. Pension and OPEB Related Disclosures

GASB 68, adopted during fiscal year 2015, and GASB 75, implemented during fiscal year 2018, require disclosure of the District's proportionate share of the net pension liability at the measurement date and contributions to the pension plan for the previous 10-year period. Until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

OTHER INFORMATION







SUMMARY OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – GENERAL FUND
For the Years Ended December 31,
(Unaudited)

	2019	2020	2021	2022	2023
Expenditures					
Current					
Operating					
Salaries and benefits	$ 15,018,559	$ 15,243,578	$ 15,807,234	$ 16,523,332	$ 17,482,263
Library materials	3,669,890	3,840,904	3,847,342	3,996,798	3,969,124
Facilities	1,810,114	1,527,772	1,673,773	1,785,765	1,801,238
Technology and support services	1,370,079	1,412,851	1,360,864	1,395,873	1,462,249
Programs and outreach	813,191	503,623	822,131	1,137,341	1,177,265
District-wide support	1,242,742	1,099,971	1,188,083	1,260,806	1,318,090
Capital Outlay	4,511,943	1,214,327	2,046,816	12,821,756	14,146,806
Debt Service	2,012,300	2,012,800	2,013,425	2,225,930	2,349,845
Total Expenses	30,448,818	26,855,826	28,759,668	41,147,601	43,706,880
Program Revenues					
Operating contributions and grants	400,796	340,873	264,404	421,593	303,961
Charges for services	689,313	410,207	566,869	567,080	534,069
Total Program Revenues	1,090,109	751,080	831,273	988,673	838,030
Net Program Expenses	(29,358,709)	(26,104,746)	(27,928,395)	(40,158,928)	(42,868,850)
General Revenues					
Property taxes	25,757,166	28,971,244	29,655,129	32,350,900	32,295,064
Auto ownership taxes	2,512,679	2,529,513	288,807	2,894,516	3,036,478
Investment earnings	548,596	195,065	38,739	521,327	1,531,656
Total General Revenues	28,818,441	31,695,822	29,982,675	35,766,743	36,863,198
Other Financing Sources (Uses)					
Lease income (expense), net	191,914	106,996	108,853	2,138	(11,538)
Lease to purchase	0	0	196,844	347,310	0
Leases issued-inflow	0	0	0	436,818	404,906
Subscriptions issued-inflow	0	0	0	0	21,741
Total Other Financing Sources (Uses)	191,914	106,996	305,697	786,266	415,109
Net Change in Fund Balance	(348,354)	5,698,072	2,359,977	(3,605,919)	(5,590,543)
Fund Balance, Beginning of Year	18,988,170	18,639,816	24,337,888	29,297,865	25,691,946
Fund Balance, End of Year	$ 18,639,816	$ 24,337,888	$ 26,697,865	$ 25,691,946	$ 20,101,403

SUMMARY HISTORICAL COMPARISON OF
REVENUES, EXPENSES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUND
For the Years Ended December 31, 2023

	Actual			Budget
	2021	**2022**	**2023**	**2024**
Statistics				
Circulation	5,941,127	6,056,477	6,036,732	
Patron visits	1,158,320	1,326,756	1,340,490	
Building square footage	177,000	176,000	192,968	
Full time equivalent employee headcount	233	243	254	
Revenues				
Property and auto ownership taxes	$ 32,543,936	$ 35,245,416	$ 35,331,542	$ 37,724,932
Charges for services	566,869	567,080	534,069	345,468
Contributions and grants	264,404	421,593	303,961	305,932
Investment earnings	38,739	521,327	1,531,656	1,205,050
Total Revenues	33,413,948	36,755,416	37,701,228	39,581,382
Operating Expenditures				
Salaries, wages and benefits	15,807,234	16,523,332	17,482,263	20,189,931
Library content	3,847,342	3,996,798	3,969,124	4,617,007
Facilities	1,673,773	1,785,765	1,801,238	2,652,382
Technology equipment and services	1,360,864	1,395,873	1,462,249	1,668,940
Programs and outreach	822,131	1,137,341	1,177,265	1,583,839
District-wide support	1,188,083	1,260,806	1,318,090	1,905,455
Interest and principal payments	2,013,425	2,225,930	2,349,845	2,313,535
Capital expenditures	505,857	1,338,024	908,399	1,175,671
Total Operating Expenditures	27,218,709	29,663,869	30,468,473	36,106,760
Revenues Over (Under) Operating Expenditures	6,195,239	7,091,547	7,232,755	3,474,622
Non-Operating Revenues (Expenditures)				
Lease income (expense), net	108,853	2,138	(11,538)	0
Lease to purchase	196,844	347,310	0	0
Capital expenditures	(1,540,959)	(11,483,732)	(13,238,407)	(2,329,788)
Leases issued-inflow	0	436,818	404,906	0
Subscriptions issued-inflow	0	0	21,741	0
Total Non-Operating Revenues (Expenditures), net	(1,235,262)	(10,697,466)	(12,823,298)	(2,329,788)
Total Revenues Over (Under) Total Expenditures	$ 4,959,977	$ (3,605,919)	$ (5,590,543)	$ 1,144,834

HISTORY OF ASSESSED VALUATIONS
(Unaudited)

Levy / Collection Year	Assessed Valuation	Percent Change	Statutory "Actual" Value
2018/2019	$ 6,438,835,604	1.58%	$ 62,315,982,391
2019/2020	$ 7,239,081,296	12.43%	$ 72,076,633,311
2020/2021	$ 7,406,236,279	2.31%	$ 74,185,916,447
2021/2022	$ 8,065,691,731	8.90%	$ 81,370,875,194
2022/2023	$ 8,104,381,140	0.48%	$ 83,777,072,422
2023/2024	$ 10,292,323,249	27.00%	$ 114,596,756,478

HISTORY OF MILL LEVIES
(Unaudited)

Levy / Collection Year	General Fund	Special Abatement	Temporary Rate Reduction	Total Levy
2018/2019	4.000	0.008		4.008
2019/2020	4.000	0.023		4.023
2020/2021	4.000	0.012		4.012
2021/2022	4.000	0.021		4.021
2022/2023	4.000	0.008		4.008
2023/2024	4.000	0.000	-0.487	3.513

PROPERTY TAX COLLECTIONS
(Unaudited)

Levy/Collection Year	Taxes Levied	Current Tax Collections	Collection Rate
2017/2018	$ 25,488,713	$ 25,488,019	100.00%
2018/2019	$ 25,806,853	$ 25,849,883	100.17%
2019/2020	$ 29,122,824	$ 29,173,238	100.17%
2020/2021	$ 29,713,820	$ 29,901,263	100.63%
2021/2022	$ 32,432,146	$ 32,606,739	100.54%
2022/2023	$ 32,436,073	$ 32,641,357	100.63%

Douglas County Libraries

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