NORTHERN CHAFFEE COUNTY
LIBARARY DISTRICT

FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

DECEMBER 31, 2025

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
FOR THE YEAR ENDED DECEMBER 31, 2025

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NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

ROSTER OF DISTRICT OFFICIALS
DECEMBER 31, 2025

BOARD OF TRUSTEES

Cameron Torrens .... President

Madison Wiedemeier .... Treasurer

Corelia Tom .... Secretary

Jean Gabardi.. Trustee

Kathleen Wiechelman .... Trustee

LIBRARY DIRECTOR

Cecilia LaFrance

SCOTT C. WRIGHT
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northern Chaffee County Library District
Buena Vista, Colorado

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and each major fund of the Northern Chaffee County Library District 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Northern Chaffee County Library District as of December 31, 2025, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of my report. I am required to be independent of the Northern Chaffee County Library District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 generally accepted 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 generally accepted auditing standards, I:

- 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 my 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.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and the budgetary comparison schedule for the General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board. I have not performed any procedures with respect to this required supplementary information. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary budget comparison schedules identified in the table of contents 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 my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Scott Wright

Salida, Colorado
July 10, 2026

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Total Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 2,685,861
Receivables (net)	1,855,645
Prepaid Items	6,936
Capital Assets, net of accumulated depreciation:	
Nondepreciable	4,593,354
Depreciable	945,250
Total Assets	10,087,046
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	110,429
OPEB Related	5,963
Total Deferred Outflows of Resources	116,392
LIABILITIES	
Accounts Payable	504,713
Accrued Liabilities	4,518
Retainages Payable	170,672
Accrued Interest Payable	9,709
Long-term Liabilities:	
Due Within One Year:	
Financed Purchases Payable	95,000
Due in More Than One Year:	
Compensated Liabilities Payable	21,477
Financed Purchases Payable	2,345,000
Net Pension Liability	258,163
Net OPEB Liability	15,996
Total Liabilities	3,425,248
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	1,581,492
OPEB Related	9,338
Total Deferred Inflows of Resources	1,590,830
NET POSITION	
Net Investment in Capital Assets	3,098,604
Restricted For:	
Emergencies	82,148
Unrestricted	2,006,608
Total Net Position	$ 5,187,360

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

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Library Operations:	$ 915,796	$ 7,939	$ 5,500	$ 878,785	$ (23,572)
Relocation Costs	56,502	-	-	-	(56,502)
Interest and Fiscal Charges on Long-term Debt	164,983	-	-	-	(164,983)
Total Governmental Activities	$ 1,137,281	$ 7,939	$ 5,500	$ 878,785	(245,057)
	General Revenues:				
	Property Taxes				1,539,522
	Specific Ownership Taxes				147,213
	Unrestricted Investment Earnings				159,309
	Total General Revenues				1,846,044
	Increase (Decrease) in Net Position				1,600,987
	Net Position - Beginning of Year				3,586,373
	Net Position - End of Year				$ 5,187,360

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

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2025

		General Fund
ASSETS		
Cash and Cash Equivalents	$	2,685,861
Receivables:		
- Property Taxes		1,591,880
- Grants		263,765
Prepaid Items		6,936
Total Assets	$	4,548,442
LIABILITIES AND FUND BALANCES		
Accounts Payable	$	504,713
Retainages Payable		170,672
Accrued Liabilities		4,518
Total Liabilities		679,903
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes		1,581,492
Total Deferred Inflows of Resources		1,581,492
FUND BALANCES		
Nonspendable:		
Prepaid Items		6,936
Restricted For:		
TABOR Emergency Reserve		82,148
Unassigned		2,197,963
Total Fund Balances		2,287,047
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$	4,548,442

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

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

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

Total Governmental Fund Balances	$ 2,287,047
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 fund balance sheet.	
Capital Assets	6,873,762
Accumulated Depreciation	(1,335,158)
	5,538,604
Deferred outflows of resources used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Net Pension Related Deferred Outflows	110,429
Net OPEB Related Deferred Outflows	5,963
	116,392
Deferred inflows of resources used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Net OPEB Related Deferred Inflows	(9,338)
Accrued interest payable is recognized for governmental activities but is not due and payable in t he current period and therefore is not reported as a liability in the government funds.	(9,709)
Long-term liabilities are not due and payable in the current period and therefore not reported as a liability in the governmental funds.	
Financed Purchases Payable	(2,440,000)
Net Pension Liability	(258,163)
Net OPEB Liability	(15,996)
Compensated Absences	(21,477)
	(2,735,636)
Net Position of Governmental Activities	$ 5,187,360

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund
Revenues	
Taxes	$ 1,686,735
Intergovernmental	733,785
Charges for Services	6,636
Investment Earnings	159,309
Miscellaneous	151,803
Total Revenues	2,738,268
Expenditures	
Current:	
Personnel Services	506,899
Operating Costs	176,219
Relocation Costs	56,502
Treasurer Fees	46,205
Capital Outlay	4,271,458
Debt Service:	
Issuance Costs	76,617
Principal	60,000
Interest	78,657
Total Expenditures	5,272,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,534,289)
Other Financing Sources	
Proceeds from Lease-Purchase Financing	2,500,000
Net Change in Fund Balances	(34,289)
Fund Balances, Beginning of Year	2,321,336
Fund Balances, End of Year	$ 2,287,047

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

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - Total Governmental Funds	$ (34,289)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlay	4,262,112
Depreciation	(168,142)
	4,093,970
Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
Change in Compensated Absences	(6,590)
Change in Accrued Interest Payable	(9,709)
	(16,299)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Long-term Debt Issued	(2,500,000)
Long-term Debt Principal Repayments	60,000
	(2,440,000)
Net other post employment benefit and pension related items reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the expenditures of the governmental funds.	
Pensions	(8,199)
Other Post Employment Benefits	5,804
	(2,395)
Change in Net Position of Governmental Activities	**$ 1,600,987**

The financial statements of the Northern Chaffee County Library District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the District's financial statements.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

Primary Government. The Northern Chaffee County Library District (District), Buena Vista, Colorado, was organized as a political subdivision of the State of Colorado pursuant to Colorado Library law, Part 1 of Article 90 of Title 24, Colorado Revised Statutes, to provide library services to Buena Vista and the surrounding areas of Northern Chaffee County. The boundaries of the District are coterminous with the Buena Vista R-31 school district boundary.

The District is governed by a five-member Board of Trustees, being qualified electors residing within the District. Trustees are appointed by a committee comprised of two members of the Board of County Commissioners of Chaffee County, and two members of the Board of Trustees of the Town of Buena Vista. Effective January 1, 2020, Board Member terms were changed from five (5) years to three (3) years each. The Board of Trustees is responsible for, among other matters, adopting the annual budget, levying property taxes (subject to applicable legal limitations), establishing policies, and overseeing the operations and financial affairs of the District. The District is legally separate and fiscally independent from any county, municipality, or other governmental entity.

The accompanying financial statements present the activities of the District, which has been determined to be the primary government. The District has evaluated all potential component units in accordance with generally accepted accounting principles applicable to governmental entities. The evaluation was made by applying the criteria established by the Governmental Accounting Standards Board (GASB), including consideration of whether the District appoints a voting majority of an organization's governing body and is financially accountable for that organization, or whether the nature and significance of the relationship between the District and another organization are such that exclusion would cause the District's financial statements to be misleading or incomplete.

Based on the application of these criteria, the District has determined that it has no component units and that it is not a component unit of another governmental entity. Accordingly, the accompanying financial statements include only the accounts of the District.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the District. These statements distinguish between the governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the District. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the District with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds. The District has no proprietary or fiduciary funds. Individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is 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 (60 days). The major sources of revenue which are susceptible to accrual are property taxes and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The District uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual, and regulatory requirements.

The District reports the following major governmental fund:

- *General Fund* - This is the District's primary operating fund. It is used to account for all activities of the District not required to be accounted for in some other fund.

D. Capital Assets

Capital assets, which include land, buildings, and certain equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Facilities	10-50 years
Furniture, Fixtures and Equipment	5-10 years
Library Materials	3-5 years

E. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents the consumption of net position that applies to a future period that will not be recognized as an outflow of the resources (expenditure) until the future period. At the end of the current fiscal year, the District had deferred outflows of resources for pension benefits and other post employment benefits. The Public Employees' Retirement Association of Colorado (PERA) recognizes deferred outflows of resources (DOR) which are amortized according to the actuarial valuation report. The DOR can occur from contributions after measurement date, changes in investment, changes in assumptions and changes in experience, as determined from the actuarial valuation report.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category - deferred inflows of resources (DIR) representing pensions and other post employment benefits and unavailable tax revenues. PERA recognizes deferred inflows of resources related to pensions and other post-employment benefits which are amortized according to the actuarial valuation report. The DIR can occur from changes in investment, changes in assumptions and changes in experience, as determined from the actuarial valuation report.

The governmental funds also reported deferred inflows of resources representing unavailable tax revenues.

Deferred outflows of resources are presented below the total assets on the government-wide, proprietary, and governmental fund statements. Deferred inflows of resources are presented below the total liabilities on the government-wide, proprietary, and governmental fund statements.

F. Compensated Absences

The District provides a bank of hours for sick days, vacation days, and personal days that allow employees to be absent from work as needed. The District complies with the minimum sick leave requirements of the Healthy Families Workplace Act. Staff are eligible for Paid Time Off (PTO) the month following their hire date. Employees assume responsibility for monitoring their accumulated leave levels. Once an employee reaches the maximum accrual amount, the employee will no longer accrue additional PTO until they use currently available hours. Accrual may begin again once the employee lowers their PTO level under the maximum accrual threshold. PTO is accrued monthly for exempt employees at the rate of 16/hrs. per month for a 40/hr. per week position. PTO is accrued hourly for nonexempt employees, prorated on a basis of 16/hrs. per month for a 40/hr. per week position.

The liability for compensated absences is recorded as a long-term liability in the government-wide financial statements. In the fund financial statements, governmental funds report a compensated liability payable only if they have matured, for example, as a result of employee resignations and retirements. The liability has been calculated at 100% of accrued PTO based on each individual employee's years of service

G. Fund Balance

The District utilizes the fund balance presentation as required under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances are categorized as nonspendable, restricted, committed, assigned or unassigned. These fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are required to be maintained intact;

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Trustees through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The District considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 7).

H. Net Position

Net position represents the residual of all other elements presented in the statement of net position which equals assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and further reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets, including accounts, contract, and retainage payables. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

I. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. According to Local Government Budget Law, the legal level of appropriations is at the total fund expenditure level and lapse at year-end. During the year, changes may be made to budgets by adoption of supplemental amendments by resolution of the Board of Trustees.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Trustees.

J. Property Taxes

Property taxes are levied by the District's Board of Trustees. The levy is based on assessed valuations determined by the County Assessor generally as of January 1, of each year. The levy is normally set by December 15, by certification to the County Commissioners to place the tax lien on the individual properties as of January 1, of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. Taxes are payable by April 30, or if at the taxpayer's election paid in equal installments, by February 28 and June 15, respectively. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are collected.

K. Pension

The District participates in the Local Government Division Trust Fund (LGDTF), a cost sharing multiple-employer defined benefit pension fund administered by the Colorado Public Employees' Retirement Association (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.

L. 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 fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. Cash and Investments

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	$ 2,685,861
Total	$ 2,685,861

Cash and investments as of December 31, 2025 consist of the following:

Deposits With Financial Institutions	$ 188,889
Deposits With Local Government Investment Pools	2,496,972
Total	$ 2,685,861

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the vent of the failure of a depository financial institution, the District would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

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 Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the District being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

Local Government Investment Pools

The Colorado Local Government Liquid Asset Trust (COLOTRUST or the Trust) was organized in 1985 in accordance with the Investment Funds - Local Government Pooling Act, (Part 7, Article 75, Title 24, C.R.S.) to allow Colorado governmental entities to pool their funds to take advantage of short-term investments and maximize net interest earnings. The Trust is a professionally managed local government investment pool trust fund available only to governmental entities in Colorado. The Trust operates under the custodianship and oversight of a Board of Trustees comprised of participating local government officials and is not registered with the Securities and Exchange Commission (SEC). However, COLOTRUST operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. COLOTRUST is registered with the Securities Commissioner of the State of Colorado in accordance with the Local Government Investment Pool Trust Fund Administration and Enforcement Act (Part 9, Article 51, Title 11, C.R.S.).

The District participates in the COLOTRUST PLUS+ (PLUS+) portfolio, which may invest in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements, tri-party repurchase agreements, collateralized bank deposits, commercial paper that, at the time of purchase, is rated in its highest rating category by at least two nationally recognized organizations which regularly rate such obligations, corporate bonds, and government money market funds rated 'AAAm.' PLUS+ maintains a stable net asset value (NAV) of $1.00 per share using fair value as defined by the Financial Accounting Standards Board (FASB) ASC 820 "Fair Value Measurement and Disclosure". PLUS+ is rated AAAm by S&P Global Ratings. At December 31, 2025, the District had $2,496,972 invested in PLUS+. These funds are available for withdrawal upon demand and are not subject to withdrawal restrictions or notice periods.

Note 3. Legal Compliance – Budgets

No later than October 15th, the Library Director submits to the Board of Trustees a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, program, and line item and includes information on the prior year, current year estimates and requested appropriations and estimated revenues for the upcoming year.

The Board of Trustees holds public hearings and must adopt the budget by resolution prior to December 15th. Once adopted, the Board may at any time, by resolution, amend the budget. The District had one supplemental amendment during the year ended December 31, 2025.

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements are presented with a higher level of detail than legally required in order to facilitate closer financial analysis.

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 165,379	$ -	$ -	$ 165,379
Digitized Collections	12,494	-	-	12,494
Construction in Progress	269,161	4,146,320	-	4,415,481
Total Capital Assets, Not Being Depreciated	447,034	4,146,320	-	4,593,354
Capital Assets, Being Depreciated:				
Buildings and Improvements	1,275,587	-	-	1,275,587
Furniture, Fixtures and Equipment	109,770	-	-	109,770
Library Materials	779,259	115,792	-	895,051
Total Capital Assets, Being Depreciated	2,164,616	115,792	-	2,280,408
Less Accumulated Depreciation:				
Buildings and Improvements	(480,248)	(23,561)	-	(503,809)
Furniture, Fixtures and Equipment	(79,745)	(10,482)	-	(90,227)
Library Materials	(607,023)	(134,099)	-	(741,122)
Total Accumulated Depreciation	(1,167,016)	(168,142)	-	(1,335,158)
Total Capital Assets, Being Depreciated, Net	997,600	(52,350)	-	945,250
Governmental Activities Capital Assets, Net	$ 1,444,634	$ 4,093,970	$ -	$ 5,538,604

Depreciation expense in the amount of $168,142 was charged to library operations in the Statement of Activities for the year ended December 31, 2025.

Note 5. Financed Purchases.

The District entered into a financing arrangement with Collegiate Peaks Bank during fiscal year 2025 to assist with the financing of the expansion and renovation of the Buena Vista Public Library (Leased Property) through a lease purchase agreement. The transaction involved a site lease and a lease purchase agreement:

Under the site lease, the District conveyed to the Bank a leasehold interest in the sites and improvements comprising the Library for a lumpsum payment and contemporaneously subleased the Leased Property back from the Bank pursuant to the terms and provisions of the lease purchase agreement. This site lease is for a term of 27 years and is considered to be incidental to the financing arrangement and not accounted for as a lease under GASB Statement No. 87. Concurrently, the District entered into a lease purchase agreement to lease the Leased Property from the Bank over a term of 18 years, with title to transfer to the District upon completion of all payments. Based on the substance of the agreement, this arrangement is accounted for as a financed purchase in accordance with GASB Statement No. 94.

Financed purchases outstanding at December 31, 2025, are as follows:

Purpose	Interest Rates	Amounts
General Government – Library Expansion and Renovation	4.775%	$ 2,440,000

Annual debt service requirements to maturity for Financed Purchases outstanding at December 31, 2025, are as follows:

Year Ending	Governmental Activities	
December 31	Principal	Interest
2026	$ 95,000	$ 116,510
2027	100,000	111,974
2028	105,000	107,199
2029	110,000	102,185
2030	115,000	96,932
2031-2035	670,000	396,086
2036-2040	845,000	220,128
2041-2042	400,000	28,889
Total	$ 2,440,000	$ 1,179,903

Note 6. Changes in Long-term Liabilities

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2025, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Financed Purchases	$ -	$ 2,500,000	$ 60,000	$ 2,440,000	$ 95,000
Compensated Absences	14,887	6,590	-	21,477	-
Net Pension Liability	298,876	-	40,713	258,163	-
Net OPEB Liability	23,103	-	7,107	15,996	-
Total Long-term Liabilities	$ 336,866	$ 2,506,590	$ 107,820	$ 2,735,636	$ 95,000

Note 7. Commitments and Contingencies

Construction Contract Commitments. The District has active construction projects as of December 31, 2025.

Project	Remaining Commitment
Buena Vista Public Library Expansion and Renovation Project	$ 1,139,905

Tax, Spending and Debt Limitations. Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

In November 1995, voters within the District passed a ballot issue which permanently authorizes the District to retain and spend revenue collected by the District from sources not excluded from fiscal year spending regardless of any limitation contained in TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has established an emergency reserve for the year ended December 31, 2025, in the amount of $82,148.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

Note 8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District minimizes adverse effects of losses through the purchase of commercial insurance, including worker's compensation. There have been no significant reductions in coverage from prior year, and settlements have not exceeded coverage in the past three years.

Note 9. Defined Benefit Pension Plan

General Information about the 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 the Colorado Public Employees' Retirement Association (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 annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-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. § 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 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also 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 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of 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, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, 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:

	January 1, 2024 Through December 31 2024	January1, 2025 Through December 31, 2025
Employee contribution (all employees except Safety Officers)	9.00%	9.00%
Safety Officers Only	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 State Troopers are summarized in the table below:

	January 1, 2024 Through December 31, 2024	January 1, 2025 Through December 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	**13.74%**	**13.79%**

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 contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were $72,424 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's 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 $258,163 for its proportionate share of the net pension liability. At December 31, 2024, the District's proportion was 0.0420736380%, which was an increase of 0.0013571586% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized a pension expense of $8,199. At December 31, 2025, 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	$ 19,481	$ -
Changes of assumptions or other inputs	7,619	-
Net difference between projected and actual earnings on pension plan investments	24,294	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,372	-
Contributions subsequent to the measurement date	55,663	-
Total	$ 110,429	$ -

The $55,663 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:	
2025	$ 47,241
2026	61,553
2027	(41,121)
2028	(16,280)

Actuarial assumptions. The total pension liability in the December 31, 2022, 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	3.20% – 11.30%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	1.00%
PERA Benefit Structure hired after 12/31/06	Financed by the AIR

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.

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.

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 reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the

Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25 percent 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..0%	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 percent.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

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

- 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 employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$565,067	\$258,163	\$ 329

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

Note 10. Defined Benefit Other Post Employment Benefit (OPEB) Plan

General Information about the 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, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

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 $5,368 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 $15,996 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 proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District proportion was .0033452068%, which was an increase of .0001082245% from its proportion measured as of December 31, 2023.

For the year December 31, 2025, the District recognized OPEB expense credit of $5,804. 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	$ -	$ 3,528
Changes of assumptions or other inputs	184	5,113
Net difference between projected and actual earnings on OPEB plan investments	54	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,607	697
Contributions subsequent to the measurement date	4,118	-
Total	$ 5,963	$ 9,338

The $4,118 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, 2026. 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:	
2025	$ (2,457)
2026	(1,449)
2027	(1,978)
2028	(1,221)
2029	(843)
Thereafter	(455)

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

	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 State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	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		7.00% in 2023 gradually decreasing to 4.50% in 2033		
Medicare Part A premiums		3.50% in 2023, gradually increasing to 4.50% in 2035		

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

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	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	$1,692	$1,406	$579	$481	$1,913	$1,589
70	$1,901	$1,573	$650	$538	$2,149	$1,778
75	$2,100	$1,653	$718	$566	$2,374	$1,869

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	$6,469	$5,373	$4,198	$3,487	$6,719	$5,581
70	$7,266	$6,011	$4,715	$3,900	$7,546	$6,243
75	$8,026	$6,319	$5,208	$4,101	$8,336	$6,563

The 2024 Medicare Part A premium is $505 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.

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 #2[1]	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%

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.

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

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

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

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

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

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the 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	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 nominal rate of return assumption of 7.25%.

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	$16,863	$17,330	$17,859

[1]For the January 1, 2025, plan year.

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 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.

- 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 one-percentage-point lower (6.25%) or one-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	$19,603	$ 15,996	$ 12,886

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

Note 11. Use of Estimates

The preparation of financial statements in conformity with GAAP involves the use of management's estimates that affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based upon management's best judgment, after considering past events and assumptions about future events. Actual results could differ from those estimates. District management has estimated the useful lives of the District's capital assets as reflected in the Statement of Net Position. The District's defined benefit pension plans, net pension liability and related deferred outflows and deferred inflows of resources are based upon various estimates further discussed in the Note 9 and 10.

Note 12. Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through July 13, 2026, the date the financial statements were available to be issued, in accordance with GASB Statement No. 105, Subsequent Events.

Management has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance With Final Budget - Over (Under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget - Over (Under)
	Original	Final	Original Budget	Basis	Actual Amounts
Budgetary Revenues					
Taxes:					
General Property Taxes	$ 1,536,047	$ 1,536,047	$ -	$ 1,539,522	$ 3,475
Specific Ownership Taxes	85,000	100,000	15,000	147,213	47,213
Intergovernmental - Grants	130,500	678,700	548,200	733,785	55,085
Charges for Services - Library Fees	5,000	7,000	2,000	6,636	(364)
Investment Earnings	100,000	115,000	15,000	159,309	44,309
Other Revenue:					
Summer Reading Sponsors	-	-	-	1,300	1,300
Memorials and Donations	105,000	151,500	46,500	150,500	(1,000)
Miscellaneous	-	-	-	3	3
Total Budgetary Revenues	1,961,547	2,588,247	626,700	2,738,268	150,021
Budgetary Expenditures					
Library Operating Costs:					
Buildings and Grounds	43,532	30,293	(13,239)	27,022	(3,271)
Circulation and Cataloging	53,100	51,304	(1,796)	49,280	(2,024)
Contract Labor	6,000	4,000	(2,000)	2,058	(1,942)
Director's Insurance	2,400	2,400	-	1,894	(506)
General and Administrative	39,750	27,500	(12,250)	29,524	2,024
Personnel Services	523,231	539,154	15,923	506,899	(32,255)
Programming	30,500	30,000	(500)	26,367	(3,633)
Supplies	21,000	21,000	-	18,047	(2,953)
Treasurer's Fees	50,098	50,098	-	46,205	(3,893)
Utilities	17,900	15,684	(2,216)	20,595	4,911
Website / E-mail Maintenance	1,600	1,600	-	1,432	(168)
Relocation Costs:					
Lease Space Rent and Fees			-	38,094	38,094
Moving and Storage Fees			-	18,408	18,408
Capital Outlay:					
Expansion and Renovation	4,648,341	4,378,435	(269,906)	4,146,320	(232,115)
Equipment	16,000	11,500	(4,500)	9,417	(2,083)
Library Materials	127,200	127,200	-	115,721	(11,479)
Debt Service:					
Principal	-	138,589	138,589	60,000	(78,589)
Interest	-	-	-	78,657	78,657
Issuance Costs	-	-	-	76,617	76,617
Contingency	3,000	3,000	-	-	(3,000)
Total Budgetary Expenditures	5,583,652	5,431,757	(151,895)	5,272,557	(159,200)

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance With Final Budget - Over (Under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget - Over (Under)
	Original	Final	Original Budget	Basis	Actual Amounts
Budgetary Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,622,105)	(2,843,510)	474,805	(2,534,289)	309,221
Budgetary Other Financing Sources					
Long-term Debt Issuance	1,830,000	2,500,000	670,000	2,500,000	-
Net Change in Fund Balances	(1,792,105)	(343,510)	1,448,595	(34,289)	309,221
Budgetary Fund Balances, Beginning of Year	1,800,000	344,000	(1,456,000)	2,321,336	1,977,336
Budgetary Fund Balances, End of year	$ 7,895	$ 490	$ (7,405)	$ 2,287,047	$ 2,286,557

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last Ten Fiscal Years [2]

	2024 [1]	2023 [1]	2022 [1]
District's Proportion of the Net Pension Liability	0.0420736380%	0.0407164794%	0.0400985582%
District's Proportionate Share of the Net Pension Liability	$ 258,163	$ 298,876	$ 402,013
District's Covered Payroll	$ 403,742	$ 357,702	$ 328,419
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	63.94%	83.55%	122.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.34%	88.03%	82.99%

[1] Amounts presented are as of the Measurement Date

[2] This schedule is presented to illustrate the requirement to report information for 10 years. Until a full 10-year trend is compiled, information is presented for those years for which the information is available.

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (continued)
Last Ten Fiscal Years [2]

	2021 [1]	2020 [1]	2019 [1]	2018 [1]
District's Proportion of the Net Pension Liability	0.0391189858%	0.0397106905%	0.0392893705%	0.0396570605%
District's Proportionate Share of the Net Pension Liability	$ (33,539)	$ 206,944	$ 287,359	$ 498,574
District's Covered Payroll	$ 291,078	$ 269,409	$ 270,565	$ 262,731
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-11.52%	76.81%	106.21%	189.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability Pension Liability	101.49%	90.88%	86.26%	75.69%

SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Contractually Required Contribution	$ 55,563	$ 49,148	$ 49,192	$ 44,191	$ 38,423
Contributions in Relation to the Contracually Required Contribution	55,563	49,148	49,192	44,191	38,423
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 403,742	$ 357,702	$ 358,093	$ 328,419	$ 280,160
Contributions as a Percentage of Covered Payroll	13.76%	13.74%	13.74%	13.46%	13.71%

SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION (continued)

Last Ten Fiscal Years

	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 34,161	$ 34,308	$ 33,314	$ 31,681	$ 24,310
Contributions in Relation to the Contracually Required Contribution	34,161	34,308	33,314	31,681	24,310
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 269,409	$ 270,565	$ 262,731	$ 249,849	$ 227,209
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%	10.70%

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Last Ten Fiscal Years [2]

	2024 [1]	2023 [1]	2022 [1]
District's Proportion of the Net OBEP Liability	0.0033452068%	0.0032369823%	0.0032364006%
District's Proportionate Share of the Net OPEB Liability	$ 15,996	$ 23,103	$ 26,425
District's Covered Payroll	$ 403,742	$ 357,702	$ 328,419
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	3.96%	6.46%	8.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	59.83%	46.16%	38.57%

[1] Amounts presented are as of the Measurement Date

[2] This schedule is presented to illustrate the requirement to report information for 10 years. Until a full 10-year trend is compiled, information is presented for those years for which the information is available.

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (continued)
Last Ten Fiscal Years [2]

	2021 [1]	2020 [1]	2019 [1]	2018 [1]
District's Proportion of the Net OBEP Liability	0.0030409779%	0.0030319611%	0.0030090888%	0.0031089000%
District's Proportionate Share of the Net OPEB Liability	$ 26,223	$ 28,810	$ 33,821	$ 40,403
District's Covered Payroll	$ 291,078	$ 280,160	$ 270,565	$ 262,731
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	9.01%	10.28%	12.50%	15.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39.40%	32.78%	24.49%	18.00%

NORTHERN CHAFFEE COUNTY LIBRARY DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
Last Ten Fiscal Years [1]

	2025	2024	2023	2022
Contractually Required Contribution	$ 4,118	$ 3,649	$ 3,653	$ 3,350
Contributions in Relation to the Contracually Required Contribution	4,118	3,649	3,653	3,350
Contribution Deficiency	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 403,742	$ 357,702	$ 358,093	$ 328,419
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

1 This schedule is presented to illustrate the requirement to report information for 10 years. Until a full 10-year trend is compiled, information is presented for those years for which the information is available.

SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB (continued)
Last Ten Fiscal Years [1]

	2021	2020	2019	2018
Contractually Required Contribution	$ 2,860	$ 2,748	$ 2,760	$ 2,574
Contributions in Relation to the Contracually Required Contribution	2,860	2,748	2,760	2,574
Contribution Deficiency	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 280,160	$ 269,409	$ 270,565	$ 262,731
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	0.98%

Budgetary Information

The District follows the requirements of the Colorado Local Government Budget Law in establishing the budgetary data reflected in the financial statements. The District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate funds for the ensuing year. The appropriation resolution is adopted at the fund level and lapses at year-end.

The budget is prepared on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America ("GAAP") for all governmental funds. The District reports the following governmental fund as a major fund for budgetary presentation purposes:

- General Fund

Budget Amendments

During the year ended December 31, 2025, one amendment to the original appropriations was made. Final budget appropriations have been reduced by $151,895, while estimated revenues have been increased by $626,700.

Explanation of Variances – Original Budget to Final Budget

The amended budget is lower due to some anticipated costs rolling over into the subsequent year. Certain grants will not be reimbursed until qualifying equipment has been installed and some equipment will not be able to be installed until additional construction has been completed.

Explanation of Variances – Final Budget to Actual

Actual revenues exceeded final estimated revenues by $150,021 due to specific ownership taxes, grants, and investment earnings higher than anticipated. Capital outlays for the library expansion were under budget by $232,115. Overall, actual expenditures were below appropriations by $159,200.

TABOR Emergency Reserve

Under the Colorado Taxpayer's Bill of Rights, the District is required to maintain an emergency reserve equal to 3% of fiscal year spending, excluding bonded debt service.