ELBERT COUNTY
LIBRARY DISTRICT
dba
PINES AND PLAINS LIBRARIES

FINANCIAL STATEMENTS

DECEMBER 31, 2025

ELBERT COUNTY LIBRARY DISTRICT
dba PINES AND PLAINS LIBRARIES
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PINES & PLAINS LIBRARIES

Management Discussion and Analysis

This discussion and analysis of the Elbert County Library District, *dba* Pines and Plains Libraries, (the District) financial performance provides an overview of the District's financial activities for the year ended December 31, 2025. Review this discussion and analysis in conjunction with the District's financial statements.

Statement of Net Position and Statement of Activities – Governmental Activities

The Statement of Net Position includes all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the District's financial position's improvement or decline.

STATEMENTS OF NET POSITION - GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2025 AND 2024

	2025	2024	Variance
ASSETS:			
Cash	$ 3,455,765	$ 2,843,029	$ 612,736
Receivables, net	1,824,960	1,753,962	70,998
Prepaid expenses	29,931	31,760	(1,829)
Capital assets, net	1,688,252	1,709,492	(21,240)
Total Assets	$ 6,998,908	$ 6,338,243	$ 660,665
DEFERRED OUTFLOWS OF RESOURCES:			
Pension related asset	246,746	307,587	(60,841)
Total Deferred Outflows of Resources	246,746	307,587	(60,841)
LIABILITIES:			
Accounts payable and accrued expenses	$ 44,221	$ 46,897	$ (2,676)
Long-term liabilities:			
Due within one year	70,684	64,476	6,208
Due in more than one year	15,582	38,239	(22,657)
Net pension liability	486,990	506,937	(19,947)
Total Liabilities	617,477	656,549	(39,072)
DEFERRED INFLOWS OF RESOURCES:			
Pension related liability	18,850	21,706	(2,856)
Property and specific ownership tax revenue	1,807,456	1,747,271	60,185
Total Deferred Inflows of Resources	1,826,306	1,768,977	57,329
NET POSITION:			
Investment in capital assets, net of related debt	1,650,047	1,649,467	580
Restricted	1,494,191	867,916	626,275
Unrestricted	1,657,633	1,702,921	(45,288)
Total Net Position	$ 4,801,871	$ 4,220,304	$ 581,567

From 2024 to 2025, the District's total net position increased by $581,567. Cash increased by $612,736. Receivables, which are mostly tax revenue, increased by $70,998. Capital assets decreased by $21,240 due to depreciation and the disposal of fully depreciated fixed assets. Overall, total assets increased by $660,665.

Liabilities decreased by $39,072. PERA pension liabilities decreased by $19,947. As outlined in subsequent sections, the District cannot be held accountable for these liabilities, but standard government accounting practices dictate that these must be recorded as liabilities by the District.

2025 continues a ten-year trend in significant improvement of net position.

The Statement of Activities reports information about the District as a whole, showing how the District's net position changed during the most recent fiscal year. These statements are prepared on the accrual basis of accounting, and reflect all the current year's revenues and expenses, regardless of when cash is received or paid.

STATEMENTS OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024	Variance
Expenses:			
Operating	$ 1,225,299	$ 1,089,750	$ 135,549
Pension expense	157,092	8,432	148,660
Capital outlay	132,248	162,569	(30,321)
Total Expenses	1,514,639	1,260,750	253,889
Program Revenues:			
Charges for services	3,868	4,192	(324)
Operating grants and contributions	76,215	61,640	14,575
Miscellaneous income	26,695	-	26,695
Net Program Expense	(1,407,861)	(1,194,918)	(212,943)
General Revenues:			
Property tax	1,665,991	1,644,051	21,940
Specific ownership taxes	235,898	233,832	2,066
Interest	87,539	33,035	54,504
Total General Revenues	1,989,428	1,910,918	78,510
Change in net position	581,567	716,000	(134,433)
Net position - beginning	4,220,304	3,504,304	716,000
Net position - ending	$ 4,801,871	$ 4,220,304	$ 581,567

As shown in the table above, total expenses increased by $253,889 from 2024 to 2025 which includes an increase in operating expenses of $135,549. Pension expenses increased by $148,660 in 2025, due to the necessary special treatment of PERA pension funding, as outlined below.

Program revenues in the District include charges for services such as fees for damaged items, copies, faxes, and meeting rooms, as well as grant monies. Charges for services revenues decreased by $324. The District received $14,575 more in grant monies and contributions in 2025. This includes the in-kind contribution of high-efficiency lighting for the Elizabeth Library as well as the labor to install it.

General revenues increased by $54,504 with property tax revenue increasing by $21,940 and SOT revenue increasing by $2,066. Interest income includes interest earned on late Real Estate Property Tax payments and interest earned on investments. In 2025 the interest income increased by $81,199 as the Library Board continued to seek higher interest-bearing accounts.

As described in Notes 5 and 7 of the financial statements, the District contributes to a cost-sharing multiple-employer defined benefit plan administered by the Public Employees' Retirement Association (PERA). During 2025, the District continued reporting for PERA in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 67" (GASB 68) and Statement No. 75, "Accounting and Financial Reporting for Post-employment Benefits other than Pensions" (GASB 75), both of which require employers to record their proportionate share of the plan's net unfunded pension and other post-employment benefits liability.

As a result of the adherence to GASB 68 and 75, the District recorded a net pension liability of $486,990 in addition to the related deferred outflows and inflows noted on the above Statement of Net Position and more fully described in Notes 1, 5 and 7 to the financial statements. The District has no legal obligation to fund this shortfall, nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined benefit pension plan.

The governmental fund financial statements provide detailed information about the District's general fund. Due to the fact the District does not operate business-type activities, the governmental fund financial statements closely mirror the Statement of Net Position and the Statement of Activities; the only differences being the method of accounting used to prepare the financial information. All the District's services are reported in the governmental fund, which focuses on how money flows into and out of those funds and the balances, left at year-end, which are available for spending.

These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Therefore, capital expenditures are reported as a current period expense and long-term liabilities are recorded when currently payable, rather than when an obligation is incurred. As such, the amounts reported for 2025 in the governmental fund financial statements exclude capital assets, changes in liabilities for compensated absences, and the adoption of GASB 68 and 75. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent to finance the District's programs.

As the balance sheets indicate, the government fund increased by $624,396 from 2024 to 2025, and includes restricted funds of $1,494,191 and $29,931 for the District's reserves for future library expansion, TABOR, and prepaid expenses. Total liabilities decreased by $2,676 during 2025. The capital improvement fund remained the same from 2024 to 2025 with a total of $825,000. The board of trustees restricted a new 6 month operating reserve of $624,691 in 2025.

BALANCE SHEETS - GOVERNMENT FUND DECEMBER 31, 2025 AND 2024			
	2025	2024	Variance
ASSETS:			
Cash and investments	$ 3,455,765	$ 2,843,029	$ 612,736
Receivables, net	1,824,960	1,753,962	70,998
Prepaid expenses	29,931	31,760	(1,829)
Total Assets	$ 5,310,656	$ 4,628,751	$ 681,905
LIABILITIES:			
Accounts payable and accrued expenses	$ 44,221	$ 46,897	$ (2,676)
Total Liabilities	44,221	46,897	(2,676)
DEFERRED INFLOWS OF RESOURCES:			
Property and specific ownership tax revenue	1,807,456	1,747,271	60,185
Total Deferred Inflows of Resources	1,807,456	1,747,271	60,185
FUND BALANCE:			
Nonspendable	29,931	31,760	(1,829)
Restricted	1,494,191	867,916	626,275
Unassigned	1,934,856	1,934,907	(51)
Total Fund Balance	3,458,979	2,834,583	624,396
Total Liabilities, Deferred Inflows of Resources			
and Fund Balances	$ 5,310,656	$ 4,628,751	$ 681,905

The Statement of Revenues, Expenditures, and Change in Fund Balance echoes much of the information covered in the explanations above.

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND YEARS ENDED DECEMBER 31, 2025 AND 2024			
	2025	2024	Variance
Expenditures:			
Current			
Operating	$ 1,353,452	$ 1,250,814	$ 102,638
Pension expense	118,357	106,885	11,472
Total Expenses	1,471,809	1,357,699	114,110
Program Revenues:			
Charges for services	3,868	4,192	(324)
Operating grants and contributions	76,215	61,640	14,575
Net Program Expense	(1,391,726)	(1,291,867)	(99,859)
General Revenues:			
Property taxes	1,665,991	1,644,051	21,940
Specific ownership taxes	235,898	233,832	2,066
Interest and miscellaneous income	114,234	33,035	81,199
Total General Revenues	2,016,123	1,910,918	105,205
Net change in fund balance	624,397	619,051	5,346
Net position - beginning	2,834,582	2,215,531	619,051
Net position - ending	$ 3,458,979	$ 2,834,582	$ 624,397

The Budgetary Comparison Schedule is included as a tool by which stakeholders can estimate whether the District is meeting its annual financial benchmarks. Generally, the District seeks to spend as much or, preferably, less than expressed in the budget. While developing the 2025 budget, the District sought to build reserves by keeping expenses less than revenues for the purpose of funding future capital improvements. The chart below shows how the district measured up to these goals.

BUDGET COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Favorable / (Unfavorable)
Revenues			
Property taxes	$ 1,696,604	$ 1,665,991	$ (30,613)
Specific ownership taxes	170,000	235,898	65,898
Charges for services	4,000	3,868	(132)
Contributions and grants	10,058	76,215	66,157
Interest	25,000	87,539	62,539
Miscellaneous income	1,000	26,695	25,695
Total Revenues	1,906,662	2,096,206	189,544
Expenditures			
Salaries and benefits	1,025,435	992,332	33,103
Library materials	91,872	75,927	15,945
Facililties	207,115	167,076	40,039
Technology and support services	54,500	31,571	22,929
Programs and outreach	39,324	36,400	2,924
Administration	133,648	168,503	(34,855)
Total Expenditures	1,551,894	1,471,809	80,085
Net Change in Fund Balance	354,768	624,397	269,629
Fund Balance, Beginning of Year	2,834,582	2,831,582	
Fund Balance, End of Year	$ 3,189,350	$ 3,458,979	

The District made $189,544 more than it budgeted in revenues. This includes $30,613 less than it budgeted for property taxes and $65,898 more than it budgeted for specific ownership taxes. Charges for services, contributions and grants, and interest contributed $154,259 more than what was budgeted.

Expenditures were less than those allotted in the budget. Actual salaries and benefit expenses were $33,103 below budget. Materials expenditures were $15,945 less than what was budgeted. Overall the expenditures were $80,085 under budget.

In summary, the District budgeted $354,768 less in expenses than revenues for 2025, resulting in a surplus of $624,397. The District Board of Trustees designated $624,691 toward a new six-month operating reserve. The capital improvements fund balance remained at $825,000 for 2025.

Some expenses incurred do not affect cash, so the District was able to increase its cash position by $612,736 in 2025. The 2026 District Budget has been conservatively adopted to ensure a surplus will be available to continue to grow the cash reserves needed to fund capital improvements across the District.

The processes of budgeting slightly less revenues than those forecast, keeping strict control of expenditures both during the year and between years, and the accrual of reserves over the past several years illustrates the District's strategy toward saving for the libraries' expansion, while continuing to reward the service of the employees of the District.

Fiscal Priority: Expanding the Elizabeth Library

The District continues to prioritize service expansion for the Elizabeth area. The Elizabeth Library currently only occupies 5,225 square feet of space of a facility that spans 16,600 square feet. The non-library portion of the building is undeveloped warehouse space. According to the 2024 Community Needs Assessment, the Elizabeth Library will need approximately 25,000 square feet to meet community needs by 2040. As illustrated above, the District's relatively conservative approach to budget, which results in an aggressive accrual of reserves, will result in seed money for the pursuit of grants to create a bigger Elizabeth Library. An additional priority is upgrading the other libraries to bring them to compliance for regulations such as the Americans with Disabilities Act (ADA).

In 2025, the District entered a Memorandum of Understanding with the Colorado Department of Local Affairs and the University of Colorado University Technical Assistance Program. Through this program, the District has worked with University of Colorado College of Architecture and Design students who have created sample architectural and landscape designs for the expanded Elizabeth Library. These designs will enable the District and the Pines & Plains Libraries Foundation to raise funds in the community for the renovation of the Elizabeth Library.

In addition, District staff began working with Anders Dahlgren of Library Planning Associates on a formal program plan for the Elizabeth Library expansion. This program is expected to be completed in 2026.

The District continues to operate with responsible fiscal management, patience, partnerships, and planning, to provide improved services to Elbert County residents.

Respectfully,

Susan S Byrne

Susan Byrne
Director
Elbert County Library District
dba Pines and Plains Libraries

May Jackson Hendrick, LLC
Certified Public Accountants

Traci L. May, CPA
Lenae A. Jackson, CPA
Lori K. Hendrick, CPA

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Elbert County Library District *dba* Pines & Plains Libraries
651 W. Beverly Street
Elizabeth, CO 80107

Opinion
We have audited the financial statements of the governmental activities and major fund of the Elbert County Library District *dba* Pines & Plains Libraries, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Elbert County Library District *dba* Pines & Plains Libraries, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
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* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Traci L. May, CPA
Lenae A. Jackson, CPA
Lori K. Hendrick, CPA

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

May Jackson Hendrick, LLC

Parker, Colorado
May 27, 2026

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BASIC FINANCIAL STATEMENTS

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

BALANCE SHEET - GOVERNMENTAL FUND/
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government		
	General - Governmental Fund	Adjustments	Statement of Net Position - Governmental Activities
ASSETS:			
Cash	$ 3,455,765	$ -	$ 3,455,765
Accounts receivable	17,504	-	17,504
Property and specific ownership taxes receivable, net of allowance for uncollectible accounts of $124,755	1,807,456	-	1,807,456
Prepaid items	29,931	-	29,931
Capital assets not being depreciated	-	362,467	362,467
Capital assets net of accumulated depreciation/amortization	-	1,325,785	1,325,785
Total Assets	$ 5,310,656	$ 1,688,252	$ 6,998,908
DEFERRED OUTFLOWS OF RESOURCES:			
Retirement plans	-	246,746	246,746
Total Deferred Outflows of Resources	-	246,746	246,746
LIABILITIES:			
Accrued expenses, salaries and payroll taxes	$ 44,221	$ -	$ 44,221
Long-term liabilities:			
Due within one year	-	70,684	70,684
Due in more than one year	-	15,582	15,582
Retirement plans	-	486,990	486,990
Total Liabilities	44,221	573,256	617,477
DEFERRED INFLOWS OF RESOURCES:			
Retirement plans	-	18,850	18,850
Property and specific ownership tax revenue	1,807,456	-	1,807,456
Total Deferred Inflows of Resources	1,807,456	18,850	1,826,306
FUND BALANCE/NET POSITION:			
Fund Balance			
Nonspendable	29,931	(29,931)	-
Restricted for:			
Tabor	44,500	(44,500)	-
Committed for:			
Capital improvements	825,000	(825,000)	-
Operating reserves	624,691	(624,691)	
Unassigned fund balance	1,934,856	(1,934,856)	-
Total Fund Balance	3,458,979	(3,458,979)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,310,656		
Net Position			
Investment in capital assets		1,650,047	1,650,047
Restricted for:			
Tabor		44,500	44,500
Capital improvements		825,000	825,000
Operating reserves		624,691	624,691
Unrestricted		1,657,633	1,657,633
Total Net Position		$ 4,801,871	$ 4,801,871

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

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND/ STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

	Primary Government		
	General - Governmental Fund	Adjustments	Statement of Activities - Governmental Activities
Expenditures/Expenses:			
Current			
Operating	$ 1,353,452	$ (128,153)	$ 1,225,299
Pension and other post employment benefits expense	118,357	38,735	157,092
Capital Outlay	-	132,248	132,248
Total Expenses	1,471,809	42,830	1,514,639
Program Revenues:			
Operating grants and contributions	76,215	-	76,215
Charges for services	3,868	-	3,868
Total Program Revenues	80,083	-	80,083
Net Program Expenses	(1,391,726)	(42,830)	(1,434,556)
General Revenues:			
Property taxes	1,665,991	-	1,665,991
Specific ownership taxes	235,898	-	235,898
Interest income	87,539	-	87,539
Miscellaneous income	26,695	-	26,695
Total General Revenues	2,016,123	-	2,016,123
Net change in fund balance	624,397	(624,397)	
Change in net position		581,567	581,567
Fund Balance/Net Position			
Beginning of year	2,834,582	1,385,722	4,220,304
End of year	$ 3,458,979	$ 1,342,892	$ 4,801,871

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION DECEMBER 31, 2025

Total fund balance - general fund		$ 3,458,979
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.		
Capital assets	2,787,384	
Accumulated depreciation	(1,137,337)	1,650,046
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.		
Operating lease right-of-use asset	38,205	
Lease liability	(38,241)	(36)
Pension liability is not due and payable in the current period and therefore are not reported in the governmental fund.		
Retirement plans related deferred outflows	246,746	
Retirement plans related deferred inflows	(18,850)	
Retirement plans liabilities	(486,990)	(259,094)
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund.		(48,024)
Net position of governmental activities		$ 4,801,871

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

Net change in fund balance - general fund		$ 624,397
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount by which depreciation exceeds capital outlays.		
Capital asset additions	(132,248)	
Depreciation	131,667	581
Governmental funds report rent expense as an expenditure. However, in the statement of activities, the rent expense is reported as amortization and interest expense over life of the operating lease. This is the amount by which rent expense exceeds amortization and interest expense.		
Rent	23,625	
Amortization	(21,820)	
Interest	(1,797)	8
Pension liability does not require use of current financial resources and therefore is not reported as expenditures in the governmental fund.		(38,735)
Compensated absences in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.		(4,684)
Change in net position of governmental activities		$ 581,567

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Elbert County Library District (the District) was established in 2000 as a library district to provide library services within Elbert County, Colorado. A five-member Board of Trustees, initially appointed by the Elbert County Board of Commissioners and now appointed upon the recommendation of the Elbert County Library District Board of Trustees and ratified by the Board of Commissioners, governs the District.

The District maintains libraries in Elizabeth, Kiowa, and Simla, Colorado. In addition, the District provides joint library services in Elbert, Colorado at the Elbert School.

Financial Reporting Entity

All activities of the District are included in the financial statements. The District does not have any component units over which it exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District (as distinct from legal relationships).

Basis of Presentation

The basic financial statements are presented in a combined format for both the fund and government-wide level. These include the balance sheet – governmental fund / statement of net position and the statement of revenues, expenditures and change in fund balance – governmental fund / statement of activities.

Governmental Fund Financial Statements: Governmental fund financial statements are organized into three major categories: governmental, proprietary and fiduciary; the District has no proprietary or fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance, revenues and expenditures. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered a major fund if it is the primary operating fund. The general fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. The District utilizes the general fund exclusively of which it is charged with all costs of operating the District due to the fact a separate fund has not been established.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements: The Statement of Net Position and Statement of Activities display information about the reporting government as a whole and include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities; the District has no business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus:

In the governmental fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- Current Financial Resources - Only current financial assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund uses a fund balance as the measure of available spendable financial resources at the end of the period.

- Economic Resources - The accounting objectives of this measurement focus are the determination of operating income, changes in fund balance (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

- The agency fund is not involved in the measurement of results of operations; therefore, measurement focus is not applicable to it.

In the government-wide financial statements, governmental activities are presented using the economic resources measurement focus as defined above.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting:
In the governmental fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

In the government-wide financial statements, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Assets, Liabilities and Fund Balance/Net Position
Cash and Investments:
Colorado Revised Statutes (CRS) authorize the District to invest in certain obligations of the U.S. Treasury and U.S. agencies, commercial paper, repurchase agreements, local government investment pools and other specific investments.

The District limits its exposure to credit risk, which is the risk of loss due to the failure of the security issuer or backer, by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specific credit ratings.

Furthermore, District funds may only be deposited in banks that are members of the Federal Deposit Insurance Corporation (FDIC) and have been designated by the State Banking Board as an eligible public depository under the Colorado Public Deposit Protection Act (PDPA). Under the provisions of PDPA, amounts on deposit in excess of federal insurance levels must be collateralized by the depository using securities with a market value of 102% of the aggregate uninsured deposits. The State Regulatory Commission for banks and financial services is required by statute to qualify eligible PDPA depositories, limit the types of securities that can be used for collateral and monitor the reporting of uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2025, $250,000 of the cash balance is covered by FDIC insurance and $3,205,765 is covered by the Colorado PDPA.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable:
Accounts receivable consist of property and special ownership taxes due to the District at December 31, 2025. The accounts receivable balance was received in January 2026.

Property Taxes Receivables:
Property tax receivables are net of an allowance for uncollectable accounts. Property values are assessed and a lien placed on the property as of January 1. Property taxes are levied no later than December 22. Taxes are payable in the following year, either in full by April 30, or in two equal payments due February 28 and June 15. Property taxes levied in the current year and payable in the following year are reported as a receivable and deferred inflow of resources at December 31. Revenue is recognized upon collection; therefore, in the following year the receivable is recorded.

Prepaids:
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmental fund and government-wide financial statements.

Capital Assets:
The accounting treatment over capital assets, which include land, buildings, furniture, equipment, and library materials, depends on whether the assets are reported in the governmental fund or government-wide financial statements.

Governmental Fund Financial Statements: In the governmental fund financial statements, capital assets are expensed when purchased.

Government-wide Financial Statements: In the government-wide financial statements, capital assets with an initial, individual cost of $5,000 or more (except library material which are capitalized regardless of cost) and an estimated useful life of more than one year, are recorded at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Maintenance, repairs and minor renewals are charged as expenditures when incurred.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. Capital assets are depreciated over their estimated useful lives of five to forty years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue:
Grant funds received from grantors, which are applicable to future accounting periods, are recorded as unearned revenue in both the governmental fund and government-wide financial statements; these funds will be recognized as revenue in the year earmarked by the grantor.

Deferred Outflows of Resources:
In addition to assets, the Statement of Net Position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and will not be recognized as an outflow of resources until that period. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with the presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* (GASB 75).

Long-Term Debt:
The accounting treatment of long-term debt depends on whether it is reported in the governmental fund or government-wide financial statements.

Long-term debt for governmental funds is not reported as liabilities in the governmental fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. Long-term debt consists of accrued compensated absences and a capital lease.

Compensated Absences:
The District's liability for compensated absences consists of accrued vacation and personal and sick time due to employees. The liability for compensated absences is reported in the government-wide financial statements when accrued and only recorded in the governmental fund financial statements when the amount is due to the employee, for example, when an employee takes vacation, personal or sick time, resigns or retires.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions:
The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund 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/deductions from the FNP of the LGDTF 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.

Other Post Employment Benefit (OPEB) Plan:
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 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:
In addition to liabilities, the Statement of Net Position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and will not be recognized as an inflow of resources until that period. The District has recognized deferred inflows of resources in the government-wide financial statements in accordance with the presentation requirements for property taxes, GASB 68 and GASB 75.

Fund Balance/Net Position:
The District reports fund balance and net position in accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement identifies fund balance categories to make the nature and extent of the constraints placed on a governmental entity's fund balances more transparent.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following classifications describe the relative strength of the spending constraints under GASB 54:

- *Nonspendable* – This classification represents all assets that are not expected to convert to cash (i.e., prepaid expenses).
- *Restricted* – This classification represents amounts constrained to specific purposes by external parties such as grantors, contributors or through constitutional provisions. Restricted fund balances also include revenues raised pursuant to legislations that restrict the use of funds to a specific purpose.
- *Committed* – This classification represents amounts constrained to specific purposes by the District's Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees takes action to remove or change the constraint. Fund balance commitments are established, modified or rescinded by the adoption of Board resolutions.
- *Assigned* – This classification represents amounts the District intends to use for a specific purpose. Intent can be expressed either by the District's Board of Trustees or by an official or body to which the Board delegates the authority.
- *Unassigned/Unrestricted* – This classification represents amounts that are available for any purpose.
- *Investment in capital assets* – This classification represents capital assets net of accumulated depreciation and related debt.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When amounts in multiple unrestricted fund balance classifications could be used, the District considers committed funds used first, then assigned and finally unassigned fund balances.

NOTE 2 CASH

At December 31, 2025, the District had the following cash:

	Unrestricted	Restricted	Total
Cash and Investments:			
Cash	$ 3,455,765	$ -	$ 3,455,765
Total Cash	$ 3,455,765	$ -	$ 3,455,765

NOTE 3 CAPITAL ASSETS

During the year ended December 31, 2025, the District recorded depreciation and amortization expense of $131,667 and $21,820, respectively. Additionally, the District disposed of fully depreciated fixed assets no longer in use of $73,077. Capital assets activity for the year was as follows:

	December 31, 2024	Additions	Deletions	December 31, 2025
Capital Assets Not Being Depreciated				
Land	$ 362,467	$ -	$ -	$ 362,467
Total Capital Assets Not Being Depreciated	362,467	-	-	362,467
Capital Assets Being Depreciated				
Buildings	1,987,623	55,374	(5,826)	2,037,171
Library materials	330,838	76,874	(67,251)	340,461
Furniture and fixtures	33,635	-	-	33,635
Computers and equipment	13,650	-	-	13,650
Total Capital Assets Being Depreciated	2,365,746	132,248	(73,077)	2,424,917
Accumulated Depreciation				
Buildings	(843,911)	(60,845)	5,826	(898,930)
Library materials	(198,469)	(68,092)	67,251	(199,310)
Furniture and fixtures	(33,636)	-	-	(33,636)
Computers and equipment	(2,730)	(2,730)	-	(5,460)
Total Accumulated Depreciation	(1,078,746)	(131,667)	73,077	(1,137,336)
Net Capital Assets Being Depreciated	1,287,000	581	-	1,287,581
Lease Assets				
Buildings	120,865	-	-	120,865
Total Lease Assets Being Amortized	120,865	-	-	120,865
Accumulated Amortization				
Buildings	(60,840)	(21,820)	-	(82,660)
Total Accumulated Amortization	(60,840)	(21,820)	-	(82,660)
Net Lease Assets Being Amortized	60,025	(21,820)	-	38,205
Net Governmental Activities Capital Assets	$ 1,709,492	$ (21,240)	$ -	$ 1,688,252

NOTE 4 COMMITMENTS

District as Lessee:
The District, as a lessee, has entered into a lease agreement for the Simla Library branch; the lease is scheduled to expire in August 2027 and carries a $23,625 annual lease obligation ($1,969/month).

The total of the District's lease asset is recorded at a cost of $120,865, less accumulated amortization of $82,660.

NOTE 4 COMMITMENTS (Continued)

The future lease payments under the lease agreement are as follows:

Year ending December 31,:	
2026	$ 23,625
2027	15,750
Total	$ 39,375

Changes in Long-Term Liabilities:
The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2025:

	December 31, 2024	Additions	Deletions	December 31, 2025
Governmental Activities:				
Compensated absences	$ 42,648	$ 12,906	$ (7,528)	$ 48,026
Lease	60,067	-	(21,827)	38,240
Total	$ 102,715	$ 12,906	$ (29,355)	$ 86,266

NOTE 5 DEFINED BENEFIT PENSION PLAN

Plan Description: Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (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 comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-finacial-reports.

Benefits Provided as of December 31, 2024: 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. Section 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

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

- 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 annualized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit

- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula 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, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2025: Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 1, 2024 through December 31, 2025 are summarized in the table below:

	Jan. 1, 2024 Through Dec. 31, 2024	Jan. 1, 2025 Through Dec. 31, 2025
Employee contribution (all employees other than Safety Officers)	9.00%	9.00%
Safety Officers	13.00%	13.00%

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees other than Safety Officers are summarized in the table below:

	Jan. 1, 2024 Through Dec. 31, 2024	Jan. 1, 2025 Through Dec. 31, 2025
Employer contribution rate	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02%)
Amount apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	**13.76%**	**13.79%**

Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

The employer contribution requirements for Safety Officers are summarized in the table below:

	Jan. 1, 2024 Through Dec. 31, 2024	Jan. 1, 2025 Through Dec. 31, 2025
Employer contribution rate	14.10%	14.10%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02)%
Amount apportioned to the LGDTF	13.08%	13.08%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	**16.86%**	**16.89%**

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 member and the District is statutorily committed to pay the contribution to the LGDTF. Employer contributions recognized by the LGDTF from the District were $97,596 for the year ended December 31, 2025.

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 as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The District proportion of the net pension liability was based on the District contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

At December 31, 2025, the District reported a liability of $458,577 for its proportionate share of the net pension liability.

At December 31, 2024, the District proportion was 7.47%, which was an increase of 1.06% from its proportion measured as of December 31, 2023.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended December 31, 2025, the District recognized pension expense of $156,279. 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
Difference between expected and actual experience	$ 34,604	$ -
Changes in assumptions or other inputs	13,534	-
Net difference between projected and actual earnings on pension plan investments	43,154	-
Changes in proportion and difference between contributions recognized and proportionate share of contributions	26,412	109
Contributions subsequent to the measurement date	110,189	N/A
Total	$ 227,893	$ 109

$110,189 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 December 31, 2026.

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,	
2026	$ 26,416
2027	1.729
Total	$ 28,145

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions: The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	3.20% - 11.30%
Safety Officers	3.20% - 12.40%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 and DPS Benefit Structure (compounded annually)[1]	1.00%
PERA Benefit Structure hired after 12/31/06[1]	Financed by the AIR

[1]Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages

Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2023, 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.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	
Members other than Safety Officers	3.40%-13.00%
Safety Officers	3.20%-16.30%

Salary scale assumptions were altered to better reflect actual experience.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

Several factors were 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 by the investment consultant 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 percentage 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, and again at the Board's September 20, 2024, meeting.

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	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives[1]	6.00%	5.20%
Total	100.00%	

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 rate of return assumption of 7.25%.

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%.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

- 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 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 additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022, 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, 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 fiduciary net position 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.

- As of the December 31, 2024, 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. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

NOTE 5 DEFINED BENEFIT PENSION PLAN (Continued)

Based on the above assumptions and methods, LGDTF's fiduciary net position 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 total pension liability. 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 pension liability to changes in the discount rate: The following presents the 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 1,003,738	$ 458,579	$ 584

Pension plan fiduciary net position: Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 6 DEFINED CONTRIBUTION PENSION PLANS

Voluntary Investment Program (PERAPlus 401(k) Plan)
Plan Description: Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Plan (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR, which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy: The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not match any of the employee contributions. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2025, program members contributed $23,725 to the PERAPlus (401(k) Plan.

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

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. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided: The HCTF provides a health care premium subsidy to eligible participating 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 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.

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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 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.

DPS Benefit Structure

The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Contributions: Pursuant to 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 member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $8,168 for the year ended December 31, 2025.

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

At December 31, 2025, the District reported a liability of $28,413 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was .594%, which was an increase from .08%, its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized OPEB expense of $116. At December 31, 2025, 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
Difference between expected and actual experience	$ -	$ 6,267
Changes of assumptions or other inputs	326	9,082
Net difference between projected and actual earnings on OPEB plan investments	2,660	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,700	3,392
Contributions subsequent to the measurement date	8,168	-
Total	$ 18,854	$ 18,741

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

$8,168 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 year ended December 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,:	
2026	$ 10,896
2027	(792)
2028	(1,011)
2029	(1,673)
2030	(1,400)
2031	(540)
Total	$ 5,480

Actuarial assumptions: The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
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:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans[1]			16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034	
MAPD PPO #2			105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums			3.50% in 2023, gradually increasing to 4.50% in 2033	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 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 were 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.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$1,710	$1,420	$585	$486	$1,897	$1,575
70	$1,921	$1,589	$657	$544	$2,130	$1,763
75	$2,122	$1,670	$726	$571	$2,353	$1,853

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$6,536	$5,429	$4,241	$3,523	$7,063	$5,866
70	$7,341	$6,073	$4,764	$3,941	$7,933	$6,563
75	$8,110	$6,385	$5,262	$4,143	$8,763	$6,900

The 2024 Medicare Part A premium is $506 per month.

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

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. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first-year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Year	PERACare Medicare Plans[1]	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

[1] Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 112% of the rates prior to age 80/ 94% of the rates age 80 and older **Females**: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages

Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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, 2023, 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 2024 plan year.

- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.

- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuation 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, and were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$1,824	$6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 106% of the rates for all ages **Females**: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, 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 percentage 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, and again at the Board's September 20, 2024, meeting. 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	51.00%	5.60%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	**100.00%**	

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 rate of return assumption of 7.25%.

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Sensitivity of the District's 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, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate[1]	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$27,648	$28,413	$29,280

Discount rate - The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). 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, 2024, 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 used by the plan 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.

NOTE 7 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

- Benefit payments and contributions were assumed to be made at the middle of the year.

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 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 did 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 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	$ 34,821	$ 28,413	$ 22,889

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's CAFR, which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8 FUND BALANCE/NET POSITION

The District reports fund balance and net position in accordance with GASB 54. This statement redefines the elements of fund balances in governmental funds and more clearly describes the different types of governmental funds.

Governmental Fund Financial Statements:
At December 31, 2025, the District had a restricted fund balance of $44,500, which consists of emergency reserves required by Article X, Section 20 of the Colorado Constitution. In addition, the District had a committed fund balance of $1,449,691 which consists of $825,000 committed to capital improvements for the expansion of the Elizabeth Library and $624,691 committed to operating reserves.

Government-wide Financial Statements:
Amounts reported as net investment in capital assets of $1,650,047 represents the District's capital assets of $2,787,384 net of accumulated depreciation of $1,137,337.

Restricted fund balances of $44,500, $825,000, and $624,691 represent emergency reserves required by Article X, Section 20 of the Colorado Constitution, capital improvement funds for the expansion of the Elizabeth Library, and operating reserves, respectively.

NOTE 9 IN-KIND CONTRIBUTIONS

In-kind contributions from the general public and related organizations (NOTE 10) of services and goods are recognized in the financial statements at their estimated value at date of receipt. In-kind contributions for the year ended December 31, 2025 consisted of:

Furniture	$	41,134
LED lighting (capitalized)		18,650
Children's Area mural (capitalized)		5,722
Electrical services		150
Total In-Kind Contributions	$	65,656

NOTE 10 RELATED ORGANIZATIONS

The Elbert County Libraries Foundation dba Pines & Plains Libraries Foundation (the Foundation): The Foundation was established in 2009 to aid, assist and support financially and otherwise the libraries of the Elbert County Library District *dba* Pines and Plains Libraries. Although the Foundation was created for the direct benefit of the District, the Foundation is not reported as a component unit due to the following:

- The District does not appoint or elect a majority of the Foundation's board of directors

NOTE 10 RELATED ORGANIZATIONS (Continued)

- The District cannot impose its will on the Foundation by significantly influencing the program, projects, activities, or level of service performed by the Foundation
- The District does not have the ability to access the economic resources received by the Foundation
- The Foundation is not fiscally depended on the District
- The Foundation does not have a financial benefit or burden relationship with the District

Information about the Foundation can be found at https://pplibraries.org/foundation/.

Elizabeth Friends of the Library, Kiowa Friends of the Library, Elbert Friends of the Library and Simla Friends of the Library (the Friends): The Friends are a group of volunteers organized in each respective library's community who exist to provide advocacy, volunteer support, fundraising and community involvement for each library branch.

Funds are raised from book sales, silent auctions and general donations. Funds are contributed to the District to aid in improving the facilities and services provided at each library branch.

During 2025, the Elizabeth Friends of the Library made in-kind furniture contributions to the Elizabeth Library in the amount of $1,038 (included in the furniture in-kind contribution in NOTE 9).

The District recognizes the importance of and is grateful for the in-kind contributions and services provided by the Foundation and Friends of the Library, which contribute to the District's overall success.

NOTE 11 ELBERT LIBRARY AGREEMENT

In August 2004, the Elbert County Library District and the Elbert School District #200 (the School) entered into an agreement for shared library space. Under the agreement, the School provides space to the District for the operations of the Elbert Library (the Library).

The School's responsibilities include:

- Provide the District with adequate space for the Library
- Provide staffing for the Library during regularly scheduled school hours

NOTE 11 ELBERT LIBRARY AGREEMENT (Continued)

- Provide adequate facilities and equipment to allow for shelving of Library materials, research and recreational activities of the Library and its programs, a computer circulation system, telephones and data lines for communication and computer equipment and a copier for the general use of Library patrons

- Provide access to the Library for those hours which are not regularly scheduled school hours but during which the Library has established public hours

- Provide year-round maintenance, custodial care, snow removal and all other operational aspects of the facility

- Maintain appropriate insurance on the facility

- Permit its library collection to be incorporated into and circulated as a part of the Library's collection available to the general public

The District's responsibilities include:

- Furnish and make available the Library's collection as a part of the Library

- Provide staffing for the Library for those hours that are not regularly scheduled school hours

- Provide materials and equipment unique to its operation as a Library such as an outside book return for returns during non-public hours and signage directing patrons to the Library

- Maintain appropriate levels in insurance for its activities in the Library and for its materials that are incorporated as a part of the Library

- Be responsible for maintaining appropriate order and/or discipline in the Library during its non-school public hours

- Monitor patron activity during non-school public hours to keep patrons from accessing other parts of the school in which the Library is located but which are not part of the Library

The agreement automatically renews annually under the same terms and conditions as reflected in the agreement and any addendums at the time of renewal. Either party can terminate the agreement by giving written notice to the other party no later than March 1 of the year during which the termination is to occur.

In the event of termination of the agreement, all print and non-print material shall become the property of the School.

NOTE 12 TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

TABOR also requires emergency reserves to be established. These reserves must be at least 3% of fiscal year spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At December 31, 2025, there was a $44,500 restricted fund balance in the governmental fund financial statements and the same balance was reported in the government-wide financial statements as restricted, both for TABOR.

NOTE 13 MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at December 31, 2025, and revenues and expenditures during the year then ended. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

NOTE 14 RISK MANAGEMENT

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

NOTE 15 EVALUATION OF SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through May 27, 2026, the date the financial statements were available to be issued. The District has not identified any subsequent events.

SUPPLEMENTARY INFORMATION

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 1,696,604	$ 1,665,991	$ (30,613)
Specific ownership taxes	170,000	235,898	65,898
Charges for services	4,000	3,868	(132)
Contributions and grants	10,058	76,215	66,157
Interest	25,000	87,539	62,539
Miscellaneous income	1,000	26,695	25,695
Total Revenues	1,906,662	2,096,206	189,544
Expenditures			
Salaries and benefits	1,025,435	992,332	33,103
Library materials	91,872	75,927	15,945
Facilities	207,115	167,076	40,039
Technology and support services	54,500	31,571	22,929
Programs and outreach	39,324	36,400	2,924
Administration	133,648	168,503	(34,855)
Total Expenditures	1,551,894	1,471,809	80,085
Net Change in Fund Balance	354,768	624,397	269,629
Fund Balance, Beginning of Year	2,834,582	2,834,582	
Fund Balance, End of Year	$ 3,189,350	$ 3,458,979	

See the accompanying independent auditors' report.

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
COLORADO PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2025

	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24
Proportionate Share of the Net Pension Liability										
District's Proportion of the Net Pension Liability	0.0615847508%	0.0569555414%	0.0553794564%	0.0597188073%	0.0613429078%	0.0667122542%	0.0628306146%	0.0536960932%	0.0641059832%	0.0747360949%
District's Proportionate Share of the Net Pension Liability	$ 678,406	$ 769,094	$ 616,611	$ 750,791	$ 448,657	$ 347,656	$ (53,871)	$ 538,337	$ 470,563	$ 458,577
District's Covered Payroll	$ 349,754	$ 345,222	$ 349,357	$ 391,692	$ 422,436	$ 470,744	$ 467,511	$ 438,878	$ 438,878	$ 717,173
District's Proportionate Share of the Net Pension Liability as a Percentage Covered Payroll	193.97%	222.78%	176.50%	191.68%	106.21%	73.85%	-11.52%	122.66%	107.22%	63.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.90%	73.60%	79.37%	75.96%	86.26%	90.88%	101.49%	82.99%	88.03%	90.45%
District Contributions										
Statutorily Required Contribution	$ 44,349	$ 43,774	$ 44,298	$ 49,667	$ 53,565	$ 60,896	$ 61,712	$ 59,176	$ 77,382	$ 98,683
Contributions in Relation to the Statutorily Required Contribution	44,349	43,774	44,298	49,667	53,565	60,896	61,712	59,176	77,382	98,683
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	349,754	345,222	349,357	391,692	422,436	470,744	467,511	438,878	438,878	717,173
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.94%	13.20%	13.48%	17.63%	13.76%

Complete 10-year information to be presented in future years as it becomes available.

ELBERT COUNTY LIBRARY DISTRICT dba PINES AND PLAINS LIBRARIES

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
COLORADO PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
FOR THE YEAR ENDED DECEMBER 31, 2025

	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24
Proportionate Share of the Net OPEB Liability								
District's Proportion of the Net OPEB Liability	0.0043032370%	0.0046312019%	0.0046981304%	0.0050905125%	0.0048842326%	0.0043249169%	0.0050964622%	0.0747360949%
District's Proportionate Share of the Net OPEB Liability	$ 55,925	$ 63,008	$ 52,806	$ 48,371	$ 42,115	$ 35,310	$ 36,374	$ 28,413
District's Covered Payroll	$ 349,357	$ 391,692	$ 422,436	$ 470,744	$ 467,511	$ 438,878	$ 563,183	$ 717,173
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	16.01%	16.09%	12.50%	10.28%	9.01%	8.05%	6.46%	3.96%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.00%	17.00%	24.00%	24.00%	39.40%	38.57%	46.16%	59.83%
District Contributions								
Statutorily Required Contributions	$ 3,563	$ 3,995	$ 4,309	$ 4,802	$ 4,769	$ 4,477	$ 5,744	$ 7,315
Contributions in Relation to the Statutorily Required Contribution	3,563	3,995	4,309	4,802	4,769	4,477	5,744	7,315
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 349,357	$ 391,692	$ 422,436	$ 470,744	$ 467,511	$ 438,878	$ 563,183	$ 717,173
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Complete 10-year information to be presented in future years as it becomes available.

ELBERT COUNTY LIBRARY DISTRICT
dba PINES AND PLAINS LIBRARIES
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

NOTE 1 SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Plan Provisions Since 2023

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486

NOTE 2 SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Assumptions or Other Inputs Since 2023

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

Participation rates were reduced.

MAPD premium costs are no longer age graded.

NOTE 3 PENSION AND OPEB RELATED DISCLOSURES

GASB 68, adopted during fiscal year 2015, and GASB 75, implemented during fiscal year 2018, require disclosure of the District's proportionate share of the net pension liability at the measurement date and contributions to the pension plan for the previous 10-year period. Until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

NOTE 4 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The District's Board of Trustees holds a public hearing in the fall each year to approve the budget for the general fund and appropriate funds for the ensuing year. Expenditures may not leagally exceed amounts appropriated by fund. Any change in the budget for a particular fund requires approval by the Board of Trustees. Management is authorized to make transfers between line items within a fund.