

**Boulder Public Library District  
Financial Statements  
December 31, 2024**

**BOULDER** PUBLIC LIBRARY

**Boulder Public Library District  
Financial Report  
December 31, 2024**

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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees  
Boulder Public Library District  
Boulder, Colorado**

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, General Fund, and the discretely presented component unit of Boulder Public Library District (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, General Fund, and the discretely presented component unit of the District, as of December 31, 2024 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").

We did not audit the financial statements of Boulder Public Library Foundation, which represent 100% percent of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Boulder Public Library Foundation, is based solely on the report of the other auditors.

### ***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*

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Trustees**  
**Boulder Public Library District**  
**Boulder, 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**  
**Boulder Public Library District**  
**Boulder, 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 24, 2025**

Management Discussion and Analysis

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# Boulder Public Library District

## Management's Discussion and Analysis December 31, 2024

As management of Boulder 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, 2024.

### Financial Highlights

- The assets of the District exceeded its liabilities by \$12,178,378 at December 31, 2024. Of this amount, \$7,619,246 may be used to meet the District's ongoing obligations to patrons.
- The District's total Net Position increased by \$6,215,312.
- At the end of 2024, total fund balance for the General Fund was \$9,817,124 or 48% 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 Boulder 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 tax (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 11% 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):**

**Boulder Public Library District's Net Position**

	<b>2024</b>	<b>2023</b>
<b>Assets:</b>		
Current and other assets	32,397,170	38,745,020
Capital assets	4,139,135	1,263,999
<b>Total Assets</b>	<b>36,536,305</b>	<b>40,009,019</b>
<b>Liabilities:</b>		
Other liabilities	1,183,396	11,506,365
Long-term liabilities	1,777,881	542,702
<b>Total Liabilities</b>	<b>2,961,277</b>	<b>12,049,067</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue	21,396,650	21,996,886
<b>Total Deferred Inflows of Resources</b>	<b>21,396,650</b>	<b>21,996,886</b>
<b>Net Position:</b>		
Investment in capital assets	3,832,132	834,575
Restricted	727,000	551,000
Unrestricted	7,619,246	4,577,491
<b>Total Net Position</b>	<b>\$ 12,178,378</b>	<b>\$ 5,963,066</b>

Approximately 31% of the District's net position reflects its investment in capital assets, which includes buildings, equipment, land, vehicles, and books and periodicals.

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

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

The following table summarizes the District's net position at December 31, 2024:

**Boulder Public Library District's Change in Net Position**

<b>Revenues:</b>	<b>2024</b>	<b>2023</b>
Program revenues:		
Collection revenue	14,933	-
Donations	611	-
Grant income	623,144	-
General revenues:		
Property taxes	22,014,187	17,479,005
Specific ownership taxes	-	804,106
Earnings on investments	879,951	74,891
Other income	693,704	-
<b>Total Revenues</b>	<b>24,226,530</b>	<b>18,358,002</b>
<b>Expenses:</b>		
Library services	18,011,218	12,394,936
<b>Total Expenses</b>	<b>18,011,218</b>	<b>12,394,936</b>
<b>Change in Net Position</b>	<b>6,215,312</b>	<b>5,963,066</b>
<b>Net Position:</b>		
Beginning of Year	5,963,066	-
Ending of Year	12,178,378	5,963,066

The District's total Net Position increased by \$6,215,312. The most significant source of revenue for the District is property taxes.

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

**Budget variances in the General Fund:** The District's 2024 budget was approved at the end of 2023. Significant budget variances were as follows:

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance From Final Budget</b>	<b>Reason</b>
<b>Revenues:</b>				
Property taxes	21,404,074	22,014,187	610,113	Original budget was an estimate based on passing of mill levy.
<b>Expenditures:</b>				
Salaries and benefits	12,227,894	10,064,206	2,163,688	
Library operations	490,312	327,093	163,219	District budgeted conservatively for first year o operations.
Collections	1,850,050	1,600,597	249,453	
IT support services	1,546,140	925,610	620,530	
Intergovernmental expense	12,012,233	696,737	11,315,496	Budgeted full expense which was allocated mostly to prior year.
Capital outlay	4,848,411	2,676,595	2,171,816	Some projects were not finalized and will be completed in subsequent year.

**Capital assets:** The District had capital of assets of \$4,139,135 at the end of 2024. 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 \$9,817,124 of fund balance at the end of the current fiscal year. The 2025 budget anticipates revenues of \$27,168,828 and expenditures of \$27,168,828.

**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 Boulder Public Library District, 1001 Arapahoe Avenue, Boulder, CO 80302 or you may call .

Basic Financial Statements

**BOULDER** PUBLIC LIBRARY

**Boulder Public Library District**  
**Balance Sheet / Statement of Net Position**  
**December 31, 2024**

	Primary Government			Component Unit
	General Fund	Adjustments	Statement of Net Position	
<b>Assets:</b>				
Cash and cash equivalents	662,322	-	662,322	215,444
Investments	10,309,153	-	10,309,153	5,123,885
Prepaid expenses	22,580	-	22,580	1,055
Accounts receivable	6,465	-	6,465	23,138
Property taxes receivable	21,396,650	-	21,396,650	-
Capital assets, net	-	4,139,135	4,139,135	-
<b>Total Assets</b>	<b>32,397,170</b>	<b>4,139,135</b>	<b>36,536,305</b>	<b>5,363,522</b>
<b>Liabilities:</b>				
Accounts payable	781,524	-	781,524	32,778
Accrued payroll	401,872	-	401,872	-
Accrued compensated absences	-	548,848	548,848	-
Lease liability				
Due within one year	-	125,411	125,411	-
Due in more than one year	-	473,785	473,785	-
SBITA liability				
Due within one year	-	322,834	322,834	-
Due in more than one year	-	307,003	307,003	-
<b>Total Liabilities</b>	<b>1,183,396</b>	<b>1,777,881</b>	<b>2,961,277</b>	<b>32,778</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - property taxes	21,396,650	-	21,396,650	
<b>Total Deferred Inflows of Resources</b>	<b>21,396,650</b>	<b>-</b>	<b>21,396,650</b>	
<b>Fund Balance/Net Position:</b>				
<b>Fund Balance:</b>				
Non-spendable	22,580	(22,580)		
Restricted for emergencies	727,000	(727,000)		
Assigned	2,550,000	(2,550,000)		
Unassigned	6,517,544	(6,517,544)		
<b>Total Fund Balance</b>	<b>9,817,124</b>	<b>(9,817,124)</b>		
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>32,397,170</b>			
<b>Net Position:</b>				
Investment in capital assets		3,832,132	3,832,132	-
Restricted for emergencies		727,000	727,000	-
Restricted by donors		-	-	1,000,487
Unrestricted		7,619,246	7,619,246	4,330,257
<b>Total Net Position</b>		<b>12,178,378</b>	<b>12,178,378</b>	<b>5,330,744</b>

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

**Boulder Public Library District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities**  
**For the Year Ended December 31, 2024**

	Primary Government			Component Unit
	General Fund	Adjustments	Statement of Activities	
<b>Revenues:</b>				
Property taxes	22,014,187	-	22,014,187	-
Earnings on investments	879,951	-	879,951	551,253
Fines, fees and other revenue	14,933	-	14,933	-
Donations	611	-	611	354,278
Grant income	623,144	-	623,144	-
Other income	693,704	-	693,704	188,865
<b>Total Revenues</b>	<b>24,226,530</b>	<b>-</b>	<b>24,226,530</b>	<b>1,094,396</b>
<b>Expenditures/Expenses:</b>				
Salaries and benefits	10,064,206	548,848	10,613,054	-
Library operations	327,093	(92,972)	234,121	-
Administration	1,756,879	-	1,756,879	-
Board of Trustee governance	5,701	-	5,701	-
Collections	1,600,597	(596,877)	1,003,720	-
IT support services	925,610	-	925,610	-
Facilities	1,419,948	-	1,419,948	-
Programs and events	419,777	-	419,777	-
Foundation program services	-	-	-	1,033,556
Intergovernmental expense	696,737	-	696,737	-
Capital outlay	2,676,595	(2,453,100)	223,495	-
Depreciation and amortization expense	-	665,639	665,639	-
Debt service:				
Principal	382,340	(382,340)	-	-
Interest	46,537	-	46,537	-
<b>Total Expenditures/Expenses</b>	<b>20,322,020</b>	<b>(2,310,802)</b>	<b>18,011,218</b>	<b>1,033,556</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>3,904,510</b>	<b>2,310,802</b>	<b>6,215,312</b>	<b>60,840</b>
<b>Other Financing Sources (Uses)</b>				
Debt proceeds related to leases	670,845	(670,845)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>670,845</b>	<b>(670,845)</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance / Net Position</b>	<b>4,575,355</b>	<b>1,639,957</b>	<b>6,215,312</b>	<b>60,840</b>
<b>Fund Balances/Net Position:</b>				
<b>Beginning of Year (restated)</b>	<b>5,241,769</b>	<b>721,297</b>	<b>5,963,066</b>	<b>5,269,904</b>
<b>End of Year</b>	<b>9,817,124</b>	<b>2,361,254</b>	<b>12,178,378</b>	<b>5,330,744</b>

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

Notes to the Basic Financial Statements

**BOULDER** PUBLIC LIBRARY

**Boulder Public Library District  
Notes to the Financial Statements  
December 31, 2024**

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**I. Summary of Significant Accounting Policies**

The Boulder Public Library District (the “District”) was established November 8, 2022 by the voters of Boulder County as a political subdivision of the State of Colorado to provide library services throughout Boulder County. The District is governed by a seven (7) member board of trustees (the “Trustees”) appointed by the City of Boulder Council and Board of County Commissioners with consent of the legislative body.

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 Boulder 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.

**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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

**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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**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. 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, leasehold, and land improvements	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>
Land improvements	20
Buildings	20 - 40
Furniture, fixtures and equipment	3 - 10
Library materials	6
Vehicles	5 - 8

**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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

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

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

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 one item that qualifies for reporting in this category. Accordingly, these items, unavailable revenue from property taxes deferred and recognized as inflows of resources in the period that the amounts become available.

**5. Subscription Based Information Technology Arrangement (“SBITA”) and Leases**

The District is party to a noncancellable right-of-use subscription asset and a noncancellable lease of library space. The District recognizes a subscription liability and lease liability and an intangible right-to-use subscription asset and lease asset in the government-wide financial statements respectively.

At the commencement of a subscription agreement or lease, the District initially measures the liability at the present value of payments expected to be made during the subscription or lease term. Subsequently, the liability is reduced by the principal portion of payments made. The subscription or lease asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the subscription or lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs and 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 payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental rate of borrowing.

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

**Payments:** Payments included in the measurement of the subscription or 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 liabilities and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

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

**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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

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

**6. Accrued 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 granted at 80 hours annually regardless of employee's length of service. Sick leave does not carry over to the subsequent year.

The District recognizes accumulated personal days off as a liability for compensated absences.

**7. 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.

**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, 2024, \$22,580 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, 2024, \$727,000 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.

**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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

E. **Fund Balance Disclosure (continued)**

- 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 general reserve that will provide for sufficient cash flow to operate the District. This amount was \$2,550,000 for 2024.

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.

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. \$4,139,135 represents the net book value of capital assets of \$4,834,368 offset by accumulated depreciation and amortization of \$695,233 at December 31, 2024.

Long-term liabilities are not due and payable in the current period, and therefore are not reported in the fund financial statements. \$629,837 and \$599,196 represent long term subscription and lease liability outstanding respectively as of December 31, 2024. Accrued compensated absences totaled \$548,848.

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.

**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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**II. Reconciliation of Government-wide and Fund Financial Statements (continued)**

**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 (continued)**

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 consisting of equipment were \$2,168,808 and lease assets were \$670,845. Depreciation expense of \$238,867 and amortization expense of \$426,772 represents depreciation and amortization on capital assets.

Principal payment on long-term debt is an expense in the fund and reduction of liability in the Statement of Activities, \$382,340 represents payments on long-term debt for the year ended December 31, 2024. Changes in the accrued compensated absences of \$548,848 resulted in an increase of salaries' expense in the Statement of Activities.

**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 2024 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, 2023, 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 2024 budget, prior to December 15, 2023, 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.

**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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

**A. Budgetary Information (continued)**

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2023 were collected in 2024 and taxes certified in 2024 will be collected in 2025. 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, 2024 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$727,000, which is the approximate required reserve at December 31, 2024.

The District's voters approved the following ballot questions on November 8, 2022:

*Shall the Boulder Public Library District taxes be increased 18,780.00 annually for collection beginning in 2023, and by such additional amounts raised annually thereafter by an ad valorem property tax mill levy imposed at a rate of 3.5 mills to provide facilities and services which may include:*

- *Restored and improved literacy programs, including partnerships with schools to reach underserved students and students who fell behind during the pandemic*
- *Additional free and safe public spaces for community meetings, workshops and programs; updated improved collections of books and materials, including bilingual materials and downloading of e-books, movies and music*
- *Extended libraries and a new branch library in Gunbarrel*
- *Expanded access to steam programs, makerspaces, and free internet for young people, underserved hours at all existing communities and seniors*
- *Improved maintenance, cleanliness, safety, and security at all library facilities*

*And shall the District be entitled to collect, retain and spend those revenues in addition to any other taxes, fees or other revenues of the District, notwithstanding any limitation or restriction of Article X, Section 20 of the Colorado Constitution, or without regard to the 5.5% property tax revenue limitation of Section 29-1-301, C.R.S., or any other law, and shall the District be formed?*

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.

**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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**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 \$662,322 at year end.

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 District had no investments requiring fair value measurement. The District's component unit had open-end mutual funds valued at Level 1 of \$5,123,885.

*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.

**Boulder Public Library District  
Notes to the Financial Statements  
December 31, 2024  
(continued)**

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

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

At December 31, 2024, the District had the following cash and investments with the following maturities:

	<b>Carrying Amounts</b>	<b>Maturities</b>	
		<b>Less than one year</b>	<b>One to Five years</b>
<b>Primary Government:</b>			
<i>Cash and cash equivalents:</i>			
Checking	662,322	662,322	-
<i>Investments:</i>			
Colotrust	10,309,153	10,309,153	-
	<u>10,971,475</u>		
<b>Component Unit:</b>			
<i>Cash and cash equivalents:</i>			
Checking	215,444		
<i>Investments:</i>			
Open-end mutual funds	5,123,885		
	<u>5,339,329</u>		

**B. Receivables and Deferred Inflows of Resources**

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 \$21,396,650 is for unavailable property taxes levied in 2024 but not available until 2025.

**C. Subscription-Based Information Technology Arrangements (“SBITA”)**

The District entered into a SBITA for the use of the network equipment and software. The agreement consists of an upfront payment of \$99,483 for network licensing and monthly payments of \$27,180 for IT support and cloud services beginning in December 2023, for a three-year term ending December 2026. The agreement has an interest rate of 3.84%.

**Debt Service Requirements**

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	322,834	18,543	341,377
2026	307,003	5,926	312,929
<b>Total</b>	<u>629,837</u>	<u>24,469</u>	<u>654,306</u>

**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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

**D. Leases**

The District entered into a lease agreement for the rent of a library building. The term is 5 years with one option to renew for 5 years. Base rent of \$150,000 is due annually. The agreement has an interest rate of 4.64%.

**Debt Service Requirements**

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

Year	Principal	Interest	Total
2025	125,411	2,489	127,900
2026	131,219	18,781	150,000
2027	137,297	12,703	150,000
2028	143,467	6,368	149,835
2029	61,802	698	62,500
<b>Total</b>	599,196	41,039	640,235

**E. Changes in Long-Term Liabilities**

The District had the following changes in debt and long-term liabilities for the year ended December 31, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Amount
<b>Governmental activities:</b>					
Subscription based technology arrangements (restated)	940,528	-	(310,691)	629,837	322,834
Lease liability	-	670,845	(71,649)	599,196	125,411
Accrued compensated absences	-	548,848	-	548,848	137,212
<b>Total</b>	940,528	1,219,693	(382,340)	1,777,881	585,457

*\*The change in accrued compensated absences are presented as a net change.*

**Boulder Public Library District  
Notes to the Financial Statements  
December 31, 2024  
(continued)**

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

**F. Capital Assets**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	-	-	-	929,346
<b>Total capital assets not being depreciated</b>	-	-	-	929,346
Capital assets, being depreciated and amortized:				
Furniture, fixtures, and equipment	-	1,461,343	-	1,461,343
Books and media	-	707,465	-	707,465
SBITA asset (restated)	1,065,369	-	-	1,065,369
Building lease asset	-	670,845	-	670,845
<b>Total capital assets being depreciated and amortized:</b>	1,065,369	2,839,653	-	3,905,022
Less accumulated depreciation for:				
Furniture, fixtures, and equipment	-	238,867	-	238,867
SBITA asset (restated)	29,594	355,123	-	384,717
Building lease asset	-	71,649	-	71,649
<b>Total accumulated depreciation and amortization</b>	29,594	665,639	-	695,233
<b>Governmental Activities Capital Assets, Net</b>	1,035,775	2,174,014	-	4,139,135

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**Boulder Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(continued)**

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

**G. Foundation Endowment – Component Unit**

Boulder Public Library Foundation’s (“BPLF”) net assets with donor restriction consist of several individual endowment funds established with donor restrictions on the use of principal and earnings.

Boulder Reads! Is a program of the Library that provides adult literacy programming and uses the Library facilities. BPLF and Boulder Reads! Conducted a fundraising campaign to support adult literacy in the City of Boulder. The funds received must be kept in a separate account held by BPLF. The funds appropriated to be spent in a given year may not exceed the fund’s earning from the pervious year. Unspent earnings from a given year become principal of the fund. The principal is to be maintained in perpetuity.

A donor established a fund to support the Maria Rogers Oral History Project housed in the Library’s Carnegie Library for Local History. The income and, if necessary, the principal may be used to support the Maria Rogers Oral History Project. Support is required to be for contract position salaries and reasonable travel, meals and lodging for the contract positions. Fund principal and interest may be appropriated as long as the remaining fund assets exceed \$300,000.

The State of Colorado adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and BPLF has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Since each fund’s donor provided explicit donor stipulations, the funds are managed based on those stipulations. Appropriations for both funds are based on requests made by Boulder Reads! Or the Library based on their needs.

The following are the changes in the endowment net assets for the year ended December 31, 2024:

	Boulder Reads!	Maria Rogers
Endowment net assets at January 1, 2024	69,053	400,185
Contributions received	1,700	500
Investment return, net	7,278	41,117
Appropriation of endowment assets for expenditure	-	-
<b>Endowment net assets at December 31, 2024</b>	<b>78,031</b>	<b>441,802</b>

Endowment assets include those assets of donor-restricted funds that BPLF must hold in perpetuity BPLF has adopted investment and spending policies for endowment assets that attempt to provide a reasonable, predictable, stable, and sustainable level of appropriation that supports current needs and provides for growth in assets and income over time. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return that preserves the purchasing power of the endowment as well as providing a consistent level of earnings for appropriation. The rate of return has been based upon the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the investment portfolio. Actual returns in any given year may vary from this amount.

**Boulder Public Library District  
Notes to the Financial Statements  
December 31, 2024  
(continued)**

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**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.

**B. City of Boulder Intergovernmental Agreement - Cost Reimbursement**

The District and the City of Boulder entered into an Intergovernmental Agreement regarding joint obligations for the creation of the Boulder Public Library District. Per the terms of the agreement, the District is to reimburse the City for the operations of the Library District during 2023 and partially during 2024. The total payment due from both 2023 and 2024 operations is \$12,012,233, allocated as follows:

	<b>2023</b>	<b>2024</b>
Library operations	5,031,599	338,372
Administration	2,758,727	215,340
Collections	417,288	50,301
IT support services	1,689,213	92,724
Facilities	1,418,668	-
<b>Total cost reimbursement</b>	<b>11,315,495</b>	<b>696,737</b>

**C. Restatement**

The District restated the SBITA asset and liability balance for a correction of present value calculation at the commencement of the subscription. The SBITA asset and liability were both increased \$415,857 with no effect to beginning net position.

Required Supplemental Information

**BOULDER** PUBLIC LIBRARY

**Boulder Public Library District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
**General Fund**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals For the Year Ended 2023)**

	<b>2024</b>			<b>Variance Positive (Negative)</b>	<b>2023</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Property taxes	21,404,074	21,404,074	22,014,187	610,113	17,479,005
Specific ownership taxes	3,053	-	-	-	804,106
Earnings on investments	-	-	879,951	879,951	74,891
Fines, fees and other revenue	-	-	14,933	14,933	-
Donations	-	-	611	611	-
Grant income	641,634	641,634	623,144	(18,490)	-
Other income	16,529,379	17,125,190	693,704	(16,431,486)	-
<b>Total Revenues</b>	<b>38,578,140</b>	<b>39,170,898</b>	<b>24,226,530</b>	<b>(14,944,368)</b>	<b>18,358,002</b>
<b>Expenditures:</b>					
Salaries and benefits	12,662,896	12,227,894	10,064,206	2,163,688	3,422
Library operations	808,463	490,312	327,093	163,219	48,555
Administration	964,337	1,812,184	1,756,879	55,305	335,954
Board of Trustee governance	158,600	11,000	5,701	5,299	257,360
Collections	1,695,593	1,850,050	1,600,597	249,453	17,107
IT support services	1,503,307	1,546,140	925,610	620,530	305,795
Facilities	1,660,565	1,485,181	1,419,948	65,233	32,259
Programs and events	384,000	384,000	419,777	(35,777)	4,432
Intergovernmental expense	13,865,000	12,012,233	696,737	11,315,496	11,315,495
Capital outlay	1,390,000	4,848,411	2,676,595	2,171,816	1,317,435
Debt service:					
Principal	-	-	382,340	(382,340)	25,357
Interest	-	-	46,537	(46,537)	3,091
<b>Total Expenditures</b>	<b>35,092,761</b>	<b>36,667,405</b>	<b>20,322,020</b>	<b>16,345,385</b>	<b>13,666,262</b>
<b>Excess of Revenues Over Expenditures</b>	<b>3,485,379</b>	<b>2,503,493</b>	<b>3,904,510</b>	<b>1,401,017</b>	<b>4,691,740</b>
<b>Other Financing Sources (Uses):</b>					
Debt proceeds related to leases	-	-	670,845	670,845	-
SBITA proceeds	-	-	-	-	550,029
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>670,845</b>	<b>670,845</b>	<b>550,029</b>
<b>Change in Net Position</b>	<b>3,485,379</b>	<b>2,503,493</b>	<b>4,575,355</b>	<b>2,071,862</b>	<b>5,241,769</b>
<b>Fund Balances/Net Position</b>					
<b>Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>5,241,769</b>	<b>(5,241,769)</b>	<b>-</b>
<b>End of Year</b>	<b>3,485,379</b>	<b>2,503,493</b>	<b>9,817,124</b>	<b>(7,313,631)</b>	<b>5,241,769</b>

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