Clear Creek County Library District
Financial Statements
December 31, 2025

Clear Creek County Library District
Financial Report
December 31, 2025

Table of Contents

M & A

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Clear Creek County Library District
Georgetown, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, and each major fund of Clear Creek County Library District (the “District”), as of and for the year ended December 31, 2025, which collectively comprise the District’s basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, and the and each major fund of Clear Creek County Library District, as of December 31, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Clear Creek County Library District’s management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT
To the Board of Trustees
Clear Creek County Library District

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparison on page F1 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison on page F1 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 22, 2026

Management Discussion and Analysis

Clear Creek County Library District

Management's Discussion and Analysis
December 31, 2025

As management of Clear Creek County Library District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

Financial Highlights

- The assets of the District exceeded its liabilities and deferred items by $3,153,888 at December 31, 2025. Of this amount, $2,026,411 may be used to meet the District's ongoing obligations to patrons.
- The District's total Net Position increased by $78,124. This was due to ordinary operations.
- At the end of 2025, total fund balance for the General Fund was $2,091,677.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of two components: Government-wide financial statements and Fund Financial Statements along with Notes to the Financial Statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.The governmental activity of the District is library services. There are currently no business-type activities of the District.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently has two funds, the General Fund and Capital Projects Funds, which are governmental funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Overview of the Financial Statements (continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in section D of this report.

Government-wide financial analysis: The majority of the District's revenue was from property taxes (see the Notes to the Financial Statements). Cash and cash equivalents accounted for 48% of total assets. Capital assets account for 25%, taxes receivable accounted for 26% of total assets. The District will use these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

Government-wide financial analysis (continued):

Clear Creek County Library District's Net Position

	2025	**2024**
Assets:		
Current and other assets	3,271,230	2,859,116
Leased assets	-	9,345
Capital assets	1,089,777	1,280,788
Total Assets	4,361,007	4,149,249
Liabilities:		
Other liabilities	69,641	56,803
Total Liabilities	69,641	56,803
Deferred Inflows of Resources:		
Unavailable revenue	1,137,478	1,016,682
Total Deferred Inflows of Resources	1,137,478	1,016,682
Net Position:		
Net investment in capital assets	1,089,777	1,279,715
Restricted	37,700	29,400
Unrestricted	2,026,411	1,766,649
Total Net Position	3,153,888	3,075,764

Approximately 35% of the District's net position reflects its investment in capital assets, which includes buildings, equipment, land, vehicles, and books and periodicals. Total assets increased by $211,758 primarily due to an increase of $78,124 in net position. Total liabilities increased by $12,838 due to an increase in accrued compensated absences and timing of payments.

Overview of the Financial Statements (continued)

Government-wide financial analysis (continued):

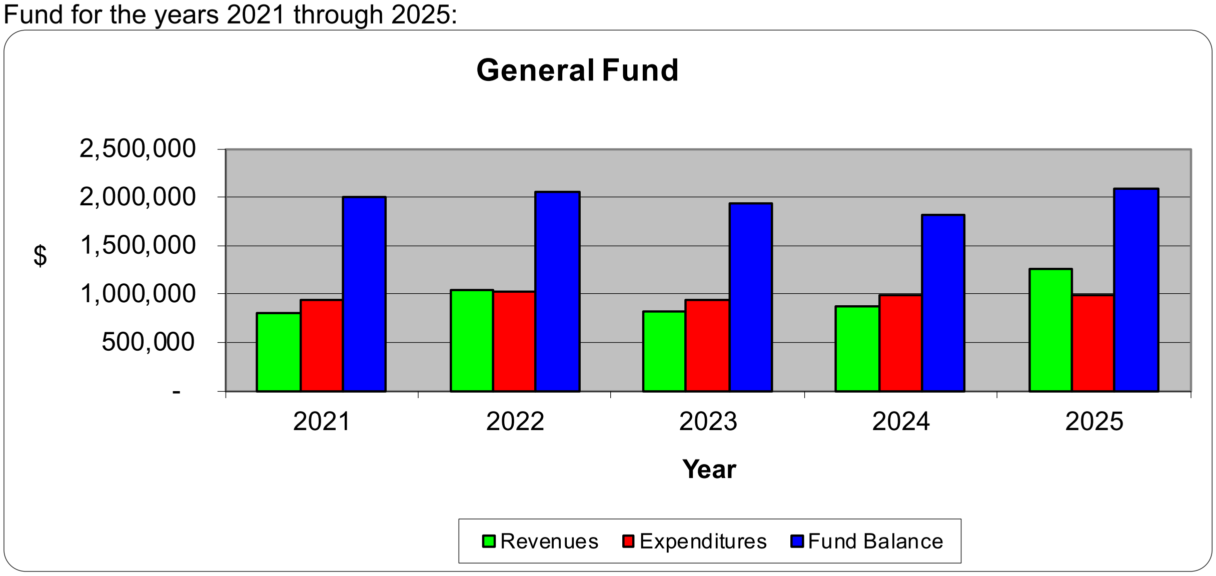
Clear Creek County Library District's Change in Net Position

Revenues:	**2025**	**2024**
General revenues:		
Property taxes	1,018,891	690,142
Specific ownership taxes	78,601	49,016
Earnings on investments	86,901	98,285
Donations	55,899	6,618
Other income	10,045	13,305
Grant income	5,500	5,500
Total Revenues	1,255,837	862,866
Expenses:		
Library services	939,130	918,556
General government	238,583	98,754
Total Expenses	1,177,713	1,017,310
Change in Net Position	78,124	(154,444)
Net Position:		
Beginning of Year	3,075,764	3,230,208
Ending of Year	3,153,888	3,075,764

The District's total Net Position increased by $78,124. This was primarily caused by a large donation from Idaho Springs Library Association in 2025 when it was disbanded toward the end of 2025 and significant increases in property taxes. Property taxes were the District's main source of revenue, accounting for approximately 81% of revenues.

Financial Analysis of the District's Funds

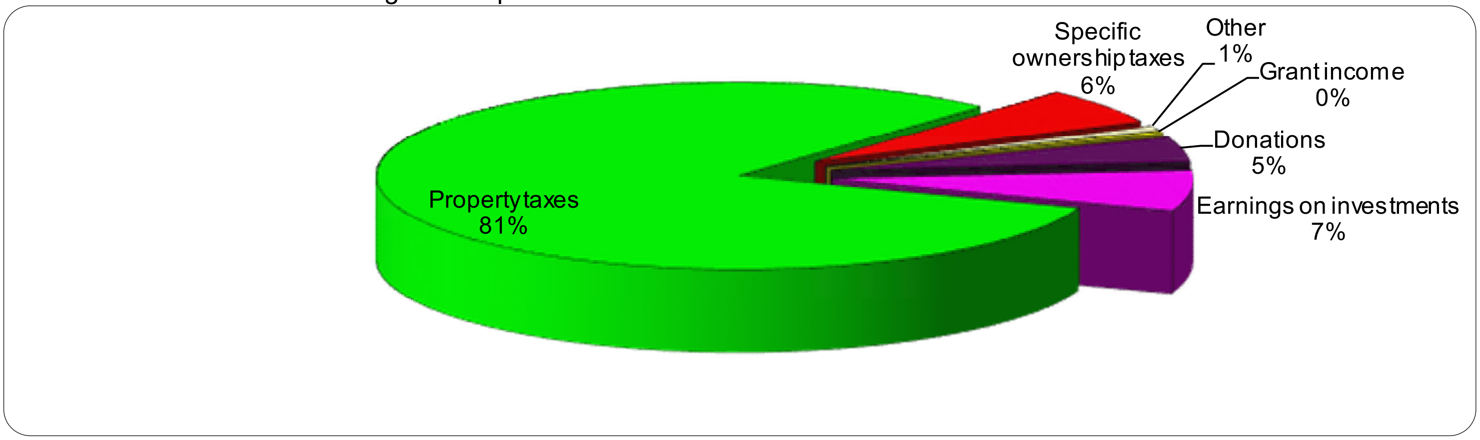
As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District had the following changes in its General Fund for the years 2021 through 2025:



Overview of the Financial Statements (continued)

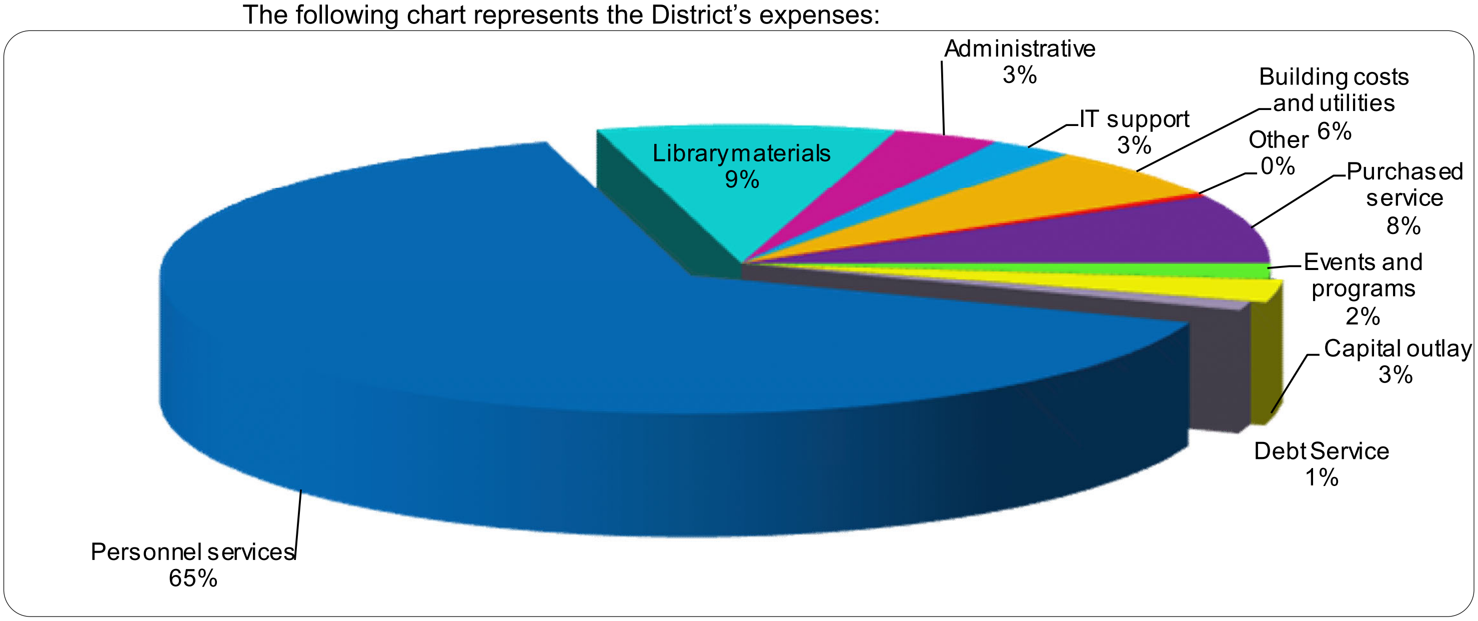
The District's General Fund had an increase in fund balance of $271,273 and an ending fund balance of $2,091,677. Revenues increased $392,971 from 2024. Expenditures increased $4,553 from 2024.

The following chart represents the District's revenues:



Property taxes make up the largest source of revenue for the District.

The following chart represents the District's expenses:



Overview of the Financial Statements (continued)

Financial Analysis of the District's Funds (continued)

Personnel services (wages, retirement, health insurance, etc.) make up the largest source of expenditures for the District.

Budget variances in the General Fund: The District's 2025 budget was approved at the end of 2024. Significant budget variances were as follows:

	Final Budget	Actual	Variance From Final Budget	Reason
Revenues:				
Specific ownership taxes	48,600	78,601	30,001	Specific ownership tax revenues exceeded budget due to conservative budgeting of a revenue source that is inherently difficult to predict.
Donations	10,200	55,899	45,699	Donations exceeded budget primarily due to the transfer of net assets from the Idaho Springs Library Association upon its dissolution.
Expenditures:				
Personnel services	804,540	640,636	163,904	Personnel costs were below budget due to vacant positions and staffing levels being lower than anticipated during the year.
Purchased services	55,260	78,469	(23,209)	Purchased services exceeded budget primarily due to unanticipated consulting costs related to operational needs.
Contingency	69,000	-	69,000	Contingency not utilized.

Capital assets: The District had a net investment in capital of assets of $1,089,777 at the end of 2025. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements in section D of this report.

Next year's budget and rates: The District had $2,091,677 of fund balance at the end of the current fiscal year. The District's 2026 budget anticipated a beginning balance of $2,066,439. The 2026 budget anticipates revenues of $1,434,166 and expenditures of $2,354,940.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Clear Creek County Library District, P.O. Box 666, Georgetown, CO 80444 or you may call 303-569-2403.

Basic Financial Statements

Clear Creek County Library District
Balance Sheet / Statement of Net Position
December 31, 2025

	Primary Government					Component Units		
	General Fund	Capital Projects	Total Governmental Funds	Adjustments	Statement of Net Position	Georgetown Library Association	Idaho Springs Library Association	Idaho Springs Friends of the Library
Assets:								
Cash and investments	2,112,187	-	2,112,187	-	2,112,187	178,311	-	9,638
Prepaid expenses	21,565	-	21,565	-	21,565	-	-	-
Property taxes receivable	1,137,478	-	1,137,478	-	1,137,478	-	-	-
Capital assets, net of depreciation	-	-	-	1,089,777	1,089,777	-	-	-
Total Assets	3,271,230	-	3,271,230	1,089,777	4,361,007	178,311	-	9,638
Liabilities:								
Accounts/vouchers payable	373	-	373	-	373	-	-	-
Accrued payroll	41,702	-	41,702	-	41,702	-	-	-
Accrued compensated absences	-	-	-	27,566	27,566	-	-	-
Total Liabilities	42,075	-	42,075	27,566	69,641	-	-	-
Deferred Inflows of Resources:								
Unavailable revenue - property taxes	1,137,478	-	1,137,478	-	1,137,478	-	-	-
Total Deferred Inflows of Resources	1,137,478	-	1,137,478	-	1,137,478	-	-	-
Fund Balance/Net Position:								
Fund Balance:								
Non-spendable	21,565	-	21,565	(21,565)				
Restricted for:								
Emergencies	37,700	-	37,700	(37,700)				
Unassigned	2,032,412	-	2,032,412	(2,032,412)				
Total Fund Balance	2,091,677	-	2,091,677	(2,091,677)				
Total Liabilities, Deferred Inflows of Resources and Fund Balance	3,271,230	-	3,271,230	(2,064,111)				
Net Position:								
Net investment in capital assets				1,089,777	1,089,777	-	-	-
Restricted for emergencies				37,700	37,700	-	-	-
Unrestricted				2,026,411	2,026,411	178,311	-	9,638
Total Net Position				3,153,888	3,153,888	178,311	-	9,638

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

Clear Creek County Library District
Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities
For the Year Ended December 31, 2025

	Primary Government					Component Units		
	General Fund	Capital Projects	Total Governmental Funds	Adjustments	Statement of Activities	Georgetown Library Association	Idaho Springs Library Association	Idaho Springs Friends of the Library
Revenues:								
Property taxes	1,018,891	-	1,018,891	-	1,018,891	-	-	-
Specific ownership taxes	78,601	-	78,601	-	78,601	-	-	-
Earnings on investments	86,901	-	86,901	-	86,901	2,706	1,044	-
Donations	55,899	-	55,899	-	55,899	12,466	8,075	2,043
Grant income	5,500	-	5,500	-	5,500	-	-	-
Book sales	-	-	-		-	8,029	-	-
Other	10,045	-	10,045	-	10,045	6	-	-
Total Revenues	1,255,837	-	1,255,837	-	1,255,837	23,207	9,119	2,043
Expenditures/Expenses:								
Personnel services	640,636	-	640,636	3,211	643,847	-	-	-
Library materials	89,583	-	89,583	(62,343)	27,240	-	-	-
Administrative	32,038	-	32,038	-	32,038	-	-	-
IT support	25,378	-	25,378	-	25,378	-	-	-
Purchased services	78,469	-	78,469	-	78,469	-	-	-
Building costs and utilities	59,221	-	59,221	-	59,221	-	-	-
Events & programs	18,005	-	18,005	-	18,005	-	6,000	-
Capital outlay	26,502	-	26,502	150,450	176,952	-	-	-
Advertising and marketing	4,215	-	4,215	-	4,215	-	-	-
Supplies	17	-	17	-	17	865	-	-
Depreciation and amortization	-	-	-	112,249	112,249	-	-	-
Miscellaneous	-	-	-	-	-	3,093	46,947	5,865
Contributions and donations	-	-	-	-	-	20,663	-	-
Debt service:			-					
Principal - leases	10,418	-	10,418	(10,418)	-	-	-	-
Interest - leases	82	-	82	-	82	-	-	-
Total Expenditures/Expenses	984,564	-	984,564	193,149	1,177,713	24,621	52,947	5,865
Change in Fund Balance / Net Position	271,273	-	271,273	(193,149)	78,124	(1,414)	(43,828)	(3,822)
Fund Balances/Net Position:								
Beginning of Year	1,820,404	-	1,820,404	1,255,360	3,075,764	179,725	43,828	13,460
End of Year	2,091,677	-	2,091,677	1,062,211	3,153,888	178,311	-	9,638

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

Notes to the Basic Financial Statements

I. Summary of Significant Accounting Policies

The Clear Creek County Library District (the “District”) was established March 3, 1980, as a political subdivision of the State of Colorado to provide library services throughout Clear Creek County. The District is governed by a seven (7) member board of trustees (the Board). The Idaho Springs Public Library and John Toman Memorial Library Building Advisory Committee’s each appoint two (2) members. The remaining three (3) are appointed by the Board.

The District’s financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the District. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity. The District’s financial statements include the Georgetown Library Association, Idaho Springs Library Association, and Idaho Springs Friends of the Library, which were formed exclusively to carry out charitable functions of the District. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units.

B. Government-wide and Fund Financial Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, the District has only governmental activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net position is reported in three parts - invested in capital assets, net of related debt; restricted net position and unrestricted net Position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District’s net position resulting from the current year’s activities.

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in the general fund or the capital projects fund, which are accounted for by providing separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

C. Measurement Focus and Basis of Accounting

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

D. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

Investments are stated at fair value or amortized cost. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents, and Investments

Colorado statute permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Categories and Classifications of Fund Balance

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note I (E).

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and a deferred inflow of resources.

4. Capital Assets

Capital assets, which include building improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets include assets with an individual cost of $1,000 or more and an estimated useful life in excess of two years. Books and periodicals, although having an individual cost of less than $1,000, are also considered capital assets. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

4. Capital Assets (continued)

Building improvements, equipment, vehicles, books, and media are depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Building improvement	40
Furniture, fixtures and equipment	3 - 15
Library Materials	7

5. Compensated Absences

The District allows its employees to accumulate personal days off, based on the employee's length of service. Personal days off can be accrued up to a maximum of 200 hours. Personal days off are paid out upon termination up to the maximum accrual.

At December 31, 2025, the estimated value of accumulated personal days off is $27,566.

6. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense/expenditure) until that future period. The District had no deferred outflows of resources as of December 31, 2025.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future period.
The District reports deferred inflows related to property taxes levied in 2025 that are intended to finance the 2026 budget year. These amounts are recognized as revenue in the period for which the taxes are levied.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Leases

Lessee – The District is lessee for noncancellable leases of office space. The District recognizes a lease liability and an intangible right-to-use lease asset. The District recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

> Discount Rate: The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental rate of borrowing.
>
> Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the District is reasonably certain to exercise.
>
> Lease Payments: Lease payments included in the measurement of the lease liability are composed of fixed increasing payments, and purchase option price that the District is reasonably certain to exercise.

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

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

8. Use of Estimates

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

I. Summary of Significant Accounting Policies (continued)

E. Fund Balance Disclosure

The District classifies governmental fund balances as follows:

1. **Non-spendable** - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

2. **Spendable Fund Balance:**

   a. **Restricted** – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. As of December 31, 2025, $37,700 was restricted for emergencies.

   b. **Committed** – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the board of directors. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

   c. **Assigned** – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the board or its management designee.

   d. **Unassigned** - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes adjustments between *fund balance – governmental funds* and *Net Position of governmental activities* as reported in the government-wide Statement of Net Position. Below are the elements of the adjustment's column.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. $1,089,777 represents the net book value of capital assets at December 31, 2025. $0 represents the net book value of leased assets.

Long-term liabilities are not due and payable in the current period, and therefore are not reported in the fund financial statements. $27,566 represents accrued compensated absences.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes adjustments between *net change in fund balance of governmental funds* and *changes in Net Position of governmental activities* as reported in the government-wide Statement of Activities. Below are the elements of the adjustment's column.

Capital asset additions are reported as expenditures in governmental funds, however in the Statement of Activities, these costs are allocated over the estimated useful lives of those assets. Additions of capital assets are books and periodicals of $62,343. Depreciation and amortization expense of $112,249 represents depreciation and amortization on capital assets. Governmental funds report capital outlay as expenditures, on the Statement of Activities these are capitalized and depreciated over their estimated useful life and reported as depreciation. The asset disposal was $(150,450). $10,418 represents the principal payment on the lease liability.
The final element of the reconciliation is the change in the accrued compensated absences of $3,211.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end. In the fall of each year, the District's Board of Trustees formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental fund is adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

(1) For the 2025 budget, prior to August 25, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries.

(2) On or before October 15, 2024, the Director submitted to the District's Board of Trustees a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

(3) For the 2025 budget, prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that will derive the necessary property taxes as computed in the proposed budget.

(4) After a required public hearing, the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

(5) After adoption of the budget resolution, the District may make the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

B. TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (“TABOR”), which has several limitations, including raising revenue, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

One of the requirements of TABOR is for emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue (excluding bonded debt service). The District has reserved a portion of its December 31, 2025 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of $37,700, which is the approximate required reserve at December 31, 2025.

In November 2003, the District's electorate approved the following ballot question:

> *Shall Clear Creek County Library District taxes be increased by the imposition of an additional .5 Mill property tax commencing January 1, 2004, said tax increase to produce an estimated $96,627 Dollars in the first year; the additional tax to be used for financing the operations of and purchase of capital assets for libraries in Clear Creek County; and shall Clear Creek County Library District be authorized to collect and spend the full revenues from such tax increase in any year after the first full year in which it is in effect exceed the estimated dollar amount stated above and without any other limitations or conditions, and without limiting the collection or spending of any other revenues or funds by Clear Creek County Library District, under Article X, Section 20, of the Colorado Constitution §§24-90-112 and §29-1-301, CRS, or any other law?*

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Cash and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the District's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits and petty cash was $115,902 at year end.

At December 31, 2025, the District had no unrealized gains or losses. The District had the following cash, cash equivalents and investments with the following maturities.

			Maturities	
	Rating	Carrying Amounts	Less than one year	Less than five years
Primary Government:				
Cash and cash equivalents:				
Checking	Not Rated	115,902	115,902	-
Investments:				
CSAFE	AAAm	1,996,285	1,996,285	-
		2,112,187	2,112,187	-

IV. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

At December 31, 2025, the District's component units had unrealized gains of $48. The District's component units had the following cash, cash equivalents and investments with the following maturities.

			Maturities	
	Rating	Carrying Amounts	Less than one year	Less than five years
Component Units:				
Cash and cash equivalents:				
Checking	Not Rated	135,875	135,875	-
Investments:				
Negotiable certificates of deposit	Not Rated	52,074	-	52,074
		187,949	135,875	52,074

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets.
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

On December 31, 2025 the District CSAFE was valued at amortized cost. The District's component units had the following fair value measurements:

Investments Measured at Fair Value	Total	Level 1	Level 2	Level 3
Negotiable certificates of deposit	52,074	-	52,074	-

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. District investment policy limits investments to those authorized by State statutes. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

Property taxes receivable	1,137,478
Total receivable	1,137,478

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. A deferred inflow amount of $1,137,478 is for unavailable property taxes levied in 2025 but not available until 2026.

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	150,450	-	(150,450)	-
Capital assets, being amortized and depreciated:				
Buildings and improvements	1,405,590	-	-	1,405,590
Furniture, fixtures, and equipment	257,324	-	-	257,324
Books and media	990,387	62,343	(55,719)	997,011
Leased assets, being amortized	160,198	-	-	160,198
Total capital assets being depreciated and amortized	2,813,499	62,343	(55,719)	2,820,123
Less accumulated depreciation and amortization for:				
Furniture, fixtures, and equipment	(228,218)	(5,492)	-	(233,710)
Buildings and improvements	(430,873)	(34,364)	-	(465,237)
Books and media	(863,872)	(63,048)	55,719	(871,201)
Less accumulated amortization	(150,853)	(9,345)	-	(160,198)
Total accumulated depreciation and amortization	(1,673,816)	(112,249)	55,719	(1,730,346)
Governmental Activities Capital Assets, Net	1,290,133	(49,906)	(150,450)	1,089,777

D. Changes in Long-term Obligations

The District had the following changes in long-term liabilities at year ended December 31, 2025

	Beginning Balance	Increases	Decreases	Ending Balance
Accrued Comp. Absences	24,355	3,211	-	27,566
Lease payable	10,418	-	(10,418)	-
	34,773	3,211	(10,418)	27,566

IV. Detailed Notes on All Funds (continued)

E. Retirement Plans

1. Retirement Savings Plan - IRC 401(a)

The District provides a retirement plan for eligible District employees in the Colorado Retirement Association (CRA) (the Plan). The Plan is a defined contribution money purchase plan. The benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. Employees participate in the Plan immediately upon employment. The employees and the District each contribute 4% of gross wages. Employees are 100% vested in their retirement contributions immediately and become vested in the employer's share of the contribution at the following vesting schedule:

Years of Service Completed	Specified Percent Vesting
1	20%
2	40%
3	60%
4	80%
5 or more	100%

The District's Board of Trustees authorizes the contribution rates and benefit terms. The District's contributions for each employee plus earnings are fully vested after five years of continuous service. The District's covered payroll and total payroll were $391,950 and $501,698, respectively. The District and employees actual and required contributions were $15,678 each in 2025. During the year there were $0 of forfeitures.

2. Deferred Compensation Plan – IRC 457

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value. Employees are 100% vested in their deferred compensation contributions as no employer contributions are made to the plan.

IV. Detailed Notes on All Funds (continued)

F. Leases

The District has two perpetual leases for the libraries in the amount of $1.00 per year each. The annual lease payments do not represent an exchange-like transaction. Accordingly, a lease asset and lease liability has not been recorded.

The District leased office and storage space from the Georgetown Trust. Following the expiration of the original lease agreement, occupancy continued on a month-to-month basis by mutual agreement of the parties.

V. Other Information

A. Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; volunteer injuries; natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in 2025.

B. Concentration of Credit Risk

A substantial amount of the District's property tax revenue is received from the Henderson Mine. In April 2015, Freeport-McMoRan Inc., the owner of the mine, said the mine would begin to close in 10 years and anticipated lower annual production levels through 2020. In November 2015 a reduction in workforce of 160 was announced, this from a workforce of 600. The workforce reduction was completed in 2016. The resulting lower production and market value for molybdenum has resulted in decreased tax revenues for the District. The mine estimates adequate reserves to maintain current production levels through 2038.

C. Component Units Changes

Effective December 31, 2025, the Idaho Springs Library Association was disbanded. All remaining assets and net assets of the Association were transferred to the Clear Creek County Library District at year end. The transferred funds are earmarked exclusively for the support of Idaho Springs Public Library facilities and services.

During 2025, the Georgetown Library Association and the Friends of the Georgetown Library combined operations and ceased operating under separate bylaws. As a result, the organizations are presented as a single component unit at December 31, 2025.

D. Subsequent Event

On June 30, 2026, the District purchased the Old School/Georgetown Heritage Center from the Georgetown Trust. Management evaluated subsequent events through the date the financial statements were available to be issued and determined that disclosure of this transaction was appropriate.

Required Supplemental Information

Clear Creek County Library District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended December 31, 2025
(With Comparative Totals For the Year Ended 2024)

	Original and Final Budget	Actual	Variance Positive (Negative)	2024 Actual
Revenues:				
Property taxes	1,017,670	1,018,891	1,221	690,142
Specific ownership taxes	48,600	78,601	30,001	49,016
Earnings on investments	96,000	86,901	(9,099)	98,285
Donations	10,200	55,899	45,699	6,618
Grant income	12,000	5,500	(6,500)	5,500
Other income	6,600	10,045	3,445	13,305
Total Revenues	1,191,070	1,255,837	64,767	862,866
Expenditures:				
Personnel services	804,540	640,636	163,904	613,737
Library materials	100,044	89,583	10,461	84,325
Administrative	48,660	32,038	16,622	35,658
IT support	37,080	25,378	11,702	34,474
Purchased services	55,260	78,469	(23,209)	88,729
Building costs and utilities	60,900	59,221	1,679	47,602
Events & programs	18,600	18,005	595	18,864
Capital outlay	30,000	26,502	3,498	16,477
Advertising and marketing	6,000	4,215	1,785	22,145
Supplies	-	17	(17)	-
Contingency	69,000	-	69,000	-
Debt service:				
Principal - leases	18,000	10,418	7,582	17,529
Interest - leases	-	82	(82)	471
Total Expenditures	1,248,084	984,564	263,520	980,011
Change in Fund Balance	(57,014)	271,273	328,287	(117,145)
Fund Balances				
Beginning of Year	872,830	1,820,404	947,574	1,937,549
End of Year	815,816	2,091,677	1,275,861	1,820,404

Supplemental Information

Clear Creek County Library District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
Capital Projects Fund
For the Year Ended December 31, 2025
(With Comparative Totals For the Year Ended 2024)

	Original and Final Budget	Actual	Variance Positive (Negative)	2024 Actual
Revenues:				
Donations	40,080	-	(40,080)	-
Grant income	360,000	-	(360,000)	-
Total Revenues	400,080	-	(400,080)	-
Expenditures:				
Capital outlay	200,000	-	200,000	-
Total Expenditures	200,000	-	200,000	-
Excess of Revenues Over Expenditures	200,080	-	(200,080)	-
Other Financing Sources (Uses):				
Transfer in	750,000	-	(750,000)	-
Total Other Financing Sources (Uses)	750,000	-	(750,000)	-
Change in Fund Balance	950,080	-	(950,080)	-
Fund Balances				
Beginning of Year	-	-	-	-
End of Year	950,080	-	(950,080)	-