

**Clearview Library District
Windsor, Colorado**

Financial Statements
with Independent Auditor's Report

December 31, 2024



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Clearview Library District

Table of Contents

December 31, 2024

Independent Auditor's Report	1
Management's Discussion and Analysis	i
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	4
Statement of Activities	5
<i>Governmental Fund Financial Statements</i>	
Balance Sheet	6
Statement of Revenues, Expenditures and Changes in Fund Balance	7
<i>Notes to Financial Statements</i>	8
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability and Contributions.....	29
<i>Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions</i> ...	31
Schedule of Proportionate Share of the Net OPEB Liability and Contributions.....	36
<i>Notes to Schedule of Proportionate Share of the Net OPEB Liability and Contributions</i>	38
Budgetary Comparison Schedule - General Fund.....	42
<i>Notes to Budgetary Comparison Schedule - General Fund</i>	43



**HINKLE &
COMPANY**
Strategic PC
Business Advisors

Independent Auditor's Report

Board of Trustees
Clearview Library District
Windsor, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Clearview 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 present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the District, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 one year after the date that the financial statements are issued.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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 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 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Hick & Company, PC

Englewood, Colorado
September 22, 2025



Clearview Library District

Management's Discussion and Analysis

December 31, 2024

As management of the Clearview Library District (the "District"), we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2024. The District's financial performance is discussed and analyzed within the context of the accompanying financial statement and disclosures following this section.

Overview of the Financial Statements

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative data are presented when available.

Government-wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

- *The Statement of Net Position.* This is the government-wide statement of financial position presenting information that includes all of the District's assets and liabilities, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of District infrastructure, in addition to the financial information provided in this report.
- *The Statement of Activities* reports how the District's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by property taxes and from business-type activities that are intended to recover a portion of their costs through user fees and charges. Governmental activities include general library operations. The District has no business-type activities.

Clearview Library District
Management's Discussion and Analysis
December 31, 2024

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's significant funds. Each major fund is separately reported.

The District has one fund type. *Governmental funds* are reported in the fund financial statement and encompass the same functions reported as governmental activities in the government-wide financial statements.

However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the difference between these two perspectives.

Notes to Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's detailed budget presentations. This statement demonstrates compliance with the District's adopted and final revised budget.

As discussed, the district reports major funds in the basic financial statements. The District reports one such fund – The General Fund.

Government-wide Financial Analysis

The following represents condensed financial information taken from the government-wide (accrual basis) financial statement for the year ended December 31, 2024.

Clearview Library District
Management's Discussion and Analysis
December 31, 2024

Financial Analysis of the Funds

Statement of Net Position		
	2024	Percent of Total
Assets		
Cash and Investments	\$ 11,344,103	36.24%
Property Tax Receivable	6,779,261	21.66%
Prepaid Expenses	19,573	0.06%
Capital Assets, Not Being Depreciated	1,037,824	3.32%
Capital Assets, Being Depreciated	12,121,170	38.72%
Total Assets	31,301,931	100.00%
Deferred Outflows of Resources		
Pension, Net of Accumulated Amortization	838,206	95.00%
OPEB, Net of Accumulated Amortization	44,089	5.00%
Total Deferred Outflows of Resources	882,295	100.00%
Liabilities		
Accounts Payable	211,742	2.89%
Accrued Liabilities	41,964	0.57%
Accrued Interest Payable	8,883	0.12%
Noncurrent Liabilities		
Due Within One Year	303,963	4.15%
Due in More Than One Year	4,919,887	67.25%
Net Pension Liability	1,698,498	23.22%
Net OPEB Liability	131,295	1.79%
Total Liabilities	7,316,232	100.00%
Deferred Inflows of Resources		
Property Taxes	6,779,261	99.64%
Deferred Inflows - OPEB	24,337	0.36%
Total Deferred Inflows of Resources	6,803,598	100.00%
Net Position		
Net Investment in Capital Assets	8,063,994	44.64%
Restricted	290,000	1.61%
Unrestricted	9,710,402	53.75%
Total Net Position	\$ 18,064,396	100.00%

Clearview Library District
Management's Discussion and Analysis
December 31, 2024

	2024	Percent of Total Revenue
Revenues		
Property Taxes	\$ 8,407,933	87.95%
Specific Ownership Taxes	298,227	3.12%
Charges for Services	10,957	0.11%
Grant	276,594	2.89%
Investment Income	563,279	5.89%
Miscellaneous	2,371	0.02%
	9,559,361	100.00%
Expenditures		
Library Services	5,199,050	54.39%
Debt Service	111,188	1.16%
	5,310,238	55.55%
Change in Net Position	\$ 4,249,123	44.45%

Financial Highlights

- As of December 31, 2024 the District's net pension liability was \$1,698,498 which is a decrease from the 2023 net pension liability of \$2,135,143.
- The District realized an increase to total net position of \$4,249,123 to a total of \$18,064,396. Of the total net position, \$8,063,994 is reflected in the net investment in capital assets and \$290,000 is restricted for emergencies.
- Property tax revenue remains the District's primary source of operating funds. In 2024, it accounted for 87.95% of the District's total revenues.
- Since tax year 2002, the District has been authorized to levy a combined operating and debt service mill levy of 3.546 mills. Voters have approved that the District may collect, retain, and utilize all revenues from this levy. The District is also exempt from the former 5.5% property tax revenue limitation under TABOR, preventing what was known as the "ratchet-down" effect on property tax revenue.
- As of the end of 2024, the District's fund balance was \$11,109,970, reflecting a net increase of \$1,789,984. This improvement was primarily driven higher property tax collections than anticipated.
- The District made the required payments on the certificate of participation of \$356,606.

Clearview Library District
Management's Discussion and Analysis
December 31, 2024

- In accordance with GASB Statement No. 101, Compensated Absences, the District recognized a liability for unpaid compensated absences totaling \$128,850 as of December 31, 2024.
- Ground was broken for the Severance Library in May of 2023 and construction started soon after. Funds from the Department of Local Affairs and the 2022 certificate of participation issuance partially used to fund the construction in 2023. Construction of the Severance Library was completed in 2024 with a grand opening on April 6, 2024.

Request for Information

This financial report is designed to provide a general overview of the District's finances for anyone who is interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Clearview Library District, 1194 W. Ash St., Windsor, CO 80550, or you may call the library director at (970)-686-9955.

Basic Financial Statements

Clearview Library District
Statement of Net Position
December 31, 2024

	<u>Primary Governmental Activities</u>
Assets	
Cash and Investments	\$ 11,344,103
Property Taxes Receivable	6,779,261
Prepaid Expenses	19,573
Capital Assets, Not Being Depreciated	1,037,824
Capital Assets, Net of Accumulated Depreciation	<u>12,121,170</u>
Total Assets	<u>31,301,931</u>
Deferred Outflows of Resources	
Pensions, Net of Accumulated Amortization	838,206
OPEB, Net of Accumulated Amortization	<u>44,089</u>
Total Deferred Outflows of Resources	<u>882,295</u>
Liabilities	
Accounts Payable	211,742
Accrued Liabilities	41,964
Accrued Interest Payable	8,883
Noncurrent Liabilities:	
Due Within One Year	303,963
Due in More Than One Year	4,919,887
Net Pension Liability	1,698,498
Net OPEB Liability	<u>131,295</u>
Total Liabilities	<u>7,316,232</u>
Deferred Inflows of Resources	
Property Taxes	6,779,261
OPEB, Net of Accumulated Amortization	<u>24,337</u>
Total Deferred Inflows of Resources	<u>6,803,598</u>
Net Position	
Net Investment in Capital Assets	8,063,994
Restricted	290,000
Unrestricted	<u>9,710,402</u>
Total Net Position	<u>\$ 18,064,396</u>

Clearview Library District
Statement of Activities
December 31, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grant and Contributions	in Net Position Governmental Activities
Primary Government				
<i>Governmental Activities</i>				
Library Services	\$ 5,199,050	\$ 10,957	\$ 276,594	\$ (4,911,499)
Interest on Debt	<u>111,188</u>	<u>-</u>	<u>-</u>	<u>(111,188)</u>
Total Primary Government	<u>\$ 5,310,238</u>	<u>\$ 10,957</u>	<u>\$ 276,594</u>	<u>(5,022,687)</u>
General Revenues				
Taxes				8,706,160
Interest Income				563,279
Miscellaneous				<u>2,371</u>
Total General Revenues				<u>9,271,810</u>
Change in Net Position				4,249,123
Net Position, Beginning of Year				<u>13,815,273</u>
Net Position, End of Year				<u>\$ 18,064,396</u>

Clearview Library District
Balance Sheet
Governmental Funds
December 31, 2024

	General
Assets	
Cash and Investments	\$ 11,344,103
Property Taxes Receivable	6,779,261
Prepaid Items	19,573
Total Assets	18,142,937
Liabilities	
Accounts Payable	211,742
Accrued Liabilities	41,964
Total Liabilities	253,706
Deferred Inflows of Resources	
Property Taxes	6,779,261
Fund Balance	
Nonspendable:	
Prepaid Items	19,573
Restricted for:	
Emergencies	290,000
Committed:	
Operating Reserve	2,349,194
Capital Reserve	1,276,367
Long-Term Building	2,579,257
Unrestricted, Unassigned	4,595,579
Total Fund Balance	11,109,970
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 18,142,937
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Total Fund Balance of Governmental Funds	\$ 11,109,970
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	13,158,994
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Notes Payable	(5,095,000)
Accrued Compensated Absences	(128,850)
Accrued Interest Payable	(8,883)
Net Pension Liability	(1,698,498)
OPEB Liability	(131,295)
Deferred Outflows - Pension	838,206
Deferred Outflows - OPEB	44,089
Deferred Inflows - OPEB	(24,337)
Total Net Position of Governmental Activities	\$ 18,064,396

See Notes to the Financial Statements.

Clearview Library District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	General
Revenues	
Property Taxes	\$ 8,407,933
Specific Ownership Taxes	298,227
Charges for Services	10,957
Grants	276,594
Investment Income	563,279
Miscellaneous	2,371
Total Revenues	9,559,361
Expenditures	
Current	
Library Services	4,821,768
Capital Outlay	2,591,003
Debt Service	356,606
Total Expenditures	7,769,377
Net Change in Fund Balance	1,789,984
Fund Balance, Beginning of Year	9,319,986
Fund Balance, End of Year	\$ 11,109,970
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Change in Fund Balance of Governmental Funds	\$ 1,789,984
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Depreciation Expense	(328,502)
Capital Outlays	2,415,035
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Compensated Absences	(23,952)
Accrued Interest Payable	418
Principal Payments on Notes Payable	245,000
Net Pension Liability	436,645
OPEB Liability	8,711
Deferred Outflows - Pension	(334,612)
Deferred Outflows - OPEB	3,604
Deferred Inflows - Pension	10,645
Deferred Inflows - OPEB	26,147
Change in Net Position of Governmental Activities	\$ 4,249,123

See Notes to the Financial Statements.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

The Clearview Library District (the District) was formed on August 25, 1985, by the Town of Windsor and the Weld RE4 School District. The District is governed by a five-member Board of Trustees appointed in accordance with the by-laws of District.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the District.

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 activities of the District. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported in a single column. The *primary government* is reported separately from the legally separate *component unit* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment 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 customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements 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 to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and investment income associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the District's practice to use restricted resources first, and unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It is used to account for all financial activities of the District, except those accounted for in another fund.

Assets, Liabilities and Net Position/Fund Balance

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses.

Capital Assets - Capital assets, which include buildings and improvements, furniture and equipment, and books and audio-visual materials, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$3,000 or more and an estimated useful life in excess of one year, except for library books and audio-visual materials, which are capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives. Library books and audio-visual materials are depreciated using a composite rate on a first-in, first-out basis.

Buildings and Improvements	15 - 40 years
Furniture and Equipment	5 - 15 years
Library Books and Audio-Visual Materials	10 years

Compensated Absences - Employees of the District are allowed to accumulate unused vacation time. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time at their current pay rate.

These compensated absences are recognized as expenditures when due in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences, which are expected to be liquidated with revenues of the General Fund.

Pensions - The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP), and additions to and deductions from the FNP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent fiscal year.

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The Board of Trustees is authorized to commit fund balance through passage of a resolution and has assigned fund balances to specific purposes using the budget message.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance (Continued)

The District has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the District uses restricted fund balance first, followed by committed, assigned and unassigned fund balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the District on a monthly basis.

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; and natural disasters. The District purchases commercial insurance for these risks of loss.

Subsequent Events

The District has evaluated subsequent events through September 22, 2025, the date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2024, follows:

Petty Cash	\$	797
Deposits		265,944
Investment		<u>11,077,362</u>
 Total	 \$	 <u>11,344,103</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 2: Cash and Investments (Continued)

Investments

The District is required to comply with state statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. 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
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in one issuer, except for corporate securities.

Local Government Investment Pool - At December 31, 2024, the District had \$11,077,362 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST operates in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. COLOTRUST is rated AAAM by Standard and Poor's. Investments of COLOTRUST are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Fair Value Measurements - The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2024, the District's investment in COLOTRUST was reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2024, is summarized below.

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 1,037,824	\$ -	\$ -	\$ -	\$ 1,037,824
Construction in Progress	6,470,838	2,415,035	(8,885,873)	-	-
Total Capital Assets, Not Being Depreciated	<u>7,508,662</u>	<u>2,415,035</u>	<u>(8,885,873)</u>	<u>-</u>	<u>1,037,824</u>
<i>Capital Assets, Being Depreciation</i>					
Buildings and Improvement	4,557,726	-	7,135,710	-	11,693,436
Land Improvements	146,656	-	-	-	146,656
Books	1,003,232	-	-	-	1,003,232
Furniture and Equipment	918,620	-	1,750,163	-	2,668,783
Total Capital Assets, Being Depreciation	<u>6,626,234</u>	<u>-</u>	<u>8,885,873</u>	<u>-</u>	<u>15,512,107</u>
<i>Less Accumulated Depreciation:</i>					
Buildings and Improvement	(1,757,599)	(226,895)	-	-	(1,984,494)
Land Improvements	(129,584)	(4,280)	-	-	(133,864)
Books	(367,522)	-	-	-	(367,522)
Furniture and Equipment	(807,730)	(97,327)	-	-	(905,057)
Total Accumulated Depreciation	<u>(3,062,435)</u>	<u>(328,502)</u>	<u>-</u>	<u>-</u>	<u>(3,390,937)</u>
Total Capital Assets, Being Depreciated	<u>3,563,799</u>	<u>(328,502)</u>	<u>8,885,873</u>	<u>-</u>	<u>12,121,170</u>
Capital Assets, Net	<u>\$ 11,072,461</u>	<u>\$ 2,086,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,158,994</u>

Note 4: Long-Term Debt

The long-term debt transactions for the year ended December 31, 2024, is summarized below.

	Balance 12/31/23	Additions	Deletions	Balance 12/31/24	Due Within One Year
<i>Notes Payable</i>					
Certification of Participation	\$ 5,340,000	\$ -	\$ (245,000)	\$ 5,095,000	\$ 255,000
Compensated Absences	104,898	88,989	(65,037)	128,850	48,963
Total Long-Term Debt	<u>\$ 5,444,898</u>	<u>\$ 88,989</u>	<u>\$ (310,037)</u>	<u>\$ 5,223,850</u>	<u>\$ 303,963</u>

On March 1, 2022, the District issued certificates of participation in the amount of \$5,760,000. The proceeds are being used to build the newly acquired Severance property. The certificates require semi-annual interest and annual principal payments on June 1 and December 1 through December 2041. The Certificates bear an interest rate of 2.09%.

The District has the right to terminate the lease and pre-pay remaining balance with no pre-payment penalty. The District has the requirement to not be in default in the payments and to maintain adequate insurance on the property. The District does not have to comply with specific financial covenants.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

The annual debt service requirements for the Certificates are as follows:

<u>Year End December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2025	\$ 255,000	\$ 106,486	\$ 361,486
2026	260,000	101,156	361,156
2027	265,000	95,722	360,722
2028	270,000	90,184	360,184
2029	275,000	84,541	359,541
2030 to 2034	1,460,000	334,296	1,794,296
2035 to 2039	1,615,000	175,247	1,790,247
2040 to 2041	695,000	21,841	716,841
	<u>\$ 5,095,000</u>	<u>\$ 1,009,473</u>	<u>\$ 6,104,473</u>

Note 5: Defined Benefit Pension Plan

General Information

Plan Description - Eligible employees of the District are provided with pensions through the LGDTF, a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2023 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 5: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place under which service credit was obtained, and the qualified survivor who will receive the benefits.

Contributions provisions as of December 31, 2024 - Eligible employees of the District and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. The contribution rate for eligible employees was 9% of covered salaries during the period of January 1, 2023 to June 30, 2023, and 9% of covered salaries during the period of July 1, 2023 through December 31, 2024. The District's contribution rate for calendar year 2024 was 14.78% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 6). Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the members and the District is statutorily committed to pay the contributions to the LGDTF. The District's contributions to the LGDTF for the year ended December 31, 2024, were \$346,483, equal to the required contributions.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 5: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the LGDTF was measured at December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TPL to December 31, 2023. The District's proportion of the net pension liability was based on District's contributions to the LGDTF for the calendar year 2023 relative to the total contributions of participating employers.

At December 31, 2024, the District reported a net pension liability of \$1,698,498 for its proportionate share of the net pension liability.

At December 31, 2023 the District's proportion was 0.2313901070%, which was a decrease of 0.0184216098% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the District recognized pension benefit of \$49,734. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 491,723	\$ -
Contributions subsequent to the measurement date	346,483	-
Total	\$ 838,206	\$ -

\$346,483 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2025	\$ 210,048
2026	418,293
2027	(136,618)
Total	\$ 491,723

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 5: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions - The TPL in the December 31, 2022, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs.

	<u>Assumptions</u>
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.2% - 11.30%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by the Annual Increase Reserve (AIR)

¹The discount rate reflected in the roll-forward calculation of the total pension liability to the measurement date was 7.25%.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 5: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternative	6.00%	4.70%
Total	100%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 5: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate - The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24.967 million and \$1.033 million, respectively.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 5: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Based on the above assumptions and methods, the LGDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ <u>3,329,245</u>	\$ <u>1,698,498</u>	\$ <u>332,482</u>

Pension Plan Fiduciary Net Position - Detailed information about the LGDTF’s fiduciary net position is available in PERA’s separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

Note 6: Postemployment Healthcare Benefits

General Information

Plan Description - Eligible employees of the District are provided with OPEB through the HCTF, a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 6: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined by assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 6: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Contributions - As established by Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the members and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District for the year ended December 31, 2024, was \$25,685, equal to the required amount.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024, the District reported a net OPEB liability of \$131,295 for its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2023, relative to the contributions of all participating employers to the HCTF.

At December 31, 2023, the District's proportion was 0.0183956850%, which was an increase of 0.0024351985% from its proportion measured at December 31, 2022.

For the year ended December 31, 2024, the District recognized OPEB expense of \$4,246. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,156
Changes in assumptions and other inputs	1,007	9,630
Net difference between projected and actual earnings on plan investments	3,530	-
Changes in proportion	13,867	551
Contributions subsequent to the measurement date	25,685	-
Total	<u>\$ 44,089</u>	<u>\$ 24,337</u>

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 6: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$25,685 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended December 31,</u>		
2025	\$	(5,285)
2026		630
2027		(2,672)
2028		(1,677)
2029		<u>3,071</u>
Total	\$	<u>(5,933)</u>

Actuarial Assumptions - The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	<u>Assumptions</u>
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
PERA Benefit Structure:	0.0%
PERACare Medicare plans	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.75% in 2023, gradually increasing to 4.50% in 2035

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

The 2023 Medicare Part A premium is \$506 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 6: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Clearview Library District

Notes to Financial Statements

December 31, 2024

Note 6: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Clearview Library District
Notes to Financial Statements
December 31, 2024

Note 6: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized, as presented previously (See Note 5).

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount Rate - The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

Clearview Library District

Notes to Financial Statements

December 31, 2024

Note 6: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District proportionate share of the net OPEB liability to changes in the discount rate - The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ <u>155,076</u>	\$ <u>131,295</u>	\$ <u>110,950</u>

Sensitivity of the District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates - The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, ranging from 2.50% to 7.75%, as well as if it were calculated using health care cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Proportionate share of the net OPEB liability	\$ <u>127,526</u>	\$ <u>131,295</u>	\$ <u>135,394</u>

Clearview Library District

Notes to Financial Statements

December 31, 2024

Note 6: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's FNP is available in PERA's ACFR, which may be obtained at www.copera.org/investments/pera-financial-reports.

Note 7: Commitments and Contingencies

TABOR Amendment

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, but the District believes it is in substantial compliance with the Amendment.

In November 2001, electors within the District authorized the District to collect and keep and expend all revenues received and to continue to levy its operating mill levy of 3.546 mills in 2002, and each year thereafter.

The District has established a reserve for emergencies, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve of \$290,000 was reported as restricted fund balance in the General Fund.

Required Supplementary Information

Clearview Library District
Schedules of Proportionate Share of Net Pension Liability and Contributions
(And Related Statistics)
For the Years Ended December 31, 2024, 2023, 2022, 2021 and 2020

Measurement Date	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Proportionate Share of the Net Pension Liability					
District's Proportion of the Net Pension Liability	0.2313901070%	0.2129684972%	0.2053136949%	0.2033565142%	0.1939148053%
District's Proportionate Share of the Net Pension Liability \$	1,698,498	\$ 2,135,143	\$ (176,030)	\$ 1,059,746	\$ 1,418,275
District's Covered Payroll	\$ 2,032,811	\$ 1,727,088	\$ 1,529,214	\$ 1,433,942	\$ 1,335,391
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	84%	124%	-12%	74%	106%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88%	83%	101%	91%	86%
Reporting Date	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
District Contributions					
Statutorily Required Contribution	\$ 346,483	\$ 279,309	\$ 250,557	\$ 201,851	\$ 171,736
Contributions in Relation to the Statutorily Required Contribution	<u>(346,483)</u>	<u>(279,309)</u>	<u>(250,557)</u>	<u>(201,851)</u>	<u>(171,736)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,518,166</u>	<u>\$ 2,032,811</u>	<u>\$ 1,727,088</u>	<u>\$ 1,529,214</u>	<u>\$ 1,433,942</u>
Contributions as a Percentage of Covered Payroll	13.76%	13.74%	14.51%	13.20%	11.98%

This schedule is presented to show information for 10 years.

(Continued)

Clearview Library District
Schedules of Proportionate Share of Net Pension Liability and Contributions
(And Related Statistics)
For the Years Ended December 31, 2019, 2018, 2017, 2016 and 2015
(Continued)

Measurement Date	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Proportionate Share of the Net Pension Liability					
District's Proportion of the Net Pension Liability	0.1905991238%	0.1960687538%	0.1847000000%	0.1720000000%	0.1718000000%
District's Proportionate Share of the Net Pension Liability \$	2,396,237	\$ 2,183,088	\$ 2,494,489	\$ 1,895,070	\$ 1,540,151
District's Covered Payroll	\$ 1,314,385	\$ 1,235,566	\$ 1,119,697	\$ 977,063	\$ 941,566
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	182%	177%	223%	194%	164%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76%	79%	74%	77%	81%
Reporting Date	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
District Contributions					
Statutorily Required Contribution	\$ 169,328	\$ 158,517	\$ 156,838	\$ 141,978	\$ 123,885
Contributions in Relation to the Statutorily Required Contribution	<u>(169,328)</u>	<u>(158,517)</u>	<u>(156,838)</u>	<u>(141,978)</u>	<u>(123,885)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 1,335,391</u>	<u>\$ 1,314,385</u>	<u>\$ 1,335,391</u>	<u>\$ 1,119,697</u>	<u>\$ 977,063</u>
Contributions as a Percentage of Covered Payroll	12.68%	12.06%	11.74%	12.68%	12.68%

This schedule is presented to show information for 10 years.

Clearview Library District

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions December 31, 2024

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$24,967,000 and \$1,033,000, respectively.
- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225,000,000 direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in § 24-51-416, plus \$10,000,000 from the General Fund, totaling \$14,561,000.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2022 Changes in Plan Provisions Since 2021

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled \$225,000,000 direct distribution, a warrant to PERA in the amount of \$380,000,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190,000,000 to \$35,000,000. The July 1, 2024, direct distribution will not be reduced from \$225,000,000 due to a negative investment return in 2022.
- The TPL for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Clearview Library District

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions December 31, 2024

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

2021 Changes in Plan Provisions Since 2020

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
 - Member contribution rates increase by 0.50%.
 - Employer contribution rates increase by 0.50%.
 - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.

2020 Changes in Plan Provisions Since 2019

- HB 20-1379, enacted on June 29, 2020, suspended the \$225,000,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

2019 Changes in Plan Provisions Since 2018

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
 - Member contribution rates increase by 0.50%.
 - Employer contribution rates increase by 0.50%.
 - AI cap is lowered from 1.50% per year to 1.25%.
- HB 19-1217, enacted May 20, 2019, repealed the member contribution increases scheduled for the Local Government Division pursuant to SB 18-200.

2018 Changes in Plan Provisions Since 2017

- The following changes were made to the plan provisions as part of SB 18-200:
 - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
 - Employer contribution rates increase by 0.25% effective July 1, 2019 for State, School, Judicial, and DPS Divisions.
 - An annual direct distribution of \$225,000,000 from the State of Colorado, recognized as a non-employer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
 - AI cap is lowered from 2.00% per year to 1.50% per year.
 - Initial AI waiting period is extended from one year after retirement to three years after retirement.
 - AI payments are suspended for 2018 and 2019.
 - The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.

Clearview Library District

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions
December 31, 2024

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

2017 Changes in Plan Provisions Since 2016

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division on December 2, 2017. For the purpose of the December 31, 2017, measurement date, liabilities were determined assuming no additional benefit accruals for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159,000 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063,000 and \$96,000, respectively. There were no changes made to the plan provisions applicable to the Local Government Division Trust Fund.

2016 Changes in Plan Provisions Since 2015

- There were no changes made to the plan provisions applicable to the Local Government Division Trust Fund.

2015 Changes in Plan Provisions Since 2014

- There were no changes made to the plan provisions applicable to the Local Government Division Trust Fund.

2014 Changes in Plan Provisions Since 2013

- There were no changes made to the plan provisions applicable to the Local Government Division Trust Fund.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2023 Changes in Assumptions or Other Inputs Since 2022

- There were no changes made to the actuarial methods or assumptions.

2022 Changes in Assumptions of Other Inputs Since 2021

- There were no changes made to the actuarial methods or assumptions.

2021 Changes in Assumptions of Other Inputs Since 2020

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

2020 Changes in Assumptions of Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Clearview Library District

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions December 31, 2024

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2020 Changes in Assumptions of Other Inputs Since 2019 (Continued)

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a benefit-weighted basis.

2019 Changes in Assumptions of Other Inputs Since 2018

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

2018 Changes in Assumptions of Other Inputs Since 2017

- The single equivalent interest rate (SEIR) for the School Division was increased from 4.78% to 7.25% to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

2017 Changes in Assumptions of Other Inputs Since 2016

- The SEIR for the School Division was lowered from 5.26% to 4.78% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

2016 Changes in Assumptions of Other Inputs Since 2015

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The post-retirement mortality assumption for healthy lives for the School, Judicial, and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.

Clearview Library District

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions
December 31, 2024

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2016 Changes in Assumptions of Other Inputs Since 2015 (Continued)

- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from .35% to .40%.
- The SEIR for the State and School Divisions was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86% on the measurement date.

2015 Changes in Assumptions of Other Inputs Since 2014

- The following programming changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage.
 - Reflection of the employer match on separation benefits for all eligible years.
 - Reflection of one year of service eligibility for survivor annuity benefit.
 - Refinement of the 18-month AI timing.
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - Recognition of merit salary increases in the first projection year.
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year.

2014 Changes in Assumptions of Other Inputs Since 2013

- There were no changes made to the actuarial methods or assumptions.

Clearview Library District
Schedules of Proportionate Share of Net OPEB Liability and Contributions
(And Related Statistics)
For the Years Ended December 31, 2024, 2023, 2022 and 2021

Measurement Date	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Proportionate Share of the Net OPEB Liability				
District's Proportion of the Net OPEB Liability	0.0183956850%	0.0171475411%	0.0159604865%	0.0155093452%
District's Proportionate Share of the Net OPEB Liability	\$ 162,309	\$ 162,309	\$ 137,628	\$ 168,819
District's Covered Payroll	\$ 2,032,811	\$ 1,727,088	\$ 1,529,214	\$ 1,433,942
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	8%	9%	9%	12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46%	39%	17%	33%
Reporting Date	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
District Contributions				
Statutorily Required Contribution	\$ 25,685	\$ 20,735	\$ 17,616	\$ 15,598
Contributions in Relation to the Statutorily Required Contribution	<u>(25,685)</u>	<u>(20,735)</u>	<u>(17,616)</u>	<u>(15,598)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 2,518,166</u>	<u>\$ 2,032,811</u>	<u>\$ 1,727,088</u>	<u>\$ 1,529,214</u>
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Clearview Library District
Schedules of Proportionate Share of Net OPEB Liability and Contributions
(And Related Statistics)
For the Years Ended December 31, 2020, 2019, 2018 and 2017
(Continued)

Measurement Date	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
Proportionate Share of the Net OPEB Liability				
District's Proportion of the Net OPEB Liability	0.0147809766%	0.0148515701%	0.0152354666%	0.0141805787%
District's Proportionate Share of the Net OPEB Liability	\$ 225,015	\$ 226,090	\$ 198,000	\$ 183,856
District's Covered Payroll	\$ 1,335,391	\$ 1,314,385	\$ 1,235,566	\$ 1,119,697
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	17%	17%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17%	17%	17%	17%
Reporting Date	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
District Contributions				
Statutorily Required Contribution	\$ 14,626	\$ 13,621	\$ 12,751	\$ 11,985
Contributions in Relation to the Statutorily Required Contribution	<u>(14,626)</u>	<u>(13,621)</u>	<u>(12,751)</u>	<u>(11,985)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 1,433,942</u>	<u>\$ 1,335,391</u>	<u>\$ 1,314,385</u>	<u>\$ 1,335,391</u>
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	0.97%	0.90%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Clearview Library District

Notes to Schedule of Proportionate Share of the Net OPEB Liability and Contributions December 31, 2024

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023, and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1,033,000 and \$24,967,000, respectively.

2022 Changes in Plan Provisions Since 2021

- The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

2021 Changes in Plan Provisions Since 2020

- There were no changes made to plan provisions.

2020 Changes in Plan Provisions Since 2019

- There were no changes made to plan provisions.

2019 Changes in Plan Provisions Since 2018

- There were no changes made to plan provisions.

2018 Changes in Plan Provisions Since 2017

- There were no changes made to plan provisions.

2017 Changes in Plan Provisions Since 2016

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the HCTF on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159,000 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063,000 and \$96,000, respectively.

2016 Changes in Plan Provisions Since 2015

- There were no changes made to plan provisions.

Clearview Library District

Notes to Schedule of Proportionate Share of the Net OPEB Liability and Contributions
December 31, 2024

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2023 Changes in Assumptions or Other Inputs Since 2022

- There were no changes made to the actuarial methods or assumptions.

2022 Changes in Assumptions or Other Inputs Since 2021

- The timing of the retirement decrement was adjusted to middle-of-year.

2021 Changes in Assumptions or Other Inputs Since 2020

- There were no changes made to the actuarial methods or assumptions.

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
 - **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
 - **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a head-count weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

- There were no changes made to the actuarial methods or assumptions.

2018 Changes in Assumptions or Other Inputs Since 2017

- There were no changes made to the actuarial methods or assumptions.

Clearview Library District

Notes to Schedule of Proportionate Share of the Net OPEB Liability and Contributions December 31, 2024

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2017 Changes in Assumptions or Other Inputs Since 2016

- There were no changes made to the actuarial methods or assumptions.

2016 Changes in Assumptions or Other Inputs Since 2015

- The following methodology change was made:
 - The Entry Age Normal actuarial cost method allocation basis has been changed from a level dollar amount to a level percentage of pay.
- The following changes were made to the actuarial assumptions:
 - The investment rate of return assumption decreased from 7.50% to 7.25%.
 - The price inflation assumption decreased from 2.80% to 2.40%.
 - The wage inflation assumption decreased from 3.90% to 3.50%.
 - The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
 - The post-retirement mortality assumption for healthy lives for the School, Judicial, and DPS Divisions was changed to the RP-2014 White Collar Healthy.
 - Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
 - For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
 - The assumed rates of withdrawal, retirement, and disability have been adjusted to more closely reflect experience.
 - The assumed rates of PERACare participation have been revised to reflect more closely actual experience.
 - Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect the change in costs for the 2017 plan year.
 - The percentage of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage have been revised to reflect more closely actual experience.
 - The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage has been revised to reflect more closely actual experience.
 - The health care cost trend rates for Medicare Part A premiums have been revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
 - Assumed election rates for the PERACare coverage options available to future PERACare enrollees who will qualify for the "No Part A Subsidy" when they retire have been revised to more closely reflect actual experience.

Clearview Library District

Notes to Schedule of Proportionate Share of the Net OPEB Liability and Contributions
December 31, 2024

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2016 Changes in Assumptions or Other Inputs Since 2015 (Continued)

- Assumed election rates for the PERACare coverage options available to those current PERACare enrollees, who qualify for the "No Part A Subsidy" but have not reached age 65, have been revised to more closely reflect actual experience.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees was revised to reflect more closely actual experience.
- The assumed age differences between future retirees and their participating spouses have been revised to reflect more closely actual experience

Clearview Library District
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property Taxes	\$ 8,233,544	\$ 8,233,544	\$ 8,407,933	\$ 174,389
Specific Ownership Taxes	245,000	245,000	298,227	53,227
State Library Grant	13,586	13,586	13,586	-
DOLA Grant	173,440	263,008	263,008	-
Charges for Services	-	-	10,957	10,957
Investment Income	400,000	400,000	563,279	163,279
Miscellaneous	11,000	11,000	2,371	(8,629)
Total Revenues	<u>9,076,570</u>	<u>9,166,138</u>	<u>9,559,361</u>	<u>393,223</u>
Expenditures				
Current				
Library Services	5,863,023	5,863,023	4,821,768	1,041,255
Capital Outlay	1,523,660	3,119,735	2,591,003	528,732
Debt Service	356,060	356,060	356,606	(546)
Total Expenditures	<u>7,742,743</u>	<u>9,338,818</u>	<u>7,769,377</u>	<u>1,569,441</u>
Net Change in Fund Balance	<u>\$ 1,333,827</u>	<u>\$ (172,680)</u>	1,789,984	<u>\$ 1,962,664</u>
Fund Balance, Beginning of Year			<u>9,319,986</u>	
Fund Balance, End of Year			<u>\$ 11,109,970</u>	

Clearview Library District
Notes to Budgetary Comparison Schedule - General Fund
December 31, 2024

Note 1: Stewardship, Compliance and Accountability

Budgetary Information

Budgets are required by State statutes for all funds and are adopted on a basis consistent with generally accepted accounting principles.

The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Trustees a proposed budget for the fiscal year commencing the following October 15. The budget includes proposed expenditures and the means of financing them.
- Prior to December 31, the budget is adopted by the Board of Trustees.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- All appropriations lapse at fiscal year-end.



Board of Trustees
Clearview Library District
Windsor, Colorado

We have audited the financial statements of Clearview Library District (the District) as of and for the year ended December 31, 2024, and have issued our report thereon dated September 22, 2025. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated January 27, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

We applied certain limited procedures to the required supplementary information (RSI). However, we did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, has complied with all relevant ethical requirements regarding independence.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the significant estimates in determining that they are reasonable in relation to the financial statements as a whole.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We propose no uncorrected adjustments to the financial statements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a letter dated September 22, 2025.



Difficulties Encountered in Performing the Audit

We encountered no difficulties dealing with management during the audit process.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves the application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to contact us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and the responses were not a condition to our retention.

This report is intended solely for the information and use of the Board of Trustees and management of the Clearview Library District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Hick & Company, PC

Englewood, Colorado
September 22, 2025

