



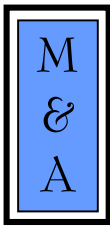
**EAGLE VALLEY
LIBRARY DISTRICT**

**Financial Statements
December 31, 2023**

**Eagle Valley Library District
Financial Report
December 31, 2023**

Table of Contents

	Page(s)
INDEPENDENT AUDITOR'S REPORT	A1 – A3
Management's Discussion and Analysis	B1 – B5
Basic Financial Statements:	
Government-wide Financial Statements:	
Balance Sheet / Statement of Net Position	C1
Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities	C2
Notes to the Financial Statements	D1 – D12
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - General Fund	E1



MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Eagle Valley Library District
Eagle, Colorado**

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of Eagle Valley Library District (the "District"), as of and for the year ended December 31, 2023, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, and each major fund, of Eagle Valley Library District, as of December 31, 2023 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Eagle Valley Library District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Eagle Valley Library District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Eagle Valley Library District
Eagle, Colorado**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT
To the Board of Trustees
Eagle Valley Library District
Eagle, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Eagle Valley Library District's basic financial statements. The individual fund budgetary comparisons in Section E are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison 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. Such 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 U.S. GAAS. In our opinion, the information in Section E is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 23, 2024



EAGLE VALLEY
LIBRARY DISTRICT

Management Discussion and Analysis

Management's Discussion and Analysis

As management of Eagle Valley Library District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023.

Financial Highlights

- The assets of the District exceeded its liabilities by \$23,245,881 at the close of the most recent fiscal year end. The unrestricted net position, which represents the amounts available to meet the District's ongoing obligations to citizens and creditors, was \$10,710,621.
- The District's total net position increased by \$1,200,786.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$10,775,829 or 207% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of two components: Government-wide financial statements and Notes to the Financial Statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activity of the District is library services. There are currently no business-type activities of the District and the District discreetly presents the Eagle Valley Library Foundation, a non-profit organization formed exclusively for the benefit of, to perform the functions of, or to carry out the charitable and educational purposes of the District.

The government-wide financial statements can be found on pages C1 and C2 of this report.

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. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently has one fund, the General Fund, which is a governmental fund.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found section D of this report.

Government-wide financial analysis: Almost all of the District's revenue was from property taxes (see the Notes to the Financial Statements). Most of the District's assets are reflected in the investment in capital assets (i.e., buildings, books, furniture, fixtures, and equipment). Capital assets account for 42% of the total assets. The District will use these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

Eagle Valley Library District's Net Position

	2023	2022
Assets:		
Current and other assets	\$ 16,846,462	\$ 15,574,677
Capital assets	12,342,020	12,484,457
Total Assets	29,188,482	28,059,134
 Liabilities:		
Other liabilities	159,320	220,223
Long-term liabilities	125,728	170,024
Total Liabilities	285,048	390,247
 Deferred Inflows of Resources:		
Unavailable revenue	5,657,553	5,623,792
Total Deferred Inflows of Resources	5,657,553	5,623,792
 Net Position:		
Investment in capital assets	12,342,020	12,484,457
Restricted	193,240	183,560
Unrestricted	10,710,621	9,377,078
Total Net Position	\$ 23,245,881	\$ 22,045,095

Approximately 53% of the District's Net Position reflects its investment in capital assets, which includes buildings, equipment, land, vehicles, and books and periodicals. The decrease in the District's investment in capital assets is largely to due current year depreciation expense exceeding capital asset additions.

Government-wide financial analysis (continued):

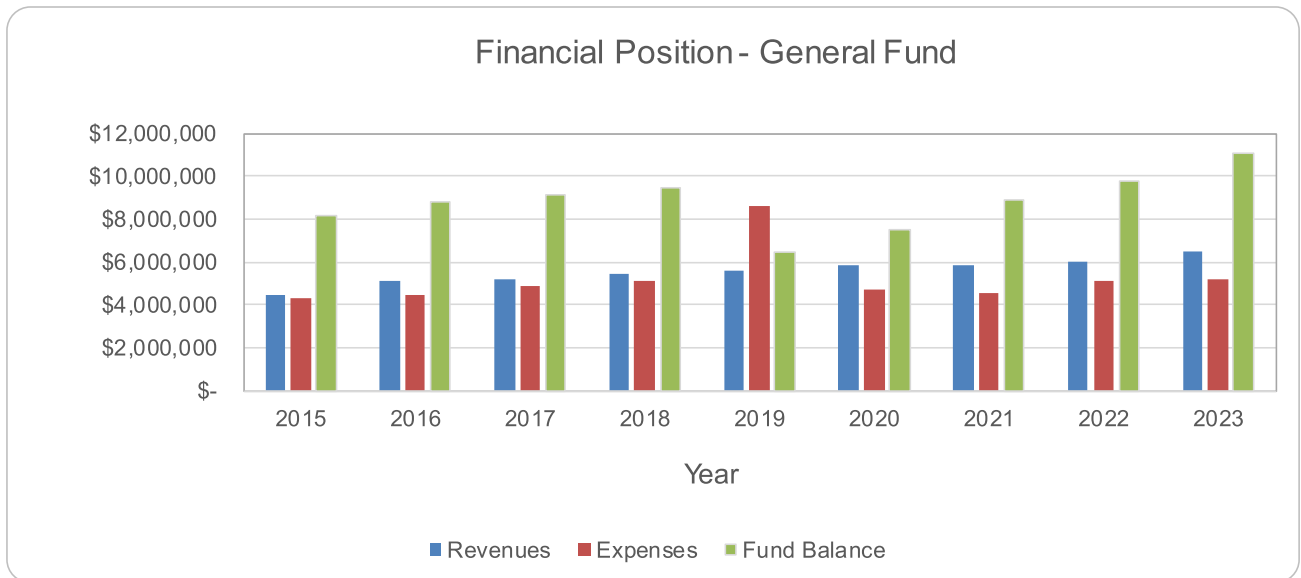
Eagle Valley Library District's Change in Net Position

	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Collection revenue	\$ 12,400	\$ 13,478
General revenues:		
Property taxes	5,626,042	5,631,109
Specific ownership taxes	327,204	309,074
Interest on taxes	7,211	6,826
Earnings on investments	484,913	3,415
Donations	10,000	10,000
Grant income	15,995	29,833
Other income	31,390	13,852
Total Revenues	<u>6,515,155</u>	<u>6,017,587</u>
Expenses:		
Personnel services	2,803,403	2,993,436
Supplies	292,645	261,345
Library materials	381,864	326,815
Insurance	46,837	40,396
Purchased services	689,973	601,069
Building costs and utilities	147,845	133,509
Capital outlay	-	192,509
Treasurer's fee	169,026	169,141
Depreciation and amortization	782,776	778,542
Total Expenses	<u>5,314,369</u>	<u>5,496,762</u>
Change in Net Position	1,200,786	520,825
Net Position:		
Beginning of Year	22,045,095	21,524,270
Ending of Year	<u>\$ 23,245,881</u>	<u>\$ 22,045,095</u>

The increase in net position is mainly attributable to savings of purchased service expenses and an increase in earnings on investments. Property taxes were the most significant source of general revenues for the District accounting for approximately 86.4% of revenues. Specific ownership taxes, which consist of vehicle taxes collected at the County, were also a significant source of revenue accounting for 5.02% of total revenues. Lastly, earnings on investments, accounted for 7.44% of total revenues.

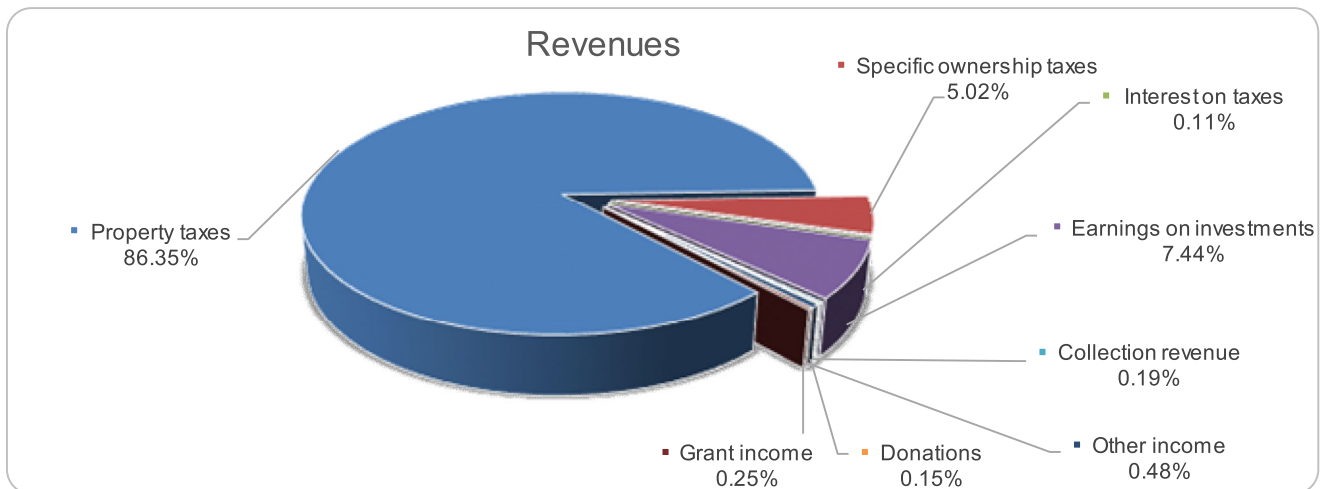
Financial Analysis of the District's Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District had the following changes in its General Fund for the years 2015 through 2023:



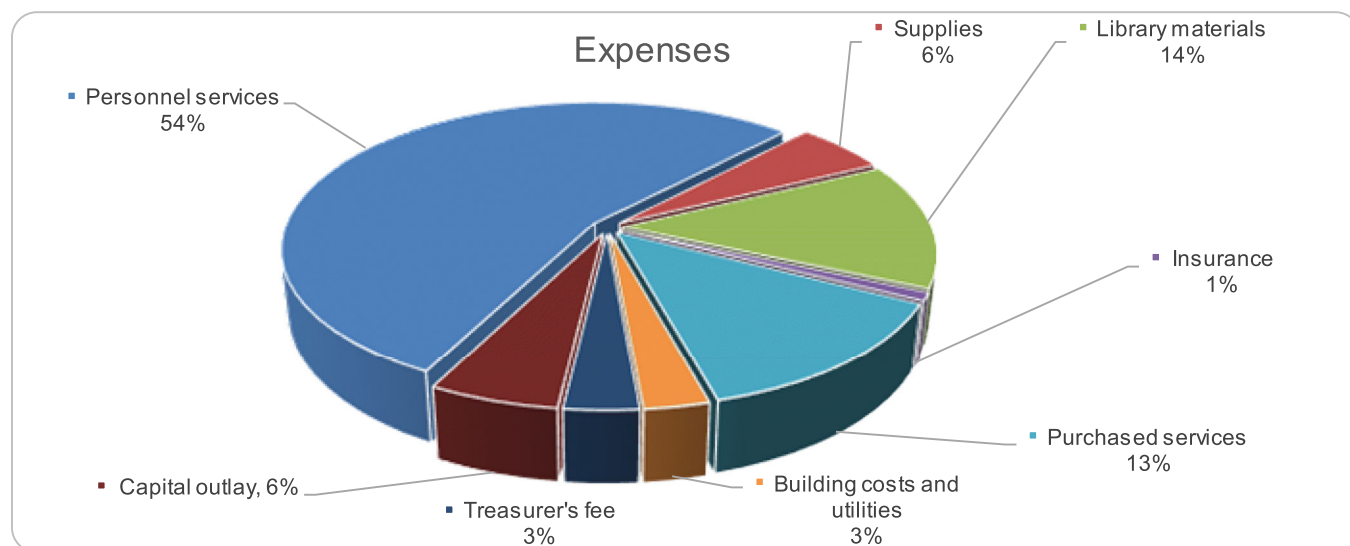
The District's General Fund had a change in fund balance of \$1,298,927 and an ending fund balance of \$10,775,829. Revenues increased \$497,568 from 2022. This was largely due to increases in earnings on investments. Expenditures increased \$81,820 from 2022, which was primarily due to developing the District's website and unexpected repairs and maintenance needed at the Avon and Eagle locations.

The following chart represents the District's revenues:



Property taxes make up the largest source of revenue for the District.

The following chart represents the District's expenses:



The District's General Fund expenditures and other financing sources increased 1.6%. Personnel services (wages, retirement, health insurance, etc.), library materials, and purchased services made up the largest source of expenditures for the District.

Budget variances in the General Fund: The District's 2023 budget was approved at the end of 2022. The District did not amend its budget for 2023. Significant budget variances were as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>	<u>Reason</u>
Earnings on investments	222,000	484,913	262,913	Higher interest rates than expected on CDs as well as on ColoTrust
Personnel services	3,300,056	2,847,700	452,356	Executive Director left part way through year so only half of associated expense recognized
Purchased services	850,885	689,973	160,912	Repairs and maintenance were budgeted conservatively in the case of unexpected repairs.
Capital outlay	516,446	294,713	221,733	Projects were unexpectedly delayed

Capital assets: The District's had a net investment in capital of assets of \$12,342,020 at the end of 2023. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements in section D of this report.

Next year's budget and rates: The District had \$11,029,589 of fund balance at the end of the current fiscal year. The District's 2024 budget anticipated a beginning balance of \$10,412,607. The 2024 budget anticipates revenues of \$6,991,031 and expenditures of \$6,957,685.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Eagle Valley Library District, P.O. Box 240, Eagle, CO 81631 or you may call 970-328-8800.



EAGLE VALLEY
LIBRARY DISTRICT

Basic Financial Statements

Eagle Valley Library District
Statement of Net Position
December 31, 2023

	Primary Government			Statement of Net Position	Component Unit
	General Fund	Governmental Balance Sheet	Adjustments		
Assets:					
Cash and cash equivalents	5,041,515	5,041,515	-	5,041,515	12,192
Investments	6,062,646	6,062,646	-	6,062,646	153,978
Cash with County Treasurer	24,212	24,212	-	24,212	-
Accounts receivable	16	16	-	16	597
Prepaid expenses	60,520	60,520	-	60,520	-
Property taxes receivable	5,657,553	5,657,553	-	5,657,553	-
Capital assets, net of depreciation	-	-	12,342,020	12,342,020	-
Total Assets	16,846,462	16,846,462	12,342,020	29,188,482	166,767
Liabilities:					
Accounts/vouchers payable	67,567	67,567	-	67,567	-
Accrued wages	91,753	91,753	-	91,753	-
Non-current liabilities:					
Due longer than one year - compensated absences	-	-	125,728	125,728	-
Total Liabilities	159,320	159,320	125,728	285,048	-
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	5,657,553	5,657,553	-	5,657,553	-
Total Deferred Inflows of Resources	5,657,553	5,657,553	-	5,657,553	-
Fund Balance/Net Position:					
Fund Balance:					
Restricted	193,240	193,240			
Nonspendable	60,520	60,520			
Assigned for:					
Library expansion	4,768,179	4,768,179			
Working capital	2,000,000	2,000,000			
Replacement reserve	3,482,774	3,482,774			
Unassigned	524,876	524,876			
Total Fund Balance	11,029,589	11,029,589			
Total Liabilities, Deferred Inflows of Resources and Fund Balance	16,846,462	16,846,462			
Net Position:					
Investment in capital assets			1,312,431	12,342,020	-
Restricted for constitutionally required emergency reserve			193,240	193,240	-
Unrestricted			10,710,621	10,710,621	166,767
Total Net Position			12,216,292	23,245,881	166,767

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

Eagle Valley Library District
Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities
For the Year Ended December 31, 2023

	Primary Government				Component Unit
	General Fund	Total Governmental Fund	Adjustments	Statement of Activities	
Revenues:					
Property taxes	5,626,042	5,626,042	-	5,626,042	-
Specific ownership taxes	327,204	327,204	-	327,204	-
Interest on taxes	7,211	7,211	-	7,211	-
Earnings on investments	484,913	484,913	-	484,913	4,815
Collection revenue	12,400	12,400	-	12,400	-
Donations	10,000	10,000	-	10,000	2,400
Grant income	15,995	15,995	-	15,995	-
Other income	31,390	31,390	-	31,390	-
Total Revenues	6,515,155	6,515,155	-	6,515,155	7,215
Expenditures/Expenses:					
Personnel services	2,847,700	2,847,700	(44,297)	2,803,403	-
Supplies	292,645	292,645	-	292,645	295
Library materials	727,489	727,489	(345,625)	381,864	-
Insurance	46,837	46,837	-	46,837	-
Purchased services	689,973	689,973	-	689,973	-
Building costs and utilities	147,845	147,845	-	147,845	-
Treasurer's fee	169,026	169,026	-	169,026	-
Capital outlay	294,713	294,713	(294,713)	-	-
Depreciation and amortization	-	-	782,776	782,776	-
Total Expenditures/Expenses	5,216,228	5,216,228	98,141	5,314,369	295
Excess (Deficiency) of Revenues Over Expenditures	1,298,927	1,298,927	(98,141)	1,200,786	6,920
Net Position - Beginning of Year	9,730,662	9,730,662		22,045,095	159,847
Net Position - Ending of Year	11,029,589	11,029,589		23,245,881	166,767

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



Notes to the Basic Financial Statements

Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023

I. Summary of Significant Accounting Policies

Eagle Valley Library District (the "District") was established November 3, 1992, by a vote of the Eagle County electorate. The District operates under the laws of the State of Colorado and is governed by a Board of Trustees appointed by the Eagle County Commissioners. The Trustees are appointed for a five-year term. The District was formed to provide for the selection, organization and distribution of books and other materials to residents and visitors to the District. The District currently has libraries located in Eagle, Avon, and Gypsum, Colorado.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government and component units. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the District. The District's financial statements include the Eagle Valley Library District Foundation, Inc. (the "Foundation") which was formed exclusively to carry out the charitable and education functions of the District.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component unit.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, the District has only governmental activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's Net Position is reported in three parts - invested in capital assets, net of related debt, restricted Net Position and unrestricted Net Position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's Net Position resulting from the current year's activities.

Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023

I. Summary of Significant Accounting Policies

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The government-wide focus is on the sustainability of the District as an entity and the change in the District's Net Position resulting from the current year's activities.

Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, TABOR reserves, fund equity, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The District reports a General Fund, which accounts for resources devoted to financing the general services that the District performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund. The fund is used to account for all activities for which a separate fund has not been established.

C. Measurement Focus and Basis of Accounting

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

D. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents, and Investments (continued)

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments 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 U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- FDIC-Insured Certificates of Deposit
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable on the fund financial statements.

4. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements.

5. Capital Assets

Capital assets, which include buildings, equipment, vehicles and infrastructure, are reported in the government-wide financial statements. Capital assets include assets with an individual cost of \$5,000 or more and an estimated useful life in excess of two years. Books and periodicals, although having an individual cost of less than \$5,000, are also considered capital assets. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

**Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets (continued)

Books and periodicals are depreciated using the average of the past six years' purchases. Total depreciation expense for the fiscal year ending is \$782,776.

Buildings, vehicles and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Furniture, fixtures and equipment	3 - 15
Buildings	40
Vehicles	5 - 7
Books and media	6

6. Compensated Absences

The District allows its employees to accumulate sick and vacation leave, based on the employee's length of service. Sick pay can accumulate up to a max of 720 hours and it accrued based on hours worked at a rate of .0462 per hour for both full-time and part-time employees. Vacation pay can accumulate up to 240 hours at rates ranging from .0462 to .0845, depending on years of service for both full-time and part-time employees. The District does not pay accrued sick leave upon termination. However, vacation leave is paid out upon termination. At year end, the estimated value of accumulated vacation leave, including the District's pension and Medicare taxes, is \$125,728.

7. Deferred Inflows of Resources

Deferred inflows of resources represent 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 has only one item that qualifies for reporting in this category, unavailable revenue from property taxes, reported in the governmental balance sheet and on the Statement of Net Position. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

8. Categories and Classification of Fund Balance:

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note I.E.

Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Fund Balance Disclosure

The District classifies governmental fund balances as follows:

1. **Non-spendable** - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. As of December 31, 2023, \$60,520 was non-spendable.
2. **Spendable Fund Balance:**
 - a. **Restricted** – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. As of December 31, 2023 \$193,240 was restricted for emergencies.
 - b. **Committed** – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board's platform to review and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to the Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after the Board's approval, must be presented via a public process and again approval by the Board.
 - c. **Assigned** – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board or its management designee. As of December 31, 2023, \$10,250,953 was assigned for library expansion, replacement reserves, and working capital.
 - d. **Unassigned** - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed. As of December 31, 2023, \$524,876 was unassigned.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions, and the Administration calculates targets and report them annually to the Board.

Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)

I. Summary of Significant Accounting Policies (continued)

F. Fund Definitions of Funds Reported

1. **General Fund:** The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes adjustments between *fund balance – governmental funds* and *Net Position of governmental activities* as reported in the government-wide Statement of Net Position. One element of the reconciling column accounts for capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the funds. \$12,342,020 represents the book value of capital assets at December 31, 2023. Long-term liabilities of \$125,728 are not due and payable in the current period, and therefore are not reported in the fund financial statements.

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes adjustments between *net change in fund balance of governmental funds* and *changes in Net Position of governmental activities* as reported in the government-wide Statement of Activities. One element of the reconciliation involves the additions of capital assets including books and periodicals of \$345,625 and equipment and capital improvements of \$294,713 as these items are reported as expenditures in the governmental funds report. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense therefore another reconciling item includes depreciation on fixed assets of \$782,776. The final element of the reconciliation is the change in the accrued compensated absences of \$44,297.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end. In the fall of each year, the District's Board of Trustees formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

- (1) For the 2023 budget, prior to August 25, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries.
- (2) On or before October 15, 2022, the Director submitted to the District's Board of Trustees a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (3) For the 2023 budget, prior to December 15, 2022, the District computed and certified to the County Commissioners a rate of levy that will derive the necessary property taxes as computed in the proposed budget.
- (4) After a required public hearing, the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2022 were collected in 2023 and taxes certified in 2023 will be collected in 2024. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

B. TABOR Amendment

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

One of the requirements of TABOR is for emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue (excluding bonded debt service). The District has reserved a portion of its December 31, 2023 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$193,240, which is the approximate required reserve at December 31, 2023.

On November 4, 1997, the District's electorate approved a ballot question allowing the District to collect and expend any additional amounts raised over and above the limitation imposed by TABOR and Colorado Revised Statute 29-1-301, the 5.5% limit.

IV. Detailed Notes on All Funds

A. Cash, Cash Equivalents, and Investments

The District's cash, cash equivalents and investments are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. As of year-end, the carrying amount of the District's cash, cash equivalents and investments was \$11,104,160. Petty cash totaled \$111.

**Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)**

IV. Detailed Notes on All Funds (continued)

A. Cash, Cash Equivalents, and Investments (continued)

At December 31, 2023, the District reported net unrealized gains and losses on investments of \$2,033 and \$124,781, respectively. These items are reflected in the District's net investment income shown on the Statement of Revenues, Expenditures and Changes in Fund Balances. The District had the following cash, cash equivalents and investments with the following maturities:

	Rating	Carrying Amounts	Maturities	
			Less than one year	One to five years
Primary Government:				
<i>Cash and cash equivalents:</i>				
Petty cash	Not Rated	\$ 111	\$ -	\$ -
Checking	Not Rated	77,351	-	-
Savings and money market	Not Rated	325,926	-	-
Investment pool	AAAm	4,638,127	-	-
<i>Investments:</i>				
Certificates of deposit - Unrestricted	Not Rated	6,062,646	2,107,958	3,954,688
		\$ 11,104,161		
Component Unit:				
<i>Cash and cash equivalents:</i>				
Checking	Not Rated	\$ 12,192	\$ -	\$ -
<i>Investments:</i>				
Certificate of deposit	Not Rated	\$ 153,978	153,978	-
		\$ 166,170		

The Investment Pool represents investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2023 the District had the following recurring fair value measurements:

Primary Government:

Investments Measured at Net Asset Value

Colotrust investment pool	\$ 4,638,127
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Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

A Cash, Cash Equivalents, and Investments (continued)

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

The fair value of the COLOTRUST investment pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31 2023, the District's cash in COLOTRUST were 42% of the District's portfolio.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District has invested primarily in COLOTRUST. Funds in COLOTRUST can be withdrawn without notice or penalty.

Credit Risk. The District's investment policy limits investments to those authorized by State statutes as listed in note I.D.1. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2023, the District's investments in Certificates of Deposit was 55% of the District's portfolio.

Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Capital Assets

The District had the following capital asset changes during the past year:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 215,702	\$ -	\$ 215,702
Land	691,973	-	-	691,973
Total capital assets not being depreciated	<u>691,973</u>	<u>215,702</u>	<u>-</u>	<u>907,675</u>
Capital assets, being depreciated:				
Buildings	12,683,987	5,125	-	12,689,112
Furniture, fixtures and equipment	890,904	73,887	-	964,791
Vehicles	85,703	-	-	85,703
Books and media	6,469,828	345,625	(337,578)	6,477,875
Total capital assets being depreciated	<u>20,130,422</u>	<u>424,637</u>	<u>(337,578)</u>	<u>20,217,481</u>
Less accumulated depreciation for:				
Buildings	(5,100,750)	(345,442)	-	(5,446,192)
Furniture, fixtures and equipment	(578,637)	(58,483)	-	(637,120)
Vehicles	(55,248)	(12,565)	-	(67,813)
Books and media	(2,603,303)	(366,286)	337,578	(2,632,011)
Total accumulated depreciation	<u>(8,337,938)</u>	<u>(782,776)</u>	<u>337,578</u>	<u>(8,783,136)</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,484,457</u>	<u>\$ (142,437)</u>	<u>\$ -</u>	<u>\$ 12,342,020</u>

C. Receivables

Receivables as of year-end for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

Fines, fees and delinquent accounts	\$ 95,158
Taxes receivable from County Treasurer	24,212
Other receivables	16
Less: Allowance for doubtful accounts	<u>(95,158)</u>
Total receivables	<u>\$ 24,228</u>

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$5,657,553 of unavailable revenue is property taxes levied in 2023 but not available until 2024.

**Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)**

V. Other Information

A. Risk Management

1. Colorado Special Districts Property and Liability Pool

The District is exposed to various risks of loss related to workers compensation and general liability. The District has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage.

The District is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To address such risks, the District is a participant in a public entity risk pool administered by Colorado Special Districts Property and Liability Pool ("CSDPL").

CSDPL's operations are funded by contributions from member governments. Coverage is provided in the amount of \$250,000 per claim or occurrence for property, \$1,000,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CSDPL has also acquired additional excess coverage from outside sources.

Surpluses or deficits realized by CSDPL for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds and credits or distributions from surplus for those years and funds.

CSDPL's combined financial information for the year ended December 31, 2022, the latest date for which information is available, is summarized as follows:

Admitted Assets:	
Cash and investments	\$ 65,754,837
Other assets	3,457,340
Total Admitted Assets	<u>69,212,177</u>
Total Liabilities	<u>45,329,704</u>
Unassigned Surplus	\$ 23,882,473
Total revenues	\$ 27,064,468
Total underwriting expenses	(25,447,966)
Net investment income	462,530
Net Income	<u><u>\$ 2,079,032</u></u>

2. Other Risks

The District carried commercial insurance for all other risks of loss not addressed above, including worker's compensation and employee health and accident insurance. Any settled claims are not expected to exceed the commercial insurance coverage.

Eagle Valley Library District
Notes to the Financial Statements
December 31, 2023
(Continued)

V. Other Information (continued)

B. Employee Benefit Plans

1. Retirement Savings Plan - IRC 401(a)

The District offers its employees a retirement savings plan created in accordance with Internal Revenue Code Section 401(a). The benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

The plan requires all District employees who work on a continuous basis to defer a portion of their salary until future years. The plan is administered and invested by CRA. All continuous employees are required to make contributions equal to 10% of gross wages. The District also contributes 10% of the employee gross wages. Employees are 100% vested in their retirement contributions and the employer's share immediately.

The District's current year covered payroll and total payroll was \$2,093,300 and \$2,140,182, respectively. During the year, the District's required and actual contributions amounted to \$209,330, which was 10% of its current year covered payroll. Employees' required and actual contributions amounted to \$209,330 which was 10% of the District's current year covered payroll.

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value. Employees are 100% vested in their deferred compensation contributions as no employer contributions are made to the plan.

C. Related Party

The District currently has \$6,066,354 invested with FirstBank. In 2023, the District's Board included one individual that was employed by FirstBank. The District did a competitive review of all banks in the area to determine which bank best met the District's investment obligations which included safety, liquidity and yield. The Board member abstained from voting as it pertained to the District's banking and investment decisions.



EAGLE VALLEY
LIBRARY DISTRICT

Required Supplemental Information

Eagle Valley Library District
Schedule of Revenues, Expenditure and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended December 31, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			2022
	Original and Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Actual
Revenues:				
Property taxes	5,623,792	5,626,042	2,250	5,631,109
Specific ownership taxes	280,000	327,204	47,204	309,074
Interest on taxes	-	7,211	7,211	6,826
Earnings on investments	222,000	484,913	262,913	3,415
Collection revenue	12,000	12,400	400	13,478
Donations	10,000	10,000	-	10,000
Grant income	14,317	15,995	1,678	29,833
Other income	18,500	31,390	12,890	13,852
Total Revenues	6,180,609	6,515,155	334,546	6,017,587
Expenditures:				
Personnel services	3,300,056	2,847,700	452,356	2,962,240
Supplies	307,750	292,645	15,105	261,345
Library materials	765,817	727,489	38,328	708,619
Literacy Project grant	-	-	-	-
Insurance	46,837	46,837	-	40,396
Purchased services	850,885	689,973	160,912	601,069
Building costs and utilities	132,000	147,845	(15,845)	133,509
Treasurer's fee	168,714	169,026	(312)	169,141
Capital outlay	516,446	294,713	221,733	258,088
Total Expenditures	6,088,505	5,216,228	872,277	5,134,407
Excess of Revenues Over Expenditures	92,104	1,298,927	1,206,823	883,180
Net Position - Beginning of Year	-	9,730,662	9,730,662	8,847,482
Net Position - Ending of Year	92,104	11,029,589	10,937,485	9,730,662

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