

**COLORADO LIBRARY CONSORTIUM
BASIC FINANCIAL STATEMENTS**

June 30, 2025

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FINANCIAL SECTION



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

Board of Directors
Colorado Library Consortium
Centennial, Colorado

INDEPENDENT AUDITORS REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Colorado Library Consortium (“CLiC”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise CLiC’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of CLiC as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 CLiC’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedules of CLiC's proportionate share, and the schedules of CLiC's contributions on pages 43-47 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

PB Solutions LLC

Littleton, Colorado

December 8, 2025

Colorado Library Consortium
Management’s Discussion and Analysis – June 30, 2025

As management of the Colorado Library Consortium (CLiC), we offer readers the following summary documenting the financial condition, operational highlights, and activities of the organization for the year ending June 30, 2025. Since its inception in August 2004, CLiC has matured into a stable organization with policies and procedures to manage its financial assets. The organization is well established in the Colorado library community and offers a robust set of services to its member libraries. Information about those services can be found on the CLiC web site (www.clicweb.org) along with the organization’s long-range strategic plan and annual operational plan. CLiC’s funding was stable during the past fiscal year.

This document should be read in conjunction with the audited financial statements associated with this audit report.

Required Financial Statements

The financial statements included in this report are those of a special-purpose governmental instrumentality engaged in a single program. Government-wide financial statements account for activities on a full accrual basis of accounting. Fund financial statements account for activities on a modified accrual basis of accounting that is the same as the way the budget is prepared.

There are four major differences between these two financial statement perspectives: the treatment of capital asset purchases, the accrual of a liability for employee earned, unused vacation, recording a proportionate share of the total pension liability of the Local Government Division Trust Fund (LGDTF) of the Public Employees’ Retirement Association of Colorado (“PERA”), and recording a proportionate share of the total OPEB (other postemployment benefit) liability of the LGDTF PERA in CLiC’s statement of net position.

Government-wide and fund balance statements have been combined in this report, and each page shows the reconciliation between the two perspective presentations.

The governmental fund balance sheet (page 3) reflects CLiC’s current financial resources (short-term spendable funds), as well as accounts receivable, prepaid items, short-term obligations, and unearned revenues, among other details. In contrast, the statement of net position (page 1) includes capital assets, vacation payable (compensated absences), and pension and other postemployment liabilities. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported either as net position in the government wide statement of net position or as fund balance on the balance sheet – general fund.

The statement of activities (page 2) and governmental fund revenues, expenditures, and changes in fund balance – general fund (page 5) reflects CLiC’s revenues and expenditures. The difference between revenues and expenses represents annual operating results, and is reported either as a change in net position in the statement of activities or as change in fund balance in the statement of revenues, expenditures, and changes in fund balances – general fund.

Analysis of Overall Financial Position and Operations

Condensed Statements of Net Position

	30-Jun-25	30-Jun-24
Current Assets	\$ 4,281,647	\$ 4,468,214
Capital Assets	\$ 106,018	\$ 159,027
Total Assets	\$ 4,387,665	\$ 4,627,241
Deferred outflows of resources	\$ 192,319	\$ 416,216
Current liabilities	\$ 200,610	\$ 191,218
Unearned revenue	\$ 1,084,548	\$ 1,404,795
Compensated Absences	\$ 70,822	\$ 120,294
Lease Payable	\$ 83,445	\$ 78,687
Net OPEB Liability	\$ 39,290	\$ 70,027
Net Pension Liability	\$ 634,123	\$ 905,901
Total Liabilities	\$ 2,112,838	\$ 2,770,922
Deferred Inflows of Resources	\$ 100,126	\$ 50,365
Net (Deficit) Position		
Net Investment in Capital Assets	\$ 1,622	\$ 80,340
Unrestricted	\$ 2,365,398	\$ 2,141,830
Total Net Position	\$ 2,367,020	\$ 2,222,170

Net position may serve over time as one of several useful indicators of the organization’s financial health. CLiC’s ending net position at June 30, 2025 is \$2,367,020. At June 30, 2025, the organization’s overall net position increased \$144,850 over the prior fiscal. This change in financial position is a direct result of CLiC’s operations and changing values for CLiC’s proportionate share of the pension liability and the other postemployment benefit (OPEB) liability of the Local Government Division Trust Fund managed by Colorado PERA. Equivalent changes in net pension liability and OPEB liability are experienced by other organizations that participate in Colorado PERA and many of those organizations may likewise see changes in net positions because of outcomes reported by Colorado PERA. These liabilities are classified and calculated based on anticipated liquidation either in the near-term or in the future. Other factors influencing net position include reduced program and service expenses for the organization, and higher interest income earned on reserve funds deposited with COLOTRUST, which remained healthy during the past fiscal year.

Condensed Statements of Activities

	29-Jun-25	30-Jun-24
Program Revenue		
Program and Services	\$ 2,193,856	\$ 1,837,412
Cooperative Projects	\$ 2,968,887	\$ 2,824,047
General Revenue		
Colorado Department of Education	\$ 1,150,000	\$ 1,150,000
Miscellaneous Revenue	\$ 6,578	
Interest Income	\$ 96,848	\$ 105,834
Total Revenue	\$ 6,416,169	\$ 5,917,293
Expenses		
Program and Services	\$ 2,160,741	\$ 1,998,793
Cooperative Projects	\$ 2,870,465	\$ 2,717,218
Operations	\$ 1,233,636	\$ 971,277
Interest Expense	\$ 6,477	\$ 9,476
Total Expenses	\$ 6,271,319	\$ 5,696,764
Change in Net Position	\$ 144,850	\$ 220,529
Net Position - Beginning of Year	\$ 2,222,170	\$ 2,001,641
Net Position - End of Year	\$ 2,367,020	\$ 2,222,170

Since 2004, CLiC has matured into a stable organization with established fiscal controls and conservative management practices. The executive director was hired in February 2013, and the organization continues to exhibit stability and consistency in the midst of periodic managed growth. Two additional veteran staff members with more than 18 years of combined relevant experience constitute other key positions responsible for financial activity. Altogether, these individuals provide CLiC with relevant organizational memory as well as cross-trained expertise for significant day-to-day functions requiring use of the accounting system, payroll system, and other financial systems integrated to provide efficient operations. The executive director works regularly with the fiscal manager and the cooperative products manager to ensure that expenses and revenue are recorded accurately and that costs stay within the budget approved by the governing board. The organization continues to hold reserves and some operating revenue at COLOTRUST. During FY24-25 CLiC received \$1,150,000 from the State of Colorado in operating funding, which is utilized to deliver statewide infrastructure and to subsidize the costs associated with core services provided to participating libraries. In addition, CLiC brought in more than \$5.2 million in additional income through various services, programs and activities. CLiC does not charge membership fees for libraries and schools to belong to CLiC but instead offers various fee-for-service programs and services. Library participation in those services is voluntary and has remained stable through the past 5 years.

Most of CLiC's financial activities are similar to the previous fiscal year, including cooperative purchasing activities. This aspect of the organization's services provides choice in a wide array of cooperatively licensed electronic resource products to more than 400 libraries/schools. CLiC continues to identify and negotiate other online products for cost-saving cooperative purchase/license by libraries, proving value

in that such products can be licensed at costs far less than retail, saving libraries (in aggregate across the state) an estimated 16+ million dollars.

CLiC’s statewide courier service continues to experience significant use by libraries. Material sorting and transportation costs remained stable, and the number of items transported on behalf of libraries dropped slightly, to 1.85 million items. Relative volume remains depressed across the courier system in the wake of the COVID-19 pandemic, in particular with urban and academic libraries statewide. Rural library resource sharing continues to increase slightly and set new records in FY25.

Responsible material resale and recycling through CLiC’s No Store service allows the pick-up of weeded and discarded library material from participating libraries and has evolved to become a net-revenue generator, though it is not a predictable source of revenue due to volatility in library participation. This environmentally-friendly program allows the collection, sorting and shipping of such materials to either book resellers or recyclers while earning administrative fees. CLiC’s three out-of-state courier streams, Blue Sky Express, COKAMO, and ProMo continue to be stable, but represent a very small percentage of use in comparison to the in-state system. CLiC intends to review the expense, return on investment, and long-term operational viability of these out-of-state streams within FY26.

CLiC also manages an open-source integrated library system called AspenCat, which serves more than 161 public, school, and academic libraries. Growth in participation continued to be manageable with existing staff, which has remained stable at three full-time positions during the past year. The AspenCat system, considered a union catalog, allows for more than 1.4+ million items to be easily discovered and shared among participating member libraries, predominantly small and rural libraries. Fees charged to participating libraries result in an inexpensive system, particularly when compared to commercial/for-profit vendor systems. Significant CLiC staff assets continue to subsidize this service.

Capital Assets

	29-Jun-25	30-Jun-24
Furniture and Fixtures	\$ 7,593.00	\$ 7,593.00
Lease Asset - Office Space	\$ 367,252.00	\$ 367,252.00
Lease Asset - Accumulated Depreciation	\$ (268,827.00)	\$ (215,818.00)
Net Capital Assets	<u>\$ 106,018.00</u>	<u>\$ 159,027.00</u>

CLiC’s capital assets remained consistent. The organization has reduced its leased office space, a cost-saving measure reflective of the realities of post-pandemic operational activities. CLiC’s office operations continue with a three-year lease agreement that initiated July 1, 2024.

General Fund Budgetary Highlights

The CLiC board approved the original budget in June 2024. CLiC management continues to embrace a philosophy of conservative budgeting and use of funds. Delinquent accounts have been cleared from the books, and staff members involved with invoicing libraries actively work to stay current with service fees from those member libraries.

Facts, Decisions, and Conditions Expected to have Future Ramifications

During FY24-25, the State of Colorado maintained its appropriation to CLiC of \$1,150,000. That appropriation may not remain stable for FY25-26, the result of budget challenges faced by the state overall. During FY24-25, CLiC applied those appropriated funds as increased subsidy for libraries participating in the statewide courier service. A renegotiated multi-year contract for courier-related services with Western Peaks Logistics is expected for the 25-26 fiscal year, with terms favorable to CLiC (and libraries) due to its affordability. The new contract will be established to keep prices low for libraries and to maintain predictability and cost containment, providing stable and excellent service to participating libraries.

CLiC's cooperative purchase program remains stable under the guidance of the executive director and the direction of the cooperative products manager. A continuing emphasis on more flexible negotiation periods with existing and new vendors has created new database and electronic product purchase arrangements. In addition, the investment in an online, off-the-shelf customer relationship management (CRM) system and its deployment in FY24-25 has increased efficiency and quality of data CLiC maintains about libraries across Colorado. Ongoing use of "configure/price/quote" systems remained valuable tools for CLiC's service to libraries. With their customer-facing features and interactivity, these systems also reduced the number of times CLiC staff had to remind libraries and schools about time-sensitive price quotes and invoices. Marketing activity continues to make the library community aware of vendor products.

CLiC's longstanding contract with the State Library for payroll and fiscal agency associated with selective services was severed during FY24-25. Personnel changes, combined with a need to grow server operations, were factors beyond CLiC's control – but the reduction in administrative income resulting from that relationship represented a small percentage of CLiC's overall revenue.

The State of Colorado's financial situation continues to be monitored by CLiC's management and board. The overall health of the State of Colorado's budget – reports suggest a \$850M to \$1B shortfall for the state – may have consequences for the library community. CLiC's state appropriation appears stable as of this report date. With the increase and diversification of its revenue base over the past several years, CLiC has a stable platform and is well-positioned to handle fiscal adversity in the future. Several years of prudent budgeting created a significant reserve as well. As in past years, the executive director and board will continue to monitor the state's budget situation moving forward.

Additional Financial Information

This financial report is intended to provide users with an overview of the Colorado Library Consortium's financial operations and conditions. For additional information, please contact the Colorado Library Consortium, 7400 E. Arapahoe, Suite 75, Centennial, Colorado 80112.

BASIC FINANCIAL STATEMENTS

COLORADO LIBRARY CONSORTIUM

STATEMENT OF NET POSITION
June 30, 2025

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	\$ 4,165,228
Accounts Receivable, Net	112,041
Prepaid Expenses	4,378
Right to Use Assets, Net of Accumulated Amortization	<u>106,018</u>
TOTAL ASSETS	<u>4,387,665</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pensions	184,247
Related to OPEB	<u>8,072</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>192,319</u>
LIABILITIES	
Accounts Payable	186,315
Accrued Salaries and Benefits	14,295
Unearned Revenue	1,084,548
Noncurrent Liabilities	
Due Within One Year	83,445
Due in More Than One Year	70,822
Net Pension Liability	634,123
Net OPEB Liability	<u>39,290</u>
TOTAL LIABILITIES	<u>2,112,838</u>
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	52,420
Related to OPEB	<u>47,706</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>100,126</u>
NET POSITION	
Net Investment in Capital Assets	1,622
Unrestricted	<u>2,365,398</u>
TOTAL NET POSITION	<u><u>\$ 2,367,020</u></u>

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

COLORADO LIBRARY CONSORTIUM

STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Governmental Activities					
Program and Service Expense	\$ 2,160,741	\$ 2,193,856	\$ -	\$ -	\$ 33,115
Cooperative Projects	2,870,465	2,968,887	-	-	98,422
Operations	1,233,636	-	-	-	(1,233,636)
Interest and Fiscal Charges	6,477	-	-	-	(6,477)
Total Primary Government	<u>\$ 6,271,319</u>	<u>\$ 5,162,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,108,576)</u>
GENERAL REVENUES					
					1,150,000
					96,848
					6,578
					<u>1,253,426</u>
					TOTAL GENERAL REVENUES
					144,850
					CHANGE IN NET POSITION
					2,222,170
					NET POSITION, Beginning
					<u>\$ 2,367,020</u>
					NET POSITION, Ending

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

COLORADO LIBRARY CONSORTIUM

BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2025

	<u>GENERAL FUND</u>
ASSETS	
Cash and Investments	\$ 4,165,228
Accounts Receivable, Net	112,041
Prepaid Expenses	4,378
TOTAL ASSETS	<u>4,281,647</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	186,315
Accrued Salaries and Benefits	14,295
Unearned Revenues	1,084,548
TOTAL LIABILITIES	<u>1,285,158</u>
FUND BALANCES	
Nonspendable	4,378
Assigned	
CLEL	5,043
Collaborative Librarian	18,194
Colorado Virtual Library (CVL)	48,549
Ebook Collection	108,501
ILL	27,002
Unassigned	2,784,822
TOTAL FUND BALANCES	<u>2,996,489</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,281,647</u>

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

COLORADO LIBRARY CONSORTIUM

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2025

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

Total fund balances of governmental funds	\$ 2,996,489
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Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Capital Assets, Depreciated	7,593	
Accumulated Depreciation	(7,593)	
Right to Use Asset	367,252	
Accumulated Amortization	<u>(261,234)</u>	106,018

Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.

Lease Payable	(104,396)	
Compensated Absences	(49,871)	
Net Pension Liability	(634,123)	
Net OPEB Liability	<u>(39,290)</u>	(827,680)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources - Related to Pensions	184,247	
Deferred inflows of resources - Related to Pensions	(52,420)	
Deferred outflows of resources - Related to OPEB	8,072	
Deferred inflows of resources - Related to OPEB	<u>(47,706)</u>	<u>92,193</u>

Net position of governmental activities	<u>\$ 2,367,020</u>
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The accompanying notes are an integral part of the financial statements.

COLORADO LIBRARY CONSORTIUM

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
Year Ended June 30, 2025

	GENERAL FUND
REVENUES	
State Appropriation	\$ 1,150,000
Administrative Fees	11,482
AspenCat Catalog	266,228
Courier Income	841,305
Continuing Education and Workshops	11,080
No Store Income	20,841
Interest Income	96,848
Colorado Virtual Library	968,639
Ebooks	74,281
Cooperative Projects	2,968,887
Miscellaneous Revenue	6,578
TOTAL REVENUES	<u>6,416,169</u>
EXPENDITURES	
Payroll, Taxes, and Benefits	1,142,038
Program and Service Expenditures	1,291,718
Operational Expenditures	66,100
Colorado Virtual Library	766,262
Ebooks	102,761
Cooperative Projects	2,870,465
Debt Service	
Principal	46,060
Interest	6,477
TOTAL EXPENDITURES	<u>6,291,881</u>
CHANGE IN FUND BALANCE	124,288
FUND BALANCES, Beginning	<u>2,872,201</u>
FUND BALANCES, Ending	<u><u>\$ 2,996,489</u></u>

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

COLORADO LIBRARY CONSORTIUM

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds		\$ 124,288
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
Capital Outlay	-	
Amortization Expense	<u>(53,009)</u>	(53,009)
<p>Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.</p>		
Changes in Compensated Absences	(1,346)	
Principal Payments on Lease Liability	<u>46,060</u>	44,714
<p>Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for governmental activities those amounts are reported in the statement of net position and amortized in the statement of activities.</p>		
Deferred charges related to Pension Plan	8,054	
Deferred charges related to OPEB	<u>20,803</u>	<u>28,857</u>
Change in net position of governmental activities		<u>\$ 144,850</u>

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

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Colorado Library Consortium (“CLiC”) is a regional library service system, authorized under the provisions of Colorado Revised Statute 24-90-115 to develop and coordinate cooperative library services. CLiC provides courier services between libraries, continuing education, consulting, technical assistance, professional support, and facilitates resource sharing. CLiC serves the entire state of Colorado. CLiC has 465 member libraries, including academic, public, school CLiC, and special libraries and cooperatives.

CLiC is governed by a seven-member board representing diverse geographies of the state and different sizes of library. Representatives align with different library types: 2 public library representatives, 2 academic library representatives, 2 school library representatives, and 1 special library representative. CLiC is partially funded through the Colorado state budget and partially funded through fees for services paid by participating libraries. CLiC is regulated by the Colorado State Board of Education through its State Library Division.

CLiC’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of CLiC and organizations for which CLiC is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of CLiC. In addition, any legally separate organizations for which CLiC is financially accountable are considered part of the reporting entity. Financial accountability exists if CLiC appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on CLiC.

CLiC is a special purpose governmental entity reporting as a primary government as defined by Statement No. 14 of the GASB. CLiC has determined that it has no component units required to be included in the reporting entity.

Government-Wide and Fund Financial Statements

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

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, CLiC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available for use, it is CLiC's practice to use restricted resources first, then unrestricted resources as they are needed.

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

The *General Fund* is CLiC's primary operating fund. It accounts for all financial resources of CLiC, except those required to be accounted for in another fund.

Assets, Liabilities, and Fund Balance/Net Position

Deposits and Investments – CLiC considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The allowance for doubtful accounts is estimated using history of write-offs, and management’s judgment of current economic conditions and customer financial condition. The estimated allowance for doubtful account is \$3,000 at June 30, 2025.

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

Capital Assets – Capital assets are reported in the government-wide financial statements. Capital assets are defined by CLiC as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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 asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives of 5 to 10 years. Depreciation and amortization expense are recorded on the statement of activities and capital assets are shown net of accumulated depreciation and amortization on the statement of net position. In the fund financial statements, capital assets are accounted for as capital outlay expenditures upon acquisition.

Unearned Revenues – The unearned revenues include amounts received in advance of services performed. The majority of the unearned revenue reported by CLiC relates to annual payments for subscription and courier services paid in advance.

Compensated Absences – CLiC employees are entitled to certain compensated absences. Employees are allowed to carry over 240 hours of accrued leave to the succeeding year. Upon separation of employment, unused vacation is paid to the employee at the employee’s current rate of pay.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position and balance sheets 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 and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Revenue, Expenditures, and Expenses – Program revenue includes the annual appropriation from the State of Colorado. Courier income is for services billed to member and associate libraries. Courier revenue is unearned when courier billings are in advance of the courier services to be provided. Most libraries pay annually for courier services from October through September of the following year. Therefore, approximately one fourth of CLiC’s courier revenue receipts are unearned at June 30, 2025.

Other fiscal year receipts are from a variety of sources, including registration fees for continuing education, workshops, and other training. CLiC sponsors cooperative project purchases for member libraries.

CLiC also manages contracts that may provide technical programming, administrative support, and direct payroll for the Colorado Virtual Library (CVL), Colorado Historic Newspaper Collection (CHNC), and occasional grant projects. CLiC subcontracts the technical services for these projects, acts as employer of record and provides accounting services, office space, and other operating support. Employees providing services under these contracts are treated as CLiC employees for all payroll reporting purposes. CLiC recognizes the activity on these contracts at gross amounts.

Income Taxes – CLiC is a special purpose government and has also reported annually to the IRS as an exempt organization for federal and state income tax purposes under Section 501(c)(3) of the Internal Revenue Code (IRC).

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Net Position – The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position represents liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While CLiC management may have categorized and segmented a portion for various purposes, CLiC Board has the unrestricted right to revisit or alter these managerial decisions.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which CLiC is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. CLiC reports prepaid expenses as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. CLiC does not report any restricted fund balances at June 30, 2025.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

resources have been specifically committed for use in satisfying those contractual requirements. CLiC does not report any committed resources at June 30, 2025.

- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. CLiC reports assigned resources related to various contracts at June 30, 2025.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

CLiC would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

CLiC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. CLiC carries commercial insurance for these risks of loss. No settlements exceeded insurance coverage for each of the past three years.

Subsequent Events

CLiC has evaluated events subsequent to the year ended June 30, 2025 through December 8, 2025, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: CASH AND INVESTMENTS

Cash and investments on June 30, 2025 consist of the following:

Deposits	\$ 2,083,041
Investments	<u>2,082,187</u>
Total	<u>\$ 4,165,228</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for CLiC are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At June 30, 2025, CLiC had deposits with financial institutions with a carrying amount of \$2,083,041. The bank balances with the financial institutions were \$2,279,445. Of these balances, \$250,000 were covered by federal depository insurance and \$2,029,445 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Local Government Investment Pools

CLiC had invested \$2,082,187 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor’s. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00 (net asset value). Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pools (Continued)

The custodian’s internal records identify the investments owned by the entities. ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. The government-investor does not “look through” the pool to report a pro rata share of the pool’s investments, receivables, and payables.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 20, 2025, is summarized below:

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities				
Equipment	\$ 7,593	\$ -	\$ -	\$ 7,593
Right to Use Asset - Office Space	367,252	-	-	367,252
Accumulated Depreciation - Equipment	(7,593)	-	-	(7,593)
Accumulated Amortization - Right to Use Asset - Office Space	(208,225)	(53,009)	-	(261,234)
Capital Assets, Net	<u>\$ 159,027</u>	<u>\$ (53,009)</u>	<u>\$ -</u>	<u>\$ 106,018</u>

Amortization expense of \$53,009 was charged to operational expense for the year ended June 30, 2025.

NOTE 5: LONG-TERM LIABILITIES

The changes in long-term liabilities for the year ended June 30, 2025, were as follows:

	Balance 6/30/2024	Additions	Payments	Balance 6/30/2025	Due In One Year
Lease Payable	\$ 150,456	\$ -	\$ 46,060	\$ 104,396	\$ 50,031
Compensated Absences	48,525	1,346	-	49,871	33,414
Total	<u>\$ 198,981</u>	<u>\$ 1,346</u>	<u>\$ 46,060</u>	<u>\$ 154,267</u>	<u>\$ 83,445</u>

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: **LONG-TERM LIABILITIES** (Continued)

Office Space Lease

In February 2009, CLiC entered in a lease agreement for office space, which has been extended through amendments to the original lease agreement. The most recent amendment was entered into in March 2019 with the lease extending through June 30, 2024. In May, 2024, the original lease was modified. The lease term was extended an additional 3 years, expiring in June, 2027. In addition, the lease payments were adjusted. The revised lease payments range from \$4,378 to \$4,645 per month. The interest on the modified lease agreement is calculated using an estimated incremental borrowing rate of 5%.

Principal and interest payments to maturity of the lease are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 50,031	\$ 4,084	\$ 54,115
2027	54,365	1,486	55,851
Total	\$ 104,396	\$ 5,570	\$ 109,966

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COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. CLiC participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/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.

General Information about the Pension Plan

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

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

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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 lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions provisions as of June 30, 2025: Eligible employees of CLIC and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the following table:

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employee contribution (all employees other than State Troopers) Safety Officers	9.00%	9.00%
State Troopers Safety Officers	13.00%	13.00%

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

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employer contribution rate	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	13.76%	13.79%

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

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and CLiC is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from CLiC were \$106,565 for the year ended June 30, 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. CLiC's proportion of the net pension liability was based on CLiC's contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers. and the State as a nonemployer contributing entity.

At June 30, 2025, CLiC reported a liability of \$634,123 for its proportionate share of the net pension liability.

At December 31, 2024, CLiC's proportion was 0.010%, which was a decrease of 0.020% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, CLiC recognized pension expense of \$98,511. At June 30, 2025, CLiC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$47,850	\$-
Changes of assumptions or other inputs	18,715	-
Net difference between projected and actual earnings on pension plan investments	59,673	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	52,420
Contributions subsequent to the measurement date	58,009	N/A
Total	\$184,247	\$52,420

\$58,009 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 June 30, 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 June 30,	
2026	\$71,987
2027	142,823
2028	(101,003)
2029	(39,989)
2030	-
Thereafter	-

COLORADO LIBRARY CONSORTIUM
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

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

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

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri- County Health) 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 \$486 and \$20, 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.

COLORADO LIBRARY CONSORTIUM
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (Continued)

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-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
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023, valuation 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: 3.40%-13.00%

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.

COLORADO LIBRARY CONSORTIUM
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial assumptions (Continued)

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-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
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

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:

COLORADO LIBRARY CONSORTIUM
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (Continued)

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%.

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 scheduled increases in SB 18-200 and 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 scheduled increase in SB 18-200 and 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.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Discount rate (Continued)

- 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 December 31, 2024, measurement date, the FNP and related disclosure components of 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 disaffiliation payment 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 CLiC'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%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Sensitivity of CLIC's proportionate share of the net pension liability to changes in the discount rate (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$1,387,968	\$634,123	\$807

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/forms-resources/financial-reports-and-studies.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. CLiC 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.

General Information about the OPEB Plan

Plan description. Eligible employees of CLiC 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/forms-resources/financial-reports-and-studies.

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.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

General Information about the OPEB Plan (Continued)

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.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

General Information about the OPEB Plan (Continued)

DPS Benefit Structure

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

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

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 CLiC is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from CLiC were \$7,891 for the year ended June 30, 2025.

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

At June 30, 2025, CLiC reported a liability of \$39,290 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. CLiC's proportion of the net OPEB liability was based on CLiC's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

At December 31, 2024, CLiC’s proportion was 0.008%, which was a decrease of 0.002% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, CLiC recognized OPEB expense of (\$12,912). At June 30, 2025, CLiC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$-	\$8,667
Changes of assumptions or other inputs	451	12,559
Net difference between projected and actual earnings on OPEB plan investments	133	-
Changes in proportion and differences between contributions recognized and proportionate share of	1,731	26,480
Contributions subsequent to the measurement date	5,757	N/A
Total	\$8,072	\$47,706

\$5,757 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 June 30, 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:

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

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

Year ended June 30,	
2026	(\$12,393)
2027	(\$9,915)
2028	(\$11,216)
2029	(\$5,390)
2030	(\$4,066)
Thereafter	(\$2,411)

Actuarial assumptions

The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

	Local Government Division
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 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	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

Actuarial assumptions (Continued)

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

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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

COLORADO LIBRARY CONSORTIUM
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

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

Actuarial assumptions (Continued)

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

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

The 2024 Medicare Part A premium is \$505 per month.

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

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.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

Actuarial assumptions (Continued)

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 following table:

Year	PERACare Medicare Plans¹	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

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

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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

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

Actuarial assumptions (Continued)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Division	PubT-2010 Employee	N/A
<hr/>		
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Division	PubT-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
<hr/>		
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
<hr/>		
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

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

Actuarial assumptions (Continued)

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

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits 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.

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

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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

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

Actuarial assumptions (Continued)

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

Actuarial assumptions (Continued)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Division	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Division	PubT-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
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

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.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

Actuarial assumptions (Continued)

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 CLiC’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following table 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:

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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

Sensitivity of CLiC’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates (Continued)

	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	\$38,231	\$39,290	\$40,488

¹For 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.

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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

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

Discount rate (Continued)

- 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 CLiC’s proportionate share of the net OPEB liability to changes in the discount rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$48,150	\$39,290	\$31,651

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/forms-resources/financial-reports-and-studies.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8: **COMMITMENTS AND CONTINGENCIES**

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Tabor Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Tabor Amendment is complex and subject to judicial interpretations. Regional library service systems have taken the position based on legal consultation, that they are not subject to the provision of the amendment since the funds are appropriated by the Colorado General Assembly and publicly supported member libraries have previously been subjected to the limitations imposed.

NOTE 9: **RELATED PARTY TRANSACTIONS**

CLiC submits annual plans, budgets, and reports to the Colorado State Librarian under rules and regulations adopted by the Colorado Department of Education and the Colorado State Librarian as required by state law. During the year ended June 30, 2025, CLiC received state funding of \$1,150,000 through the Colorado Department of Education.

CLiC manages a contract that provides technical programming and training support for the Colorado Virtual Library (CVL). The CVL has four employees and the computer network for the CVL is located in the CLiC offices. CLiC recognized revenue of \$968,639 including reimbursements and administrative fees, and expenditures of \$766,262 during the year ended June 30, 2025 for CVL services.

Colorado Historic Newspaper Collection Service (CHNC) is sponsored by CSL and provides digitization services. CLiC is the administrative agent of this activity. CSL provides funding for this project and pays CLiC annual administrative fees of \$2,500. CSL provides advance funding for these activities and CLiC maintains a separate CSL Services bank account. These amounts are recorded in the General Fund as cash and investments and include \$693,496 for CSL Services and \$48,549 for Colorado Virtual Library.

REQUIRED SUPPLEMENTARY INFORMATION

COLORADO LIBRARY CONSORTIUM

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND - BUDGETARY BASIS
 Year Ended June 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
State Appropriation	\$ 1,150,000	\$ 1,150,000	\$ -	\$ 1,150,000
Administrative Fees	142,600	11,482	(131,118)	49,217
AspenCat Catalog	285,000	266,228	(18,772)	338,106
Courier Income	840,000	841,305	1,305	753,900
Continuing Education and Workshops	11,000	11,080	80	18,104
No Store Income	10,000	20,841	10,841	19,697
Miscellaneous Revenue	82,350	6,578	(75,772)	-
Interest Income	75,000	96,848	21,848	105,834
TOTAL REVENUES	2,595,950	2,404,362	(191,588)	2,434,858
EXPENDITURES				
Payroll, Taxes, and Benefits	1,116,000	1,142,038	(26,038)	1,083,934
Program and Service Expenditures				
AspenCat Catalog	115,000	122,382	(7,382)	119,622
Dues, Travel, and Lodging	39,000	44,815	(5,815)	28,990
Continuing Education and Workshops	22,000	32,892	(10,892)	30,540
Courier Contract and Expense	1,134,650	1,061,580	73,070	1,051,363
Other Program Expense	3,000	-	3,000	-
Telecommunications and Internet	25,000	30,049	(5,049)	31,417
Operational Expenditures				
Audit, Accounting, and Legal	33,000	26,380	6,620	30,773
Insurance	10,000	9,040	960	9,647
Repairs and Maintenance	23,000	19,326	3,674	19,590
Capital Outlay	11,000	3,790	7,210	150,420
Space Cost	54,000	49,369	4,631	61,649
Other Operational Expense	10,300	10,732	(432)	6,027
TOTAL EXPENDITURES	2,595,950	2,552,393	43,557	2,623,972
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(148,031)	(148,031)	(189,114)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	-	142,189
CHANGE IN BUDGETARY FUND BALANCE	\$ -	\$ (148,031)	\$ (148,031)	\$ (46,925)
FUND BALANCES, Beginning, GAAP Basis				
Non-Budgeted Library Organization Revenues		4,011,807		3,482,435
Non-Budgeted Library Organization Expenditures		(3,739,488)		(3,454,079)
FUND BALANCES, Ending, GAAP Basis		\$ 2,996,489		\$ 2,872,201

See the accompanying independent auditor's report

COLORADO LIBRARY CONSORTIUM

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA LOCAL GOVERNMENT TRUST FUND PLAN

Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability (Asset)	0.1033%	0.1234%	0.1186%	0.1351%	0.1518%	0.1515%	0.1582%	0.1624%	0.1623%	0.1418%
Proportionate Share of the Net Pension Liability (Asset)	\$ 634,123	\$ 905,901	\$ 1,189,916	\$ (115,810)	\$ 791,142	\$ 1,108,415	\$ 1,989,563	\$ 1,808,234	\$ 2,192,770	\$ 1,562,624
Covered payroll	\$ 991,706	\$ 1,084,204	\$ 971,254	\$ 1,005,082	\$ 1,071,586	\$ 1,043,636	\$ 1,037,964	\$ 1,024,501	\$ 9,841,265	\$ 805,619
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	63.94%	83.55%	122.51%	-11.52%	73.83%	106.21%	191.68%	176.50%	22.28%	193.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.45%	88.03%	82.99%	101.50%	90.90%	86.30%	76.00%	79.40%	73.60%	76.90%

See the accompanying independent auditor's report

COLORADO LIBRARY CONSORTIUM

SCHEDULE OF CONTRIBUTIONS
PERA LOCAL GOVERNMENT TRUST FUND PLAN

Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	\$ 106,565	\$ 143,040	\$ 139,048	\$ 127,052	\$ 139,157	\$ 133,555	\$ 134,381	\$ 127,018	\$ 130,160	\$ 111,408
Contributions in Relation to the Contractually Required Contributions	106,565	143,040	139,048	127,052	139,157	133,555	134,381	127,018	130,160	111,408
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 773,681	\$ 1,040,416	\$ 1,013,063	\$ 962,155	\$ 1,055,035	\$ 1,053,271	\$ 1,059,784	\$ 1,001,716	\$ 1,026,498	\$ 878,612
Contributions as a Percentage of Covered Payroll	13.77%	13.75%	13.73%	13.20%	13.19%	12.68%	12.68%	12.68%	12.68%	12.68%

See the accompanying independent auditor's report

COLORADO LIBRARY CONSORTIUM

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net OPEB Liability (Asset)	0.8217%	0.0981%	0.0096%	0.0015%	0.0116%	0.0116%	0.0123%	0.0126%	0.0125%
Proportionate Share of the Net OPEB Liability (Asset)	\$ 39,290	\$ 70,027	\$ 78,149	\$ 90,546	\$ 110,111	\$ 130,460	\$ 166,972	\$ 164,002	\$ 161,618
Covered payroll	\$ 991,706	\$ 1,084,204	\$ 971,254	\$ 1,005,082	\$ 1,071,586	\$ 1,043,636	\$ 1,037,964	\$ 1,024,501	\$ 984,265
Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	3.96%	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan Fiduciary Net position as a Percentage of the Total OPEB Liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

NOTE: Information for the prior one year was not available for this report.

See the accompanying independent auditor's report

COLORADO LIBRARY CONSORTIUM

SCHEDULE OF CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND PLAN

Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	\$ 7,891	\$ 10,613	\$ 10,331	\$ 9,814	\$ 10,762	\$ 10,743	\$ 10,810	\$ 10,217	\$ 10,470	\$ 8,962
Contributions in Relation to the Contractually Required Contributions	7,891	10,613	10,331	9,814	10,762	10,743	10,810	10,217	10,470	8,962
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Covered payroll	\$ 773,681	\$ 1,040,416	\$ 1,013,063	\$ 962,155	\$ 1,055,037	\$ 1,053,271	\$ 1,059,784	\$ 1,001,716	\$ 1,026,498	\$ 878,612
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See the accompanying independent auditor's report

COLORADO LIBRARY CONSORTIUM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

The annual budget for CLiC is prepared on the modified accrual basis of accounting and is generally consistent with the governmental fund presentation in the basic financial statements. However, certain activities are budgeted net of revenues and expenditures. Encumbrance accounting is not used. The Colorado State Librarian establishes budget controls. Budget projections are submitted to the Colorado State Librarian 120 days prior to the beginning of the next fiscal year. The governing board approves budget transfers and amendments.

NOTE 2: BUDGETARY DIFFERENCES

CLiC is reimbursed for certain operating expenditures under contracts with other library entities. Receipts and disbursement for these activities are reported at gross amounts in the government-wide and fund financial statements. A reconciliation between the net revenue presentation on a budgetary basis and gross revenue presentation in the statement of the governmental fund revenues, expenditures, and changes in fund balance - General Fund, is provided below:

Revenue, Budgetary Basis	\$	2,404,362
Cooperative Projects Revenue, Gross		2,968,887
Coop Ebook Collection		74,281
Colorado Virtual Library		968,639
Total Revenue, General Fund		6,416,169
Expenditures, Budgetary Basis		2,552,393
Cooperative Projects Expenditures, Gross		2,870,466
Coop Ebook Collection		102,761
Colorado Virtual Library		766,262
Total Expenditures, General Fund		6,291,881
CHANGE IN FUND BALANCE		124,288
Beginning Fund Balance		2,872,201
Ending Fund Balance	\$	2,996,489

COLORADO LIBRARY CONSORTIUM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 3: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – LOCAL GOVERNMENT DIVISION TRUST FUND

2024 Changes in Plan Provisions Since 2023

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

2023 Changes in Plan Provisions Since 2022

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$24.967 million and \$1.033 million, respectively.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 4: **SIGNIFICANT CHANGES IN ASSUMPTIONS AND OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – LOCAL GOVERNMENT DIVISION TRUST FUND**

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

2023 Changes in Assumptions or Other Inputs Since 2022

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

NOTE 5: **SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN**

2024 Changes in Plan Provisions Since 2023

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for HCTF 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 HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

COLORADO LIBRARY CONSORTIUM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 5: **SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN** (Continued)

2023 Changes in Plan Provisions Since 2022:

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

NOTE 6: **SIGNIFICANT CHANGES IN PLAN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN**

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

2023 Changes in Assumptions or Other Inputs Since 2022

There were no changes made to the actuarial methods or assumptions in 2023.