

SPANISH PEAKS LIBRARY DISTRICT

FINANCIAL STATEMENTS

December 31, 2024



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

SPANISH PEAKS LIBRARY DISTRICT

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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Trustees
Spanish Peaks Library District
Walsenburg, Colorado

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Spanish Peaks 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 Auditors' 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 GAAS will always detect a material

Certified Public Accountants

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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 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, 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.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

September 22, 2025

SPANISH PEAKS LIBRARY DISTRICT

BASIC FINANCIAL STATEMENTS

SPANISH PEAKS LIBRARY DISTRICT

STATEMENT OF NET POSITION

December 31, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 42,993
Investments	74,392
Investments - Restricted	800,345
Due from County Treasurer	33,879
Property taxes receivable	479,552
Prepaid expenditures	-
Total Current Assets	<u>1,431,161</u>
Noncurrent Assets	
Capital Assets - Net of Accumulated Deprecation	<u>2,572,202</u>
Total Noncurrent Assets	<u>2,572,202</u>
TOTAL ASSETS	<u>4,003,363</u>
DEFERRED OUTFLOWS OF RESOURCES	
Advanced Bond Refunding	<u>6,700</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,700</u>
LIABILITIES	
Current Liabilities	
Accounts payable	15,745
Accrued Wages	4,192
Accrued Interest	1,117
G.O. Bonds - Current Portion	<u>120,000</u>
Total Current Liabilities	<u>141,054</u>
Long-Term Liabilities	
G.O. Bonds - Net of Premium	<u>254,353</u>
Total Long-Term Liabilities	<u>254,353</u>
TOTAL LIABILITIES	<u>395,407</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	<u>479,552</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>479,552</u>
NET POSITION	
Net investment in capital assets	2,204,549
Restricted for:	
Emergency Reserve (TABOR)	12,195
Debt Service	800,345
Unrestricted	<u>118,015</u>
TOTAL NET POSITION	<u>\$ 3,135,104</u>

The accompanying notes are an integral part of this financial statement.

SPANISH PEAKS LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position Primary Government</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
Governmental Activities:					
General Government	\$ 434,391	\$ 5,097	\$ 24,649	\$ -	(404,645)
Interest on Bonds - Net	16,425	-	-	-	(16,425)
Total Governmental Activities	<u>\$ 450,816</u>	<u>\$ 5,097</u>	<u>\$ 24,649</u>	<u>\$ -</u>	<u>(421,070)</u>

General Revenues:

Property Taxes	527,170
Other Taxes	52,015
Interest	44,374

Total General Revenues 623,559

Change in Net Position 202,489

Net Position, Beginning of Year 2,932,615

Net Position, End of Year \$ 3,135,104

The accompanying notes are an integral part of this financial statement.

**SPANISH PEAKS LIBRARY DISTRICT
GOVERNMENTAL FUND BALANCE SHEET
December 31, 2024**

	GENERAL FUND
ASSETS	
Cash and cash equivalents	\$ 42,993
Investments	74,392
Investments - Restricted	800,345
Due from County Treasurer	33,879
Property taxes receivable	479,552
Prepaid expenditures	-
	-
TOTAL ASSETS	\$ 1,431,161
LIABILITIES	
Accounts payable	\$ 15,745
Accrued Liabilities	4,192
Accrued Interest	1,117
	1,117
TOTAL LIABILITIES	21,054
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	479,552
	479,552
FUND BALANCE	
Nonspendable	
Prepaid expenses	-
Restricted	
TABOR reserve	12,195
Debt Service	800,345
Unassigned	118,015
	118,015
TOTAL FUND BALANCE	930,555
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,431,161

The accompanying notes are an integral part of this financial statement.

**SPANISH PEAKS LIBRARY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT
OF NET POSITION
December 31, 2024**

Total Governmental Fund Balance	\$	930,555
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		2,572,202
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund balance. Components of long-term debt are:</p>		
Advanced Bond Refunding		6,700
Bond Series 2016		(365,000)
Premium on Bond Series 2016		(9,353)
		(9,353)
Net position of governmental activities	\$	3,135,104
		3,135,104

The accompanying notes are an integral part of this financial statement.

**SPANISH PEAKS LIBRARY DISTRICT
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Year Ended December 31, 2024**

	GENERAL FUND
REVENUES	
Property Taxes - Operating	\$ 284,968
Property Taxes - Bond	242,202
Other Taxes	52,015
Fees/Fines & Copies/Printing	5,097
Grants - Operating	12,779
Interest	44,374
Other Library Revenues	11,870
	653,305
TOTAL REVENUES	
 EXPENDITURES	
General Government	
Administrative	198,920
Collection Materials	20,340
Treasurer Fees	15,869
Operating	42,198
Technology	16,513
Facilities	19,186
Insurance	41,844
Capital Outlay	-
Debt Service	126,425
	481,295
TOTAL EXPENDITURES	481,295
Net change in Fund Balance	172,010
Fund Balance, Beginning of year	758,545
Fund Balance, End of year	\$ 930,555

The accompanying notes are an integral part of this financial statement.

**SPANISH PEAKS LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024**

Net change in fund balances - total governmental funds \$ 172,010

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Repayment of debt reduces the long-term liabilities in the statement of net position. Repayment of principal include:

Payment of Long-Term Debt 110,000

Governmental funds report capital outlay as an expenditure. In the statement of activities, these costs are allocated as depreciation expense over their estimated useful lives. This is the amount by which depreciation exceeds capital outlay for the year. (81,092)

The amortization of the bond premium and the deferred outflow of resources from advanced refunding in the statement of activities does not provide current financial resources and therefore, is not reported in the governmental fund. 1,571

Change in net position of governmental activities \$ 202,489

SPANISH PEAKS LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Spanish Peaks Library District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting Standards Board (GASB) is the accepted standard – setting body for establishing governmental accounting and financial reporting principles.

The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

REPORTING ENTITY

The District's basic financial statements include the accounts of all District operations.

The District is a special district established by the general election held in 1998. The District was established in order to provide library services to the area within Huerfano County, Colorado that fell within the Huerfano County School Library District RE-1. The District is governed by a seven-member Board of Trustees whose members are appointed by the Huerfano County Commissioners. The major source of revenue for the District is from property taxation. Each year the Board of Trustees certifies a mill levy to the Huerfano County Commissioners, who then levy taxes upon the area encompassed by the District.

The mission statement of the District is to "serve Walsenburg, Gardner, and the surrounding communities in Huerfano County, Colorado through assistance in fostering and developing through fundraising, volunteer contribution, program sponsorship, and infrastructure improvements."

The District follows the GASB's accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions would be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion including a possible component government organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization to provide specific financial benefits or burdens, and fiscal dependency. No additional entities are included in the District's reporting entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to clients who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported as *general revenues*.

The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. These funds are used to report on the District's financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Resources are accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities.

SPANISH PEAKS LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

The fund financial statements (i.e., the balance sheet – general fund and the statement of revenues, expenditures, and changes in fund balance – general fund) are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District expendable financial resources and related liabilities are accounted for through a governmental fund type. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The District uses only one governmental fund, General Fund, which accounts for all financial transactions not accounted for in the account group.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured; basis of accounting refers to the timing of when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements (General Fund) are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, fees and fines, interest and other revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash

The District's considers liquid investments with original maturity of three months or less to be cash equivalents.

Investments

Investments for the District are measured at amortized cost or in certain circumstance the value is calculated using the net asset value (NV) per share, or its equivalent of the investment.

Property Taxes

Property taxes are levied by the Huerfano County Assessor and collected by the Huerfano County Treasurer. The taxes are levied on January 1 and may be paid in two equal installments by February 28 and June 15, or the full amount may be paid by April 30. Liens are filed each November against properties for which the taxes have not been paid.

Capital Assets

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in the fund balance sheet.

SPANISH PEAKS LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

All capital assets are capitalized at cost (or estimated fair value if donated) and updated for additions or retirements during the year. The District maintains a capitalization threshold of \$5,000. The cost of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life is not capitalized.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings and Improvements	20 – 50 Years
Furnishings	20 Years
Book Mobile	7 Years
Computer Equipment	3 Years

The policy of the District for valuation of the collection is that the library collection is not material in relationship to the District financial statements taken as a whole. Therefore, the collection is not shown on the financial statements as an asset but all expenditures for additions to the collection are shown as a discrete line item on the statement of activities and the statement of revenue, expenditures, and changes in fund balance.

Deferred Inflows of Resources

Deferred inflow of resources is recorded when asset recognition criteria have been met, but revenue recognition criteria have not been met. The District reports as deferred inflow of resources the receivables for property taxes earned the present year but not available during the following year.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance*- amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid expenditures.

SPANISH PEAKS LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

- *Restricted Fund Balance*- amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*- amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Trustees, the highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance*- amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Trustees or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance*- amounts that are available for any purpose; these amounts are reported only in the General Fund.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

New Accounting Pronouncements

During fiscal year 2024, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, that aligns the recognition and measurement guidance for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means under a unified model. In addition, it amended certain previously required disclosures. There is no effect on beginning net position as a result of the implementation of this standard.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

An annual budget is adopted in accordance with the requirements of the Colorado Revised statutes, and accordingly, includes anticipated income and other means of financing proposed expenditures. Expenditures include, in addition to those shown in the operating statements, debt retirement, and capital expenditures.

The District adheres to the following procedures in establishing the budget reflected in the financial statements:

1. Budgets are required by state law for all funds. During September, the proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Trustees to obtain taxpayer comments.

SPANISH PEAKS LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

3. Prior to December 31, the budget is adopted, and appropriations made by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget or changes in project or department budget. Budget amounts included in the financial statements are based on the final, legally amended budget.
5. Budget appropriations lapse at the end of each year.

Stewardship

Expenditures exceeded appropriations by \$12,617 as of December 31, 2024. This may be a violation of Colorado State Statutes 29-1-110.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of cash and deposits for the District are as follows:

Cash on Hand	\$	120
Cash in Banks		42,873
ColoTrust		874,737
Total Cash, Deposits, and Investments on Hand and in Banks	<u>\$</u>	<u>917,730</u>

Colorado State Statutes govern the District’s deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. All deposits in 2024 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. At December 31, 2024, \$0 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA. The District has not adopted a specific policy towards custodial credit risk or concentration of credit risk of deposits.

Investments

The District is subject to the provisions of the Colorado Revised statutes 24-75-601, which is entitled “Concerning Investments in Securities by Public Entities.” The District has not adopted a formal investment policy but does follow state statutes regarding investments.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

SPANISH PEAKS LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

The District’s investment policy and Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. They include:

- Obligations of the United States and certain U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investments contracts
- Corporate or bank debt issued by eligible corporations or banks

The COLOTRUST PLUS+ is rated AAAM by Standard and Poor’s and the weighted average maturity to reset (WAM)(R) is kept under 60 days.

As of December 31, 2024, the District had the following investments:

Investment	Maturity	Restriction	Amount
	Weighted Average		
COLOTRUST PLUS+	Under 60 Days	None	\$ 74,392
	Weighted Average		
COLOTRUST PLUS+	Under 60 Days	Bond Payments	800,345
			\$ 874,737

Fair Value

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

The District’s investments are not categorized within the fair value hierarchy. Instead, the District’s investments are measured at amortized cost or in certain circumstances the value is calculated using the NAV per share, or its equivalent of the investment. These investments include 2a7 like external investment pools and money market investments. The District held investments in COLOTRUST at year-end for which the investment valuations were determined as follows:

COLOTRUST determines the NAV of the share of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

SPANISH PEAKS LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2024

NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2024, the District had an estimated property tax receivable as follows:

<i>Governmental Activities:</i>	
General Fund	\$ 479,552

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<i>Governmental Activities:</i>				
Capital assets being depreciated				
Buildings and Improvements	\$ 3,620,465	\$ -	\$ -	\$ 3,620,465
Furnishings	143,977	-	-	143,977
Book Mobile	9,000	-	-	9,000
Computer Equipment	76,851	-	-	76,851
Total capital assets being depreciated	3,850,293	-	-	3,850,293
Less accumulated depreciation for:				
Buildings and Improvements	1,014,929	72,531	-	1,087,460
Furnishing	99,851	7,199	-	107,050
Book Mobile	9,000	-	-	9,000
Computer Equipment	73,219	1,362	-	74,581
Total accumulated depreciation	1,196,999	81,092	-	1,278,091
Total Capital Assets being depreciated, net	2,653,294	(81,092)	-	2,572,202
<i>Governmental Activities Capital Assets, Net</i>	\$ 2,653,294	\$ (81,092)	\$ -	\$ 2,572,202

Depreciation expense was charged to the functions/programs of the primary government as follows:

<i>Governmental Activities:</i>	
General Government	\$ 81,092
Total depreciation expense - governmental activities	\$ 81,092

NOTE 6 LONG-TERM LIABILITIES

In April 2016, the District issued \$1,325,000 in General Obligation Bonds, plus a premium of \$92,012, with interest rates of 3.00% to 4.00% to advance refund \$1,295,000 of outstanding 2008 Series bonds with interest rates ranging from 3.75% to 6.00%. Principal payments are due annually on December 1 and interest is paid semiannually June 1 and December 1 and is backed by the full faith and credit of the District. The bonds are rated "A-" by Standard and Poor's.

The net proceeds of \$1,357,214 (after payment of \$59,798 is underwriting fees, insurance, and other issuance costs) plus an additional \$75,000 of prior issue debt service fund monies were used to purchase U.S. Government Securities.

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Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 Series bonds. As a result, the 2008 Series bonds are considered to be defeased and the liability of the bonds has been removed from the government-wide statement of net position. The defeased principal of \$1,295,000 was paid in full on December 1, 2017.

The advance refunding results in a difference between the reacquisition price and the net carrying amount of the old debt of \$65,910. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being amortized annually at the same rate that interest expense is recognized and is being offset against interest expense. The amortization of 2024 totaled \$3,968.

The District completed the advance refunding to reduce its total debt service payments over the next 12 years by \$173,748 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$144,194.

A summary of changes in long-term debt is as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Series 2016	\$ 475,000	\$ -	\$ (110,000)	\$ 365,000	\$ 120,000

The following schedule reflects the District's payments to maturity:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 120,000	\$ 13,400	\$ 133,400
2026	120,000	9,800	129,800
2027	125,000	5,000	130,000
Total	\$ 365,000	\$ 28,200	\$ 393,200

The bonds were issued at a premium of \$92,012. This premium is being amortized annually at the same rate that interest expense is recognized and is being offset against interest expense. The amortization for 2024 totaled \$5,539, net.

NOTE 7 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, 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.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 7, 2006, voters approved a ballot question which stated that the District, without creating any new tax or increasing any current taxes, shall be permitted in 2009, and each subsequent year thereafter, to retain, spend, or reserve District revenues from any lawful source, as a voter-approved revenue change, offset and exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution, or Under Section 29-

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1-201, et seq., of the Colorado Revised Statutes, utilizing such revenues for District operations, capital improvements, equipment, and any other lawful purpose.

The amendment also requires Emergency Reserves that must be at least three percent of fiscal year spending. This Emergency Reserve has been presented as a restricted fund balance in the General Fund Balance Sheet and a restricted net position in the government-wide Statement of Net Position. The entity is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for the risks of loss including workman's compensation insurance.

The District has had no significant reduction in insurance coverage from prior years. The District has had no settlements exceed insurance coverage for the past five fiscal years.

NOTE 9 COMMITMENTS & CONTINGENCIES

The District is exposed to various legal actions normally associated with the District's activities, the aggregate effect of which in management's opinion would not be material to its financial statements.

SPANISH PEAKS LIBRARY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund, and if applicable, each of the District's major special revenue funds.

SPANISH PEAKS LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2024

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>(NEGATIVE)</u>
REVENUES				
Property Taxes - Operating	\$ 242,795	\$ 242,795	\$ 284,968	\$ 42,173
Property Taxes - Bond	235,791	235,791	242,202	6,411
Other Taxes	-	-	52,015	52,015
Fees/Fines & Copies/Printing	3,934	3,934	5,097	1,163
Grants/Donations - Operating	6,300	6,300	12,779	6,479
Interest	36,619	36,619	44,374	7,755
Other Library Revenues	6,975	6,975	11,870	4,895
TOTAL REVENUES	<u>532,414</u>	<u>532,414</u>	<u>653,305</u>	<u>115,996</u>
EXPENDITURES				
General Government				
Administrative	200,240	200,240	198,920	1,320
Collection Materials	9,500	9,500	20,340	(10,840)
Treasurer Fees	30,174	30,174	15,869	14,305
Operating	72,291	72,291	42,198	30,093
Technology	16,373	16,373	16,513	(140)
Facilities	-	-	19,186	(19,186)
Insurance	-	-	41,844	(41,844)
Capital Outlay	-	-	-	-
Debt Service	140,100	140,100	126,425	13,675
TOTAL EXPENDITURES	<u>468,678</u>	<u>468,678</u>	<u>481,295</u>	<u>(12,617)</u>
Net change in Fund Balance	63,736	63,736	172,010	103,379
Fund Balance, Beginning of year	<u>37,000</u>	<u>37,000</u>	<u>758,545</u>	<u>721,545</u>
Fund Balance, End of year	<u>\$ 100,736</u>	<u>\$ 100,736</u>	<u>\$ 930,555</u>	<u>\$ 824,924</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.