

**Mesa County Public Library District  
Financial Statements  
December 31, 2024**



**Mesa County  
LIBRARIES**

**Mesa County 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  
Mesa County Public Library District  
Grand Junction, Colorado**

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the discretely presented component unit of Mesa County Public Library District (the "District"), as of and for the year ended December 31, 2024, 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, 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").

### ***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.

### ***Emphasis of Matter***

As discussed in Note V.B to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, in 2024. Our opinion is not modified with respect to this matter.

### ***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  
Mesa County Public Library District  
Grand Junction, 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  
Mesa County Public Library District  
Grand Junction, 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparison in Section F is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison found in Section F is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
Avon, Colorado  
July 3, 2025**

Management Discussion and Analysis



**Mesa County**  
**LIBRARIES**

# Mesa County Public Library District

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

As management of Mesa 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, 2024.

### Financial Highlights

- The assets of the District exceeded its liabilities by \$27,876,423 at December 31, 2024. Of this amount, \$7,407,292 may be used to meet the District's ongoing obligations to patrons.
- The District's total Net Position increased by \$1,574,377. This was primarily due to an increase in tax revenues during 2024.
- At the end of 2024, total fund balance for the General Fund was \$14,672,063 or 181% 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 Mesa 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 two funds, the General Fund and Capital Projects Fund, which are governmental funds.

**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.

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## Overview of the Financial Statements (continued)

**Government-wide financial analysis:** The majority of the District's revenue was from property tax and Donations (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 55% of the total assets. The District will use these assets to provide services to its patrons. 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.

### Mesa County Public Library District's Net Position

	2024	2023 (restated)
<b>Assets:</b>		
Current and other assets	16,674,707	16,010,977
Capital assets	20,302,567	19,831,058
<b>Total Assets</b>	<b>36,977,274</b>	<b>35,842,035</b>
<b>Liabilities:</b>		
Other liabilities	668,016	1,028,593
Long-term liabilities	152,904	187,506
<b>Total Liabilities</b>	<b>820,920</b>	<b>1,216,099</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue	8,279,931	8,323,890
<b>Total Deferred Inflows of Resources</b>	<b>8,279,931</b>	<b>8,323,890</b>
<b>Net Position:</b>		
Investment in capital assets	20,149,663	19,622,224
Restricted	319,468	269,909
Unrestricted	7,407,292	6,409,913
<b>Total Net Position</b>	<b>27,876,423</b>	<b>26,302,046</b>

Approximately 72% 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 \$1,135,239 primarily due to capital assets purchases, primarily from the new Clifton Branch Library. Total liabilities decreased by \$395,179 mainly due to repayment of principal on leases and early termination of one lease.

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

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

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

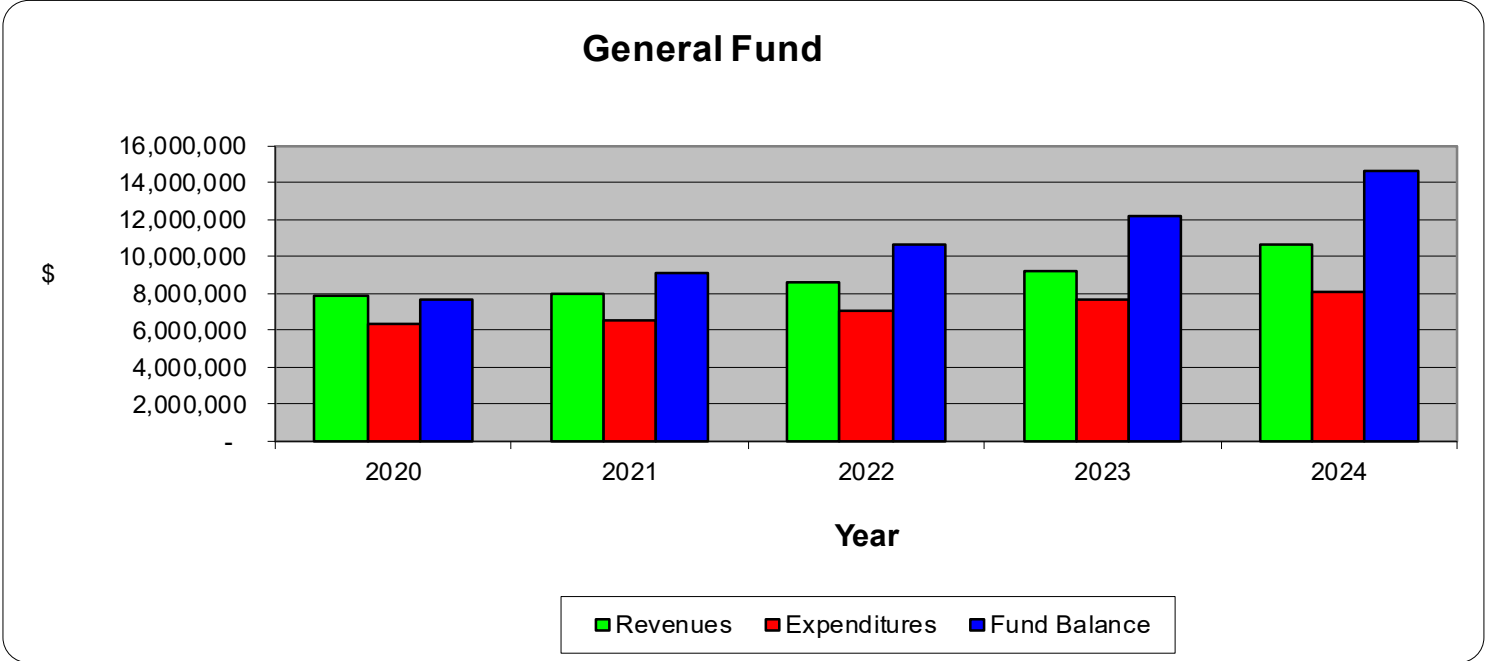
<b>Revenues:</b>	<b>2024</b>	<b>2023 (restated)</b>
Program revenues:		
Collection revenue	17,743	16,073
Charges for services	37,207	33,909
Operating grants and contributions	384,214	360,746
Capital grants and contributions	214,471	1,344,402
General revenues:		
Property taxes	8,812,982	7,154,827
Specific ownership taxes	972,858	927,027
Earnings on investments	371,004	452,298
Other income	52,915	52,092
Gain on sale of asset	-	2,290
<b>Total Revenues</b>	<b>10,863,394</b>	<b>10,343,664</b>
<b>Expenses:</b>		
Library services	9,289,017	8,041,404
<b>Total Expenses</b>	<b>9,289,017</b>	<b>8,041,404</b>
<b>Change in Net Position</b>	<b>1,574,377</b>	<b>2,302,260</b>
<b>Net Position:</b>		
Beginning of Year	26,302,046	23,999,786
Ending of Year	27,876,423	26,302,046

The District's total Net Position increased by \$1,574,377. This is caused by the growth in investment earnings and conservative spending. Property taxes were the most significant sources of general revenue for the District accounting for approximately 81% of revenues.

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

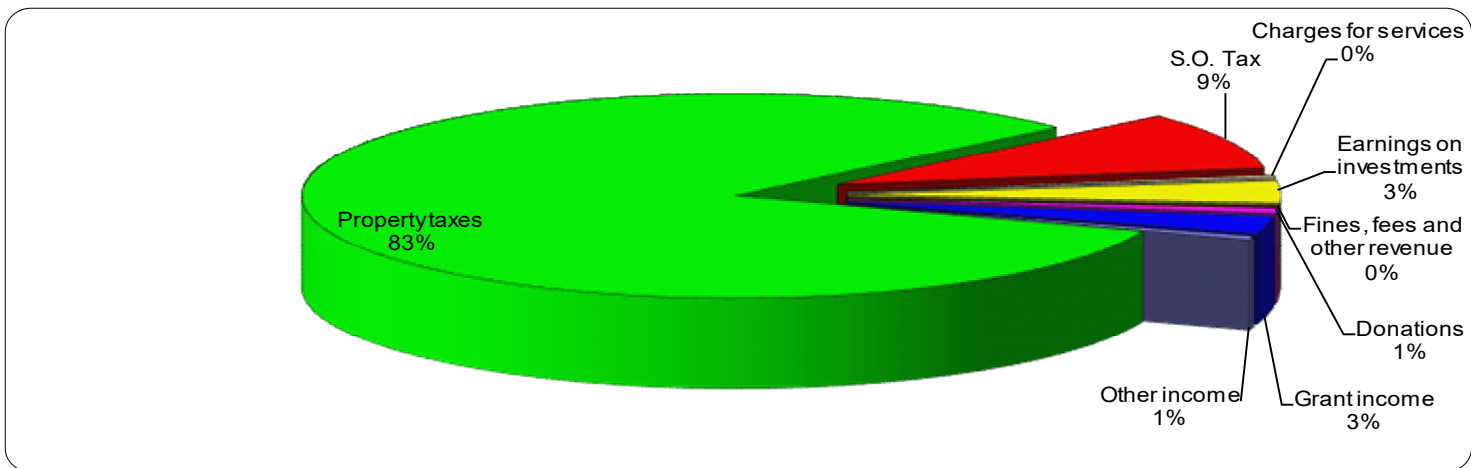
**Financial Analysis of the District's Funds**

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 2020 through 2024:



The District's General Fund had an increase in fund balance of \$2,526,721 and an ending fund balance of \$14,672,063. Revenues increased \$1,651,951 from 2023. Expenditures increased \$399,263 from 2023. Increased property tax revenue, is the primary factor for the year over year increase in revenues.

The following chart represents the District's revenues:

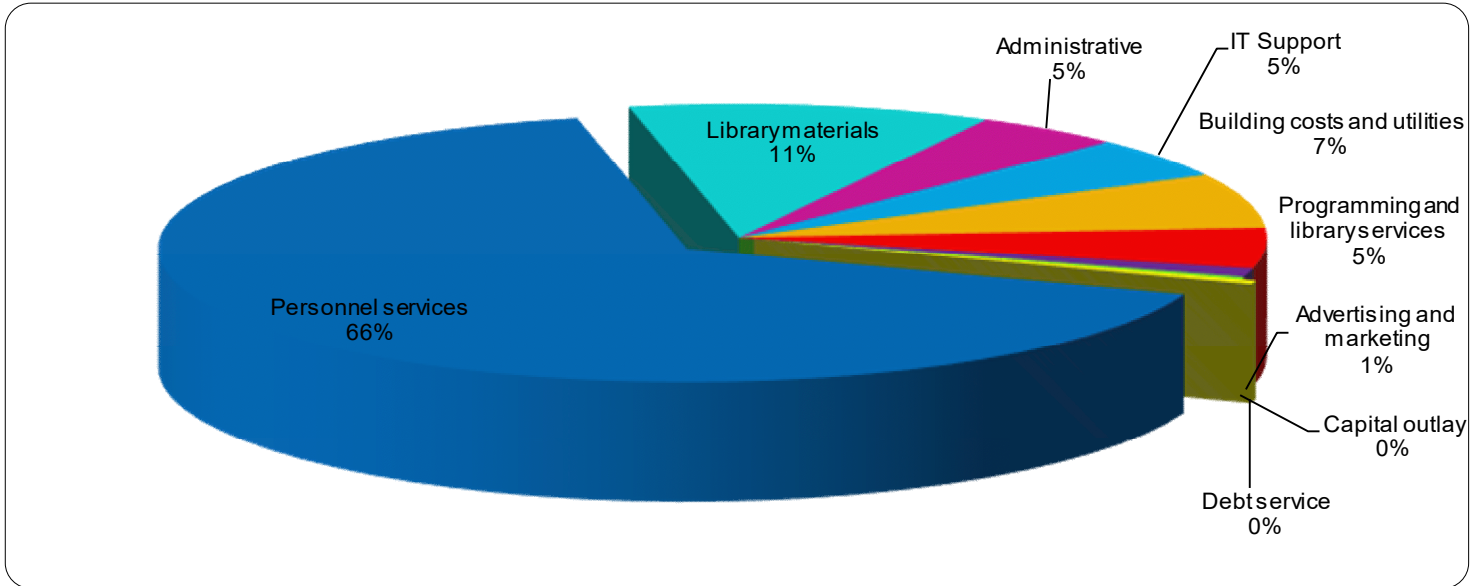


Property and S.O. taxes make up the largest sources of revenue for the District.

**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.

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**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>Final Budget</b>	<b>Actual</b>	<b>Variance From Final Budget</b>	<b>Reason</b>
<b>Revenues:</b>				
Specific ownership taxes	800,000	972,858	172,858	This revenue is from vehicles that are registered during the year in Mesa County, we underestimated this source of revenue.
Earnings on investments	210,000	371,004	161,004	Our budget is based on an estimate of how our investments will perform and 2024 investments performed better than expected.
<b>Expenditures:</b>				
Building costs and utilities	786,410	536,961	249,449	Contingency was built into our building maintenance and utilities budgets because of the uncertainties in expenses for the new Clifton branch and the ongoing expenses with the shared campus and the agreement with the County. Those expenses were significantly less than budgeted for.
Programming and Library Service	629,537	398,994	230,543	We set up a new Programming department at the end of 2023 and are trying out a new programming format. Because of this, we had fewer programs but we also were increasing our efficiencies with the programming we were doing. This is the biggest reason for coming in under budget for all our departments.

**Capital assets:** The District had capital of assets of \$20,302,567 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 \$14,672,063 of fund balance at the end of the current fiscal year. The District's 2025 budget anticipated a beginning balance of \$7,860,541. The 2025 budget anticipates revenues of \$9,846,226 and expenditures of \$9,801,508.

**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 Mesa County Public Library District, 443 North 6th Street, Grand Junction, CO 81501 or you may call 970-683-2436.

Basic Financial Statements



**Mesa County**  
**LIBRARIES**

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

	Primary Government					
	Balance Sheet			Adjustments	Statement of Net Position	Component Unit
	General Fund	Capital Projects Fund	Total			
<b>Assets:</b>						
Cash and investments	8,208,956	-	8,208,956	-	8,208,956	1,158,903
Accounts receivable	80,838	-	80,838	-	80,838	-
Due (to) from other funds	6,545,844	(6,545,844)	-	-	-	-
Property taxes receivable	8,279,931	-	8,279,931	-	8,279,931	-
Prepaid expense	104,982	-	104,982	-	104,982	548
Capital assets, net	-	-	-	20,302,567	20,302,567	13,940
<b>Total Assets</b>	<b>23,220,551</b>	<b>(6,545,844)</b>	<b>16,674,707</b>	<b>20,302,567</b>	<b>36,977,274</b>	<b>1,173,391</b>
<b>Deferred Outflows of Resources:</b>						
Bond refunding deferred outflows	-	-	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities:</b>						
Accounts payable	163,364	-	163,364	-	163,364	633
Accrued payroll	105,193	-	105,193	-	105,193	-
Accrued compensated absences	-	-	-	399,459	399,459	-
Lease liability - current portion	-	-	-	36,348	36,348	6,380
Lease liability - non-current portion	-	-	-	116,556	116,556	7,826
<b>Total Liabilities</b>	<b>268,557</b>	<b>-</b>	<b>268,557</b>	<b>552,363</b>	<b>820,920</b>	<b>14,839</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenue - property taxes	8,279,931	-	8,279,931	-	8,279,931	-
<b>Total Deferred Inflows of Resources</b>	<b>8,279,931</b>	<b>-</b>	<b>8,279,931</b>	<b>-</b>	<b>8,279,931</b>	<b>-</b>
<b>Fund Balance/Net Position:</b>						
<b>Fund Balance:</b>						
Non-spendable	104,982	-	104,982			
Restricted for emergencies	319,468	-	319,468			
Committed for reserve	1,965,356	-	1,965,356			
Assigned for reserve	2,284,824	-	2,284,824			
Unassigned	9,997,434	(6,545,844)	3,451,590			
<b>Total Fund Balance</b>	<b>14,672,063</b>	<b>(6,545,844)</b>	<b>8,126,219</b>			
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>23,220,551</b>	<b>(6,545,844)</b>	<b>16,674,707</b>			
<b>Net Position:</b>						
Investment in capital assets					20,149,663	-
Restricted for emergencies					319,468	-
Restricted for other items					-	645,355
Unrestricted					7,407,292	513,197
<b>Total Net Position</b>					<b>27,876,423</b>	<b>1,158,552</b>

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

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

	Primary Government					
	Statement of Revenues, Expenditures and Changes in Fund Balance					
	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities	Component Unit
<b>Revenues:</b>						
Property taxes	8,812,982	-	8,812,982	-	8,812,982	-
Specific ownership taxes	972,858	-	972,858	-	972,858	-
Charges for services	37,207	-	37,207	-	37,207	-
Earnings on investments	371,004	-	371,004	-	371,004	125,313
Fines, fees and other revenue	17,743	-	17,743	-	17,743	60,276
Donations	87,645	214,471	302,116	-	302,116	467,107
Grant income	296,569	-	296,569	-	296,569	-
Other income	52,915	-	52,915	-	52,915	-
<b>Total Revenues</b>	<b>10,648,923</b>	<b>214,471</b>	<b>10,863,394</b>	<b>-</b>	<b>10,863,394</b>	<b>652,696</b>
<b>Expenditures/Expenses:</b>						
Personnel services	5,369,685	-	5,369,685	145,779	5,515,464	-
Library materials	900,021	-	900,021	(476,411)	423,610	-
Administrative	367,503	-	367,503	-	367,503	-
IT Support	401,610	-	401,610	-	401,610	-
Building costs and utilities	536,961	-	536,961	-	536,961	616,332
Programming and library services	398,994	-	398,994	-	398,994	-
Advertising and marketing	86,329	-	86,329	-	86,329	-
Capital outlay	21,904	1,527,147	1,549,051	(1,549,051)	-	-
Depreciation and amortization expense	-	-	-	1,553,953	1,553,953	-
Debt service:						
Principal	34,602	-	34,602	(34,602)	-	-
Interest	4,593	-	4,593	-	4,593	-
<b>Total Expenditures/Expenses</b>	<b>8,122,202</b>	<b>1,527,147</b>	<b>9,649,349</b>	<b>(360,332)</b>	<b>9,289,017</b>	<b>616,332</b>
<b>Change in Fund Balance / Net Position</b>	<b>2,526,721</b>	<b>(1,312,676)</b>	<b>1,214,045</b>	<b>(952,344)</b>	<b>1,574,377</b>	<b>36,364</b>
<b>Fund Balances/Net Position (Deficit):</b>						
<b>Beginning of Year (restated)</b>	<b>12,145,342</b>	<b>(5,233,168)</b>	<b>6,912,174</b>		<b>26,302,046</b>	<b>1,122,188</b>
<b>End of Year</b>	<b>14,672,063</b>	<b>(6,545,844)</b>	<b>8,126,219</b>		<b>27,876,423</b>	<b>1,158,552</b>

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

Notes to the Basic Financial Statements



**Mesa County**  
**LIBRARIES**

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

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**I. Summary of Significant Accounting Policies**

The Mesa County Public Library District (the "District") was established January 1, 1992, as a political subdivision of the State of Colorado to provide library services throughout Mesa County. The District is governed by a seven (7) member board of trustees (the "Board") appointed by the Mesa County Commissioners (the "Commissioners"). The Commissioners' accountability for the District does not extend beyond making appointments to the board. Each year the Board of Trustees certifies the mill levy to the Mesa County Board of County Commissioners, who then levy taxes upon the properties.

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. Although the Mesa County Commissioners appoint the Board of Trustees, the District is not financially accountable to Mesa County; therefore the District is not a component unit of the County. 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 Mesa 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.

**Mesa County 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)**

These funds accounts for resources devoted to the financing of general services that the District provides to its patrons. 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 value of investments is recognized as an increase or decrease to investment assets and investment income.

**Mesa County 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. Interfund Transactions**

Flow of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that inter-fund reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

**4. 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.

Assets	Threshold
Land	1,000
Buildings	1,000
Furniture, fixtures and equipment	1,000
Library materials	All

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

**Mesa County 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. Capital Assets (continued)**

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

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

**5. Compensated Absences**

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be used after year end, or paid upon separation from District service. In the government-wide financial statements, the cost of compensated absences is reported as an accrued liability. In governmental fund financial statements, the cost of compensated absences is recognized when payments are made to employees.

The District estimates how much of the leave is more likely than not to be used as paid leave and recognizes the portion as a liability for compensated absences. At December 31, 2024, the estimated value of accumulated personal days off is \$399,459.

**6. 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 does not have any items that qualifies for reporting in this category.

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

**Mesa County 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)**

**7. Leases**

Lessee – The District is lessee for noncancellable leases of office space. The District recognizes a lease liability and an intangible right-to-use lease asset 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 asset is amortized on a straight-line basis over its useful life.

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

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

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

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

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

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

**8. Use of Estimates**

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

**Mesa County 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**

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, \$104,982 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, \$319,468 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 trustees. 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. As of December 31, 2024, \$1,965,356 was committed for reserves.
  - c. **Assigned** – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the board or its management designee. As of December 31, 2024, \$2,284,824 was committed for reserves.
  - d. **Unassigned** - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

The District policy requires a minimum reserve of restricted and committed reserves of no less than an average of three months of the current years budgeted operating expenditures. The Board also requires notification from the District if reserves drop below six months. Accordingly, the district has restricted and committed fund balances equal to three months of budgeted operating expenditures plus assigned fund balance for an additional three months.

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

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

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

**3. Foundation Endowment (continued)**

The Foundation's endowment consists of funds received from two individual donors. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

For one of these endowments, the Library Foundation is required to reserve all earnings each year to be added to the corpus until the endowment reaches a minimum of \$200,000. Thereafter, the Library may spend or reserve the income on the endowment as it determines to be appropriate. Income from the endowment may be used to further the goals of the Mesa County Public Library, including improving the literacy and the intellectual development of the community. This endowment has a balance of \$231,421 at December 31, 2024.

The second endowment requires that \$250,000 to remain as the corpus and the earnings are to be temporarily restricted for capital building expenses. This endowment has a balance of \$300,240 at December 31, 2024.

The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") requires 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. The Foundation classifies assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The balance of the funds remains restricted until which time they are expended in conformity with the endowment.

The Foundation has adopted investment and spending policies by the Board of Directors. The general investment objectives are: (a) preservation of the principal as the primary objective with growth as a secondary objective, and (b) achieve the best possible long-term rate of return while taking into consideration market interest rates. For the Endowment Fund, the Foundation seeks to achieve a growth-balanced approach with income as a secondary objective. Liquidity will not be an issue with this Fund. The time horizon for this investment is a minimum of ten years.

Activity in the endowments was as follows for the year ended December 31, 2024:

	<b>Endowment No. 1</b>	<b>Endowment No. 2</b>	<b>Total</b>
Beginning fund balance	202,224	262,403	464,627
Investment return, net	5,159	6,946	12,105
Net gain (loss) on investments	24,038	30,891	54,929
<b>Ending fund balance</b>	<b>231,421</b>	<b>300,240</b>	<b>531,661</b>

**Mesa County 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)**

**3. Foundation Endowment (continued)**

The foundation's fund balance was restricted at December 31, 2024 for the following:

	<b>With Donor Restriction</b>
Capital projects	45,466
Library programs	68,228
Endowments	531,661
<b>Total</b>	<b>645,355</b>

**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. \$20,302,567 represents the net book value of capital assets of \$32,079,229 and leased assets of \$190,342 offset by accumulated depreciation of \$11,925,763 and accumulated amortization of \$41,241 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. \$0 represents long term debt outstanding as of December 31, 2024. \$399,459 represents accrued compensated absences earned as of December 31, 2024 but not due and payable from current financial resources. \$152,904 represents long term lease liability outstanding as of December 31, 2024.

**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 but not available and therefore are not reported as revenues in the governmental funds. The adjustment of \$0 is related to the disposal of assets. The adjustment of \$0 is related to the issuance of new leases during the year.

**Mesa County 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)**

**A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position (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 are books and periodicals of \$476,411. Additions of other capital assets totaled \$1,549,051. Depreciation expense of \$1,515,911 and amortization expense of \$38,069 represents \$1,553,980 of depreciation and amortization on capital assets.

Principal payments on leases are an expense in the fund and reduction of liability in the Statement of Activities, \$34,602 represents payments on long-term debt for the year ended December 31, 2024. The final element of the reconciliation is the change in the accrued compensated absences of \$145,779.

**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). As required by Colorado statutes, the District followed these procedures in approving and enacting a budget for 2024:

- (1) For the 2024 budget, prior to August 25, 2023, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. Typically, prior to December 10, 2023, the County Assessor would have sent the final recertified assessed valuation to the District. However, property tax measures enacted by the Colorado Legislature during a special session in November 2023 allowed counties an extension to January 3, 2024 to provide final assessed valuations.
- (2) On or before October 15, 2023, the Director would have 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) Typically, for the 2024 budget, prior to December 15, 2023, the District a public hearing would have been held for the budget, the Board would have computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board would have adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year. Due to the Colorado Legislature's actions discussed above, the deadline for mill levy certifications was extended from December 15, 2023 to January 10, 2024. For the 2024 budget, the final budget resolution was adopted prior to January 10, 2024.
- (4) After adoption of the budget resolution, the District may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

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

**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 or expense (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 \$319,468.

Mesa County, Colorado voters passed a referendum on November 4, 1997, that exempts the District from certain provisions of the Amendment. The District is allowed to retain any excess revenue in future years.

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 \$3,104,428 at year end. At December 31, 2024, the District had the following investments and value measurements:

<b>Investments Measured at Fair Value</b>	<b>Total</b>	<b>Fair Value Measurement Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Fixed income	396,817	-	396,817	-
Equities	520,091	520,091	-	-
<b>Total</b>	<b>916,908</b>	<b>520,091</b>	<b>396,817</b>	<b>-</b>

<b>Investments Measured at Net Asset Value</b>	
Colostrust	5,104,528

**Mesa County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(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. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

At December 31, 2024, the Component Unit reported an unrealized gain on investments of \$54,929 which reflects changes in the fair market value of investments. As of December 31, 2024, the District and Component Unit 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	962	962	-
Checking	Not Rated	1,545,383	1,545,383	-
Savings & money market	Not Rated	1,558,083	1,558,083	-
<i>Investments:</i>				
Investment pools	AAAm	5,104,528	5,104,528	-
		8,208,956		
<b>Component Unit:</b>				
<i>Cash and cash equivalents:</i>				
Checking	Not Rated	217,354	217,354	-
Savings & money market	Not Rated	24,641	24,641	-
<i>Investments:</i>				
Fixed income	AA+	396,817	396,817	-
Equities	AAA	520,091	520,091	-
		1,158,903		

*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.

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

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

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

*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.

**B. Receivables**

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 \$8,279,931 is for unavailable property taxes levied in 2024 but not available until 2025.

**C. Capital Assets**

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

	<b>Beginning Balance (restated)</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	9,873,238	-	(9,873,238)	-
Artwork	106,343	57,177	-	163,520
Land	1,517,977	669,380	-	2,187,357
<b>Total capital assets not being depreciated</b>	<b>11,497,558</b>	<b>726,557</b>	<b>(9,873,238)</b>	<b>2,350,877</b>
Capital assets, being depreciated:				
Buildings and improvements	13,841,091	10,576,194	-	24,417,285
Library materials	4,227,160	476,411	(1,199,200)	3,504,371
Furniture and equipment	1,634,251	119,538	(74,503)	1,679,286
Vehicles	81,174	-	-	81,174
Intangible library materials	46,236	-	-	46,236
Right of use buildings	190,342	-	-	190,342
<b>Total capital assets being depreciated</b>	<b>20,020,254</b>	<b>11,172,143</b>	<b>(1,273,703)</b>	<b>29,918,694</b>
Less accumulated depreciation for:				
Buildings and improvements	(7,925,701)	(680,022)	-	(8,605,723)
Library materials	(2,621,239)	(641,366)	1,199,200	(2,063,405)
Furniture and equipment	(1,012,107)	(191,648)	74,530	(1,129,225)
Vehicles	(78,299)	(2,875)	-	(81,174)
Intangible library materials	(46,236)	-	-	(46,236)
<b>Total accumulated depreciation</b>	<b>(11,683,582)</b>	<b>(1,515,911)</b>	<b>1,273,730</b>	<b>(11,925,763)</b>
<b>Less: accumulated amortization on leases</b>	<b>(3,172)</b>	<b>(38,069)</b>	<b>-</b>	<b>(41,241)</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>19,831,058</b>	<b>10,344,720</b>	<b>(9,873,211)</b>	<b>20,302,567</b>

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

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

**D. Leases Payable – District**

In October 2023, the District entered into a 60 month non-cancelable lease agreement for the use of building space in Orchard Mesa. The lease calls for monthly payments of \$3,266 and bears interest at a rate of 2.71%. Lease payments increase annually by 2%. During the year ended December 31, 2024 the District paid \$34,602 in principal and \$4,658 in interest.

Lease asset payment requirements for the District at December 31, 2024 were are follows:

Year ending December 31,	Principal	Interest	Total
2025	36,348	3,698	40,046
2026	38,157	2,690	40,847
2027	40,031	1,632	41,663
2028	38,368	522	38,890
<b>Minimum lease payments</b>	<b>152,904</b>	<b>8,542</b>	<b>161,446</b>

In 2009 the Mesa County Public Library District entered into an intergovernmental agreement with the City of Fruita to build a library facility in the Fruita Recreation center. The Mesa County Public Library District paid for the construction costs of the new facility and entered into a lease agreement with the City to occupy the premises for a period of 99 years for consideration of construction costs already paid and \$1 per year. The City may terminate the lease with at least 365 days' notice and a refund of construction costs as a percentage of the remaining time left on the lease. Accordingly, a lease asset and lease liability have not been recorded.

At December 31, 2024, the District had the following changes in long-term obligations:

	Beginning Balance (restated)	Increases	Decreases	Ending Balance	Due within one year
Lease payable	187,506	-	(34,602)	152,904	36,348
Accrued Comp. Absences *	253,680	145,779	-	399,459	131,821
<b>Total long-term liabilities</b>	<b>441,186</b>	<b>145,779</b>	<b>(34,602)</b>	<b>552,363</b>	<b>168,169</b>

\*reported as a net change

The general fund services both the lease payable and accrued compensated absences as payments become due.

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

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

**E. Leases Payable – Foundation**

In March 2024, the Foundation entered into a 36 month lease agreement for the use of building space with the First Congregational Church. The lease calls for monthly payments of \$548 and bears interest at a rate of 2.71%. Lease payments increase annually by 2%. During the year ended December 31, 2024 the District paid \$5,096 in principal and \$384 in interest.

Leased asset payment requirements for the Foundation at December 31, 2024 were are follows:

Year ending December 31,	Principal	Interest	Total
2025	6,380	306	6,686
2026	6,690	129	6,819
2027	1,136	4	1,140
<b>Minimum lease payments</b>	<b>14,206</b>	<b>439</b>	<b>14,645</b>

**F. Retirement Plans**

**1. Defined Contribution Money Purchase Plan**

The District provides a retirement plan for eligible District employees in the Colorado Retirement Association (the “CRA”) (the “Plan”). The Retirement Plan is a defined contribution money purchase plan. It is mandatory that the benefited employees participate in the Retirement Plan on the first day of the month after 28 days of employment. The employees and the District each contribute 5% of gross wages. The District’s contributions for each employee (and earnings allocated to the employee’s account) are fully vested after four years of continuous service. District contributions and related interest forfeited by employees who leave employment before fully vesting are returned to the Retirement Plan to reduce future retirement requirements. The District contributed \$182,768 to the Plan in 2024.

**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 the District’s 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.

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

**Mesa County 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. Settled claims have not exceeded this commercial coverage in 2024.

**B. Implementation of Accounting Standard – GASB Statement No. 101, *Compensated Absences***

Effective January 1, 2024, the District implemented Governmental Accountings Standards Board Statements No. 101, *Compensated Absences* (“GASB 101”). The Standard requires entities to recognize a liability for all forms of compensated absences, including those that are not paid upon an employee’s separation from service, such as sick leave. The standard requires entities to estimate the compensated absence liability based on historical data regarding the accumulation and forfeiture of leave balances rather than solely on termination payouts.

**C. Restatements of Net Position**

The District applied GASB 101 (from Note VI) retroactively by restating the beginning governmental activities net position as of January 1, 2024. The adoption of this standard resulted in a decrease of \$21,328 in the District’s net position as of January 1, 2024.

During 2024, the District determined that depreciation expense and accumulated depreciation had been understated for library materials for the year ending December 31, 2023 in the amount of \$431,870. Accordingly, the District’s net position has been restated and decreased \$431,870.

These restatements resulted in the following changes to correct the District’s net position:

	<b>12/31/2023 As Previously Reported</b>	<b>Change In Accounting Principal</b>	<b>Error Correction</b>	<b>12/31/2024 As Restated</b>
<b>Government-Wide</b>				
Governmental Activities	26,755,244	(21,328)	(431,870)	26,302,046
<b>Total Primary Government</b>	26,755,244	(21,328)	(431,870)	26,302,046

Required Supplemental Information



**Mesa County**  
**LIBRARIES**

**Mesa County Public Library District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**General Fund**  
**For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Final Budget Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes	8,810,338	8,760,066	8,812,982	52,916
Specific ownership taxes	800,000	800,000	972,858	172,858
Charges for services	30,000	30,000	37,207	7,207
Earnings on investments	210,000	210,000	371,004	161,004
Fines, fees and other revenue	15,000	15,000	17,743	2,743
Donations	33,163	33,163	87,645	54,482
Grant income	339,014	339,014	296,569	(42,445)
Other income	21,000	21,000	52,915	31,915
<b>Total Revenues</b>	<b>10,258,515</b>	<b>10,208,243</b>	<b>10,648,923</b>	<b>440,680</b>
<b>Expenditures:</b>				
Personnel services	5,631,226	5,631,226	5,369,685	261,541
Library materials	891,500	891,500	900,021	(8,521)
Administrative	438,647	428,086	367,503	60,583
IT Support	475,836	475,836	401,610	74,226
Building costs and utilities	786,410	786,410	536,961	249,449
Programming and library services	629,537	629,537	398,994	230,543
Advertising and marketing	161,700	161,700	86,329	75,371
Capital outlay	85,000	85,000	21,904	63,096
Contingency	50,000	50,000	-	50,000
Debt service:				
Principal	-	-	34,602	(34,602)
Interest	-	-	4,593	(4,593)
<b>Total Expenditures</b>	<b>9,149,856</b>	<b>9,139,295</b>	<b>8,122,202</b>	<b>1,017,093</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,108,659</b>	<b>1,068,948</b>	<b>2,526,721</b>	<b>1,457,773</b>
<b>Other Financing Sources (Uses):</b>				
Transfers (out)	(1,153,997)	(1,853,997)	-	1,853,997
<b>Change in Fund Balance</b>	<b>(45,338)</b>	<b>(785,049)</b>	<b>2,526,721</b>	<b>3,311,770</b>
<b>Fund Balances/Net Position</b>				
<b>Beginning of Year</b>	<b>6,016,523</b>	<b>6,016,523</b>	<b>12,145,342</b>	<b>(6,128,819)</b>
<b>End of Year</b>	<b>5,971,185</b>	<b>5,231,474</b>	<b>14,672,063</b>	<b>(9,440,589)</b>

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

Supplemental Information



**Mesa County**  
**LIBRARIES**

**Mesa County Public Library District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual**  
**Capital Projects Fund**  
**For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Final Budget Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Donations	80,000	80,000	214,471	134,471
<b>Total Revenues</b>	80,000	80,000	214,471	134,471
<b>Expenditures:</b>				
Capital outlay	2,001,000	2,701,000	1,527,147	1,173,853
<b>Total Expenditures</b>	2,001,000	2,701,000	1,527,147	1,173,853
<b>Excess of Revenues Over Expenditures</b>	(1,921,000)	(2,621,000)	(1,312,676)	1,308,324
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,153,997	1,853,997	-	(1,853,997)
<b>Change in Fund Balance</b>	(767,003)	(767,003)	(1,312,676)	(545,673)
<b>Fund Balances/Net Position</b>				
<b>Beginning of Year</b>	947,003	947,003	(5,233,168)	6,180,171
<b>End of Year</b>	180,000	180,000	(6,545,844)	6,725,844

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