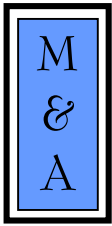


**Clear Creek County Library District
Financial Statements
December 31, 2023**

**Clear Creek County 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 – D13
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - General Fund	E1



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Clear Creek County Library District
Georgetown, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, and the general fund of Clear Creek County 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 discretely presented component units, and the general fund, of Clear Creek County 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 Clear Creek County Library District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Clear Creek County 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

PAUL J. BACKES, CPA, CGMA
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INDEPENDENT AUDITOR'S REPORT
To the Board of Trustees
Clear Creek County Regional Library District

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
Clear Creek County Regional Library District

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

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

Management Discussion and Analysis

Clear Creek County Library District

Management's Discussion and Analysis December 31, 2023

As management of Clear Creek County 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 and deferred items by \$3,230,208 at December 31, 2023. Of this amount, \$1,884,044 may be used to meet the District's ongoing obligations to patrons.
- The District's total Net Position decreased by \$174,982. This was due to ordinary operations.
- At the end of 2023, total fund balance for the General Fund was \$1,937,549.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised 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.

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.

Overview of the Financial Statements (continued)

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 in section D of this report.

Government-wide financial analysis: The majority of the District's revenue was from property taxes (see the Notes to the Financial Statements). Cash and cash equivalents accounted for 49% of total assets. Capital assets account for 33%, taxes receivable accounted for 15% of 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. 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

Government-wide financial analysis (continued):

Clear Creek County Library District's Net Position		
	2023	2022
Assets:		
Current and other assets	2,606,553	2,724,176
Leased assets	25,364	41,384
Capital assets	1,320,573	1,373,409
Total Assets	3,952,490	4,138,969
Liabilities:		
Other liabilities	56,662	81,840
Long-term liabilities	10,418	27,947
Total Liabilities	67,080	109,787
Deferred Inflows of Resources:		
Unavailable revenue	655,202	623,992
Total Deferred Inflows of Resources	655,202	623,992
Net Position:		
Investment in capital assets	1,317,990	1,369,725
Restricted	28,174	30,673
Unrestricted	1,884,044	2,004,792
Total Net Position	3,230,208	3,405,190

Approximately 41% of the District's net position reflects its investment in capital assets, which includes buildings, equipment, land, vehicles, and books and periodicals. Total assets decreased by \$186,479 primarily due to a decrease of \$174,982 in revenues. Total liabilities decreased by \$42,707 due to the pay down of the lease liabilities and timing of payments.

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

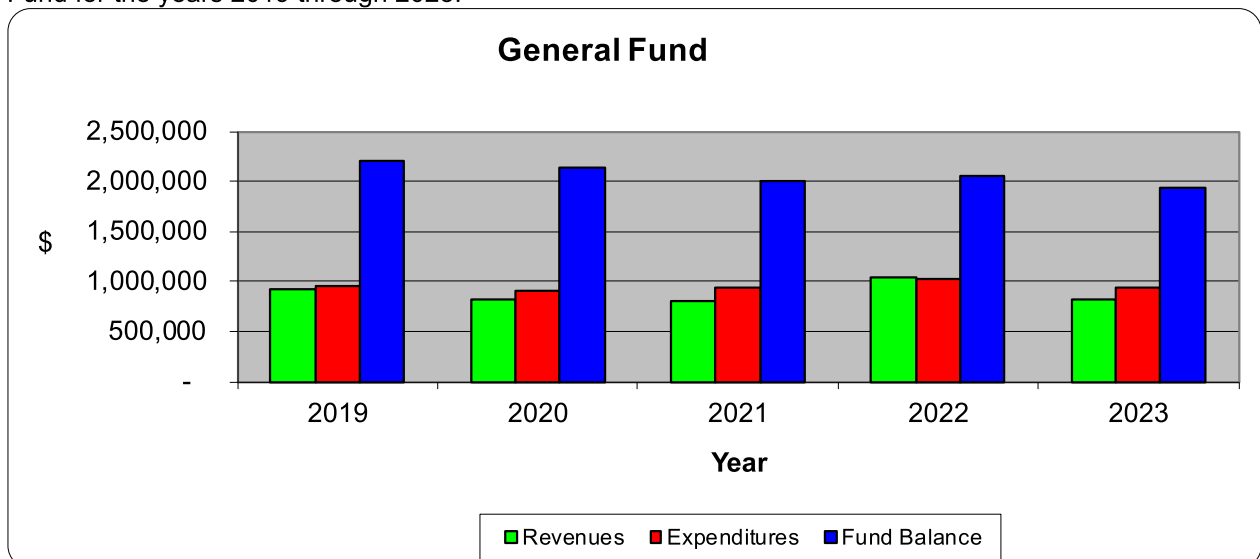
Clear Creek County Library District's Change in Net Position

Revenues:	2023	2022
General revenues:		
Property taxes	625,848	677,242
Specific ownership taxes	51,581	50,678
Earnings on investments	120,886	27,112
Donations	2,104	267,704
Other income	10,567	9,085
Grant income	7,650	14,692
Total Revenues	818,636	1,046,513
Expenses:		
Library services	924,762	932,580
General government	68,856	59,024
Total Expenses	993,618	991,604
Change in Net Position	(174,982)	54,909
Net Position:		
Beginning of Year	3,405,190	3,350,281
Ending of Year	3,230,208	3,405,190

The District's total Net Position decreased by \$174,982. This was primarily caused by a significant donation during 2022. Property taxes were the District's main source of revenue, accounting for approximately 76% of revenues.

Financial Analysis of the District's Funds

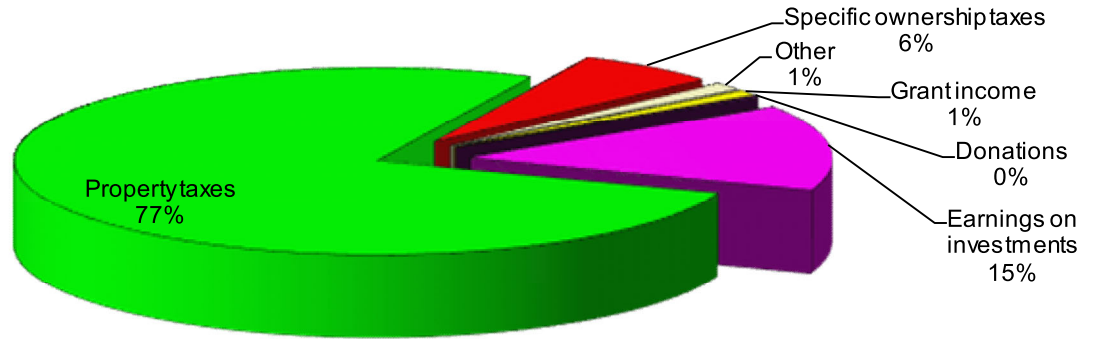
As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District had the following changes in its General Fund for the years 2019 through 2023:



Overview of the Financial Statements (continued)

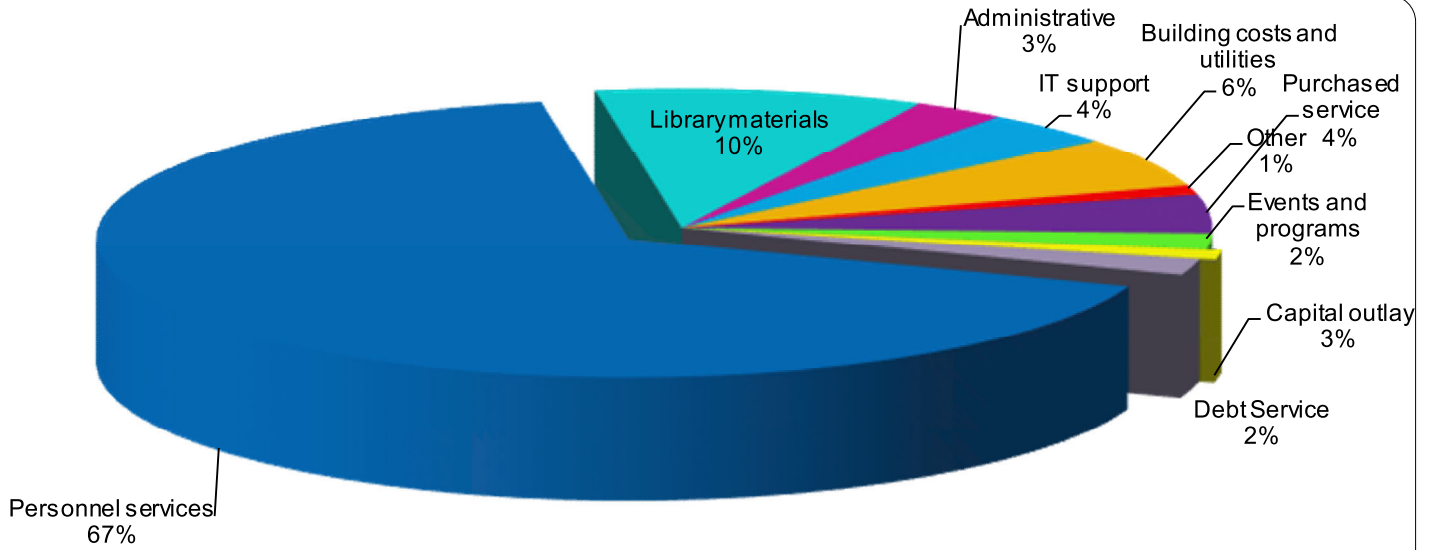
The District's General Fund had a decrease in fund balance of \$120,492 and an ending fund balance of \$1,937,549. Revenues decreased \$227,877 from 2022. Expenditures decreased \$83,318 from 2022.

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:



Overview of the Financial Statements (continued)

Financial Analysis of the District's Funds (continued)

Personnel services (wages, retirement, health insurance, etc.) make 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. Significant budget variances were as follows:

	Final Budget	Actual	Variance From Final Budget	Reason
Revenues:				
Earnings on investments	24,000	120,886	96,886	Budget anticipated rate significantly lower than actual rate of return during the year.
Total Revenues	<u>708,544</u>	<u>818,636</u>	<u>110,092</u>	
Expenditures:				
Personnel services	741,000	627,728	113,272	Conservative budgeting.
Library materials	70,068	93,675	(23,607)	Digital content purchases exceed original expectations. Due to other expenditures being under budget, the District did not amend for this.
Supplies	31,560	7,463	24,097	Conservative budgeting.
Capital outlay	60,000	10,551	49,449	Costs for projects covered primarily by the City of Idaho Springs.
Contingency	51,600	-	51,600	Contingency not utilized.
Total Expenditures	<u>1,153,302</u>	<u>921,128</u>	<u>232,174</u>	

Capital assets: The District had a net investment in capital of assets of \$1,317,990 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 \$1,937,549 of fund balance at the end of the current fiscal year. The District's 2022 budget anticipated a beginning balance of \$1,207,916. The 2024 budget anticipates revenues of \$827,210 and expenditures of \$1,162,296.

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 Clear Creek County Library District, P.O. Box 666, Georgetown, CO 80444 or you may call 303-569-2403.

Basic Financial Statements

Clear Creek County Library District
Balance Sheet / Statement of Net Position
December 31, 2023

	Primary Government			Component Units			
	General Fund	Adjustments	Statement of Net Position	Georgetown Library Association	Idaho Springs Library Association	Georgetown Friends of the Library	Idaho Springs Friends of the Library
Assets:							
Cash and investments	1,932,471	-	1,932,471	116,572	65,923	56,587	6,756
Prepaid expenses	18,880	-	18,880	1,787	-	-	-
Property taxes receivable	655,202	-	655,202	-	-	-	-
Leased assets, net of amortization	-	25,364	25,364	-	-	-	-
Capital assets, net of depreciation	-	1,320,573	1,320,573	-	-	-	-
Total Assets	2,606,553	1,345,937	3,952,490	118,359	65,923	56,587	6,756
Liabilities:							
Accounts/vouchers payable	7,049	-	7,049	-	-	-	-
Accrued payroll	6,753	-	6,753	-	-	-	-
Accrued compensated absences	-	25,331	25,331	-	-	-	-
Lease payable - current portion	-	17,529	17,529	-	-	-	-
Lease payable - non-current portion	-	10,418	10,418	-	-	-	-
Total Liabilities	13,802	53,278	67,080	-	-	-	-
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	655,202	-	655,202	-	-	-	-
Total Deferred Inflows of Resources	655,202	-	655,202	-	-	-	-
Fund Balance/Net Position:							
Fund Balance:							
Non-spendable	18,880						
Restricted for:							
Emergencies	28,174						
Unassigned	1,890,495						
Total Fund Balance	1,937,549						
Total Liabilities, Deferred Inflows of Resources and Fund Balance	2,606,553						
Net Position:							
Investment in capital assets			1,317,990	-	-	-	-
Restricted for emergencies			28,174	-	-	-	-
Unrestricted			1,884,044	118,359	65,923	56,587	6,756
Total Net Position			3,230,208	118,359	65,923	56,587	6,756

The accompanying notes are an integral part of these financial statements.
C1

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

	Primary Government				Component Units		
	General Fund	Adjustments	Statement of Activities	Georgetown Library Association	Idaho Springs Library Association	Georgetown Friends of the Library	Idaho Springs Friends of the Library
Revenues:							
Property taxes	625,848	-	625,848	-	-	-	-
Specific ownership taxes	51,581	-	51,581	-	-	-	-
Earnings on investments	120,886	-	120,886	586	113	-	-
Donations	2,104	-	2,104	10,606	1,498	2,673	1,451
Grant income	7,650	-	7,650	-	-	-	-
Other	10,567	-	10,567	-	-	8,173	-
Total Revenues	818,636	-	818,636	11,192	1,611	10,846	1,451
Expenditures/Expenses:							
Personnel services	627,728	2,755	630,483	-	-	-	-
Library materials	93,675	(54,287)	39,388	-	-	-	-
Administrative	26,249	-	26,249	728	-	-	-
IT support	37,853	-	37,853	-	-	-	-
Purchased services	41,999	-	41,999	-	-	-	-
Building costs and utilities	55,309	-	55,309	-	-	-	-
Events & programs	17,499	-	17,499	-	-	-	-
Capital outlay	10,551	(8,599)	1,952	-	-	-	-
Advertising and marketing	2,802	-	2,802	-	-	-	-
Supplies	7,463	-	7,463	-	-	-	-
Depreciation and amortization	-	131,742	131,742	-	-	-	-
Miscellaneous	-	-	-	1,075	-	2,180	281
Contributions and donations	-	-	-	3,250	-	-	5,226
Debt service:							
Principal - leases	17,121	(17,121)	-	-	-	-	-
Interest - leases	879	-	879	-	-	-	-
Total Expenditures/Expenses	939,128	54,490	993,618	5,053	-	2,180	5,507
Change in Fund Balance / Net Position	(120,492)	(54,490)	(174,982)	6,139	1,611	8,666	(4,056)
Fund Balances/Net Position:							
Beginning of Year	2,058,041		3,405,190	112,220	64,312	47,921	10,812
End of Year	1,937,549		3,230,208	118,359	65,923	56,587	6,756

The accompanying notes are an integral part of these financial statements.
C2

Notes to the Basic Financial Statements

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023

I. Summary of Significant Accounting Policies

The Clear Creek County Library District (the "District") was established March 3, 1980, as a political subdivision of the State of Colorado to provide library services throughout Clear Creek County. The District is governed by a seven (7) member board of trustees (the Board). The Idaho Springs Public Library and John Toman Memorial Library Building Advisory Committee's each appoint two (2) members. The remaining three (3) are appointed by the Board.

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 (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the District. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity. The District's financial statements include the Georgetown Library Association, Idaho Springs Library Association, Georgetown Friends of the Library, and Idaho Springs Friends of the Library, which were formed exclusively to carry out charitable functions of the District. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units.

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.

Clear Creek County Regional 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 the general fund, which is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses.

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

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 include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

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

Clear Creek County Regional 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

Colorado statute permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Categories and Classifications 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).

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and a deferred inflow of resources.

4. Capital Assets

Capital assets, which include building improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets include assets with an individual cost of \$1,000 or more and an estimated useful life in excess of two years. Books and periodicals, although having an individual cost of less than \$1,000, 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.

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

4. Capital Assets (continued)

Building improvements, equipment, vehicles, books, and media are depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Building improvement	40
Furniture, fixtures and equipment	3 - 15
Library Materials	7

5. Compensated Absences

The District allows its employees to accumulate personal days off, based on the employee's length of service. Personal days off can be accrued up to a maximum of 200 hours. Personal days off are paid out upon termination up to the maximum accrual.

At December 31, 2023, the estimated value of accumulated personal days off is \$25,331.

6. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position with sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resource (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. Accordingly, the item, bond refunding deferred outflows, is deferred and recognized as an outflow of resources in the period that amounts become expended.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets 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 two items that qualify for reporting in this category. Accordingly, these items, unavailable revenue from property taxes is deferred and recognized as inflows of resources in the period that the amounts become available.

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Leases

Lessee – The District is lessee for noncancellable leases of office space. The District recognizes a lease liability and an intangible right-to-use lease asset. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines the following:

Discount Rate: The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental rate of borrowing.

Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the District is reasonably certain to exercise.

Lease Payments: Lease payments included in the measurement of the lease liability are composed of fixed increasing payments, and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

8. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Clear Creek County Regional 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.
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, \$28,174 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 of directors. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
 - 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.
 - 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, or assigned for those specific purposes.

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.

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023
(continued)

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. Below are the elements of the adjustment's column.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. \$1,320,573 represents the net book value of capital assets at December 31, 2023. \$25,364 represents the net book value of leased assets.

Long-term liabilities are not due and payable in the current period, and therefore are not reported in the fund financial statements. \$53,278 represents accrued compensated absences and the lease liability.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balance and the government-wide Statement of Activities

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. Below are the elements of the adjustment's column.

Capital asset additions are reported as expenditures in governmental funds, however in the Statement of Activities, these costs are allocated over the estimated useful lives of those assets. Additions of capital assets are books and periodicals of \$54,287. Depreciation and amortization expense of \$131,742 represents depreciation and amortization on capital assets. Governmental funds report capital outlay as expenditures, on the Statement of Activities these are capitalized and depreciated over their estimated useful life and reported as depreciation. The depreciation adjustment was \$8,599. The final element of the reconciliation is the change in the accrued compensated absences of \$2,755. \$17,121 represents the principal payment on the lease liability.

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023
(continued)

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 fund is 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.
- (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.

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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 \$28,174, which is the approximate required reserve at December 31, 2023.

In November 2003, the District's electorate approved the following ballot question:

Shall Clear Creek County Library District taxes be increased by the imposition of an additional .5 Mill property tax commencing January 1, 2004, said tax increase to produce an estimated \$96,627 Dollars in the first year; the additional tax to be used for financing the operations of and purchase of capital assets for libraries in Clear Creek County; and shall Clear Creek County Library District be authorized to collect and spend the full revenues from such tax increase in any year after the first full year in which it is in effect exceed the estimated dollar amount stated above and without any other limitations or conditions, and without limiting the collection or spending of any other revenues or funds by Clear Creek County Library District, under Article X, Section 20, of the Colorado Constitution §§24-90-112 and §29-1-301, CRS, or any other law?

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Cash and Investments

The District's deposits 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. The carrying amount of the District's demand deposits and petty cash was \$57,565 at year end.

At December 31, 2023, the District had no unrealized gains or losses. The District had the following cash, cash equivalents and investments with the following maturities.

	Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
Primary Government:				
<i>Cash and cash equivalents:</i>				
Checking	Not Rated	57,565	57,565	-
Held by County Treasurer	Not Rated	1,874,906	1,874,906	-
		1,932,471	1,932,471	-

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

At December 31, 2023, the District's component units had unrealized gains of \$48. The District's component units had the following cash, cash equivalents and investments with the following maturities.

	Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
Primary Government:				
<i>Cash and cash equivalents:</i>				
Checking	Not Rated	70,403	70,403	-
Savings and money market	Not Rated	29,902	29,902	-
Certificates of deposit	Not Rated	113,538	-	113,538
<i>Investments:</i>				
Negotiable certificates of deposit	Not Rated	31,995	-	31,995
		245,838	100,305	145,533

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.

On December 31, 2023 the District did not have investment requiring fair value measurements. The District's component units had the following fair value measurements:

Investments Measured at Fair Value	Total	Level 1	Level 2	Level 3
Negotiable certificates of deposit	31,995	-	31,995	-

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. District investment policy limits investments to those authorized by State statutes. 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.

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

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

Property taxes receivable	655,202
Total receivable	655,202

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. A deferred inflow amount of \$655,202 is for unavailable property taxes levied in 2023 but not available until 2024.

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	150,450	-	-	150,450
Capital assets, being amortized and depreciated:				
Buildings	1,405,590	-	-	1,405,590
Furniture, fixtures, and equipment	238,725	8,599	-	247,324
Books and media	1,020,901	54,287	(73,727)	1,001,461
Leased assets, being amortized	160,198	-	-	160,198
Total capital assets being depreciated and amortized	2,825,414	62,886	(73,727)	2,814,573
Less accumulated depreciation and amortization for:				
Furniture, fixtures, and equipment	(206,805)	(15,846)	-	(222,651)
Furniture, fixtures, and equipment	(361,643)	(34,866)	-	(396,509)
Books and media	(873,809)	(65,010)	73,727	(865,092)
Less accumulated amortization	(118,814)	(16,020)	-	(134,834)
Total accumulated depreciation and amortization	(1,561,071)	(131,742)	73,727	(1,619,086)
Governmental Activities Capital Assets, Net	1,414,793	(68,856)	-	1,345,937

D. Changes in Long-term Obligations

The District had the following changes in long-term liabilities at year ended December 31, 2023

	Beginning Balance	Increases	Decreases	Ending Balance
Accrued Comp. Absences	22,576	2,755	-	25,331
Lease payable	45,068	-	(17,121)	27,947
	67,644	2,755	(17,121)	53,278

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

E. Retirement Plans

1. Retirement Savings Plan - IRC 401(a)

The District provides a retirement plan for eligible District employees in the Colorado Retirement Association (CRA) (the Plan). The Plan is a defined contribution money purchase plan. 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. Employees participate in the Plan immediately upon employment. The employees and the District each contribute 4% of gross wages. Employees are 100% vested in their retirement contributions immediately and become vested in the employer's share of the contribution at the following vesting schedule:

Years of Service Completed	Specified Percent Vesting
1	20%
2	40%
3	60%
4	80%
5 or more	100%

The District's Board of Trustees authorizes the contribution rates and benefit terms. The District's contributions for each employee plus earnings are fully vested after five years of continuous service. The District's covered payroll and total payroll were \$300,625 and \$529,058, respectively. The District and employees actual and required contributions were \$12,025 in 2023. During the year there were \$0 of forfeitures.

2. Deferred Compensation Plan – IRC 457

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.

Clear Creek County Regional Library District
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

F. Leases

The District has two perpetual leases for the libraries in the amount of \$1.00 per year each. The annual lease payments do not represent an exchange-like transaction. Accordingly, a lease asset and lease liability has not been recorded. The District also leases office and storage space. The lease term is for ten years commencing August 1, 2015. Upon approval from both the District and the Lessor the lease can be extended for successive periods of five years. The lease rate is \$1,500 per month and includes interest at 2.5%

The District has the following minimum lease payments at December 31, 2023

Year	Principal	Interest	Total
2024	17,529	471	18,000
2025	10,418	82	10,500
Total	27,947	553	28,500

V. Other Information

A. Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; volunteer injuries; natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in 2023.

B. Concentration of Credit Risk

A substantial amount of the District's property tax revenue is received from the Henderson Mine. In April 2015, Freeport-McMoRan Inc., the owner of the mine, said the mine would close in 10 years and anticipated lower annual production levels through 2020. In November 2015 a reduction in workforce of 160 was announced, this from a workforce of 600. The workforce reduction was completed in 2016. The resulting lower production and market value for molybdenum has resulted in decreased tax revenues for the District. The mine estimates adequate reserves to maintain current production levels through 2038.

Required Supplemental Information

Clear Creek County Library District
Schedule of Revenues, Expenditures 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)

	Original and Final Budget	Actual	Variance Positive (Negative)	2022 Actual
Revenues:				
Property taxes	624,544	625,848	1,304	677,242
Specific ownership taxes	36,000	51,581	15,581	50,678
Earnings on investments	24,000	120,886	96,886	27,112
Donations	4,800	2,104	(2,696)	267,704
Grant income	12,000	7,650	(4,350)	14,692
Other income	7,200	10,567	3,367	9,085
Total Revenues	708,544	818,636	110,092	1,046,513
Expenditures:				
Personnel services	741,000	627,728	113,272	630,461
Library materials	70,068	93,675	(23,607)	96,099
Administrative	35,070	26,249	8,821	30,025
IT support	31,800	37,853	(6,053)	27,265
Purchased services	49,248	41,999	7,249	41,361
Building costs and utilities	62,136	55,309	6,827	54,382
Events & programs	16,020	17,499	(1,479)	21,628
Capital outlay	60,000	10,551	49,449	94,950
Advertising and marketing	4,800	2,802	1,998	1,734
Supplies	31,560	7,463	24,097	6,541
Contingency	51,600	-	51,600	-
Debt service:				
Principal - leases	18,000	17,121	879	16,722
Interest - leases	-	879	(879)	1,278
Total Expenditures	1,171,302	939,128	232,174	1,022,446
Change in Net Position	(462,758)	(120,492)	342,266	24,067
Fund Balances/Net Position				
Beginning of Year	1,230,253	2,058,041	827,788	2,033,974
End of Year	767,495	1,937,549	1,170,054	2,058,041