

**Garfield County Public Library District  
Financial Statements  
December 31, 2023**

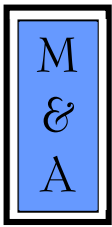


**GARFIELD COUNTY  
LIBRARIES**

**Garfield County Public Library District  
Financial Report  
December 31, 2023**

**Table of Contents**

	<b>Page(s)</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	A1 – A3
<b>Management's Discussion and Analysis</b>	B1 – B7
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Balance Sheet / Statement of Net Position	C1
Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities	C2
<b>Notes to the Financial Statements</b>	D1 – D16
<b>Required Supplementary Information:</b>	
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*

CHAPEL SQUARE, BLDG C  
245 CHAPEL PLACE, SUITE 300  
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM  
MAIN OFFICE: (970) 845-8800  
FACSIMILE: (970) 845-8108  
E-MAIL: MCMAHAN@MCMAHANCPA.COM

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees  
Garfield County Public Library District  
Rifle, Colorado**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the discretely presented component unit of Garfield County Public 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, each major fund, and the discretely presented component unit of the 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 the 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***

The 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  
MICHAEL N. JENKINS, CA, CPA, CGMA  
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800  
ASPEN: (970) 544-3996  
FRISCO: (970) 668-3481

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Trustees**  
**Garfield County Public Library District**  
**Rifle, 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  
Garfield County Public Library District  
Rifle, Colorado**

***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 accounting principles generally accepted in the United States of America. 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 auditing standards generally accepted in the United States of America. In our opinion, the information 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  
July 19, 2024**

Management Discussion and Analysis



GARFIELD COUNTY  
LIBRARIES

# Garfield County Public Library District

## Management's Discussion and Analysis December 31, 2023

As management of Garfield County Public 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 \$36,085,421 at December 31, 2023. Of this amount, \$17,629,301 may be used to meet the District's ongoing obligations to patrons.
- The District's total Net Position increased by \$5,459,842. This was primarily due to an increase in property tax revenue from 2023 \$1,960,785, sales tax revenue above budget by \$1,298,983, and conservative spending.
- At the end of 2023, total fund balance for the General Fund was \$17,767,503 or 195% percent of total General Fund expenditures.

### 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 and the District discreetly presents the Garfield County Public 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.

## **Overview of the Financial Statements (continued)**

**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 in section D of this report.

**Government-wide financial analysis:** The majority of the District's revenue was from property and sales 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 45% 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 assets, 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

**Overview of the Financial Statements (continued)**

**Government-wide financial analysis (continued):**

**Garfield County Public Library District's Net Position**

	<b>2023</b>	<b>2022</b>
<b>Assets:</b>		
Current and other assets	28,798,357	21,558,344
Capital assets	23,815,336	24,199,095
<b>Total Assets</b>	<b>52,613,693</b>	<b>45,757,439</b>
<b>Deferred Outflows of Resources:</b>		
Bond refunding deferred outflows	514,402	668,722
<b>Total Deferred Outflows of Resources</b>	<b>514,402</b>	<b>668,722</b>
<b>Liabilities:</b>		
Other liabilities	424,880	380,830
Long-term liabilities	6,232,108	7,693,418
<b>Total Liabilities</b>	<b>6,656,988</b>	<b>8,074,248</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue	10,385,686	7,726,334
<b>Total Deferred Inflows of Resources</b>	<b>10,385,686</b>	<b>7,726,334</b>
<b>Net Position:</b>		
Investment in capital assets	18,046,120	17,111,229
Restricted	410,000	319,400
Unrestricted	17,629,301	13,194,950
<b>Total Net Position</b>	<b>\$ 36,085,421</b>	<b>\$ 30,625,579</b>

Approximately 50% of the District's net position reflects its investment in capital assets, which includes buildings, equipment, land, vehicles, and books and periodicals. Total assets increased \$6,856,254 primarily due to an increase in cash and investment positions. Total liabilities decreased by \$1,417,260 mainly due to repayment of principal on debt.

**Overview of the Financial Statements (continued)**

**Government-wide financial analysis (continued):**

**Garfield County Public Library District's Change in Net Position**

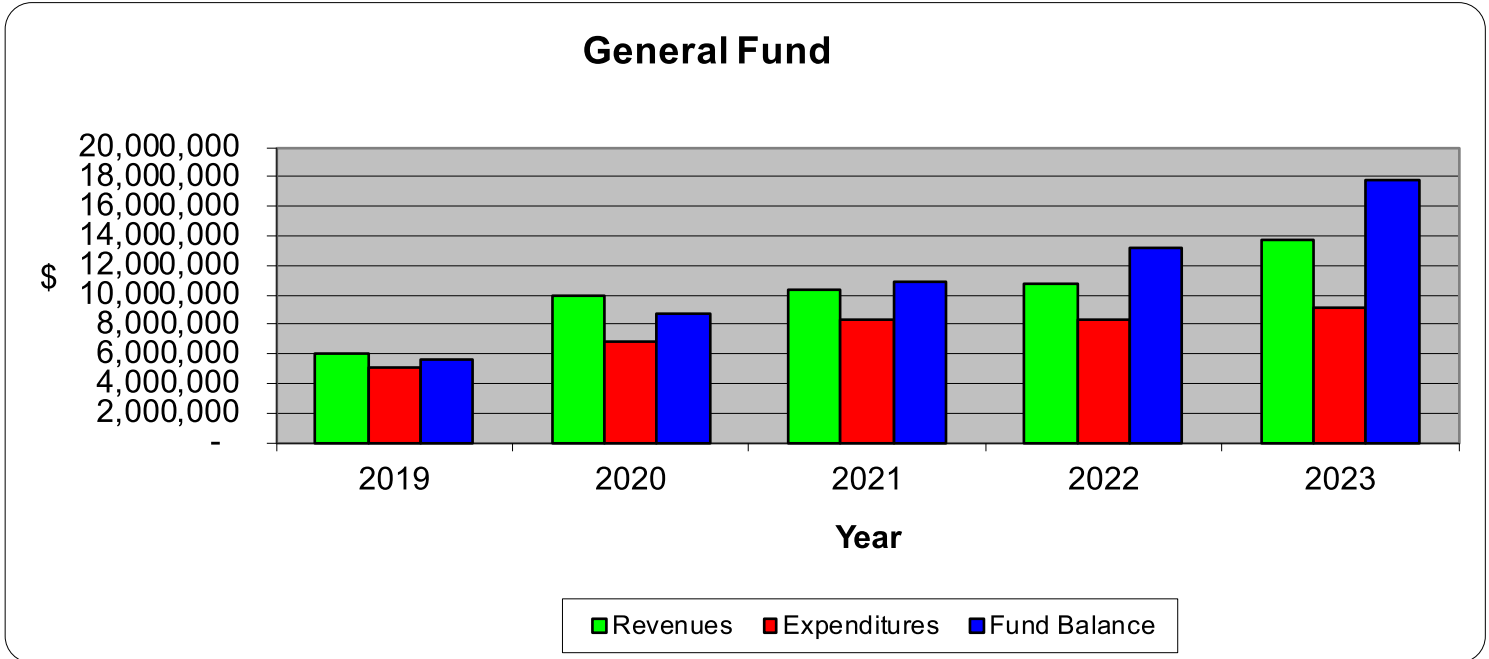
<b>Revenues:</b>	<b>2023</b>	<b>2022</b>
Program revenues:		
Collection revenue	107,442	92,667
General revenues:		
Sales taxes	4,798,065	4,468,088
Property taxes	7,341,198	5,380,413
Specific ownership taxes	477,659	402,099
Earnings on investments	821,830	221,364
Donations	4,645	-
Grant income	93,135	111,343
Leases	19,102	18,727
<b>Total Revenues</b>	<b>13,663,076</b>	<b>10,694,701</b>
<b>Expenses:</b>		
Library services	7,024,158	6,074,004
General government	1,179,076	1,113,472
<b>Total Expenses</b>	<b>8,203,234</b>	<b>7,187,476</b>
<b>Change in Net Position</b>	<b>5,459,842</b>	<b>3,507,225</b>
<b>Net Position:</b>		
Beginning of Year	30,625,579	27,118,354
Ending of Year	36,085,421	30,625,579

The District's total Net Position increased by \$5,459,842. This is caused by the growth in property tax and sales tax revenues and conservative spending. Property and sales taxes were the most significant sources of general revenue for the District accounting for approximately 89% of revenues.

**Overview of the Financial Statements (continued)**

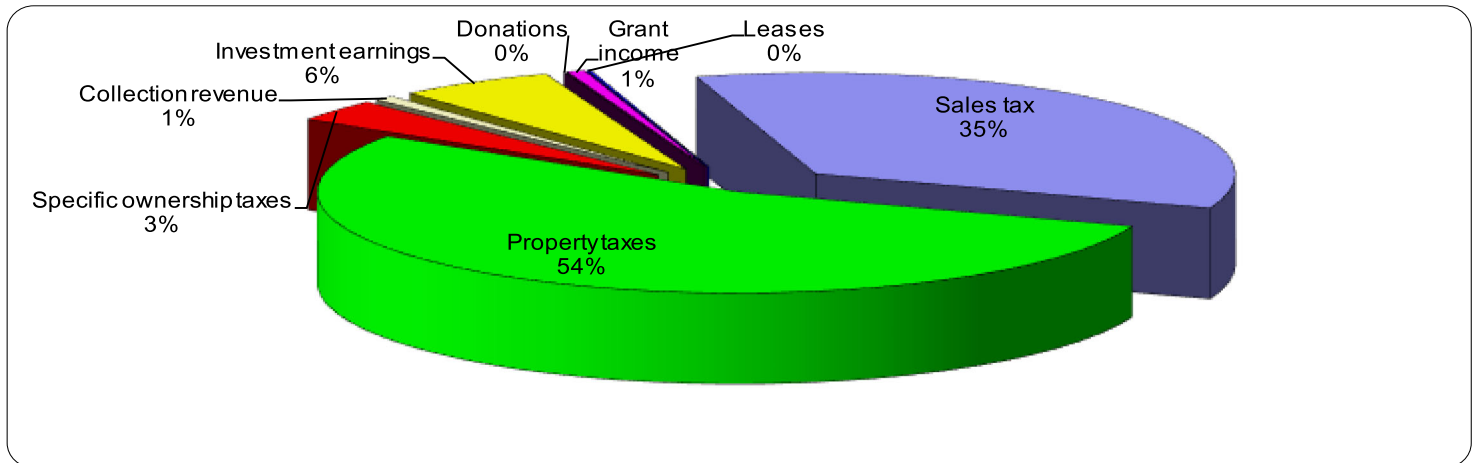
**Financial Analysis of the District's Funds**

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:



The District's General Fund had an increase in fund balance of \$4,549,033 and an ending fund balance of \$17,767,503. Revenues increased \$3,019,926 from 2022. Expenditures increased \$771,024 from 2022.

The following chart represents the District's revenues:

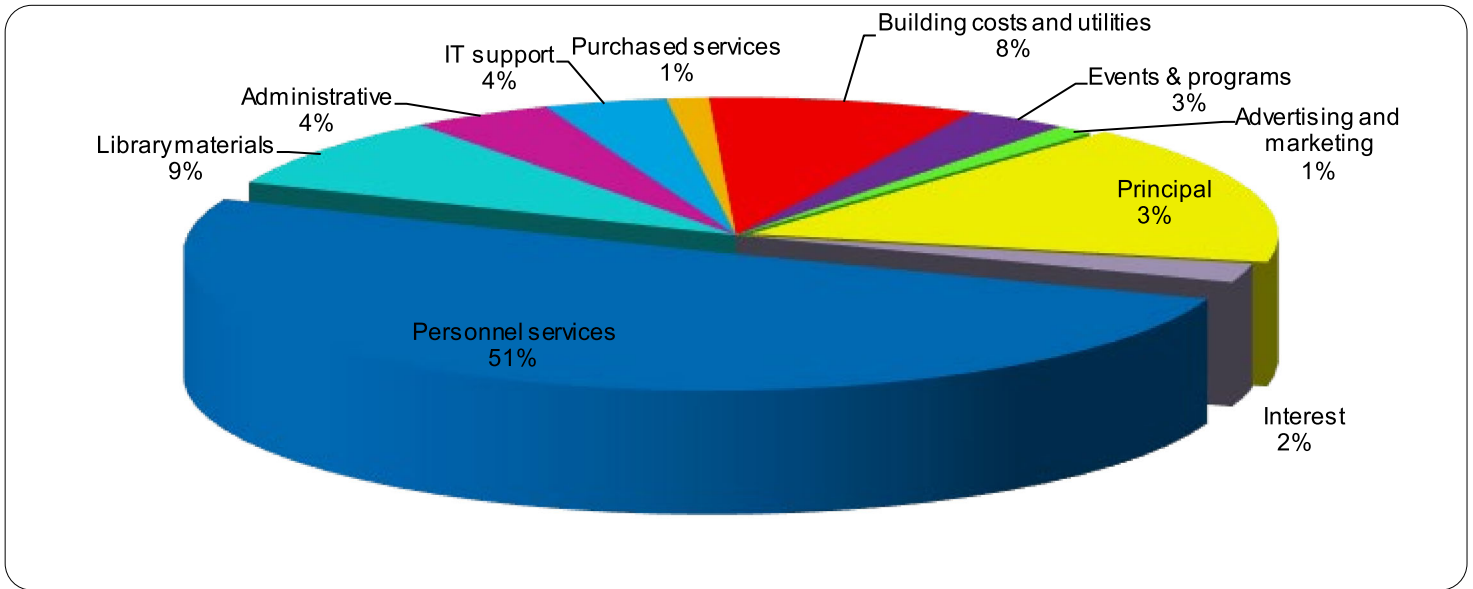


Property and sales taxes make up the largest sources of revenue for the District.

**Overview of the Financial Statements (continued)**

**Financial Analysis of the District's Funds (continued)**

The following chart represents the District's expenses:



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
<b>Revenues:</b>				
Sales tax	3,500,000	4,798,983	1,298,983	Conservative budgeting and stronger economic conditions than projected.
Specific ownership taxes	400,000	477,659	77,659	Stronger economic conditions than projected.
Earnings on investments	150,000	821,830	671,830	High interest rates lasted longer than projected.
<b>Expenditures:</b>				
Personnel services	4,715,937	4,505,110	210,827	Hiring delays of vacant positions.
Building costs and utilities	1,716,558	731,696	984,862	Building refresh projects started in 2023, to be completed in 2024.

**Capital assets:** The District had capital of assets of \$23,815,336 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.

## **Overview of the Financial Statements (continued)**

**Next year's budget and rates:** The District had \$17,767,503 of fund balance at the end of the current fiscal year. The District's 2024 budget anticipated a beginning balance of \$17,339,886. The 2024 budget anticipates revenues of \$14,839,872 and expenditures of \$11,351,853.

### **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 Garfield County Public Library District, 207 East Ave., Rifle, CO 81650 or you may call 970-625-4270.

Basic Financial Statements



GARFIELD COUNTY  
LIBRARIES

**Garfield County Public Library District**  
**Balance Sheet / Statement of Net Position**  
**December 31, 2023**

	Primary Government			Component Unit
	General Fund	Adjustments	Statement of Net Position	
<b>Assets:</b>				
Cash and investments	17,487,285	-	17,487,285	295,969
Prepaid expenses	38,742	-	38,742	-
Accounts receivable	77,241	-	77,241	804
Property taxes receivable	9,980,686	-	9,980,686	-
Sales taxes receivable	809,403	-	809,403	-
Lease receivable	405,000	-	405,000	-
Capital assets, net	-	23,815,336	23,815,336	-
<b>Total Assets</b>	<b>28,798,357</b>	<b>23,815,336</b>	<b>52,613,693</b>	<b>296,773</b>
<b>Deferred Outflows of Resources:</b>				
Bond refunding deferred outflows	-	514,402	514,402	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>514,402</b>	<b>514,402</b>	<b>-</b>
<b>Liabilities:</b>				
Accounts/vouchers payable	125,213	-	125,213	-
Accrued payroll	90,869	-	90,869	-
Grants payable	3,463	-	3,463	-
Lease liability	-	51,510	51,510	-
Accrued compensated absences	-	153,825	153,825	-
Certificates of participation - current portion	-	1,499,011	1,499,011	-
Certificates of participation - non-current portion	-	4,733,097	4,733,097	-
<b>Total Liabilities</b>	<b>219,545</b>	<b>6,437,443</b>	<b>6,656,988</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - property taxes	9,980,686	-	9,980,686	-
Unavailable revenue - sales taxes	425,623	(425,623)	-	-
Unavailable revenue - lease revenue	405,000	-	405,000	-
Unavailable revenue - grant revenue	-	-	-	3,100
<b>Total Deferred Inflows of Resources</b>	<b>10,811,309</b>	<b>(425,623)</b>	<b>10,385,686</b>	<b>3,100</b>
<b>Fund Balance/Net Position:</b>				
<b>Fund Balance:</b>				
Non-spendable	38,742			
Restricted for emergencies	410,000			
Unassigned	17,318,761			
<b>Total Fund Balance</b>	<b>17,767,503</b>			
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>28,798,357</b>			
<b>Net Position:</b>				
Investment in capital assets			18,046,120	-
Restricted for emergencies			410,000	-
Unrestricted			17,629,301	293,673
<b>Total Net Position</b>			<b>36,085,421</b>	<b>293,673</b>

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

**Garfield County Public 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	Adjustments	Statement of Activities	
<b>Revenues:</b>				
Property taxes	7,341,198	-	7,341,198	-
Sales taxes, net of \$35,434 in refunds	4,798,983	(918)	4,798,065	-
Specific ownership taxes	477,659	-	477,659	-
Earnings on investments	821,830	-	821,830	415
Fines, fees and other revenue	107,442	-	107,442	14,957
Donations	4,645	-	4,645	18,471
Grant income	93,135	-	93,135	-
Leases	19,102	-	19,102	-
<b>Total Revenues</b>	<b>13,663,994</b>	<b>(918)</b>	<b>13,663,076</b>	<b>33,843</b>
<b>Expenditures/Expenses:</b>				
Personnel services	4,505,110	23,163	4,528,273	-
Library materials	754,327	(443,235)	311,092	-
Administrative	386,849	-	386,849	-
IT support	334,344	-	334,344	-
Purchased services	115,405	-	115,405	-
Building costs and utilities	731,696	-	731,696	-
Events & programs	279,865	-	279,865	20
Capital outlay	230,832	(230,832)	-	-
Advertising and marketing	102,793	-	102,793	-
Depreciation and amortization	-	1,057,827	1,057,827	-
Debt service:				
Principal	1,472,970	(1,472,970)	-	-
Interest	200,770	154,320	355,090	-
<b>Total Expenditures/Expenses</b>	<b>9,114,961</b>	<b>(911,727)</b>	<b>8,203,234</b>	<b>20</b>
<b>Change in Fund Balance / Net Position</b>	<b>4,549,033</b>	<b>910,809</b>	<b>5,459,842</b>	<b>33,823</b>
<b>Fund Balances/Net Position:</b>				
<b>Beginning of Year</b>	<b>13,218,470</b>		<b>30,625,579</b>	<b>259,850</b>
<b>End of Year</b>	<b>17,767,503</b>		<b>36,085,421</b>	<b>293,673</b>

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

Notes to the Basic Financial Statements



GARFIELD COUNTY  
LIBRARIES

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2023**

---

**I. Summary of Significant Accounting Policies**

The Garfield County Public Library District (the "District") was established January 1, 2007, as a political subdivision of the State of Colorado to provide library services throughout Garfield County. The District is governed by a seven (7) member board of trustees (the Board) appointed by the Garfield County Commissioners (the Commissioners). The Commissioners' accountability for the District does not extend beyond making appointments to 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 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 Garfield County Public Library 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.

**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, TABOR reserves, fund equity, revenues and expenditures/expenses.

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

**Garfield County Public 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 (continued)**

This fund accounts for resources devoted to the financing of general services that the District provides to its citizens. Tax revenues are used to finance the fundamental operations of the district.

**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.

**Garfield County Public 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)**

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. 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 unavailable property tax revenue.

**3. Sales Taxes**

Sales tax is collected by businesses throughout Garfield County and remitted to the State of Colorado, Department of Revenue, by the 20<sup>th</sup> of each month after receipt. The State of Colorado then remits Garfield County's portion to the Garfield County Treasurer. The Garfield County Treasurer then allocates the District's portion of sales taxes and transfers to the District on the 10<sup>th</sup> of the month following receipt from the state. Sales taxes received by the District are reported as revenue when received except at year-end. Amount due to the District at December 31 and received within 60 days are reported as a receivable and a revenue in the current year. Amounts not received within 60 days after year-end are recorded as a receivable and unavailable sales tax revenue.

**4. Due to and Due from Component Unit**

Component unit receivables and payables arise from transactions with the Foundation and are recorded in the general fund in the period in which the transactions are executed. The balances result from the time lag between the dates that the component unit reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments are made.

**Garfield County Public 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**

Capital assets, which include land, buildings, equipment, furniture and fixtures, and library materials are reported in the government-wide financial statements. Capital assets are determined using the following cost thresholds.

<b>Assets</b>	<b>Threshold</b>
Land	All
Buildings	50,000
Furniture, fixtures and equipment	5,000
Library materials	All

Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition fair value at the date of donation.

Buildings, furniture, fixtures and equipment and library materials are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings	27.5 - 40
Building improvements	20
Furniture, fixtures and equipment	3 - 10
Library materials	5

**6. 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 240 hours. Personal days off are paid out upon termination up to the maximum accrual.

The District also allows employees to accumulate sick leave. Sick leave is accrued at a rate of 8 hours per month regardless of employee's length of service. Sick leave can accumulate up to 960 hours. The District does not pay accrued sick leave upon termination.

At December 31, 2023, the estimated value of accumulated personal days off is \$153,825.

**7. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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.

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**7. Deferred Outflows and Inflows of Resources (continued)**

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 three items that qualify for reporting in this category. Accordingly, these items, unavailable revenue from property taxes, unavailable revenue from sales tax, and unavailable lease revenue, are deferred and recognized as inflows of resources in the period that the amounts become available.

**8. Leases**

Lessee – The District is lessee for noncancellable leases of copy machines. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. 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 assets are amortized using the straight line method or the effective interest method 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.

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

---

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**8. Leases (continued)**

Lessor – The District is lessor for noncancellable leases of roof space. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments 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.

**9. 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.

**Garfield County Public 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, \$38,742 was non-spendable prepaid expenses.
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, \$410,000 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's policy is to maintain a minimum fund balance that will provide for sufficient cash flow to operate the District for twelve months. This amount shall be equal to no less than 100% of the previous year's actual expenditures of the District's General Fund.

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.

**Garfield County Public 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. \$23,815,336 represents the net book value of capital assets of \$34,076,235 and leased assets of \$1,014,237 offset by accumulated depreciation of \$11,138,587 and accumulated amortization of \$136,549 at December 31, 2023. Deferred refunding costs of \$514,402 are not current financial resources and, therefore, are not reported on the fund financial statements.

Long-term liabilities are not due and payable in the current period, and therefore are not reported in the fund financial statements. \$6,232,108 represents long term debt outstanding as of December 31, 2023. \$153,825 represents accrued compensated absences earned as of December 31, 2023 but not due and payable from current financial resources. \$51,510 represents long term lease liability outstanding as of December 31, 2023. Unavailable sales tax revenue of \$425,623 is recognized in the current period Statement of Activities, but deferred in the fund.

**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.

Some revenues reported in the Statement of Activities are recognized when earned and therefore are not reported as revenues in the governmental funds. The adjustment of \$918 represents the change in unavailable sales taxes between 2022 and 2023.

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 \$443,235 and other equipment, buildings, and construction in progress totaling \$230,832. Depreciation expense of \$1,036,560 and amortization expense of \$21,267 represents \$1,057,827 of depreciation and amortization on capital assets. Additionally, the District currently leases copiers.

Principal payment on long-term debt is an expense in the fund and reduction of liability in the Statement of Activities, \$1,472,970 represents payments on long-term debt for the year ended December 31, 2023. The adjustment of \$154,320 is amortization of bond refunding deferred outflows. The final element of the reconciliation is the change in the accrued compensated absences of \$23,163.

**Garfield County Public 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 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.
- (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 \$410,000, which is the approximate required reserve at December 31, 2023.

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

---

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment (continued)**

The District's voters approved the following ballot questions on November 7, 2006:

Shall Garfield County be authorized to enter into a multiple-fiscal year financial obligation without any increase in the current rate of any county tax through a pledge and, commencing January 1, 2007, transfer to the Garfield County Public Library District of an amount equal to the one-quarter cent sales tax currently authorized to be deposited into the Garfield County Library Fund of Garfield County Public Works Fund pursuant to County Resolution No. 80-198, with such authority to continue until such date that the pledge and transfer is revoked by majority vote of the electors of the county; and shall such tax revenues constitute a voter-approved revenue change of the county within the meaning of Article X, Section 20 of the Colorado Constitution.

Shall Garfield County Public Library District taxes be increased \$2,500,000 annually (for collection in calendar year 2008) and by such additional amounts raised annually thereafter from an ad valorem property tax mill levy imposed at a rate of one mill for a limited twenty-year period (with calendar year 2027 being the last collection year for the tax increase) for the purpose of funding library capital improvements, including:

- Relocating and expanding the size of the Glenwood Springs library.
- Expansion of the Carbondale library
- Expansion of the Rifle library
- Improving and expanding the New Castle library
- Expansion of the Silt library
- Eventual expansion of the Parachute/Battlement Mesa library; and

The furnishing, operating and maintaining of such facilities; and shall the revenue from such taxes and the interest income thereon (regardless of amount) constitute a voter-approved revenue change of the District within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes.

The District's voters approved the following ballot question on November 6, 2018:

Without raising current tax rates, shall Garfield County Public Library District be authorized to collect, retain and expend all excess revenues and other funds collected in calendar year 2017 and in each subsequent calendar year thereafter without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution or the limitations set forth in Section 29-1-301 of the Colorado Revised statutes?

(THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK)

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

---

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment (continued)**

The District's electorate approved the following ballot question on November 5, 2019:

Shall Garfield County Public Library District taxes be increased \$4 million annually (estimated revenues in the year 2020) and by whatever additional amounts are received annually thereafter from an ad valorem property tax mill levy imposed at a rate of 1.5 mills, for purposes that may include:

- Restoring library hours;
- Keeping our libraries well-maintained and in good repair, as safe, accessible spaces for children, teens and seniors; retaining qualified staff;
- Providing books, technology and materials;
- Providing educational classes and events, including literacy programs to help children and teens learn to read and do homework, train veterans and job-seekers for new careers, prepare students for college and careers, and help seniors fight isolation and prevent the effects of aging;
- With citizen oversight and an independent annual audit of expenditures.

And shall the proceeds of the tax levy received in 2020 and thereafter, and the interest income thereon, be collected and spent regardless of the limitation of Section 29-1-301 C.R.S.; and shall all revenues received by the District from such increase be collected and spent without limitation or condition, and without affecting the collection or spending of any other revenues or funds under Article X, Section 20 of the Colorado Constitution, 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 \$681,247 at year end. At December 31, 2023, the District had the following investments and value measurements:

<b>Investments Measured at Net Asset Value</b>	
Colotrust	16,748,670

<b>Investments Measured at Amortized Cost</b>	
CSafe	57,368

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

**IV. Detailed Notes on All Funds (continued)**

**A. Cash and Investments (continued)**

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities 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;
- Negotiable Certificates of Deposit: matrix pricing based on the securities' relationship to benchmark quoted prices;

The Investment Pool represents investments in COLOTRUST and CSafe. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

*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.

At December 31, 2023, the District had the following cash and investments with the following maturities:

	Rating	Carrying Amounts	Maturities	
			Less than one year	One to Five years
<b>Primary Government:</b>				
<i>Cash and cash equivalents:</i>				
Petty cash	Not Rated	1,125	1,125	-
Checking	Not Rated	678,441	678,441	-
Savings & money market	Not Rated	1,681	1,681	-
<i>Investments:</i>				
Investment pools	AAAm	16,806,038	16,806,038	-
		17,487,285		
<b>Component Unit:</b>				
<i>Cash and cash equivalents:</i>				
Checking	Not Rated	295,969	295,969	-
		295,969		

**Garfield County Public 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:

Grants receivable	77,241
Property taxes receivable	9,980,686
Sales taxes receivable	809,403
Lease receivable	405,000
<b>Total receivable</b>	<b>11,272,330</b>

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 \$9,980,686 is for unavailable property taxes levied in 2023 but not available until 2024 and \$425,623 is for sales taxes collected in December 2023 but not available until 2024 and \$405,000 is for a lease receivable not available until future years.

**C. Leases Receivable**

The District, acting as a lessor, leases building space to telecommunication company Verizon for the placement of a cell phone tower under a long-term, noncancelable lease agreement. The lease term expires on December 31, 2045. Payments under the lease range from \$18,000, per year with a 2% annual increase and interest at 2.33%. During the year ended December 31, 2023 the District recognized principal payments of \$9,445 and interest payments of \$9,657 pursuant to the contract.

Total minimum lease payments to be received under the lease agreement are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	10,047	9,436	19,483
2025	10,671	9,202	19,873
2026	11,317	8,954	20,271
2027	11,986	8,690	20,676
2028-2032	70,823	38,930	109,753
2033-2037	91,424	29,751	121,175
2038-2042	115,785	18,003	133,788
2043-2045	82,947	3,921	86,868
<b>Minimum lease receipts</b>	<b>405,000</b>	<b>126,887</b>	<b>531,887</b>

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

**IV. Detailed Notes on All Funds (continued)**

**D. Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	344,105	9,986	(344,105)	9,986
Land	2,377,331	-	-	2,377,331
<b>Total capital assets not being depreciated</b>	<b>2,721,436</b>	<b>9,986</b>	<b>(344,105)</b>	<b>2,387,317</b>
Capital assets, being depreciated:				
Leased land	951,067	-	-	951,067
Buildings	24,640,814	312,823	-	24,953,637
Furniture, fixtures, and equipment	2,261,441	252,129	(391,959)	2,121,611
Books and media	4,535,615	443,235	(365,180)	4,613,670
Leased equipment	63,170	-	-	63,170
<b>Total capital assets being depreciated</b>	<b>32,452,107</b>	<b>1,008,187</b>	<b>(757,139)</b>	<b>32,703,155</b>
Less accumulated depreciation for:				
Buildings	(5,525,231)	(630,381)	-	(6,155,612)
Furniture, fixtures, and equipment	(2,112,146)	(20,508)	391,958	(1,740,696)
Books and media	(3,221,790)	(385,671)	365,182	(3,242,279)
<b>Total accumulated depreciation</b>	<b>(10,859,167)</b>	<b>(1,036,560)</b>	<b>757,140</b>	<b>(11,138,587)</b>
<b>Less: accumulated amortization on leases</b>	<b>(115,282)</b>	<b>(21,267)</b>	<b>-</b>	<b>(136,549)</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>24,199,094</b>	<b>(39,654)</b>	<b>(344,104)</b>	<b>23,815,336</b>

**E. Leases Payable**

In May, 2022 the District entered into a 60 month lease agreement with ImageNet Consulting for the use of seven copy machines. The lease calls for monthly payments of \$1,161.66 and bears interest at a rate of 3.94%. This lease is amortized using the effective interest method over the life of the lease. At the end of the lease term the District has the option to purchase the equipment for 10-15% of fair market value. The principal lease payments made in 2023 totaled \$11,660 and interest paid was \$2,280 .

Leased asset payment requirements at December 31, 2023 were as follows:

Year ending December 31,	Principal	Interest	Total
2024	12,127	1,812	13,939
2025	12,614	1,325	13,939
2026	13,120	819	13,939
2027	13,649	293	13,942
<b>Minimum lease payments</b>	<b>51,510</b>	<b>4,249</b>	<b>55,759</b>

The District has a 99-year lease with the City of Rifle (the "City") for use of the land under the District's library in the City. This lease is amortized using the straight line method over the life of the lease. The lease was prepaid, in full, upon execution with a transfer of land to the City. Accordingly, no liability has been recorded for the lease.

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Long-Term Debt**

At December 31, 2023, the District had the following long-term obligations outstanding:

**1. Refunding Certificates of Participation – Series 2017**

On April 28, 2017, the District issued \$15,985,690 in Refunding Certificates of Participation. The Certificates have an interest rate of 2.580%. The Certificates are payable annually on September 1. The Certificates mature September 1, 2027.

As a result of this refunding the District recognized a debt refunding deferred outflow of resources in the amount of \$1,543,204. This deferred outflow of resources will be amortized over the life of the bonds.

The net present value savings on the refunding of the 2009 issue was \$499,380, offset by a \$9,330 net present value loss on the refunding of the 2010 issue, for an overall net present value savings of \$490,050.

**2. Schedule of Debt Service Requirements**

Year	Principal	Interest	Total
2024	1,499,011	160,788	1,659,799
2025	1,537,686	122,114	1,659,800
2026	1,577,358	82,442	1,659,800
2027	1,618,053	41,745	1,659,798
<b>Total</b>	<b>6,232,108</b>	<b>407,089</b>	<b>6,639,197</b>

**3. Changes in Long-term Obligations**

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Certificates of Participation:					
Series 2017	7,693,418	-	(1,461,310)	6,232,108	1,499,011
Lease payable	63,170	-	(11,660)	51,510	12,127
Accrued Comp. Absences	130,662	23,163	-	153,825	51,275
<b>Total long-term liabilities</b>	<b>7,887,250</b>	<b>23,163</b>	<b>(1,472,970)</b>	<b>6,437,443</b>	<b>1,562,413</b>

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

---

**IV. Detailed Notes on All Funds (continued)**

**G. Retirement Plans**

**1. Defined Contribution Money Purchase Plan**

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. Full time employees participate in the Plan immediately upon employment. The employees and the District each contribute 3% of gross wages.

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. District contributions and related interest forfeited by employees who leave employment before fully vesting are returned to the Plan to reduce future retirement requirements. The District contributed \$75,945 to the Plan in 2023. During the year there were \$8,197 of forfeitures.

**2. Deferred Compensation Plan (457)**

The District has a deferred compensation plan (the Plan), administered by CRA, and created in accordance with Internal Revenue Code Section 457. The Plan permits all District employees 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. Participation in the Plan is optional. As the budget allows, the District will make a discretionary matching contribution dollar for dollar up to 3% of gross wages of a participating employee contribution.

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 (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of the participants or their beneficiaries. The District has no ownership interest in the Plan, nor is the District liable for any losses under the Plan. The District contributed \$36,565 to the Plan in 2023.

**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.

Required Supplemental Information



GARFIELD COUNTY  
LIBRARIES

**Garfield County Public Library District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
**General Fund**  
**For the Year Ended December 31, 2023**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Property taxes	7,306,045	7,341,198	35,153
Sales taxes, net of \$35,434 in refunds	3,500,000	4,798,983	1,298,983
Specific ownership taxes	400,000	477,659	77,659
Earnings on investments	150,000	821,830	671,830
Fines, fees and other revenue	107,662	107,442	(220)
Donations	-	4,645	4,645
Grant income	81,692	93,135	11,443
Leases	-	19,102	19,102
<b>Total Revenues</b>	<b>11,545,399</b>	<b>13,663,994</b>	<b>2,118,595</b>
<b>Expenditures:</b>			
Personnel services	4,715,937	4,505,110	210,827
Library materials	745,382	754,327	(8,945)
Administrative	367,684	386,849	(19,165)
IT support	338,465	334,344	4,121
Purchased services	146,311	115,405	30,906
Building costs and utilities	1,716,558	731,696	984,862
Events & programs	273,720	279,865	(6,145)
Capital outlay	230,832	230,832	-
Advertising and marketing	131,500	102,793	28,707
Debt service:			
Principal	1,472,970	1,472,970	-
Interest	200,770	200,770	-
<b>Total Expenditures</b>	<b>10,340,129</b>	<b>9,114,961</b>	<b>1,225,168</b>
<b>Change in Net Position</b>	<b>1,205,270</b>	<b>4,549,033</b>	<b>3,343,763</b>
<b>Fund Balances/Net Position</b>			
<b>Beginning of Year</b>	<b>12,467,759</b>	<b>13,218,470</b>	<b>750,711</b>
<b>End of Year</b>	<b>13,673,029</b>	<b>17,767,503</b>	<b>(4,094,474)</b>

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