

**RAMPART REGIONAL LIBRARY
DISTRICT**

FINANCIAL STATEMENTS
With Independent Auditors' Report

For the Year Ended December 31, 2022

**RAMPART REGIONAL LIBRARY DISTRICT
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DECEMBER 31, 2022**

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INDEPENDENT AUDITORS' REPORT

To Management and the Board of Trustees
Rampart Regional Library District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rampart Regional Library District, as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Rampart Regional Library 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 each major fund of the Rampart Regional Library District, as of December 31, 2022 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Rampart Regional 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 Rampart Regional 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.
- 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 Rampart Regional 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 Rampart Regional 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 and required supplementary information as listed in the table of contents 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.

Hoelting & Company, Inc.

Colorado Springs, Colorado
April 24, 2023

**RAMPART REGIONAL LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2022**

As management of Rampart Regional Library District (the Library) we offer readers of the Library's annual financial report this narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2022. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

FINANCIAL HIGHLIGHTS

- The following audited financial statements include information for the Rampart Regional Library District which consists of library branches located in Woodland Park and Florissant, Colorado.
- The Library's total assets and deferred outflows of \$8,497,526 exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$6,483,601.
- The Library's total net position increased during the year by \$398,364.
- As of the close of the current fiscal year, the Library's general fund reported an ending fund balance of \$2,820,158 an increase of \$325,023 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the Library's basic financial statements. The Library's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Library's finances as a whole, in a manner similar to a private-sector business and include two statements:

The *statement of net position* presents information on all of the Library's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The *statement of activities* presents information reporting how the Library's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Accrued interest expense is an example of this type of item.

Both government-wide financial statements distinguish functions of the Library that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type

activities). The governmental activities of the Library include general government and library operations. Currently, the Library has no business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements provide more detailed information about the Library's operations, focusing on its most significant funds, not the Library as a whole.

Governmental Funds: The activities of the of the Library are reported in a governmental fund, the General fund which focus on (1) how money flows into and out of the fund and (2) the balance left at year-end that is available for spending or reserves. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the Library's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Thus, readers may better understand the long-term impact of the Library's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Library. The Library adopts an annual appropriated budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Library's financial position. For the year ended December 31, 2022, the Library's assets and deferred outflows exceeded liabilities and deferred inflows by \$6,483,601 resulting in a positive net position. The following reflects key financial information in a condensed format:

Condensed Statement of Net Position

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|---------------------|---------------------|
| Current and other assets | \$ 4,211,567 | \$ 3,876,317 |
| Capital assets | <u>4,126,592</u> | <u>4,234,515</u> |
| Total assets | <u>8,338,159</u> | <u>8,110,832</u> |
| Deferred outflows | <u>159,367</u> | <u>341,357</u> |
| Long-term liabilities | 50,982 | 471,762 |
| Other liabilities | <u>26,856</u> | <u>27,757</u> |
| Total liabilities | <u>77,838</u> | <u>499,519</u> |
| Deferred inflows | <u>1,936,087</u> | <u>1,867,433</u> |
| Net position: | | |
| Net investment in capital assets | 4,126,592 | 4,234,515 |
| Restricted | 48,000 | 43,000 |
| Unrestricted | <u>2,309,009</u> | <u>1,807,722</u> |
| Total net position | <u>\$ 6,483,601</u> | <u>\$ 6,085,237</u> |

Condensed Statement of Activities

| | <u>2022</u> | <u>2021</u> |
|------------------------------------|---------------------|---------------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 18,449 | \$ 18,462 |
| Operating grants and contributions | 9,500 | 21,307 |
| General revenues: | | |
| Property and other taxes | 1,382,248 | 1,237,608 |
| Interest income | 144,563 | 424 |
| Other income | <u>42,765</u> | <u>140,894</u> |
| Total revenues | <u>1,597,525</u> | <u>1,418,695</u> |
| Expenses: | | |
| Library operations | 943,848 | 1,025,092 |
| General administration | 255,313 | 218,818 |
| Interest on long-term debt | <u>-</u> | <u>1,552</u> |
| Total expenses | <u>1,199,161</u> | <u>1,245,462</u> |
| Change in net position | <u>398,364</u> | <u>173,233</u> |
| Net position, beginning | <u>6,085,237</u> | <u>5,912,004</u> |
| Net position, ending | <u>\$ 6,483,601</u> | <u>\$ 6,085,237</u> |

ANALYSIS OF THE LIBRARY'S FUNDS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The general fund is the operating fund of the Library. The fund balance for the general fund was a surplus of \$2,820,158 at the end of the current fiscal year.

BUDGETARY HIGHLIGHTS

The Library's budget is prepared in accordance with state law. An analysis of budget results in the following observations:

- Actual General fund revenues exceeded the budgeted revenues by \$112,024. This was primarily due to actual specific ownership taxes exceeding budgeted by \$64,563 and interest income exceeding budgeted by \$42,265.
- Actual General fund expenditures were less than the final budget by \$163,147. Of that amount, personnel expenditures were \$128,921 less than budget and building expenses were \$37,859 less than budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Library's investment in capital assets for its governmental activities as of December 31, 2022 amounted to \$4,126,592. This investment in capital assets includes buildings, office furniture and equipment, library furniture and equipment and the library collection.

Long-Term Debt

As of December 31, 2022, the Library's long-term debt consisted of Compensated Absences and Net OPEB liability.

ECONOMIC FACTORS

Property taxes produce most of Rampart Library District's (RLD) revenues. Increased demand and limited supply for housing and commercial properties in northern Teller County led to increased revenue in 2022. The District received Specific Ownership Tax (SOT), which comprises five to ten percent of annual revenues, at an amount higher than it budgeted as well.

Local skilled labor supply remained relatively low in 2022. Therefore, an increase in base wages for recruits, as well as substantial pay increases for the purpose of fairly compensating and retaining an experienced staff, was imperative. Future pay increases will be necessary for the dual purposes of talent recruitment and retention in light of a high cost of living and a dearth of labor.

Local inflation rates ballooned throughout the year, resulting in higher expenditures for the District overall. Nonetheless, the District maintained a disciplined approach to the budget, resulting in more revenues than expenditures. RLD's ongoing dedication to good stewardship of taxpayer funds is reflected in the increased Net Position herein.

As the Florissant and Woodland Park library buildings have aged past 20 years, facilities will require repairs, maintenance, and renovation. RLD has retained surplus revenues to address facility issues as they arise. Other retained funds may be used to weather economic circumstances out of District control that may result in revenue reduction. In other words, RLD engages in fiscal conservation during prosperous years so that it can maintain levels of service during times of economic downturn, when property and SOT taxes decrease.

REQUESTS FOR INFORMATION

This financial report is designed to provide the Library's taxpayers and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tim Miller, Rampart Regional Library District, P.O. Box 336, Woodland Park, CO 80866-0336.

BASIC FINANCIAL STATEMENTS

**RAMPART REGIONAL LIBRARY DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

ASSETS

| | |
|-------------------------------------|------------------|
| Cash and cash equivalents | \$ 2,818,391 |
| Cash with county treasurer | 9,099 |
| Property taxes receivable | 1,318,870 |
| Net pension asset | 65,207 |
| Capital assets, net of depreciation | <u>4,126,592</u> |
| Total assets | <u>8,338,159</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--------------------------------------|----------------|
| Deferred pension outflows | 130,540 |
| Deferred OPEB outflows | <u>28,827</u> |
| Total deferred outflows of resources | <u>159,367</u> |

LIABILITIES

| | |
|---------------------------|---------------|
| Accounts payable | 7,332 |
| Compensated absences | 19,524 |
| Long-term liabilities: | |
| Due in more than one year | |
| Net OPEB liability | <u>50,982</u> |
| Total liabilities | <u>77,838</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|-------------------------------------|------------------|
| Unavailable property tax revenue | 1,318,870 |
| Deferred pension inflows | 582,017 |
| Deferred OPEB inflows | <u>35,200</u> |
| Total deferred inflows of resources | <u>1,936,087</u> |

NET POSITION

| | |
|------------------------------|---------------------|
| Investment in capital assets | 4,126,592 |
| Restricted for: | |
| TABOR | 48,000 |
| Unrestricted | <u>2,309,009</u> |
| Total net position | <u>\$ 6,483,601</u> |

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

**RAMPART REGIONAL LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Change in Net Position |
|---------------------------------|---------------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | | |
| Library operations | \$ 943,848 | \$ 18,449 | \$ 9,500 | \$ - | \$ (915,899) |
| General administration | 255,313 | - | | - | (255,313) |
| Total governmental activities | <u>\$ 1,199,161</u> | <u>\$ 18,449</u> | <u>\$ 9,500</u> | <u>\$ -</u> | <u>(1,171,212)</u> |
| General revenues: | | | | | |
| | | | | | 1,382,248 |
| | | | | | 144,563 |
| | | | | | <u>42,765</u> |
| | | | | | <u>1,569,576</u> |
| | | | | | 398,364 |
| | | | | | <u>6,085,237</u> |
| | | | | | <u>\$ 6,483,601</u> |

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

**RAMPART REGIONAL LIBRARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

| | General Fund |
|--------------------------------------|----------------------------|
| | |
| ASSETS | |
| Cash and cash equivalents | \$ 2,818,391 |
| Cash with county treasurer | 9,099 |
| Property taxes receivable | <u>1,318,870</u> |
| Total assets | <u><u>\$ 4,146,360</u></u> |
| LIABILITIES | |
| Accounts payable | <u>\$ 7,332</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable property tax revenue | <u>1,318,870</u> |
| FUND BALANCES | |
| Restricted for: | |
| TABOR | 48,000 |
| Assigned | 300,000 |
| Unassigned | <u>2,472,158</u> |
| Total fund balances | <u>2,820,158</u> |
| Total liabilities and fund balances | <u><u>\$ 4,146,360</u></u> |

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

**RAMPART REGIONAL LIBRARY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022**

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

| | | |
|---|-----------|---------------------|
| Total Fund Balance of Governmental Funds | | \$ 2,820,158 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Capital assets, net of depreciation | | 4,126,592 |
| Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds: | | |
| Net pension asset | \$ 65,207 | |
| Pension outflows | 130,540 | |
| Pension inflows | (582,017) | |
| Net OPEB liabilities | (50,982) | |
| OPEB outflows | 28,827 | |
| OPEB inflows | (35,200) | |
| Compensated absences | (19,524) | (463,149) |
| | | |
| Net position of governmental activities in the statement of net position | | <u>\$ 6,483,601</u> |

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

**RAMPART REGIONAL LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

| | General Fund |
|-----------------------------|-------------------------|
| REVENUES | |
| Property taxes | \$ 1,382,248 |
| Specific ownership taxes | 144,563 |
| Fines and fees | 16,899 |
| Grant income | 9,500 |
| Interest income | 42,765 |
| Other | 1,550 |
| | 1,597,525 |
| | |
| EXPENDITURES | |
| Library operations | 990,069 |
| General administration | 282,433 |
| | 1,272,502 |
| | |
| Net change in fund balances | 325,023 |
| | |
| Fund balance - beginning | 2,495,135 |
| | \$ 2,820,158 |
| | \$ 2,820,158 |

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

**RAMPART REGIONAL LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

| | | |
|---|------------------|-----------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 325,023 |
| Governmental funds report capital outlay as expenditures, but in the statement of activities, these costs are allocated over their estimated useful lives as depreciation: | | |
| Capital outlay | \$ | 56,988 |
| Depreciation expense | <u>(164,911)</u> | (107,923) |
| Certain pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | |
| Compensated absences | \$ | 4,704 |
| Pension expenses | 167,815 | |
| OPEB expenses | <u>8,745</u> | <u>181,264</u> |
| Change in net position of governmental activities | \$ | <u><u>398,364</u></u> |

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

NOTES TO FINANCIAL STATEMENTS

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rampart Regional Library District (the District) was authorized by the State of Colorado in 1976 and began to operate as a library district in 1977. Prior to state authorization the District operated in association with the City of Woodland Park from 1967 to 1976. The District is governed by a Board of Trustees. The main facility is located in Woodland Park, Colorado, with a branch facility in Florissant, Colorado.

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

A. REPORTING ENTITY

The District is a special district governed by an elected seven-member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The District has no component units for which either discrete or blended presentation is required.

B. BASIS OF PRESENTATION—GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

C. BASIS OF PRESENTATION—FUND FINANCIAL STATEMENTS

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District reports the following major governmental funds:

- The *General Fund* is the general operating fund of the District, used for all financial resources except those required to be accounted for in another fund.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and the amount is received during the period or within the availability period of this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

E. ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE

Cash and cash equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Capital Assets

Capital assets, which include property, equipment, and the library collection, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. It is the District's practice to include as capital assets and to capitalize specific property which possess three attributes: 1) tangible nature; 2) a useful life of at least three years; and 3) a value of at least \$5,000 (all publications are capitalized).

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

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE (CONTINUED)

All capital assets are depreciated, using the straight line method, except for land and construction in progress. Depreciation is calculated using the following estimated useful lives:

| | |
|-------------------------|--------------|
| Buildings | 50 years |
| Furniture and Equipment | 5 – 10 years |
| Library Collection | 10 years |

Pensions

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

OPEB

Rampart Regional 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.

Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE (CONTINUED)

Long-term Liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net position flow assumption

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

Fund Balance Classification

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

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE (CONTINUED)

Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

F. REVENUES AND EXPENDITURES/EXPENSES

Program revenues

Amounts reported as *program revenues* include 1) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Property taxes

Property taxes attach as an enforceable lien on real property and are levied as of January 1. The tax levy is payable in two installments due February 28 and June 15, or in one installment due April 30. The Teller County Treasurer bills and collects the District’s property tax. District property tax revenues are recognized when levied to the extent they result in current receivables. The tax rate for the year ended December 31, 2022 was 3.485 mills for general operating expenditures and 0.0747 mills for refunds/abatements. The District’s assessed valuation for 2022 was \$325,532,711.

F. REVENUES AND EXPENDITURES/EXPENSES (CONTINUED)

Compensated Absences

The District’s personnel policy states that exempt, salaried employees may earn a total of three to five weeks of paid vacation per year depending on length of employment. Non-exempt employees earn vacation based on number of hours worked. Employees may only accumulate 80 hours of vacation over their annual vacation allotment. Once employees reach their maximum amount of vacation time, they will no longer accrue vacation until the vacation time has been drawn down.

The District has accrued a liability for vacation pay that has been earned, but not used by District employees.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.

Budgets are required by Colorado State Statutes for all funds. During October, management submits to the Board of Trustees a proposed budget for all funds for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Prior to December 31, the budget is adopted by formal resolution.

Formal budgetary integration is employed as a management control device during the year for the Governmental funds. The appropriated budget is prepared by fund. The legal level of control is the fund level.

Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.

Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves as established by the Board of Trustees. Variances between budget and actual are the result of the non-expenditure of reserves, nonoccurrence of anticipated events, and normal operating variances.

The Board of Trustees may authorize supplemental appropriations during the year. For budgetary management purposes, funds are appropriated for capital outlays.

NOTE 3 – DEPOSITS AND INVESTMENTS

Cash deposits with financial institutions

Custodial credit risk—deposits. The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2022 the carrying amount of the District's deposits was \$192,661, and the bank balances were \$202,317. The total bank balance was covered by FDIC.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The District is required to comply with State statutes that specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following.

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

At December 31, 2022 the District's investment balances were as follows:

| <u>Investments</u> | <u>Maturities</u> | <u>Fair Value</u> |
|--------------------|-------------------|---------------------|
| ColoTrust | Less than 60 days | <u>\$ 2,625,730</u> |

Credit Risk: State law and the District's investment policies limit investments as described above. As of December 31, 2022, the District's investments were rated AAAM by Standard & Poor's.

Colorado Surplus Asset Fund Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Designated custodial banks provide safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes.

State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. State statutes do not address custodial risk. At December 31, 2022, the District does not have a formal investment policy other than following Colorado Revised Statutes (CRS).

Reconciliation of Deposits and Investments to the Statement of Net Position

| | |
|----------------------------|---------------------|
| Cash and cash equivalents: | |
| Deposits | \$ 192,661 |
| Investment | <u>2,625,730</u> |
| | <u>\$ 2,818,391</u> |

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - CAPITAL ASSETS

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

| | <u>Balance</u> <u>12/31/21</u> | <u>Additions</u> | <u>Sales and</u> <u>Retirements</u> | <u>Balance</u> <u>12/31/22</u> |
|-------------------------------|-----------------------------------|---------------------|--|-----------------------------------|
| Buildings | \$ 6,196,000 | \$ - | \$ - | \$ 6,196,000 |
| Library Collection | 1,192,633 | 47,285 | (26,620) | 1,213,298 |
| Furniture and Equipment | <u>76,189</u> | <u>9,703</u> | <u>-</u> | <u>85,892</u> |
| Total Capital Assets | 7,464,822 | 56,988 | (26,620) | 7,495,190 |
| Less Accumulated Depreciation | <u>(3,230,307)</u> | <u>(164,911)</u> | <u>26,620</u> | <u>(3,368,598)</u> |
| Capital Assets, Net | <u>\$ 4,234,515</u> | <u>\$ (107,923)</u> | <u>\$ -</u> | <u>\$ 4,126,592</u> |

Depreciation expense was charged to functions/programs as follows:

| | |
|------------------|-------------------|
| Library services | <u>\$ 164,911</u> |
|------------------|-------------------|

NOTE 5 - LONG-TERM DEBT

Changes in Long-Term Liabilities

Changes in the District's long-term liabilities for the year ended December 31, 2022, are as follows:

| | <u>Beginning</u> <u>Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending</u> <u>Balance</u> | <u>Amount</u> <u>Due Within</u> <u>One year</u> |
|--------------------------------------|------------------------------------|------------------|--------------------|---------------------------------|---|
| <i>Governmental Activities</i> | | | | | |
| Compensated absences | 24,228 | - | (4,704) | 19,524 | - |
| Net OPEB liability | <u>57,667</u> | <u>8,802</u> | <u>(15,487)</u> | <u>50,982</u> | <u>-</u> |
| <i>Total Governmental Activities</i> | <u>\$ 81,895</u> | <u>\$ 8,802</u> | <u>\$ (20,191)</u> | <u>\$ 70,506</u> | <u>\$ -</u> |

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee’s member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

| | January 1, 2021 Through June 30, 2021 | July 1, 2021 Through December 31, 2021 | January 1, 2022 Through June 30, 2022 | July 1, 2022 Through December 31, 2022 |
|---|---|--|---|--|
| Employee contribution (all employees other than State Troopers) | 8.50% | 8.50% | 8.50% | 9.00% |
| State Troopers | 12.00% | 12.50% | 12.00% | 13.00% |

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

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

| | January 1, 2021 Through June 30, 2021 | July 1, 2021 Through December 31, 2021 | January 1, 2022 Through June 30, 2022 | July 1, 2022 Through December 31, 2022 |
|--|---|--|---|--|
| Employer contribution rate | 10.50% | 10.50% | 10.50% | 11.00% |
| Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) | (1.02)% | (1.02)% | (1.02)% | (1.02)% |
| Amount apportioned to the LGDTF | 9.48% | 9.48% | 9.48% | 9.98% |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 | 2.20% | 2.20% | 2.20% | 2.20% |
| Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 | 1.50% | 1.50% | 1.50% | 1.50% |
| Defined Contribution Supplement as specified in C.R.S. § 24-51-415 | 0.02% | 0.02% | 0.03% | 0.03% |
| Total employer contribution rate to the LGDTF | 13.20% | 13.20% | 13.21% | 13.71% |

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Rampart Regional Library District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Rampart Regional Library District were \$84,390 for the year ended December 31, 2022.

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

At December 31, 2022, the Rampart Regional Library District reported a liability/ (asset) of (\$65,207) for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2021, and the total pension liability (TPL) 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 TPL to December 31, 2021. The Rampart Regional Library District proportion of the net pension liability was based on Rampart Regional Library District contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers.

At December 31, 2021, the Rampart Regional Library District proportion was 0.0760550360%, which was a decrease of 0.0034064843% from its proportion measured as of December 31, 2020.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended December 31, 2022, the Rampart Regional Library District recognized pension expense of (\$167,815). At December 31, 2022, the Rampart Regional 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 | \$3,187 | \$1,089 |
| Changes of assumptions or other inputs | 22,104 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 564,056 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 20,859 | 16,872 |
| Contributions subsequent to the measurement date | 84,390 | N/A |
| Total | \$130,540 | \$582,017 |

\$84,390 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, 2023. 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: | |
|-------------------------|-------------|
| 2023 | (\$114,106) |
| 2024 | (217,219) |
| 2025 | (136,094) |
| 2026 | (68,448) |
| 2027 | - |
| Thereafter | - |

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The TPL 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; and DPS benefit structure (compounded annually) | 1.00% |
| 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.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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

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

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

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

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared 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.

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

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

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

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

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

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

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|------------------------|----------------------------------|------------------------|
| Proportionate share of the net pension liability | \$447,099 | \$(65,207) | \$(493,730) |

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

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan description. Eligible employees of the Rampart Regional 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, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

PERA Benefit Structure

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

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

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

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 Rampart Regional Library District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Rampart Regional Library District were \$6,390 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 Rampart Regional Library District reported a liability of \$50,982 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 (TOL) 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 TOL to December 31, 2021. The Rampart Regional Library District proportion of the net OPEB liability was based on Rampart Regional Library District contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Rampart Regional Library District proportion was 0.0059122587%, which was decrease of 0.0001565086% from its proportion measured as of December 31, 2020.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

For the year ended December 31, 2022, the Rampart Regional Library District recognized OPEB expense of (\$8,745). At December 31, 2022, the Rampart Regional 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 | \$ 78 | \$ 12,088 |
| Changes of assumptions or other inputs | 1,056 | 2,765 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 3,156 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 21,303 | 17,191 |
| Contributions subsequent to the measurement date | 6,390 | N/A |
| Total | \$ 28,827 | \$ 35,200 |

\$6,390 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 June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | |
|---------------------|------------|
| 2023 | \$ (6,828) |
| 2024 | (6,792) |
| 2025 | 605 |
| 2026 | 911 |
| 2027 | (537) |
| Thereafter | (122) |

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

Actuarial assumptions. The TOL 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 OPEB plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Health care cost trend rates | |
| PERA benefit structure: | |
| Service-based premium subsidy | 0.00% |
| PERACare Medicare plans | 4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029 |
| Medicare Part A premiums | 3.75% in 2021, gradually increasing to 4.50% in 2029 |
| DPS benefit structure: | |
| Service-based premium subsidy | 0.00% |
| PERACare Medicare plans | N/A |
| Medicare Part A premiums | N/A |

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.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

| Medicare Plan | Initial Costs for Members without Medicare Part A | | |
|---|--|----------------------------|--|
| | Monthly Cost | Monthly Premium | Monthly Cost Adjusted to Age 65 |
| Medicare Advantage/Self-Insured Rx | \$633 | \$230 | \$591 |
| Kaiser Permanente Medicare Advantage HMO | 596 | 199 | 562 |

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

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

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

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, 2020, 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 TOL are summarized in the table below:

| Year | PERACare Medicare Plans | Medicare Part A |
|-------------|------------------------------------|----------------------------|
| 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% |

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

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

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

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

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

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

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

- 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 2021 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.

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared 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.

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.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

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

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

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

Sensitivity of the Rampart Regional 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 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 | \$ 49,518 | \$ 50,982 | \$ 52,678 |

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|------------------------|----------------------------------|------------------------|
| Proportionate share of the net OPEB liability | \$ 59,210 | \$ 50,982 | \$ 43,953 |

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

NOTE 8 – 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 trustees and subcontractors; and natural disasters. The District purchases commercial liability insurance for some risks of loss. The remaining risks of loss are retained by the District. There have been no significant claims that exceeded coverage in any of the past three years.

NOTE 9 – AMENDMENT TO COLORADO CONSTITUTION

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments.

Fiscal year spending and revenue limits are determined based on the prior years’ spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

**RAMPART REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 – AMENDMENT TO COLORADO CONSTITUTION (CONTINUED)

On November 2, 1999 the voters of the District authorized the District to collect, retain and spend all revenues and other funds collected from the ad valorem property taxes and all other District revenue from sources not excluded from fiscal year spending in the fiscal year 1999 and continuing thereafter as an exception to the limits which would otherwise apply, including without limitation Article X, Section 20 of the Colorado Constitution.

On November 6, 2001 the voters of the District authorized the District to increase the District's total mill levy for all purposes to 4.119 mills and to exceed the 5.5% property tax revenue growth limitation of Colorado state statutes.

On November 6, 2001 the voters of the District allowed the District to increase debt by \$5,000,000 with a repayment cost of \$10,250,000 for construction of two new libraries within the District. The voters also allowed taxes to be increased up to \$453,000 annually to pay off the above debt.

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

REQUIRED SUPPLEMENTARY INFORMATION

RAMPART REGIONAL LIBRARY DISTRICT
SCHEDULE OF DISTRICT'S SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2022

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset) | 0.0760550360% | 0.0794615203% | 0.0632621219% | 0.0450765922% | 0.0909421133% | 0.0951166947% | 0.1060950057% | 0.1104950575% | 0.1130535688% |
| District's proportionate share of the net pension liability (asset) | \$ (65,207) | \$ 414,095 | \$ 462,693 | \$ 566,709 | \$ 1,012,577 | \$ 1,284,400 | \$ 1,168,722 | \$ 990,377 | \$ 930,342 |
| District's covered payroll | \$ 565,916 | \$ 561,207 | \$ 556,706 | \$ 550,404 | \$ 573,701 | \$ 576,526 | \$ 602,537 | \$ 605,464 | \$ 603,151 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | -11.52% | 73.79% | 83.11% | 102.96% | 176.50% | 222.78% | 193.97% | 163.57% | 154.25% |
| Plan fiduciary net position as a percentage of the total pension liability | 101.5% | 90.9% | 86.3% | 76.0% | 79.4% | 73.6% | 76.9% | 80.7% | 81.0% |

* The pension plan has a December 31 year-end. The amounts presented above and contractually required contribution percentages were determined as of December 31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

**RAMPART REGIONAL LIBRARY DISTRICT
SCHEDULE OF DISTRICT'S PAYROLL CONTRIBUTIONS - PENSION
DECEMBER 31, 2022**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| actually required contribution | \$ 84,390 | \$ 74,701 | \$ 71,960 | \$ 70,590 | \$ 69,791 | \$ 72,745 | \$ 73,104 | \$ 76,402 | \$ 76,773 | \$ 76,480 |
| contributions in relation to the contractually required contribution | (84,390) | (74,701) | (71,960) | (70,590) | (69,791) | (72,745) | (73,104) | (76,402) | (76,773) | (76,480) |
| contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| district's covered payroll | \$ 626,429 | \$ 565,912 | \$ 556,848 | \$ 556,706 | \$ 550,404 | \$ 573,701 | \$ 576,526 | \$ 602,537 | \$ 605,464 | \$ 603,151 |
| contributions as a percentage of covered payroll | 13.47% | 13.20% | 12.92% | 12.68% | 12.68% | 12.68% | 12.68% | 12.68% | 12.68% | 12.68% |

The pension plan has a December 31 year-end. The amounts presented above and contractually required contribution percentages were determined as of December 31.

See the accompanying independent auditors' report.

**RAMPART REGIONAL LIBRARY DISTRICT
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
DECEMBER 31, 2022**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net OPEB liability (asset) | 0.0059122587% | 0.0060687673% | 0.0045395835% | 0.0034956749% | 0.0070666174% | 0.0073015034% |
| District's proportionate share of the net OPEB liability (asset) | \$ 50,982 | \$ 57,667 | \$ 51,025 | \$ 47,560 | \$ 91,838 | \$ 94,666 |
| District's covered payroll | \$ 565,912 | \$ 561,207 | \$ 556,706 | \$ 550,404 | \$ 573,701 | \$ 576,526 |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 9.01% | 10.28% | 9.17% | 8.64% | 16.01% | 16.42% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 39.4% | 32.8% | 24.5% | 17.0% | 17.5% | 16.7% |

* The amounts presented for each year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

**RAMPART REGIONAL LIBRARY DISTRICT
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
DECEMBER 31, 2022**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution | \$ 6,390 | \$ 5,772 | \$ 5,680 | \$ 4,444 | \$ 3,016 | \$ 5,852 | \$ 5,881 |
| Contributions in relation to the contractually required contribution | <u>(6,390)</u> | <u>(5,772)</u> | <u>(5,680)</u> | <u>(4,444)</u> | <u>(3,016)</u> | <u>(5,852)</u> | <u>(5,881)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 626,429 | \$ 565,912 | \$ 556,848 | \$ 556,706 | \$ 550,404 | \$ 573,701 | \$ 576,526 |
| Contributions as a percentage of covered payroll | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% |

* The amounts presented for each fiscal year were determined as of 6/30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

**RAMPART REGIONAL LIBRARY DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------|----------------------------|-------------------------|---------------------|---------------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 1,377,792 | \$ 1,377,792 | \$ 1,382,248 | \$ 4,456 |
| Specific ownership taxes | 80,000 | 80,000 | 144,563 | 64,563 |
| Fines and fees | 12,000 | 12,000 | 16,899 | 4,899 |
| Grant income | 7,869 | 7,869 | 9,500 | 1,631 |
| Donations | 500 | 500 | - | (500) |
| E-Rate | 6,840 | 6,840 | - | (6,840) |
| Interest income | 500 | 500 | 42,765 | 42,265 |
| Other income | - | - | 1,550 | 1,550 |
| Total revenues | <u>1,485,501</u> | <u>1,485,501</u> | <u>1,597,525</u> | <u>112,024</u> |
| EXPENDITURES | | | | |
| Library operations | | | | |
| Personnel | 814,830 | 814,830 | 665,073 | 149,757 |
| Supplies | 41,500 | 41,500 | 40,054 | 1,446 |
| Services | 77,200 | 77,200 | 88,538 | (11,338) |
| Building expenses | 178,700 | 178,700 | 140,841 | 37,859 |
| Programs/Miscellaneous | 6,200 | 6,200 | 5,526 | 674 |
| Capital outlay | 50,500 | 50,500 | 50,037 | 463 |
| General administration | | | | |
| Personnel | 103,500 | 103,500 | 124,336 | (20,836) |
| Staff development | 25,300 | 25,300 | 13,270 | 12,030 |
| Supplies | 5,850 | 5,850 | 4,855 | 995 |
| Services | 77,200 | 77,200 | 85,996 | (8,796) |
| Insurance | 46,000 | 46,000 | 45,313 | 687 |
| Programs/Miscellaneous | <u>8,869</u> | <u>8,869</u> | <u>8,663</u> | <u>206</u> |
| Total expenditures | <u>1,435,649</u> | <u>1,435,649</u> | <u>1,272,502</u> | <u>163,147</u> |
| Net change in fund balance | 49,852 | 49,852 | 325,023 | 275,171 |
| Fund balance - beginning | <u>1,823,220</u> | <u>1,823,220</u> | <u>2,495,135</u> | <u>671,915</u> |
| Fund balance - ending | <u>\$ 1,873,072</u> | <u>\$ 1,873,072</u> | <u>\$ 2,820,158</u> | <u>\$ 947,086</u> |

See the accompanying Independent Auditors' Report.