

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**

**Financial Statements  
with  
Independent Auditors' Report**

**For the Year Ended  
December 31, 2022**

# San Miguel County Public Library District #1

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## **FINANCIAL SECTION**

## **San Miguel County Public Library District #1 Management's Discussion and Analysis**

As management of the San Miguel County Public Library District # 1 (the "District"), we offer this narrative overview and analysis of the financial activities of the San Miguel County Public Library District # 1 for the year ended December 31, 2022. We encourage the readers to consider this Management's Discussion and Analysis (MD&A) in conjunction with the District's financial statements, which follow this MD&A.

### **Financial Highlights**

- The District's total assets exceeded its liabilities on December 31, 2022 by \$9,551,633. This represented an increase of \$772,980 from the net position at December 31, 2021 due to an increase in the Unrestricted Net Position. This perspective on net position includes spendable resources as well as the investment in buildings, collections and other capital assets of \$6,776,124.
- The District's total liabilities decreased by \$747,342 because of net pension calculations, absences and accounts payable.
- As of December 31, 2022, the District's governmental funds reported combined ending fund balances of \$3,728,930, an increase of \$439,867 in comparison to the prior year. The portion of the total fund balance for the General Fund that is unrestricted and available for spending at the District's discretion is \$1,438,864.
- Within the District's general operating fund, total actual revenues were \$134,018 higher than the 2022 final budget due to an increase in interest earnings, special ownership tax collections, donations and fees for services; and total actual expenditures were \$383,563 less than the 2022 final budget due to lower than budgeted personnel, innovations and professional services expenses.

### **Overview of the Financial Statements**

The District's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

#### **Basic Financial Statements**

##### *Government-wide Financial Statements:*

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

##### *Fund Financial Statements:*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the activities of the District's individual governmental funds and are divided into two parts: 1) the "modified accrual basis statements" and 2) the "budgetary basis statements".

The financial statements on pages 6 and 7 of the audit focus on assets that can readily be converted into cash in the short term and liabilities that will be settled in the short term. Governmental funds in the "modified accrual basis statements" are reported using modified accrual accounting, which recognizes expenditures when the liability is incurred and revenue when measurable and available. The modified accrual accounting method provides a short-term spending focus, which helps the reader assess the amount of financial resources immediately available to finance the District's programs.

The annual budgets shown in the "budgetary basis statements" are prepared as described in Note 1. These budgets are presented using the modified accrual basis of accounting and are found in the Required Supplementary Information section.

The "budgetary basis statements" for the General Fund, Bond Fund, Debt Assistance Fund and Capital Building Reserve Fund demonstrate how the District complied with the year's approved budget. The "budgetary basis statements" are presented using the same classifications as those used in the legal budget document.

*Notes to the Basic Financial Statements:*

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

**Government-Wide Financial Analysis**

The Statement of Net Position and the Statement of Activities present the District's financial information as a whole.

**Condensed Statement of Net Position**

	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 7,184,428	\$ 6,670,051
Capital Assets, net	<u>6,911,545</u>	<u>6,967,825</u>
Total Assets	<u>14,095,973</u>	<u>13,637,876</u>
Deferred Outflows of Financial Resources	<u>422,899</u>	<u>674,185</u>
Total Assets and Outflows of Resources	<u>14,518,872</u>	<u>14,312,061</u>
Current Liabilities	131,633	106,116
Noncurrent Liabilities	<u>171,965</u>	<u>944,824</u>
Total Liabilities	<u>303,598</u>	<u>1,050,940</u>
Deferred Inflows of Financial Resources	<u>4,663,641</u>	<u>4,482,468</u>
Total Liabilities and Deferred Inflows of Financial Resources	<u>4,967,239</u>	<u>5,533,408</u>
Net Position		
Net Investment in Capital Assets	6,771,914	6,967,825
Restricted Net Position	107,000	97,000
Unrestricted Net Position	<u>2,672,719</u>	<u>1,713,828</u>
<b>Total Net Position</b>	<b><u>\$ 9,551,633</u></b>	<b><u>\$ 8,778,653</u></b>

**Net Position:**

The District's assets exceeded its liabilities by \$9,551,633 as of December 31, 2022, an increase in the District's net position of \$772,980 during 2022. Of the net position \$6,771,914 is invested in capital assets, which includes land, buildings, library materials, furniture and equipment, less related debt. The District uses capital assets to provide services to patrons; consequently, these assets are not available for future spending. The remaining portions of the District's net position are classified as either restricted or unrestricted. The restricted assets include an emergency reserve of \$107,000. The remaining assets are unrestricted assets of \$2,672,719.

## The District's Changes in Net Position

### Condensed Statement of Activities

	<u>2022</u>	<u>2021</u>
Program Revenues		
Charges for Services	\$ 1,053	\$ 689
Operating Grants and Contributions	38,858	28,409
Total Program Revenues	<u>39,911</u>	<u>29,098</u>
General Revenues		
Property Taxes	3,282,282	3,013,792
Debt Service Property Taxes	-	-
Specific Ownership Taxes	146,944	151,150
Investment Earnings	72,526	1,588
Other Revenues	14,155	9,789
Total General Revenues	<u>3,515,907</u>	<u>3,176,319</u>
Total Revenues	3,555,818	3,205,417
Program Expenses		
General Government	2,782,838	2,701,189
Change in Net Position	772,980	504,228
<b>Net Position, Beginning</b>	<u>8,778,653</u>	<u>8,274,425</u>
<b>Net Position, Ending</b>	<u><b>\$ 9,551,633</b></u>	<u><b>\$ 8,778,653</b></u>

### Fund Financial Analysis

On December 31, 2022, the District reported a combined fund balance for its governmental funds of \$3,728,930 of this amount, the Capital Building Reserve Fund balance of \$2,166,369 an increase of \$746,339 is restricted for the capital expenditures. The increase in the Capital Building Reserve Fund reflects a \$900,000 intrafund transfer.

The General Fund is the chief operating fund of the District. At the end of the calendar year 2022, the fund balance of the General Fund is \$1,547,169. Of that, \$107,000 is reserved for emergency under Tabor. The remaining fund balance of \$1,438,864 is available for future commitments and is unassigned fund balance.

The District received 97 percent of its funding from property and specific ownership tax revenues. Salaries and benefits represent 64 percent of the District's total expenditures. Under the method of accounting used for the government-wide financial statements, library books and other collections are capitalized as assets and depreciated over their estimated useful lives. Consequently, most of the year's expenditures for books and collections are not included in the "library materials" expense.

### Capital Asset Discussion

The District's investment in capital assets as of December 31, 2022, totals \$6,776,124, net of accumulated depreciation. These assets include buildings, land, furniture, equipment, books, and audio visual equipment. Additional information on the District's capital assets can be found in Note 3 of the financial statements.

## Capital Assets

	<b>Restated Balance 12/31/21</b>	<b>Additions</b>	<b>Deletions &amp; Transfers</b>	<b>Balance 12/31/22</b>
<b>Assets not being depreciated</b>				
Land	\$ 1,792,407	\$ -	\$ -	\$ 1,792,407
Construction in Progress	-	5,939	-	5,939
Total assets being depreciated	<u>1,792,407</u>	<u>5,939</u>	<u>-</u>	<u>1,798,346</u>
<b>Assets being depreciated</b>				
Building and Infrastructure	9,243,796	-	-	9,243,796
Furniture and Equipment	852,834	92,166	-	945,000
Leased Assets	9,500	-	-	9,500
Books	748,034	108,114	106,154	749,994
Music	42,751	2,654	2,294	43,111
Audiobooks	54,581	4,555	7,943	51,193
Videos	170,694	20,125	29,949	160,870
Other Collection	61,715	8,083	7,340	62,458
Total assets being depreciated	<u>11,183,905</u>	<u>235,697</u>	<u>153,680</u>	<u>11,265,922</u>
<b>Less: Accumulated depreciation</b>				
Building and Infrastructure	(4,488,946)	(242,052)	-	(4,730,998)
Furniture and Equipment	(769,893)	(20,779)	-	(790,672)
Leased Assets	-	(5,182)	-	(5,182)
Books	(507,725)	(116,451)	(106,152)	(518,024)
Music	(37,636)	(3,959)	(2,294)	(39,301)
Audiobooks	(45,455)	(6,832)	(7,943)	(44,344)
Videos	(112,985)	(28,336)	(29,950)	(111,371)
Other Collection	(36,347)	(19,246)	(7,341)	(48,252)
Total accumulated depreciation	<u>(5,998,987)</u>	<u>(442,837)</u>	<u>(153,680)</u>	<u>(6,288,144)</u>
<b>Net Capital Assets</b>	<b><u>\$ 6,977,325</u></b>	<b><u>\$ (201,201)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,776,124</u></b>

## Long-Term Debt Discussion

As of December 31, 2022, the District's total long-term debt obligation is \$171,965 which is \$772,859 less than the end of last year. Of this 2022 long-term debt amount, \$66,086 represents the liability for the employees' compensated absences, an increase of \$18,729, and \$105,879 represents the liability for net OPEB liability. Additional information regarding the District's long-term debt can be found in Note 6 of the financial statements.

	<b>Restated Balance 1/1/22</b>	<b>Advances</b>	<b>Payments</b>	<b>Balance 12/31/22</b>	<b>Due within One Year</b>	<b>Interest Expense</b>
Copier Lease	\$ 9,500	\$ -	\$ 5,290	\$ 4,210	\$ 4,210	\$ 478
Accrued Compensated Absences	47,357	18,729	-	66,086	-	-
<b>Total Noncurrent Liabilities</b>	<b><u>\$ 56,857</u></b>	<b><u>\$ 18,729</u></b>	<b><u>\$ 5,290</u></b>	<b><u>\$ 70,296</u></b>	<b><u>\$ 4,210</u></b>	<b><u>\$ 478</u></b>

## Economic Factors and Next Year's Budget Outlook

Our 326-square-mile Library District is located in San Miguel County and serves an estimated population of 8,003. The District's service area is coterminous with San Miguel County School District No. R-1 (Telluride) and includes the communities of Telluride, Mountain Village, Ophir, and Sawpit, as well as certain unincorporated areas within the county. Tourism centered on the Telluride Ski Resort in the winter and numerous festivals in the summer drives the local economy. Despite the global coronavirus pandemic, the District's revenues were largely unaffected. Locally, unemployment decreased in 2022 to 2.2%, just below the statewide rate of 3.3%.

Since 1999, the District has levied the maximum operating mill levy of 2.8 mills approved by voters in 1997 for its operating funds. In 2019 voters approved an additional mill levy to be collected annually to collect \$630,000 plus inflation and growth. Thus in 2022 the District assessed 3.596 mills. The District benefits from its exemption from the voter-approved Taxpayer's Bill of Rights. The District's assessed valuation (AV) totaled about \$910 million in 2022. The AV figures represent a nine percent increase from the previous year. Management believes that the property values and the tax base will increase in the next few years, but that revenue gains will not increase at the same rate as assessment rates are reduced by the state in efforts to reduce individual and commercial taxes owed. In the November 2023 election, voters will decide on Proposition HH which proposes to reduce assessment rates. The District will monitor the ballot issue and state Legislature to determine the impact of Proposition HH on 2024 revenues. However, the District is hopeful that the increased valuations and inflationary calculations will provide the District with enough revenue growth to keep up with rising costs and anticipated increases in demand for services, resources and programs, but that it will limit the District's future growth.

The District has performed well financially in recent years by maintaining a General Fund balance above 30% of expenditures. The General Fund balance is very strong and in fiscal year 2022, the District had budgeted for an ending General Fund Balance of \$922,287 but ended 2022 with \$1,547,169 after the \$900,000 intrafund transfer to capital. The District managed its expenditures, mainly through underspending in personnel, professional services and innovations. Property taxes accounted for 93% of General Fund revenues in fiscal year 2022, a drop from the prior year because of increased revenues from interest. The available operating fund balance consists of the unassigned, assigned, and committed portions of the General Fund. The District maintains a financial policy to hold 30% of operating expenditures as its minimum general operating fund balance. The District does not carry a debt obligation bond.

### **Requests for Information**

This report is designed to provide an overview of the District's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to the San Miguel County Public Library District #1, P.O. Box 2189, Telluride, Colorado 81435.

# Mayberry & Company, LLC

## Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Directors  
San Miguel County Public Library District #1  
Telluride, Colorado

### **Independent Auditors' Report**

#### ***Opinion***

We have audited the accompanying financial statements of the governmental activities, major fund and aggregate remaining fund information of San Miguel County Public Library District #1, as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise San Miguel County Public Library District #1'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, major fund and aggregate remaining fund information of the San Miguel County Public Library District #1 as of December 31, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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 Financial Statements section of our report. We are required to be independent of the San Miguel County Public Library District #1 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 San Miguel County Public Library District #1'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.

***Auditors' Responsibility 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 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 San Miguel County Public Library District #1 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 San Miguel County Public Library District #1'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.

***Report on Summarized Comparative Information***

We have previously audited the San Miguel County Public Library District #1's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Emphasis of a Matter***

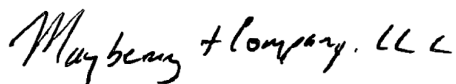
As discussed in Note 10 to the financial statements, the 2022 financial statements have been restated to reflect the inclusion of a 2020 copy lease agreement which restated beginning capital assets and debt balances. These restatements had a netted \$0 effect on the governmental activities. Our opinion is not modified with respect to this matter.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, and historical pension information listed in the tables of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Miguel County Public Library District #1's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual nonmajor fund financial statement fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Englewood, Colorado  
June 13, 2023

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## **Basic Financial Statements**

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1  
STATEMENT OF NET POSITION  
December 31, 2022**

**GOVERNMENTAL  
ACTIVITIES**

**ASSETS**

**Current Assets**

Cash and investments	\$ 3,824,593
Cash with fiscal agent	11,063
Taxes receivable	3,328,075
Other receivables	4,000
Prepaid expenses	<u>16,697</u>
Total Current Assets	<u>7,184,428</u>

**Noncurrent Assets**

Capital assets not being depreciated	1,798,346
Capital assets being depreciated	4,977,778
Net Pension Asset	<u>135,421</u>
Total Noncurrent Assets	<u>6,911,545</u>
TOTAL ASSETS	<u>14,095,973</u>

**DEFERRED OUTFLOWS OF FINANCIAL RESOURCES**

Deferred outflows - Pension (net)	399,028
Deferred outflows - OPEB (net)	<u>23,871</u>
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>422,899</u>

**LIABILITIES**

**Current Liabilities**

Accounts payable	99,957
Accrued wages and benefits	27,466
Current portion of long-term liabilities	<u>4,210</u>
Total Current Liabilities	<u>131,633</u>

**Noncurrent Liabilities**

Net OPEB liability	105,879
Accrued compensated absences	<u>66,086</u>
Total noncurrent liabilities	<u>171,965</u>
TOTAL LIABILITIES	<u>303,598</u>

**DEFERRED INFLOWS OF FINANCIAL RESOURCES**

Deferred inflows - property taxes	3,328,075
Deferred inflows - Pension (net)	1,285,538
Deferred inflows - OPEB (net)	<u>50,028</u>
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>4,663,641</u>

**NET POSITION**

Net investment in capital assets	6,771,914
Restricted net position	107,000
Unrestricted net position	<u>2,672,719</u>
TOTAL NET POSITION	<u>\$ 9,551,633</u>

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

FUNCTION/ PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
<b>GOVERNMENTAL ACTIVITIES</b>				
Library Services	<u>\$2,782,838</u>	<u>\$ 1,053</u>	<u>\$ 38,858</u>	\$ (2,742,927)
<b>GENERAL REVENUES</b>				
Property Taxes				3,282,282
Specific Ownership Taxes				146,944
Investment earnings				72,526
Other Revenues				<u>14,155</u>
TOTAL GENERAL REVENUES				<u>3,515,907</u>
<b>CHANGE IN NET POSITION</b>				772,980
<b>NET POSITION- Beginning</b>				<u>8,778,653</u>
<b>NET POSITION- Ending</b>				<u>\$ 9,551,633</u>

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**December 31, 2022**  
**(With Comparative Totals for December 31, 2021)**

	GENERAL FUND	CAPITAL BUILDING RESERVE FUND	TOTAL	
			2022	2021
<b>ASSETS</b>				
Cash and investments	\$ 1,658,224	\$ 2,166,369	\$ 3,824,593	\$ 3,378,356
Cash with fiscal agent	11,063	-	11,063	10,703
Taxes receivable	3,328,075	-	3,328,075	3,274,872
Other receivables	4,000	-	4,000	225
Prepaid expenses	1,305	15,392	16,697	5,895
<b>TOTAL ASSETS</b>	<u>5,002,667</u>	<u>2,181,761</u>	<u>7,184,428</u>	<u>6,670,051</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>				
<b>Liabilities</b>				
Accounts payable	99,957	-	99,957	84,564
Accrued wages and benefits	27,466	-	27,466	21,552
<b>TOTAL LIABILITIES</b>	<u>127,423</u>	<u>-</u>	<u>127,423</u>	<u>106,116</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>				
Deferred Property Taxes	3,328,075	-	3,328,075	3,274,872
<b>FUND EQUITY</b>				
Nonspendable fund equity	1,305	15,392	16,697	5,895
Restricted fund equity - Emergency reserve	107,000	-	107,000	97,000
Committed fund equity for fund purposes	-	2,166,369	2,166,369	1,420,030
Unassigned fund equity	1,438,864	-	1,438,864	1,766,138
<b>TOTAL FUND EQUITY</b>	<u>1,547,169</u>	<u>2,181,761</u>	<u>3,728,930</u>	<u>3,289,063</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>	<u>\$ 5,002,667</u>	<u>\$ 2,181,761</u>	<u>\$ 7,184,428</u>	<u>\$ 6,670,051</u>

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO GOVERNMENTAL ACTIVITIES NET POSITION**  
**December 31, 2022**

<b>Fund Balance - Governmental Funds</b>			\$ 3,728,930
Amounts reported for governmental activities in the statement of net position because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Capital assets not being depreciated		\$1,798,346	
Capital assets being depreciated		11,265,922	
Accumulated depreciation		<u>(6,288,144)</u>	6,776,124
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are not payable currently and are therefore no reported in the funds:			
<b><u>PERA Pension</u></b>			
Deferred outflows - Pension (net)		399,028	
Net Pension asset		135,421	
Deferred intflows - Pension (net)		<u>(1,285,538)</u>	(751,089)
<b><u>PERA Health Care Trust Fund (OPEB)</u></b>			
Deferred outflows - OPEB (net)		23,871	
Net OPEB liability		(105,879)	
Deferred intflows - OPEB (net)		<u>(50,028)</u>	(132,036)
Long-term liabilities, including capital leases and notes payable are not due and payable in the current period and, therefore, are not reported in the funds:			
Capital Leases Payable		(4,210)	
Accrued compensated absences		<u>(66,086)</u>	<u>(70,296)</u>
<b>Total Net Position - Governmental Activities</b>			<b><u><u>\$ 9,551,633</u></u></b>

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**YEAR ENDED DECEMBER 31, 2022**  
**(With Comparative Totals for the Year Ended December 31, 2021)**

	GENERAL FUND	CAPITAL BUILDING RESERVE FUND	TOTAL	
			2022	2021
<b>REVENUES</b>				
Taxes	\$3,429,226	\$ -	\$3,429,226	\$ 3,164,942
Intergovernmental	24,387	-	24,387	13,964
Charges for services	1,053	-	1,053	689
Other income	64,724	36,428	101,152	25,822
<b>TOTAL REVENUES</b>	<u>3,519,390</u>	<u>36,428</u>	<u>3,555,818</u>	<u>3,205,417</u>
<b>EXPENDITURES</b>				
Current				
Personnel costs	1,418,034	-	1,418,034	1,220,720
Insurance benefits (inc Dist-wide HRA and Ins Cont)	243,715	-	243,715	227,641
Payroll taxes & pension (PERA - Soc Sec Equiv)	212,706	-	212,706	188,778
Workers comp insurance	3,045	-	3,045	3,025
Administration and Community Relations	240,954	-	240,954	213,046
Facility Maintenance	184,715	-	184,715	147,450
Public Services	387,974	-	387,974	350,271
Library Support Services	250,111	-	250,111	220,214
Capital Outlay	-	174,697	174,697	100,256
<b>TOTAL EXPENDITURES</b>	<u>2,941,254</u>	<u>174,697</u>	<u>3,115,951</u>	<u>2,671,401</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	578,136	(138,269)	439,867	534,016
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	(900,000)	900,000	-	-
<b>CHANGE IN FUND BALANCE</b>	<u>(321,864)</u>	<u>761,731</u>	<u>439,867</u>	<u>534,016</u>
<b>FUND BALANCE - Beginning</b>	<u>1,869,033</u>	<u>1,420,030</u>	<u>3,289,063</u>	<u>2,755,047</u>
<b>FUND BALANCE - Ending</b>	<u>\$1,547,169</u>	<u>\$2,181,761</u>	<u>\$3,728,930</u>	<u>\$ 3,289,063</u>

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**YEAR ENDED DECEMBER 31, 2022**

Change in Fund Balance - Governmental Funds \$ 439,867

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

Pension and OPEB expense at the fund level represents cash contributions to the defined benefit plan.

For the activity level presentation, the amount represents the actuarial costs of the benefits for the fiscal year.

**PERA Pension**

Change in deferred outflows - pensions (net)	\$ (260,522)	
Change in net pension asset (liability)	923,221	
Change in deferred intflows - pensions (net)	<u>(136,093)</u>	526,606

**PERA Health Care Trust Fund (OPEB)**

Change in deferred outflows - OPEB (net)	9,236	
Change in net OPEB liability	3,788	
Change in deferred inflows - OPEB (net)	<u>8,123</u>	21,147

Purchases of capital assets are expensed in the funds and depreciated for the statement of activities:

Purchase of capital assets	241,636	
Depreciation Expense	<u>(442,837)</u>	(201,201)

Other long-term liabilities are expensed in the funds and recorded as liabilities on the statement of net position:

Amortization of Capital Leases	5,290	
Change in Accrued Compensated Absences	<u>(18,729)</u>	<u>(13,439)</u>

**Change in Net Position - Governmental Activities** **\$ 772,980**

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

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

The San Miguel County Public Library District #1 is incorporated as a library under the laws of the State of Colorado and is governed by a five-person board appointed in accordance with CRS 24-90-108(2)(c). The financial statements of District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

**Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the District (the primary government) and its component units. Component units are legally separate organizations for which the appointed officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements.

**Nature of Operations**

The District provides library services for the general public, primarily San Miguel County, Colorado and the surrounding area.

**Basic Financial Statements**

Basic financial statements are presented at both the government-wide and fund financial level. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

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

**Basic Financial Statements** (Continued)

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. All of the District's funds are classified as governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds would be consolidated into a single column in the financial section of the basic financial statements. The District does not have any Non-major funds.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The District reports the following major governmental funds:

General Fund

This fund accounts for the financial resources of the District which are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental revenue and interest. Primary expenditures are for library services and general administration. The General Fund is the District's primary operating fund.

Capital Building Reserve (Capital Projects) Fund

The Capital Building Reserve Fund is used to account for the accumulation of resources for approved capital expenditures.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

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

**Budgets**

The District adopts an annual budget for all funds which are all prepared on the modified accrual basis of accounting. The District may authorize supplemental appropriations during the budget year. All budgetary appropriations lapse at year-end.

Colorado statutes provide the following timetable which is followed in the adoption of budgets:

- (1) Submission of the proposed budget to the local governing body by October 15 of each year.
- (2) Certification of mill levies to the Board of County Commissioners by December 15.
- (3) Final adoption of budget and appropriations by December 31 of each year.

The District provides the proposed budget to the Board of Trustees in September of each year prior to adoption. The legal level of adoption is at the fund level. Expenditures may not legally exceed appropriations at the fund level. The District adopted one supplemental budget for the year.

**Encumbrances**

The District does not report encumbered balances as of December 31, 2022 as all encumbrances lapse at year end.

**Cash and 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.

**Investments**

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at cost, which is equal to fair value.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The District considers all accounts receivable to be collectible and, accordingly, provides no allowance for doubtful accounts.

Governmental funds report deferred inflows of resources, as further described below in connection with receivables for revenues that are not considered to be available to liquidate liabilities for the current period. At the end of the current year, these receivables consisted of property taxes levied in 2022 and due in 2023.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

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

**Capital Assets**

Capital assets, which include land, buildings, and equipment, are reported in the governmental activities column of the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and a useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Infrastructure	25-40 years
Furniture and Equipment	3-10 years
Books and other collection items	3-5 years

**Deferred Outflows and Inflows of Resources**

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category, all related to pension and OPEB liabilities as further described in Note 9 and Note 10.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District is reporting deferred inflows related to pension and OPEB liabilities as further described in Note 5 and Note 6 as well as the property tax mill levy certified in 2022. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

**Long-Term Obligations**

Long-term debt is reported at face value, net of applicable discounts and deferred charge on refunding. Costs related to the issuance of debt are expensed when incurred. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of net position. The District's only long-term obligations at December 31, 2022 are pension and OPEB liabilities as well as accrued compensated absences.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

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

**Compensated Absences**

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated vacation and sick leave balances. The liability has been calculated at 100% of the leave amounts for both employees who currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payment upon termination are included. As of December 31, 2012, any new accrued sick time will not be paid out upon termination. Sick time balances as of December 31, 2012 will continue to be eligible for payout on a vested schedule according to years of employment. Any accrued sick time used on or after January 1, 2013 is utilized on a first in, first out basis.

**Net Position/Fund Balances Flow Assumptions**

Occasionally the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider available restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

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

**Net Position/Fund Balances Flow Assumptions** (Continued)

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in other governmental funds are presented as unassigned.

**Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**Property Taxes**

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**NOTE 2: CASH AND INVESTMENTS**

The District's cash and investment balances as of the year ended December 31, 2022 are as follows:

Cash Deposits	\$ 137,947
Cash on Hand	100
Investments	<u>3,686,546</u>
Total Cash and Investments	<u>\$ 3,824,593</u>

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 2: CASH AND INVESTMENTS** (Continued)

**DEPOSITS**

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and December 31, 2022, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Custodial Credit Risk - Deposits

At December 31, 2022 the District's deposits are categorized as follows:

	<b>Bank Balance</b>	<b>Book Balance</b>
FDIC Insured	<u>\$ 141,774</u>	<u>\$ 137,947</u>

**INVESTMENTS**

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 2: CASH AND INVESTMENTS** (Continued)

**INVESTMENTS** (Continued)

During the year ended December 31, 2022, the District invested funds in Colotrast. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The pool invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. The pool is rated AAAM by the Standard and Poor's Corporation. The balance of this investment as of December 31, 2022 was \$3,686,546.

Concentration of Credit Risk - Investments

The District places no limit on the amount that may be invested in any one issuer. As of December 31, 2022, the District did not hold any investments requiring additional disclosure.

Interest Rate Risk - Investments

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The District has adopted a policy limiting maturities to three years.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter-party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2022, the District did not hold any investments requiring safekeeping.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 3: CAPITAL ASSETS**

Changes in governmental activities capital assets for the year ended December 31, 2022 was as follows:

	<b>Restated Balance 12/31/21</b>	<b>Additions</b>	<b>Deletions &amp; Transfers</b>	<b>Balance 12/31/22</b>
Assets not being depreciated				
Land	\$ 1,792,407	\$ -	\$ -	\$ 1,792,407
Construction in Progress	-	5,939	-	5,939
Total assets being depreciated	<u>1,792,407</u>	<u>5,939</u>	<u>-</u>	<u>1,798,346</u>
Assets being depreciated				
Building and Infrastructure	9,243,796	-	-	9,243,796
Furniture and Equipment	852,834	92,166	-	945,000
Leased Assets	9,500	-	-	9,500
Books	748,034	108,114	106,154	749,994
Music	42,751	2,654	2,294	43,111
Audiobooks	54,581	4,555	7,943	51,193
Videos	170,694	20,125	29,949	160,870
Other Collection	61,715	8,083	7,340	62,458
Total assets being depreciated	<u>11,183,905</u>	<u>235,697</u>	<u>153,680</u>	<u>11,265,922</u>
Less: Accumulated depreciation				
Building and Infrastructure	(4,488,946)	(242,052)	-	(4,730,998)
Furniture and Equipment	(769,893)	(20,779)	-	(790,672)
Leased Assets	-	(5,182)	-	(5,182)
Books	(507,725)	(116,451)	(106,152)	(518,024)
Music	(37,636)	(3,959)	(2,294)	(39,301)
Audiobooks	(45,455)	(6,832)	(7,943)	(44,344)
Videos	(112,985)	(28,336)	(29,950)	(111,371)
Other Collection	(36,347)	(19,246)	(7,341)	(48,252)
Total accumulated depreciation	<u>(5,998,987)</u>	<u>(442,837)</u>	<u>(153,680)</u>	<u>(6,288,144)</u>
<b>Net Capital Assets</b>	<b><u>\$ 6,977,325</u></b>	<b><u>\$ (201,201)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,776,124</u></b>

All depreciation is charged to the library services function for the statement of activities presentation.

**NOTE 4: LONG-TERM OBLIGATIONS**

The following is a schedule of changes in debt for the year ended December 31, 2022:

	<b>Restated Balance 1/1/22</b>	<b>Advances</b>	<b>Payments</b>	<b>Balance 12/31/22</b>	<b>Due within One Year</b>	<b>Interest Expense</b>
Copier Lease	\$ 9,500	\$ -	\$ 5,290	\$ 4,210	\$ 4,210	\$ 478
Accrued Compensated Absences	47,357	18,729	-	66,086	-	-
<b>Total Noncurrent Liabilities</b>	<b><u>\$ 56,857</u></b>	<b><u>\$ 18,729</u></b>	<b><u>\$ 5,290</u></b>	<b><u>\$ 70,296</u></b>	<b><u>\$ 4,210</u></b>	<b><u>\$ 478</u></b>

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 4: LONG-TERM OBLIGATIONS** (Continued)

**Capital Leases**

In October 2020, the District entered into a copier lease agreement for \$9,500. Monthly payments of \$480 are due through October 2023, at an estimated interest rate of 5.0%. The District has capitalized assets with a remaining basis of \$4,318 related to this lease. Through non-appropriation the lessee has the right to return the equipment and terminate the lease on the last day of the fiscal period for which appropriations were received without penalty or expense to the lessee. In case of default, the lessor may do one or more of the following; require the lessee to pay the lessor all past due and current lease payments, the present value of all remaining lease payments discounted at the rate of 6% per annum, declare other arranges between lessor and lessee in default, require all equipment to be returned with the lessor having the right to sell or lease the equipment or any portion thereof, and to apply the proceeds, less reasonable expenses to the amount due. These remedies are cumulative and are in addition to any other remedies provided for by law.

The future minimum capital lease payments at December 31, 2022, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,210	\$ 590	\$ 4,800

**NOTE 5: PENSION PLANS**

**DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (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 comprehensive annual financial report (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 5: PENSION PLANS** (Continued)

**DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

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

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 5: PENSION PLANS** (Continued)

**DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. 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 and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of January 1, 2022 through December 31, 2022. The employer contribution requirements during the period of January 1, 2021 through December 31, 2022 are summarized in the table below:

	<b>January 1, 2021 through June 30, 2021</b>	<b>July 1, 2021 through December 31, 2021</b>	<b>January 1, 2022 Through June 30, 2022</b>	<b>July 1, 2022 Through December 31, 2022</b>
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%	9.48%
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	0.00%	0.02%	0.03%	0.03%
<b>Total employer contribution rate to the LGDTF</b>	<b>13.18%</b>	<b>13.20%</b>	<b>13.21%</b>	<b>13.71%</b>

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 5: PENSION PLANS** (Continued)

**DEFINED BENEFIT PENSION PLAN** (Continued)

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$155,137 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 District reported an asset of \$135,421 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 used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The District proportion of the net pension liability was based on the District contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the District proportion was 0.15795 percent, which was an increase of 0.00678 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the District recognized pension expense of \$350,822. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	\$ 6,335	\$ (2,262)
Changes of assumptions or other inputs	\$ 43,934	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 137,951	\$ (1,282,265)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 35,024	\$ (1,011)
Contributions subsequent to the measurement date	\$ 175,784	\$ -
<b>Total</b>	<b>\$ 399,028</b>	<b>\$ (1,285,538)</b>

\$175,784 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:

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 5: PENSION PLANS** (Continued)

**DEFINED BENEFIT PENSION PLAN** (Continued)

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

<b>Year Ended December 31:</b>	<b>Fiscal year Total</b>
2023	\$ (218,121)
2024	(425,411)
2025	(276,611)
2026	(142,151)
<b>Total</b>	<b>\$ (1,062,294)</b>

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

<b>Actuarial cost method</b>	<b>Entry Age</b>
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, 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 (automatic)	1.00% compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 5: PENSION PLANS** (Continued)

**DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

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

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

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 5: PENSION PLANS** (Continued)

**DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 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.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 5: PENSION PLANS** (Continued)

**DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

*Sensitivity of the District proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net pension asset (liability)	\$ (928,527)	\$ 135,421	\$ 1,025,368

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

Voluntary Investment Program

*Plan Description* - Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available CAFR which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, any employer contributions and investment earnings. For the year ended December 31, 2022, program members contributed \$54,541 to the Voluntary Investment Program.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 5: PENSION PLANS** (Continued)

**DEFINED CONTRIBUTION PENSION PLAN (DC Plan)**

*Plan Description* – Employees of the LGDTF that were hired on or after January 1, 2019 which were eligible to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, have the option to participate in the LGDTF or the Defined Contribution Retirement Plan (PERA DC Plan). The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA’s CAFR as referred to above.

*Funding Policy* – All participating employees in the PERA DC Plan and the District are required to contribute a percentage of the participating employees’ PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period January 1, 2022 through December 31, 2022 are summarized in the tables below:

	<b>January 1, 2022 through December 31, 2022</b>
Employee Contribution Rates:	9.00%
Employer Contribution Rates (On behalf of participating employees):	14.73%

Additionally, the employers are required to contribute AED and SAED to the LGDTF as follows:

	<b>January 1, 2022 through December 31, 2022</b>
Employer Base Rate	10.00%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	1.50%
Automatic Adjustment	1.00%
DC Supplement	0.03%
Total employer contribution rate to LGDTF	14.73%
Amount Allocated to HCTF	-1.02%
Net Employer Contribution	13.71%

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 5: PENSION PLANS** (Continued)

**DEFINED CONTRIBUTION PENSION PLAN (DC Plan)** (Continued)

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed \$120 and the District recognized pension expense and a liability of \$196 and \$196, respectively, for the PERA DC Plan.

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS**

**Summary of Significant Accounting Policies**

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

**General Information about the OPEB Plan**

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

*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 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 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

*DPS Benefit Structure*

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$11,988 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$105,879 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The District proportion of the net OPEB liability was based on 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 District proportion was 0.01228 percent, which was an increase of 0.00074 from its proportion measured as of December 31, 2020.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$8,055. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	\$ 178	\$ (24,037)
Net difference between projected and actual earnings on pension plan investments	\$ 722	\$ (7,068)
Changes of assumptions or other inputs	\$ 2,173	\$ (5,398)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 7,706	\$ (13,525)
Contributions subsequent to the measurement date	\$ 13,092	\$ -
<b>Total</b>	<b>\$ 23,871</b>	<b>\$ (50,028)</b>

\$13,092 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:

<b>Year Ended December 31:</b>	<b>Fiscal Year Totals</b>
2023	\$ (15,070)
2024	(12,819)
2025	(8,801)
2026	(3,239)
2027	546
2028	134
<b>Total</b>	<b>\$ (39,249)</b>

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

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

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, 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%
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

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:

**Initial Costs for Members without Medicare Part A**

<b>Medicare Plan</b>	<b>Monthly Cost</b>	<b>Monthly Premium</b>	<b>Monthly Cost Adjusted to Age 65</b>
Medicare Advantage/Self-Insured Prescription	\$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.

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.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

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

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
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 were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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.

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

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** (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 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

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

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

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 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 the 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.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

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.

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

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

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

*Sensitivity of the 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:

<b>Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates</b>			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare Part A trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (102,838)	\$ (105,879)	\$ (109,401)

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated 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 make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

*Sensitivity of the District proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

<b>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</b>			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (122,967)	\$ (105,879)	\$ (91,282)

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

**NOTE 7: FUND BALANCE RESERVATIONS/APPROPRIATIONS**

**Emergency Reserve**

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado, all local governments, and special districts.

The District's financial activity for the year ended December 31, 2022 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2022, revenue in excess of the District's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

At a November 1999 election, the electors of the District authorized the District to collect, retain and expend the full amount of the revenues generated from a 2.80 mill.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. District management believes the District is in compliance with the requirements of TABOR, however the District has made certain interpretations of the TABOR amendment's language in order to determine it is in compliance.

The Article requires an emergency reserve be set aside for 2022 in the amount of 3% or more of its fiscal year spending. At December 31, 2022, the District has reserved the following for emergencies:

General Fund \$107,000

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**Notes to the Financial Statements**  
**December 31, 2022**

**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 employees; and natural disasters. The District has joined together with other special districts in the State of Colorado to form the Colorado Special Districts Property and Liability Pool (CSDPLP), a public entity risk pool currently operating as a common risk management and insurance program for member special districts. The District pays an annual premium to CSDPLP for its general property and liability and workers' compensation coverage. The intergovernmental agreement of the CSDPLP provides that CSDPLP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1 million for each insured event. The District has commercial insurance for other risks including employee health and accident insurance. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**NOTE 9: INTERFUND TRANSFERS**

The District recorded a routine transfer from General Fund to Capital Building Reserve Fund in the amount of \$900,000.

**NOTE 10: PRIOR YEAR RESTATEMENT**

With the adoption of GASB Statement No. 87 – Leases, the District has restated certain beginning governmental activity balances with regards to leases that had been entered into during prior periods. The January 1, 2022 beginning Capital Assets Being Depreciated was increased by \$9,500 to reflect leased assets as shown in Note 3. In addition, the January 1, 2022 noncurrent liability balance was increased by the same amount as reflected in Note 4, representing the corresponding lease liability. There was no change to Governmental Activity net position.

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**Required Supplementary Information  
(Pension and OPEB Schedules - Unaudited)**

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSETS (LIABILITY)**  
**PERA Pension Plan**  
**Last 10 Fiscal Years<sup>(1)</sup>**

<b>Fiscal Year</b>	<b>District's proportion of the net pension asset (liability)</b>	<b>District's proportionate share of the net pension asset (liability)</b>	<b>District's covered payroll</b>	<b>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
12/31/2022	0.157950%	\$ 135,421	\$ 1,223,478	11.07%	101.49%
12/31/2021	0.151172%	\$ (787,800)	\$ 1,088,273	72.39%	90.88%
12/31/2020	0.151956%	\$ (1,120,512)	\$ 1,046,443	107.08%	86.26%
12/31/2019	0.154354%	\$ (1,940,561)	\$ 1,012,397	191.68%	75.96%
12/31/2018	0.173365%	\$ (1,930,302)	\$ 1,093,659	176.50%	79.37%
12/31/2017	0.167425%	\$ (2,260,802)	\$ 1,014,803	222.78%	73.65%
12/31/2016	0.170904%	\$ (1,882,651)	\$ 970,607	193.97%	76.87%
12/31/2015	0.187690%	\$ (1,682,283)	\$ 1,028,454	163.57%	80.72%
12/31/2014	0.200252%	\$ (1,647,915)	\$ 1,068,360	154.25%	81.00%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA Pension Plan**  
**Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2022	\$ 155,137	\$ 155,137	\$ -	\$ 1,223,478	12.68%
12/31/2021	\$ 137,993	\$ 137,993	\$ -	\$ 1,088,273	12.68%
12/31/2020	\$ 132,689	\$ 132,689	\$ -	\$ 1,046,443	12.68%
12/31/2019	\$ 128,372	\$ 128,372	\$ -	\$ 1,012,397	12.68%
12/31/2018	\$ 138,676	\$ 138,676	\$ -	\$ 1,093,659	12.68%
12/31/2017	\$ 128,677	\$ 128,677	\$ -	\$ 1,014,803	12.68%
12/31/2016	\$ 123,073	\$ 123,073	\$ -	\$ 970,607	12.68%
12/31/2015	\$ 130,408	\$ 130,408	\$ -	\$ 1,028,454	12.68%
12/31/2014	\$ 135,468	\$ 135,468	\$ -	\$ 1,068,360	12.68%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB ASSET (LIABILITY)**  
**PERA Health Care Trust Fund**  
**Last 10 Fiscal Years<sup>(1)</sup>**

<b>Fiscal Year</b>	<b>District's proportion of the net OPEB asset (liability)</b>	<b>District's proportionate share of the net OPEB asset (liability)</b>	<b>District's covered payroll</b>	<b>District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>
12/31/2022	0.0122786%	\$ (105,879)	\$ 1,175,294	9.01%	39.40%
12/31/2021	0.0115411%	\$ (109,667)	\$ 1,067,255	10.28%	32.78%
12/31/2020	0.0116376%	\$ (130,806)	\$ 1,046,373	12.50%	24.49%
12/31/2019	0.0119701%	\$ (162,859)	\$ 1,012,353	16.09%	17.03%
12/31/2018	0.0134713%	\$ (175,073)	\$ 1,093,627	16.01%	17.53%
12/31/2017	0.0150827%	\$ (195,552)	\$ 1,014,804	19.27%	16.70%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA Health Care Trust Fund**  
**Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year</u>	<u>NET OPEB ASSET (LIABILITY)</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2022	\$ 11,988	\$ 11,988	\$ -	\$ 1,175,294	1.02%
12/31/2021	\$ 10,886	\$ 10,886	\$ -	\$ 1,067,255	1.02%
12/31/2020	\$ 10,673	\$ 10,673	\$ -	\$ 1,046,373	1.02%
12/31/2019	\$ 10,326	\$ 10,326	\$ -	\$ 1,012,353	1.02%
12/31/2018	\$ 11,155	\$ 11,155	\$ -	\$ 1,093,627	1.02%
12/31/2017	\$ 10,351	\$ 10,351	\$ -	\$ 1,014,804	1.02%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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**Required Supplementary Information**

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**BUDGETARY COMPARISON SCHEDULE FOR THE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**  
**(With Comparative Totals for the Year Ended December 31, 2021)**

	<b>2022</b>			<b>VARIANCE WITH FINAL BUDGET</b>	<b>2021 ACTUAL</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>		
<b>REVENUES</b>					
Taxes					
Property	\$ 3,213,855	\$ 3,213,855	\$ 3,220,428	\$ 6,573	\$ 3,014,080
Specific ownership	90,000	90,000	146,944	56,944	151,150
Interest and penalties on delinquents	3,500	3,500	9,602	6,102	6,792
Refunds and abatements	61,017	61,017	52,252	(8,765)	(7,080)
Total Tax Revenue	<u>3,368,372</u>	<u>3,368,372</u>	<u>3,429,226</u>	<u>60,854</u>	<u>3,164,942</u>
Intergovernmental	<u>9,000</u>	<u>9,000</u>	<u>24,387</u>	<u>15,387</u>	<u>13,964</u>
Charges for services					
Fines and fees	<u>3,500</u>	<u>3,500</u>	<u>1,053</u>	<u>(2,447)</u>	<u>689</u>
Other income					
Contributions	3,000	3,000	14,471	11,471	14,445
Investment earnings	1,500	1,500	36,098	34,598	963
Other miscellaneous	-	-	14,155	14,155	9,789
Total Other Income	<u>4,500</u>	<u>4,500</u>	<u>64,724</u>	<u>60,224</u>	<u>25,197</u>
<b>TOTAL REVENUES</b>	<u>3,385,372</u>	<u>3,385,372</u>	<u>3,519,390</u>	<u>134,018</u>	<u>3,204,792</u>
<b>EXPENDITURES</b>					
Current					
Administration and Community Relations					
Personnel costs	283,276	283,276	226,982	56,294	204,081
Insurance benefits (inc Dist-wide HRA and Ins Cont)	30,500	30,500	56,645	(26,145)	51,629
Payroll taxes & pension (PERA - Soc Sec Equiv)	83,907	83,907	43,132	40,775	34,090
Workers comp insurance (District-wide)	83,907	4,000	3,045	955	3,025
Community relations	28,950	28,950	22,810	6,140	15,843
Human resources	49,500	51,500	50,191	1,309	31,833
Professional services	137,000	137,000	21,857	115,143	26,359
Supplies	10,000	10,000	9,021	979	7,975
Treasurer's fees	96,416	96,416	98,127	(1,711)	90,430
Other	38,150	38,150	38,948	(798)	40,606
Total Administration and Community Relations	<u>841,606</u>	<u>763,699</u>	<u>570,758</u>	<u>192,941</u>	<u>505,871</u>
Facility Maintenance					
Personnel costs	-	-	58,837	(58,837)	46,517
Insurance benefits	-	-	-	-	6,205
Payroll taxes & pension (PERA - Soc Sec Equiv)	-	-	-	-	5,045
Repairs and maintenance	119,500	119,500	122,277	(2,777)	88,316
Utilities	79,000	79,000	62,438	16,562	59,133
Total Facility Maintenance	<u>198,500</u>	<u>198,500</u>	<u>243,552</u>	<u>(45,052)</u>	<u>205,216</u>

See accompanying Independent Auditor's Report.

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**BUDGETARY COMPARISON SCHEDULE FOR THE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2022**  
**(With Comparative Totals for the Year Ended December 31, 2021)**  
**(Continued)**

	<b>2022</b>			<b>VARIANCE</b>	
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>WITH FINAL BUDGET</b>	<b>2021 ACTUAL</b>
<b>EXPENDITURES</b> (Continued)					
Current (Continued)					
<b>Public Services</b>					
Personnel costs	867,997	867,997	807,581	60,416	656,126
Insurance benefits	-	-	131,496	(131,496)	116,771
Payroll taxes & pension (PERA - Soc Sec Equiv)	311,362	311,362	121,401	189,961	101,100
Adult materials	265,500	265,500	262,373	3,127	241,030
Teen materials	7,300	7,300	6,461	839	6,087
Youth materials	27,000	27,000	23,334	3,666	21,466
Spanish Materials	18,000	18,000	11,327	6,673	11,011
Library programs	81,500	81,500	82,688	(1,188)	70,678
Other expenses	2,000	2,000	1,791	209	-
Total Public Services	<u>1,580,659</u>	<u>1,580,659</u>	<u>1,448,452</u>	<u>132,207</u>	<u>1,224,269</u>
<b>Library Support Services</b>					
Personnel costs	-	-	324,634	(324,634)	313,996
Insurance benefits	-	-	55,574	(55,574)	53,036
Payroll taxes & pension (PERA - Soc Sec Equiv)	-	-	48,173	(48,173)	48,543
Materials Management	16,000	16,000	16,095	(95)	15,366
Technical Services	261,500	261,500	234,016	27,484	204,848
Total Library Support Services	<u>277,500</u>	<u>277,500</u>	<u>678,492</u>	<u>(400,992)</u>	<u>635,789</u>
<b>Information Technology</b>					
Personnel costs	336,817	336,817	-	336,817	-
Employee benefits	117,642	117,642	-	117,642	-
Total information technology	<u>454,459</u>	<u>454,459</u>	<u>-</u>	<u>454,459</u>	<u>-</u>
Contingency	50,000	50,000	-	50,000	-
<b>TOTAL EXPENDITURES</b>	<u>3,402,724</u>	<u>3,324,817</u>	<u>2,941,254</u>	<u>383,563</u>	<u>2,571,145</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(17,352)	60,555	578,136	517,581	633,647
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	(900,000)	(900,000)	(900,000)	-	(275,000)
<b>CHANGE IN FUND BALANCE</b>	(917,352)	(839,445)	(321,864)	517,581	358,647
<b>FUND BALANCE - BEGINNING</b>	1,708,230	1,708,230	1,869,033	160,803	1,510,386
<b>FUND BALANCE - Ending</b>	<u>\$ 790,878</u>	<u>\$ 868,785</u>	<u>\$ 1,547,169</u>	<u>\$ 678,384</u>	<u>\$ 1,869,033</u>

See accompanying Independent Auditor's Report.

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## **Other Supplementary Information**

**SAN MIGUEL COUNTY PUBLIC LIBRARY DISTRICT #1**  
**BUDGETARY COMPARISON SCHEDULE FOR THE**  
**CAPITAL BUILDING RESERVE FUND**  
**YEAR ENDED DECEMBER 31, 2022**  
**(With Comparative Totals for the Year Ended December 31, 2021)**

	2022		VARIANCE WITH FINAL BUDGET	2021 ACTUAL
	ORIGINAL & FINAL BUDGET	ACTUAL		
<b>REVENUES</b>				
Other income				
Investment earnings	\$ 2,500	\$ 36,428	\$ 33,928	\$ 625
<b>EXPENDITURES</b>				
Capital Outlay	621,000	174,697	446,303	100,256
Contingency	100,000	-	100,000	-
TOTAL EXPENDITURES	<u>721,000</u>	<u>174,697</u>	<u>546,303</u>	<u>100,256</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(718,500)	(138,269)	580,231	(99,631)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	<u>900,000</u>	<u>900,000</u>	-	<u>275,000</u>
<b>CHANGE IN FUND BALANCE</b>	181,500	761,731	580,231	175,369
<b>FUND BALANCE - Beginning</b>	<u>1,321,862</u>	<u>1,420,030</u>	<u>98,168</u>	<u>1,244,661</u>
<b>FUND BALANCE - Ending</b>	<u>\$ 1,503,362</u>	<u>\$ 2,181,761</u>	<u>\$ 678,399</u>	<u>\$ 1,420,030</u>

See accompanying Independent Auditor's Report.