
**REPORT OF
THE NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NORTERN CHAFFEE COUNTY LIBRARY DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Northern Chaffee County Library District
Buena Vista, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Northern Chaffee County Library District, as of and for the year ended December 31, 2022, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Northern Chaffee County Library District, as of December 31, 2022, 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. 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 Northern Chaffee County Library District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Northern Chaffee County Library 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Certified Public Accountants

- 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 Northern Chaffee County Library 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 Northern Chaffee County Library District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Colorado PERA Pension Plan Schedule of the District's Proportionate Share of Net Pension Asset and Contributions, and Schedule of the District's Proportionate Share of Net OPEB Liability and Contributions on pages B1 through B8, D1 through D2, D3 through D4 and D5 through D6, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Blair and Associates, P.C.

Cedaredge, Colorado
June 23, 2023

Management’s Discussion and Analysis

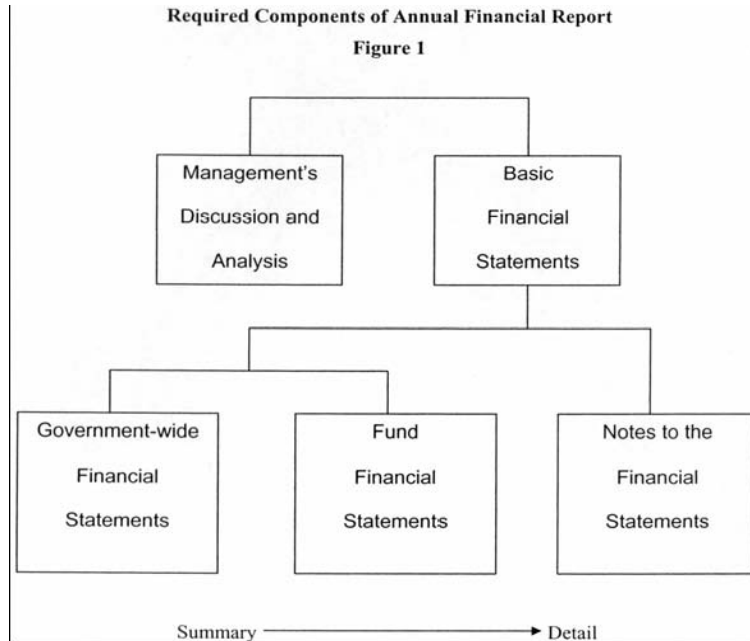
As management of the Northern Chafee County Library District (the “District”), we offer this narrative overview and analysis of the financial activities of the Northern Chafee County Library District for the year ended December 31, 2022. We encourage the readers to consider this Management’s Discussion and Analysis (MD&A) in conjunction with the District’s financial statements, which follow this MD&A.

Financial Highlights

- The District’s total assets exceeded its liabilities on December 31, 2022, by \$2,393,258 (Exhibit 1). This represented an increase of \$234,669 from net position at December 31, 2021 (see Exhibit 2). This perspective on net position includes spendable resources as well as the investment in buildings, collections and other capital assets of \$1,264,737 and emergency reserve of \$25,720.
- The District’s total liabilities decreased by \$218,703 from the prior year as shown in Figure 2.
- As of December 31, 2022, the District’s governmental funds reported combined ending fund balances of \$1,392,321, an increase of \$127,157 in comparison to the prior year (see Exhibits 3 and 4). The portion of the total fund balance for the General Fund that is unassigned and available for spending at the District’s discretion is \$1,366,601.
- Within the District’s general operating fund, total actual revenues were \$113,906 more than the 2022 final budget, and total actual expenditures were \$30,329 less than the 2022 final budget (see D1 to D2).

Overview of the Financial Statements

The District’s basic financial statements consist of three components: 1) *government-wide financial statements*, 2) *fund financial statements* and 3) *notes to the financial statements*. Figure 1 illustrates the components of a typical annual financial report.



Basic Financial Statements

Government-wide Financial Statements:

The *government-wide financial statements* (C1 and C2) provide both short and long-term information about the District's financial status. These financial statements present a broad overview of the District's finances, similar in format to financial statements of a private-sector business. The statement of activities (Exhibit 2) reports changes in the District's net position. This statement includes all of the District's revenues and expenses, regardless of when the cash is received or paid, as defined under the full accrual accounting method.

Fund Financial Statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The *fund financial statements* focus on the activities of the District's individual governmental funds and are divided into two parts: 1) the "modified accrual basis statements" and the "budgetary basis statements".

Governmental funds in the "modified accrual basis statements" are reported using modified accrual accounting, which recognizes expenditures when the liability is incurred and revenue when measurable and available. The modified accrual accounting method provides a short-term spending focus, which helps the reader assess the amount of financial resources immediately available to finance the District's programs. The differences in accounting for financial information in the *government-wide statements* and the fund statements are illustrated by the reconciliations on C4 through C6.

The annual budget shown in the "budgetary basis statement for the General Fund" D1 through D2 is prepared as described in Note 1. The budget is presented using the modified accrual basis of accounting.

The "budgetary basis statement" for the General Fund, demonstrates how the District complied with the year's approved budget. The "budgetary basis statement" is presented using the same classifications as those used in the legal budget document.

Notes to the Basic Financial Statements:

Notes to the financial statements provide additional information that is essential to fully understanding the financial statement data.

Financial Analysis

The Statement of Net Position and the Statement of Activities (C1 and C2) present the District's financial information as a whole. Figures 2 and 3 provide summaries of these statements for 2021 and 2022.

The District's Net Position
Figure 2

	Governmental Activities	
	2021	2022
Current and other assets	\$ 1,980,867	\$ 2,145,670
Capital assets, net of depreciation	1,283,743	1,264,737
Total assets	3,264,610	3,410,407
Deferred outflows of resources	99,417	54,985
Current liabilities	248,836	32,590
Other liabilities	15,918	13,461
Total liabilities	264,754	46,051
Deferred inflow of resources	940,682	1,026,083
Net position		
Net investment in capital assets	1,283,743	1,264,737
Restricted for seizure and operations	22,340	25,720
Unrestricted	852,508	1,102,801
Total net position	\$ 2,158,591	\$ 2,393,258

Net Position:

The District's assets exceeded its liabilities by \$2,393,258 as of December 31, 2022, an increase in the District's net position of \$234,669 during 2022 (see Figures 2 and 3). Of the net position, \$1,264,737 is invested in capital assets, which includes land, buildings, library materials, furniture and equipment, less related debt. The District uses capital assets to provide services to patrons; consequently, these assets are not available for future spending. The remaining portions of the District's net position is classified as either restricted or unrestricted. The restricted asset is for emergency reserve of \$25,720. The remaining assets are unrestricted assets of \$1,102,801 which can be used for future operations.

The District's Changes in Net Position

Figure 3

	Governmental Activities	
	2021	2022
Revenues:		
Program revenues:		
Charges for services	\$ 7,729	\$ 7,706
Operating grants and contributions	44,154	16,758
General revenues:		
Property taxes	658,257	785,874
Investment income	562	17,718
Other	28,138	13,470
Total revenues	738,840	841,526
Expenses:		
Salaries and benefits	338,103	291,323
Library Materials	19,658	27,754
General operating and library materials	144,493	148,706
Building operations and maintenance	72,578	31,767
Depreciation expense	100,686	107,307
Total expenses	675,518	606,857
Increase in net assets	63,322	234,669
Net assets, January 1	2,095,267	2,158,589
Net assets, December 31	\$ 2,158,589	\$ 2,393,258

The District receives 93 percent of its funding from property tax revenues. Salaries and benefits represent 48 percent of the District’s total expenditures. Under the method of accounting used for the government-wide financial statements, library books and other collections are capitalized as assets and depreciated over their estimated useful lives. Consequently, most of the year’s expenditures for books and collections are not included in the “library materials” expense shown in Figure 3.

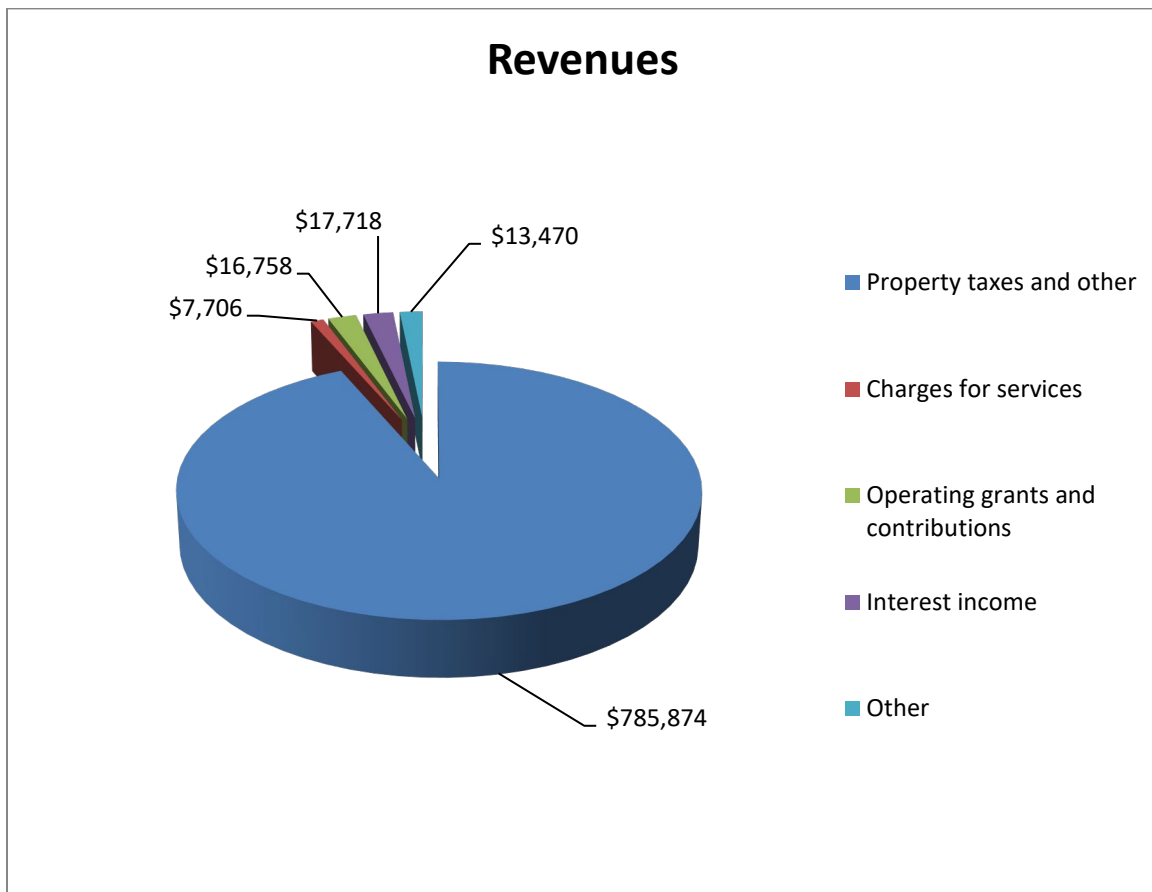
Fund Financial Analysis

“Modified Accrual Basis Statement” Analysis (C3 and C5):

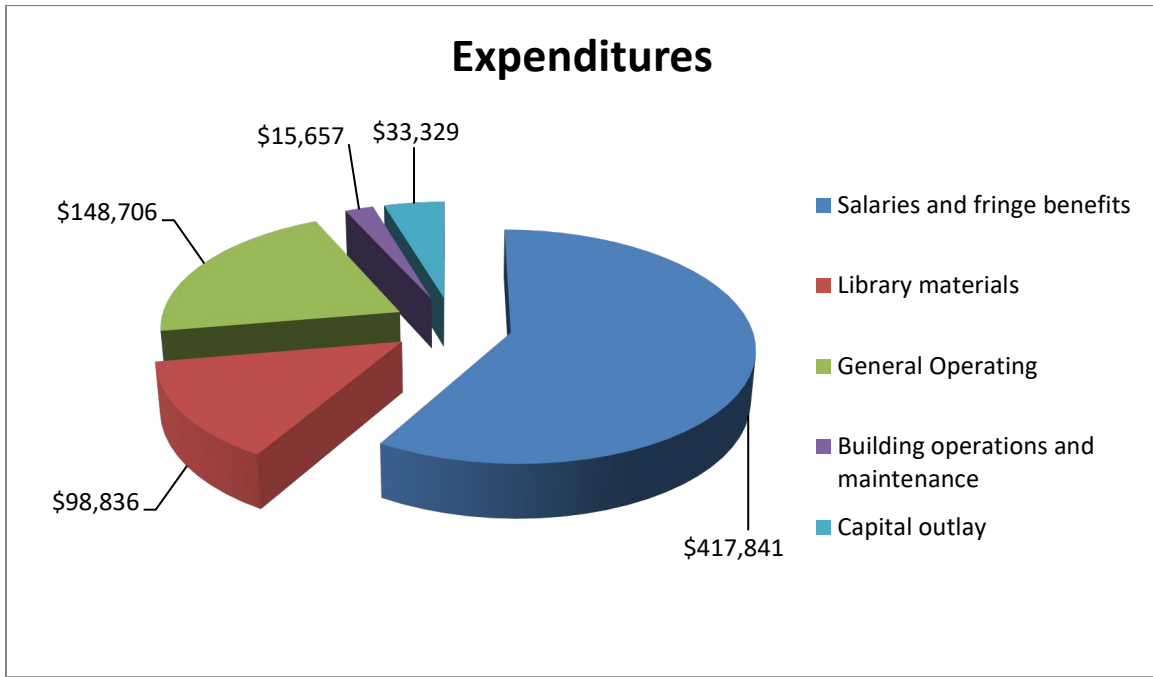
The General Fund is the chief operating fund of the District. At the end of the calendar year 2022, the fund balance of the General Fund is \$1,392,321. Of this amount, \$25,720 is reserved for emergencies under Tabor. The remaining unassigned fund balance of \$1,366,601 is available for future spending.

The charts in Figures 4 and 5 represent only the General Fund’s revenues and expenditures.

General Fund 2021 Revenues
Figure 4



General Fund 2021 Expenditures
Figure 5



Capital Asset Discussion

The District’s investment in capital assets as of December 31, 2022, totals \$1,264,737, net of accumulated depreciation (see Figure 6). These assets include buildings, land, furniture, equipment, books, and audio-visual equipment. Additional information on the District’s capital assets can be found in Note 4 of the financial statements.

Major capital asset transactions during the calendar year include the following:

Library Materials	\$	71,082
Furniture, Fixtures and Equipment	\$	17,219

Capital Assets
Figure 6

	2021	2022
Land	\$ 165,379	\$ 165,379
Building	874,628	848,198
Furniture and equipment	16,043	25,789
Digitized Collections	12,494	12,494
Library Materials and Software	215,199	212,877
Total capital assets	\$ 1,283,743	\$ 1,264,737

Economic Factors and Next Year’s Budget

Within this section of the Northern Chaffee County Library District’s annual financial report, the District offers readers of our financial statements this narrative summary of the financial activities of the District for the fiscal year ending December 31, 2022.

Overview of Revenues

The Library District’s revenue largely results from a 2.5 Mill Levy on property taxes within the Northern Chaffee County service area. 2022 was the first year of the 2-year assessment cycle and revenues were higher as a result of increases in valuation. The library continues to receive support from the State Library in the form of the annual grants to libraries and in being part of the Growing Readers Together grant, which supplements the youth materials and programs budget. Due to Federal interest rate hikes, revenue from interest also increased to support the budget.

Budgetary Highlights

Collection budgets increased in 2022 to reflect increased demand for library materials. A new virtual author talk subscription was acquired to expand online learning options. Two additional community Wi-Fi hotspot projects were completed. Dedicated staff hours for teen programming resulted in a regular offering of classes and activities for teens. Several interior areas of the library were painted, and aging light ballasts were replaced. Additional seating and tables were purchased to provide more work areas for remote workers and students as the library is seeing an increase in this use. Another highlight is the contracting of an architect firm for a feasibility study on expansion options; the library has reached its capacity for shelving, seating and other service areas and is investigating options for expansion.

The Library continues its membership with the Marmot Library Consortium, which allows the Library to provide access to an extended number of materials and utilize the specialty services, including IT services.

Requests for information:

This financial report is designed to provide a general overview of Northern Chaffee County Library District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or for additional financial information should be addressed to the Library Director, Post Office Box 2019, Buena Vista, Colorado 81211.

Northern Chaffee County Library District
Statement of Net Position
December 31, 2022

Assets	
Current assets	
Cash and cash equivalents	\$ 310,286
Investments	1,081,606
Cash with County Treasurer	6,797
Net pension asset	33,539
Property taxes receivable	713,442
Total current assets	<u>2,145,670</u>
Capital assets	
Land	165,379
Building and improvements	1,275,587
Furniture, Fixtures and equipment	75,708
Digitized collections	12,494
Library materials and software	720,659
Accumulated depreciation	(985,090)
Total capital assets	<u>1,264,737</u>
Total assets	<u>3,410,407</u>
Deferred Outflow of Resources	
Pension deferrals	51,432
OPEB deferrals	3,553
Total Deferred Outflow of Resources	<u>54,985</u>
Liabilities	
Current liabilities	
Accounts payable	3,126
Payroll taxes payable	3,242
Net OPEB liability	26,222
Total current liabilities	<u>32,590</u>
Deferred inflows of resources	
Deferred property taxes	713,442
Pension deferrals	302,281
OPEB deferrals	10,360
Total deferred inflows of resources	<u>1,026,083</u>
Non-current liabilities	
Compensated absences	13,461
Total non-current liabilities	<u>13,461</u>
Total liabilities and deferred inflows of resources	<u>1,072,134</u>
Net position	
Invested in capital assets, net of related debt	1,264,737
Restricted for emergency	25,720
Unrestricted	1,102,801
Total net position	<u>\$ 2,393,258</u>

See the accompanying notes to the basic financial statements.

Northern Chaffee County Library District
Balance Sheet - General Fund
December 31, 2022

Assets	
Cash and cash equivalents	\$ 310,286
Investments	1,081,606
Cash with County Treasurer	6,797
Property taxes receivable	713,442
Total assets	\$ 2,112,131
Liabilities	
Liabilities	
Accounts payable	3,126
Payroll taxes payable	3,242
Total liabilities	6,368
Deferred inflows of resources	
Deferred property taxes and other	713,442
Fund balance:	
Fund balance:	
Reserve for emergency	25,720
Unassigned	1,366,601
Total fund balance	1,392,321
Total liabilities, deferred inflows of resources and fund equity	
	\$ 2,112,131

See the accompanying notes to the basic financial statements.

**Northern Chaffee County Library District
Reconciliation of the General Fund - Balance Sheet
to the Statement of Net Position
December 31, 2022**

Total fund balance for governmental funds **\$ 1,392,321**

Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 165,379	
Building and improvements	1,275,587	
Furniture, Fixtures and equipment	75,708	
Digitized collections	12,494	
Library materials and software	720,659	
Less accumulated depreciation	<u>(985,090)</u>	
Total capital assets		<u>1,264,737</u>

Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds. Other related amounts related to pension liability.

Net pension liability and related deferred inflows and outflows	(217,310)	
Net OPEB liability and related deferred inflows and outflows	(33,029)	
Compensated absences	<u>(13,461)</u>	
Total long-term liabilities		<u>(263,800)</u>

Total net position of governmental activities **\$ 2,393,258**

See the accompanying notes to the basic financial statements.

**Northern Chaffee County Library District
Statement of Revenues, Expenditures
Changes in Fund Balance - General Fund
For the year ended December 31, 2022**

Revenues

Taxes		
Property	\$	706,152
Specific ownership		79,722
Miscellaneous:		
Fines and fees		7,706
Contributions		16,758
Interest income		17,718
Other		13,470
Total revenues		<u>841,526</u>

Expenditures

Operating expenses		
Salaries and fringe benefits		417,841
Supplies		13,262
General operating expenses		59,002
Contracted services		55,258
Repairs and maintenance		15,657
Treasurer's fees		21,184
Capital expenditures:		
Library materials		98,836
Capital outlay		33,329
Total expenditures		<u>714,369</u>
Net change in fund balance		127,157
Fund balance, January 1		<u>1,265,164</u>
Fund Balance, December 31	\$	<u><u>1,392,321</u></u>

See the accompanying notes to the basic financial statements.

**Northern Chaffee County Library District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of the General Fund to the Statement of Activities
For the year ended December 31, 2022**

Net change in fund balance for General Fund	\$ 127,157
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay 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 outlay exceeded depreciation in the current period.

Depreciation expense	(107,307)	
Capital outlay	<u>88,301</u>	(19,006)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources and revenues are not recognized until they become both measurable and available. In the Statement of Activities however, which is presented on the accrual basis revenues are recognized when earned and expenses and liabilities are reported regardless of when financial resources are available. In addition, interest and amortization on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of these balances.

Compensated absences	2,459	
Pension costs	124,059	<u>126,518</u>

Change in net position of governmental activities	\$ <u><u>234,669</u></u>
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Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 1 -Summary of Significant Accounting Policies

The Financial Reporting Entity

The Northern Chaffee County Library District (the "District"), Buena Vista, Colorado was incorporated as a special district under Colorado Revised Statutes to provide library services to Buena Vista and the surrounding areas of Northern Chaffee County. It is governed by a five-member board of trustees, whom are ratified by the Chaffee County Board of County Commissioners. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements of the District consist only of the funds and account groups of the District, a stand-alone government. Based on criteria set forth by GASB, there are no component units for which the District is financially accountable. The more significant of the District's accounting principles are described below.

Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about all of the activities of the District. These statements include the financial activities of the overall government, except for fiduciary activities. These statements distinguish between the governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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.

Fund Financial Statements: The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds. The District does not have proprietary or fiduciary fund types.

The District reports the following governmental fund:

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

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 1 -Summary of Significant Accounting Policies - (continued)

Measurement Focus, Basis of Accounting

Government-wide Financial Statements

The government-wide fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchanges, include property and specific ownership taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the period for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, specific ownership taxes, grants, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not recognize as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 1 -Summary of Significant Accounting Policies - (continued)

Assets, Liabilities, and Equity

Cash and cash equivalents- The District considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property taxes- Property taxes are levied on December 22 and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a deferred inflow of resources on December 31, net of an estimated uncollectible portion.

Allowance for doubtful accounts- The District considers all accounts receivable to be collectible and, accordingly, provides no allowance for doubtful accounts.

Capital assets- Purchased or constructed capital assets are reported at cost or estimated historical cost over \$5,000. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation is calculated using the straight-line method over the estimated useful lives. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense. The estimated useful lives are as follows:

Buildings and Improvements	50 years
Furniture, Fixtures and Equipment	5-10 years
Library Books	5 years
Audio and Video Materials	5 years
Software	5 years

Compensated absences- The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated paid/personal time off (PTO). The liability has been calculated at 100% on accrued PTO based off each individual employee's years of services. Maximum employee PTO accruals are as follows: under 5 years of service, 56 hours; between 5 year and 9 years of service, 96 hours; between 10 and 14 years of services, 112 hours; and over 15 years of service, 240 hours. Both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Accrued, unused hours over the maximum allowance are forfeited on January 1st.

Fund balances- The District classifies governmental fund balances as follows:

- *Non-spendable-* includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.
- *Restricted-* includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 1 -Summary of Significant Accounting Policies - (continued)

Fund balances - (continued)

- *Committed*-includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making District which is the Board of Directors.
- *Assigned*-includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.
- *Unassigned*-includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Board of Directors has provided otherwise in its commitment or assignment actions.

Comparative data/reclassifications- Comparative amounts in total have been presented for the governmental fund financial statements. Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

Budget and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budgets are required by state law for all governmental funds.
2. During October the proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following January 1.
3. Prior to December 31, the budget is adopted, and appropriations are authorized by resolution at the fund level for all funds. The legal level of budgeting control is at the individual fund level for all funds.
4. Budgets are adopted on a basis consistent with the accounting basis of all funds, except that book donations and advance refunding are not budgeted.
5. Expenditures may not legally exceed appropriations at the fund level. The Board of Trustees may increase or decrease the budget and appropriations during the year within restrictions imposed by the District and laws of the State of Colorado. Budget amounts included in the financial statements are based on the final, legally amended budget.
6. Appropriations lapse at the end of the year, and the Board of Trustees may adopt supplemental appropriations during the year. For 2022, no supplemental appropriations were adopted.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 2 -Deposits with Financial Institutions and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must at least be equal to the aggregate uninsured deposits.

Custodial Credit: Risks -Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2022, none of the District's bank balances of \$334,998 were exposed to custodial credit risk as \$334,998 was insured by FDIC.

Investments

On December 31, 2022, the District had the following investments in ColoTrust which is reported at net asset value:

	<u>Maturities</u>	<u>Fair Value</u>
ColoTrust Plus (Net Asset Value)	N/A	\$1,081,606

Interest rate risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's only investments are in Colotrust.

Credit risk- Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The District's general investment policy is to apply the prudent-person rule: Prudence and protection of District funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2021, the District's investment in ColoTrust Plus, a 2a7-like investment pool, was rated AAA/V by Standard & Poor's, Aaa by Moody's Investors Service and AAA/V-1 by Fitch Ratings.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 2 -Deposits with Financial Institutions and Investments - (continued)

Concentration of credit risk- Investments must be in accordance with Colorado statutes and will be diversified. All of the District's investments are in ColoTrust.

Note 3 -Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 165,379	\$ -	\$ -	\$ 165,379
Digitized collections	12,494	-	-	12,494
Total	<u>177,873</u>	<u>-</u>	<u>-</u>	<u>177,873</u>
Capital assets being depreciated:				
Building and improvements	1,275,587	-	-	1,275,587
Furniture, Fixtures and equipment	70,983	17,219	-	88,202
Software	13,500	-	-	13,500
Library materials	623,583	71,082	-	694,665
Total capital assets being depreciated	<u>1,983,653</u>	<u>88,301</u>	<u>-</u>	<u>2,071,954</u>
Less accumulated depreciation for:				
Building and improvements	(400,959)	(26,430)		(427,389)
Furniture, Fixtures and equipment	(54,940)	(7,473)		(62,413)
Software	(13,500)			(13,500)
Library materials	(408,384)	(73,404)		(481,788)
Total accumulated depreciation	<u>(877,783)</u>	<u>(107,307)</u>	<u>-</u>	<u>(985,090)</u>
Capital assets net of depreciation	<u>1,105,870</u>	<u>(19,006)</u>	<u>-</u>	<u>1,086,864</u>
Governmental activity capital assets	<u>\$ 1,283,743</u>	<u>\$ (19,006)</u>	<u>\$ -</u>	<u>\$ 1,264,737</u>

Depreciation expense charged to library operations was \$107,307.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 4 –Long-term Debt

Changes in General Long-Term Debt for the year ended December 31, 2022, are as follows:

	Balance Beginning of Year	Additions	Retirements	Balance End of Year	Due Within One Year
Compensated absences	\$ 15,919		\$ (2,458)	\$ 13,461	\$ -
Total	\$ 15,919	\$ -	\$ (2,458)	\$ 13,461	\$ -

Note 5 –Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 ("TABOR"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. In 1995 voters approved a de-brucing ballot question allowing the district to retain the revenue it received through properly assessed, voter-approved property taxes.

One of the requirements of TABOR is for emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefits increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has reserved a portion of its December 31, 2022, year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$25,720, which is the approximate required reserve at December 31, 2022.

In November 1995, the District's electorate passed a referendum that the:

"Board of Directors of Northern Chaffee County Library District have the District under the provisions of Article X, Section 20, Colorado Constitution, to retain revenue from sources not excluded from fiscal year spending if such revenues exceed the limits in dollars for each succeeding fiscal year, as such limits are defined in Article X, Section 20, Paragraph 7 spending limits, of the Colorado Constitution , in accordance with the resolution of the Board of Directors of Northern Chaffee County Library District dated September 8, 1995.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 6 –Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District minimizes adverse effects of losses through the purchase of commercial insurance, including worker’s compensation. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

Note 7 –Defined Benefit Pension Plan

Plan Description

Northern Chaffee County Library District participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SDTF 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions. Most of these changes were in effect as of December 31, 2022.

General Information about the Pension Plan

Plan description. Eligible employees of the Northern Chaffee County Library District are provided with pensions through the SDTF—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 comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

General Information about the Pension Plan (continued)

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

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

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

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

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

As of December 31, 2022, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, 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 an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant C.R.S. § 24-51-413. 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 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the SDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent 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. State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. 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 provisions as of December 31, 2021: Eligible employees of, North Chaffee County Library District and the State are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements for the SDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413.

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

	2021
Employer contribution rate	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-	(1.02%)
Amount apportioned to the SDTF	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02%
Total employer contribution rate to the SDTF	13.20%

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Northern Chaffee County Library District is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from Northern Chaffee County Library District were \$38,423 for the year ended December 31, 2022.

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

The net pension asset for the SDTF was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The Northern Chaffee County Library District proportion of the net pension liability was based on Northern Chaffee County Library District contributions to the SDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a non-employer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation.

At December 31, 2022, the Northern Chaffee County Library District reported an asset of \$33,539 for its proportionate share of the net pension asset.

At December 31, 2021, the Northern Chaffee County Library District proportion was .003912 percent, which was decrease of .00059 from its proportion measured as of December 31, 2020.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

For the year ended December 31, 2022, Northern Chaffee County Library District recognized pension expense of \$(121,230). At Northern Chaffee County Library District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$1,639	\$ 560
Changes of assumptions or other inputs	11,370	-
Net difference between projected and actual earnings	-	290,122
Changes in proportion and differences between	-	11,599
Contributions subsequent to the measurement date	38,423	N/A
Totals	\$51,432	\$302,281

\$38,423 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. 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, 2022:	
2022	\$(69,928)
2023	\$(113,562)
2024	\$(70,578)
2025	\$(35,206)
2026	-
Thereafter	-

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

Actuarial assumptions. The total pension liability in the December 31, 2020, 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 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	1.00%
and DPS benefit structure (compounded annually)	
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

•**Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 90 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

•**Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 107 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA’s Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.30%-10.90%
State Troopers	3.20%-12.40%
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	1.25%
and DPS benefit structure (compounded	
PERA benefit structure hired after 12/31/06 ¹	

Financed by the AIR

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

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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

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

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 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 mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, 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.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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 percent 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
Global	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

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 scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent 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.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

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

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

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 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 Northern Chaffee County Library District proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount	1% Increase
Proportionate share of the net pension liability	\$229,966	\$(33,539)	\$(253,950)

Pension plan fiduciary net position. Detailed information about the SDTF’s FNP is available in PERA’s Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions

Defined Benefit Other Post Employment Benefit Plan (OPEB)

Northern Chaffee County Library 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.

General Information about the OPEB Plan

Plan description. Eligible employees of the Northern Chaffee County Library District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. 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 from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can 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.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

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

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

Information about the OPEB Plan

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 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.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy, in each case, is for retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 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 North Chaffee County Library District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from North Chaffee County Library District were \$2,969 for the year ended December 31, 2022.

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

At December 31, 2022, the North Chaffee County Library District reported a liability of \$26,223 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

North Chaffee County Library District proportion of the net OPEB liability was based on North Chaffee County Library District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the North Chaffee County Library District proportion was .003041 percent, which was an increase of .000090 from its proportion measured as of December 31, 2020.

Information about the OPEB Plan

For the year ended December 31, 2022, the North Chaffee County Library District recognized OPEB expense of \$(2,829). At December 31, 2022, the North Chaffee County Library District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 40	\$ 6,218
Changes of assumptions or other inputs	544	1,422
Net difference between projected and actual earnings on OPEB plan investments	-	1,623
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	1,097
Contributions subsequent to the measurement date	2,969	-
Total	\$ 3,553	\$ 10,360

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

\$2,969 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Information about the OPEB Plan

Year ended: December 31, 2022	
2022	\$(2,579)
2023	(2,795)
2024	(2,644)
2025	(1,359)
2026	(382)
Thereafter	\$ (19)

Actuarial assumptions. The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.30 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	8.10 percent in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2019, gradually rising to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2020, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums (in actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$633	\$230
Kaiser Permanente Medicare Advantage HMO	596	199

The 2021 Medicare Part A premium is \$471 (in actual dollars) per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits (in actual dollars), age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$550
Kaiser Permanente Medicare Advantage HMO	586

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

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

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 90 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 107 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

• For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

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

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

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%	

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

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 Northern Chaffee County Library District 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	3.50%	4.50%	5.50%
Ultimate PERACare Medicare Part A trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$25,469	\$26,222	\$27,095

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, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
-

Northern Chaffee County Library District
Notes to the Financial Statements
December 31, 2022

Note 8 – Postemployment Benefits Other Than Pensions (continued)

General Information about the OPEB Plan

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the Trust Fund representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the Northern Chaffee County Library District 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 1-percentage-point lower (6.25 percent) or 1-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	\$30,455	\$26,222	\$22,607

OPEB plan fiduciary net position. Detailed information about the HCTF’s fiduciary net position is available in PERA’s CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Required Supplemental Information

Northern Chaffee County Library District
Budgetary Comparison Schedule - General Fund
For the year ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 703,620	\$ 706,152	\$ 2,532
Specific ownership taxes	-	79,722	79,722
Fines and fees	7,000	7,706	706
Grants and contributions	10,500	16,758	6,258
Interest income	-	17,718	17,718
Other	6,500	13,470	6,970
Total revenues	727,620	841,526	113,906
Expenditures			
Payroll:			
Salaries and wages	328,370	329,184	(814)
Retirement	46,694	40,050	6,644
Health insurance	50,556	42,091	8,465
Payroll taxes	10,242	5,354	4,888
Payroll service	1,700	1,162	538
Total Payroll	437,562	417,841	19,721
Supplies:			
Operating expenses	9,000	7,230	1,770
Postage and copier	7,500	6,032	1,468
Total Supplies	16,500	13,262	3,238
Operating expenses:			
Continuing education	4,000	3,644	356
Software support	22,212	22,149	63
Communication and courier	8,850	9,646	(796)
Utilities	18,180	15,546	2,634
Contingency expense	4,500	4,251	249
Miscellaneous	4,300	3,766	534
Total Operating Expenses	62,042	59,002	3,040
Contracted Services:			
Audit fees	5,800	5,850	(50)
Legal fees	4,000	764	3,236
Insurance	5,794	5,850	(56)
Worker's compensation	600	667	(67)
Cataloging	15,500	15,120	380
Janitorial services	28,000	27,007	993
Total Contracted Services	59,694	55,258	4,436

Northern Chaffee County Library District
Budgetary Comparison Schedule - General Fund (continued)
For the year ended December 31, 2022

Expenditures (continued)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Repairs and maintenance:			
Building and grounds	47,000	9,677	37,323
Equipment repairs	-	5,980	(5,980)
Total Maintenance	<u>47,000</u>	<u>15,657</u>	<u>31,343</u>
Library Materials			
Books	36,000	38,535	(2,535)
Periodicals and directories	1,800	1,086	714
Audio materials	1,600	(642)	2,242
Video materials	8,000	7,325	675
Digital Materials	25,500	25,222	278
Programming	30,000	27,310	2,690
Total Library Materials	<u>102,900</u>	<u>98,836</u>	<u>4,064</u>
Treasurer's fees	-	21,184	(21,184)
Capital Outlay:			
Furniture, fixtures and equipment	19,000	33,329	(14,329)
Total Capital Outlay	<u>19,000</u>	<u>33,329</u>	<u>(14,329)</u>
Lease payments	-	-	-
Total expenditures	<u>744,698</u>	<u>714,369</u>	<u>30,329</u>
Net change in fund balance	(17,078)	127,157	144,235
Fund balance, January 1	5,847	1,265,164	1,259,317
Fund balance, December 31	<u>\$ (11,231)</u>	<u>\$ 1,392,321</u>	<u>\$ 1,403,552</u>

**Northern Chaffee County Library District
Required Supplementary Information
Schedule of District's Proportion Share of the Net Pension Liability/(Asset)
Participation In PERA
Last 10 Fiscal Years***

	<u>12/31/2020</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
District's proportion of the net pension liability	0.03911	0.03971	0.039289	0.039657
Districts proportion share of the collective pension liability	\$ (33,539)	\$ 206,944	\$ 287,359	\$ 498,574
District's covered payroll	\$ 291,078	\$ 269,409	\$ 270,565	\$ 262,731
District's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	77%	106%	190%
Plan fiduciary net position as a percentage of the total pension liability	101%	91%	86%	76.0%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which the information is available. Amounts presented were determined as of December 31 based on the measurement date of the plan.

The accompanying notes are an integral part of this statement.

**Northern Chaffee County Library District
Required Supplementary Information
Schedule of District Contributions
Participation In PERA
Last 10 Fiscal Years ***

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Statutorily required contribution	\$ 38,423	\$ 36,249	\$ 34,161	\$ 34,308	\$ 33,314	\$ 31,681	\$ 24,310	\$ 23,456			
Contributions in relation to the statutorily required contribution	38,423	36,249	34,161	34,308	33,314	31,681	24,310	23,456			
Contribution deficiency (excess)	-	-	-	-	-	-	-	-			
District's covered payroll	\$ 291,078	\$ 280,160	\$ 269,409	\$ 270,565	\$ 262,731	\$ 249,849	\$ 227,209	\$ 193,173			
Contributions as a percentage of covered payroll	13.20%	12.94%	12.68%	12.68%	12.68%	12.68%	10.70%	12.14%			

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which the information is available. Amounts presented were determined as of December 31 based on the measurement date of the plan.

**Northern Chaffee County Library District
Required Supplementary Information
Schedule of District's Proportion Share of the Net OPEB Liability
Participation In PERA OPEB Plan
Last 10 Fiscal Years***

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
District's proportion of the net OPEB liability	0.003041	0.003032	0.003009	0.0031089
Districts proportion share of the collective OPEB liability	\$ 26,223	\$ 28,810	\$ 33,821	\$ 40,403
District's covered payroll	\$ 291,078	\$ 280,160	\$ 270,565	\$ 260,991
District's proportionate share of the net pension liability as a percentage of its covered payroll	9%	10%	13%	15%
Plan fiduciary net position as a percentage of the total OPEB liability	39.4%	32.8%	24.5%	18.0%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which the information is available. Amounts presented were determined as of December 31 based on the measurement date of the plan.

The accompanying notes are an integral part of this statement.

Northern Chaffee Library District
Required Supplementary Information
Schedule of District Contributions
Participation In PERA OPEB Plan
Last 10 Fiscal Years *

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Statutorily required contribution	\$ 2,969	\$ 2,860	\$ 2,748	\$ 2,760	\$ 2,574						
Contributions in relation to the statutorily required contribution	2,969	2,860	2,748	2,760	2,574						
Contribution deficiency (excess)	-	-	-	-	-						
District's covered payroll	\$ 291,078	\$ 280,160	\$ 269,409	\$ 270,565	\$ 260,991						
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	0.99%						

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which the information is available. Amounts presented were determined as of December 31 based on the measurement date of the plan.