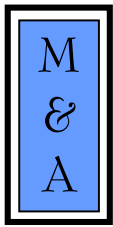


ANNUALREPORT
2025

**Douglas County Libraries
Financial Report
December 31, 2025**

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McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: www.McMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Douglas County Libraries
Castle Rock, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and the major fund information of Douglas County Libraries (the "District"), as of and for the year ended December 31, 2025, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Douglas County Libraries 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

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

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

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Douglas County Libraries
Castle Rock, Colorado**

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
To the Board of Trustees
Douglas County Libraries
Castle Rock, Colorado

Required Supplementary Information (continued)

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



McMahan and Associates, L.L.C.
Avon, Colorado
March 31, 2026



Management's Discussion and Analysis

Douglas County Libraries Management’s Discussion and Analysis

Douglas County Libraries elevates our community by inspiring a love of reading, discovery and connection.

As management of Douglas County Libraries (the “District”), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

The District operates seven library facilities throughout Douglas County. In addition, the District operates Douglas County Libraries Archives and Local History, which collects and preserves the history of Douglas County in order to provide historical research resources to the public. In 2025, the District employed a workforce of 267 full-time equivalent people, who were complemented by approximately 1,418 volunteers who provided 30,426 hours of service at no cost to the District or Douglas County. The District’s workforce is broken down as follows:

Library Operations and Community Engagement	86%
Facilities and Information Technology	6%
Executive, Finance, and Human Resources	8%

The District’s strategic plan includes a goal focused on crafting the next generation of libraries to support delivery of premium and personal experiences to all library customers. The District has adopted a facilities master plan to establish the priorities, tasks and budget commitments necessary to construct and maintain facilities that meet the needs of Douglas County in the premium and personal fashion embodied in the District’s strategic plan.

Financial Highlights

The District’s financial results for the year ended December 31, 2025, reflect the impact of the following:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$84,645,429 at the close of the most recent fiscal year end. The unrestricted net position, which represents the amounts available to meet the District’s ongoing obligations to citizens and creditors, was \$30,250,016.
- The District’s total net position increased by \$9,753,096.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,193,587 or 96% of total 2025 General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements are comprised of three components: 1) governmentwide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

Overview of the Financial Statements (continued)

The Statement of Activities presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes). The governmental activity of the District is library services. There are currently no business-type activities of the District, and the District discretely presents the Douglas County Libraries Foundation, a non-profit organization formed exclusively for the benefit of, to perform the functions of, or to carry out the charitable and educational purposes of the District.

The District's financial commitments that are tied to its facilities master plan make it essential to distinguish the results of normal recurring operating activities vs. the financial impact of non-operating transactions such as capital outlays for facility improvements, lease income, and disposals of capital assets. Accordingly, the comparison of year-over-year results in this discussion and analysis has been presented on both an as-adjusted and as-reported basis to better illustrate the results of normal recurring operating activities.

The government-wide financial statements can be found in Section C of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently maintains all operations in its General Fund, which is a governmental fund.

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

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

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

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Government-wide Financial Analysis

Douglas County Libraries's Net Position

	<u>2025</u>	<u>2024</u>
Assets:		
Current and other assets	\$ 77,625,576	\$ 72,902,902
Capital assets	63,223,671	65,056,178
Total Assets	<u>140,849,247</u>	<u>137,959,080</u>
Deferred Outflows of Resources	4,755,528	6,472,689
Liabilities:		
Current liabilities	1,611,387	5,377,722
Long-term liabilities	22,383,056	21,902,650
Total Liabilities	<u>23,994,443</u>	<u>27,280,372</u>
Deferred Inflows of Resources	36,964,903	42,259,064
Net Position:		
Net Investment in capital assets	52,976,139	53,367,229
Restricted	1,419,274	1,272,047
Unrestricted	30,250,016	20,253,057
Total Net Position	<u>\$ 84,645,429</u>	<u>\$ 74,892,333</u>

Traditionally, the largest portion of any government's investments is in its capital assets. Land, buildings, equipment, machinery, and library collections are necessary in order to deliver and/or provide services to the District's customers. The District's net investment in capital assets, net of accumulated depreciation, amortization, and less any related outstanding debt that was used to acquire those assets account for \$52,976,139, or 63% of its net position. These assets are not an available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining \$31,669,290 in net position, \$1,419,274 is restricted for TABOR reserve and \$30,250,016 is unrestricted.

At the end of the 2025 fiscal year, the District is able to report positive balances in all three categories of net position, first for the government as a whole, and then as separate governmental activities.

Most of the District's revenue is generated from property taxes. Most of the District's assets are reflected in the investment in capital assets (i.e., buildings, books, furniture, fixtures, and equipment). Capital assets account for 60% of the total assets. The District uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

Government-wide Financial Analysis (continued)

Douglas County Libraries's Change in Net Position

	<u>2025</u>	<u>2024</u>
Revenues:		
Program revenues:		
Charges for services	\$ 546,610	445,097
Operating grants and contributions	384,354	475,185
General revenues:		
Property taxes	41,674,874	37,678,094
Specific ownership taxes	3,265,152	2,734,022
Earnings on investments	1,842,961	1,789,666
Gain on sale of capital assets	-	360,188
Total Revenues	<u>47,713,951</u>	<u>43,482,252</u>
Expenses:		
Operating	37,644,785	32,921,489
Interest on long-term debt	316,070	372,989
Total Expenses	<u>37,960,855</u>	<u>33,294,478</u>
Change in Net Position	9,753,096	10,187,774
Net Position - Beginning	74,892,333	64,704,559
Net Position - Ending	<u>\$ 84,645,429</u>	<u>\$ 74,892,333</u>

The District's net position increased by \$9,753,096. Property taxes remain the largest source of revenue at \$41,674,874 compared to \$37,678,094 in the prior year, or a 10.6% increase. The District's assessed valuation for the 2025 tax collection year was \$208,053,141, or, 2% higher than the 2024 tax collection year. In addition, the District had a temporary rate reduction of 0.487 mills in the 2023 tax collection year.

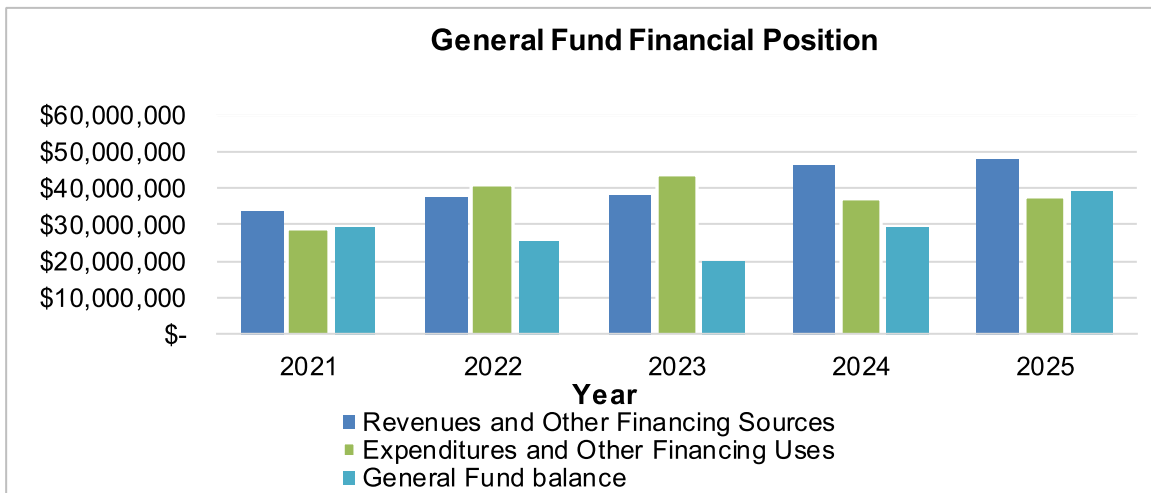
Specific ownership taxes, which consist of vehicle taxes collected at the Counties, were also a significant source of revenue and accounted for 6.8% of current year revenues.

The increase in net position is mainly attributable to the following:

- Revenues increased by \$4,231,699 primarily due to an increase in property taxes of \$3,996,780. These results are consistent with those reported on the District's Government Fund financial statements.

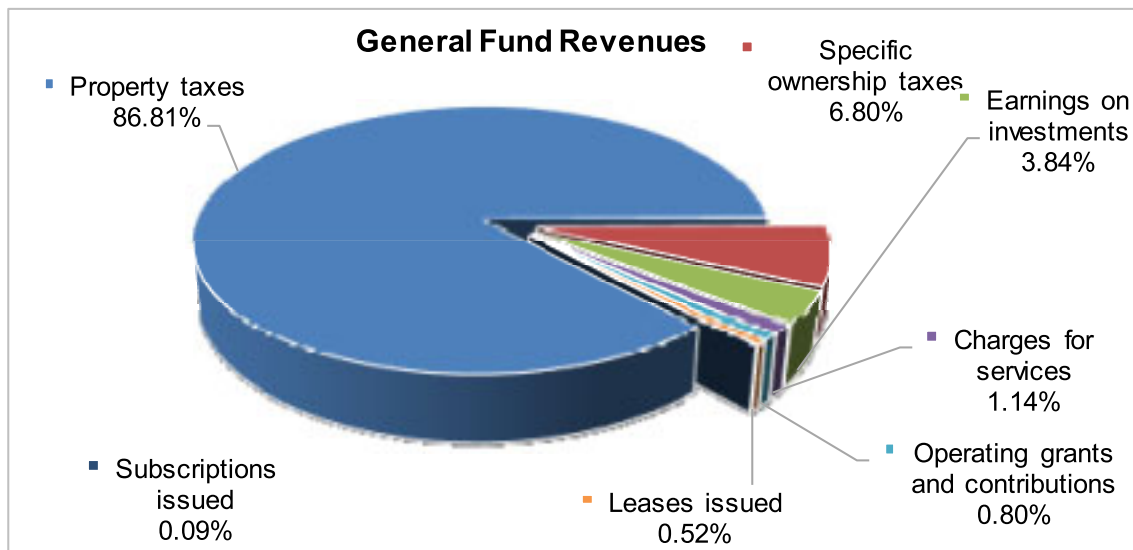
Financial Analysis of the District's Funds

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



The fund balance of the District's General Fund increased \$10,289,005 in 2025 and had an ending fund balance of \$39,458,267.

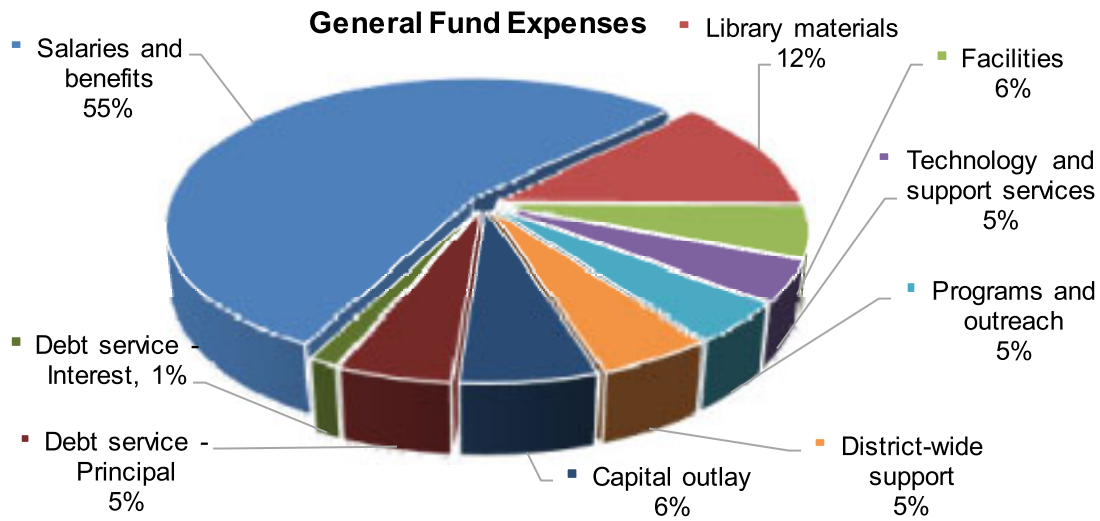
The following chart represents the District's 2025 General Fund revenues:



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

Financial Analysis of the District's Funds

The following chart represents the District's 2025 expenditures:



The District's General Fund expenditures, including other financing uses, increased 1.3%. Salaries and benefits (wages, PERA pension and OPEB, employer taxes, health insurance, etc.) made up the largest source of expenditures for the District.

General Fund Budgetary Highlights

The District's 2025 budget was approved at the end of 2024. The District amended its 2025 budget to include \$4,076,765 to fund the new Sterling Ranch capital project. Significant budget variances were as follows:

	Final Budget	Actual	Variance From Final Budget	Reason
Revenues:				
Property tax relief	(5,000,000)	-	5,000,000	The District approved a \$5m tax rebate, levied in 2025, which will be applied in 2026.
Specific ownership taxes	1,599,360	3,265,152	1,665,792	Conservatively budgeted since difficult to predict.
Earnings on investments	1,483,779	1,842,961	359,182	Placed investments into higher yielding assets such as Treasury bonds and notes.
Charges for services	346,998	546,610	199,612	Increase in entry fees for events and program revenue for summer camps. In addition, the District has historically conservatively budgeted this line
Leases issued	-	251,064	251,064	Not budgeted.
Expenditures:				
Facilities	2,693,588	2,197,994	495,594	Savings in snow removal expenses, in addition to conservatively budgeted electricity costs.
District-wide support	2,252,735	1,900,427	352,308	Conservatively budgeted contracted expenses.
Capital outlay	6,455,984	2,309,472	4,146,512	The budget included \$4,076,765 to fund the Sterling Ranch first year expenses.
Principal	1,695,074	1,891,217	(196,143)	The principal payments for leases and subscriptions are included in the actual column, but are budgeted as rent and technology items for budget purposes.

Capital Assets

The District's reported total capital assets, net of accumulated depreciation and amortization of \$63,223,671 at the end of 2025. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements in section D of this report.

Douglas County Libraries Foundations

The Douglas County Libraries Foundation (the "Foundation") was founded in 1992 as a 501c3 nonprofit organization to fund capital improvements and support various programs that enhance the vision and core values of the District. The Foundation is reported in the District's financial statements as a discretely presented component unit.

The Foundation is governed by an independent Board of Directors, including one member from the District's Board of Trustees and nine additional directors. The Foundation board includes the District's Director of Community Engagement, who acts as the Foundation Executive Director; the District's Director of Finance, who acts as the Foundation Treasurer, and the District's Executive and Culture Administrator, who acts as the Foundation Secretary, all of whom are ex-officio.

During 2025, the Foundation granted \$125,000 of unrestricted funds plus \$15,963 of restricted funds to the District. The Foundation granted \$125,000 of unrestricted funds, plus \$20,648 of restricted funds to the District for the year ended December 31, 2025.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at Douglas County Libraries, 100 South Wilcox Street, Castle Rock, CO 80104.



Basic Financial Statements

Douglas County Libraries
Balance Sheet
Governmental Fund / Statement of Net Position
December 31, 2025

	Primary Government			Component Unit
	General Fund	Adjustments	Statement of Net Position	Douglas County Libraries Foundation
Assets:				
Cash and investments	39,845,803	-	39,845,803	2,980,245
Property taxes receivable, net of allowance	36,593,985	-	36,593,985	-
Receivable from component unit	216,747	-	216,747	-
Other receivables	219,782	-	219,782	-
Prepaid expenses and other assets	749,259	-	749,259	3,563
Capital assets not being depreciated/amortized	-	5,135,420	5,135,420	-
Capital assets, net of depreciation/amortization	-	58,088,251	58,088,251	-
Total Assets	77,625,576	63,223,671	140,849,247	2,983,808
Deferred Outflows of Resources				
Pension related	-	4,514,404	4,514,404	-
OPEB related	-	241,124	241,124	-
Total Deferred Outflows of Resources	-	4,755,528	4,755,528	-
Liabilities:				
Accounts payable	965,831	-	965,831	129
Accrued salaries and benefits	555,764	-	555,764	-
Accrued interest payable	-	38,063	38,063	-
Payable to primary government	-	-	-	216,747
Unearned revenue	51,729	-	51,729	-
Long-term liabilities:				
Due within one year	-	3,714,242	3,714,242	-
Due in more than one year	-	8,032,846	8,032,846	-
Net pension liability	-	10,019,713	10,019,713	-
Net OPEB liability	-	616,255	616,255	-
Total Liabilities	1,573,324	22,421,119	23,994,443	216,876
Deferred Inflows of Resources:				
OPEB related	-	370,918	370,918	-
Unavailable revenue - Property taxes	36,593,985	-	36,593,985	-
Total Deferred Inflows of Resources	36,593,985	370,918	36,964,903	-
Fund Balance/Net Position:				
Fund Balance:				
Nonspendable	749,259	(749,259)		
Restricted for emergencies	1,419,274	(1,419,274)		
Committed for capital projects	17,396,147	(17,396,147)		
Assigned for working capital reserve	4,700,000	(4,700,000)		
Unassigned	15,193,587	(15,193,587)		
Total Fund Balance	39,458,267	(39,458,267)		
Total Liabilities, Deferred Inflows of Resources and Fund Balance	77,625,576			
Net Position:				
Net investment in capital assets		52,976,139	52,976,139	-
Restricted		1,419,274	1,419,274	-
Unrestricted		30,250,016	30,250,016	2,766,932
Total Net Position		84,645,429	84,645,429	2,766,932

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

Douglas County Libraries
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund / Statement of Activities
For the Year Ended December 31, 2025

	Primary Government			Component Unit
	General Fund	Adjustments	Statement of Activities	Douglas County Libraries Foundation
Revenues:				
General Revenues				
Property taxes	41,674,874	-	41,674,874	-
Specific ownership taxes	3,265,152	-	3,265,152	-
Earnings on investments	1,842,961	-	1,842,961	300,520
Program Revenues				
Charges for services	546,610	-	546,610	235,665
Operating grants and contributions	384,354	-	384,354	190,652
Total Revenues	47,713,951	-	47,713,951	726,837
Expenditures/Expenses:				
Current:				
Operating	33,015,488	4,564,913	37,580,401	255,885
Pension expense	-	311,769	311,769	-
OPEB expense	-	(247,385)	(247,385)	-
Capital outlay	2,309,472	(2,309,472)	-	-
Debt service				
Principal	1,891,217	(1,891,217)	-	-
Interest	504,572	(188,502)	316,070	-
Total Expenditures/Expenses	37,720,749	240,106	37,960,855	255,885
Excess (Deficiency) of Revenues over Expenditures	9,993,202	(240,106)	9,753,096	470,952
Other Financing Sources (Uses)				
Leases issued	251,064	(251,064)	-	-
Subscriptions issued	44,739	(44,739)	-	-
Total Other Financing Sources (Uses)	295,803	(295,803)	-	-
Net Change in Fund Balance / Change in Net Position	10,289,005	(535,909)	9,753,096	470,952
Fund Balance/Net Position:				
Beginning of Year	29,169,262	45,723,071	74,892,333	2,295,980
End of Year	39,458,267	45,187,162	84,645,429	2,766,932

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

Douglas County Libraries
Reconciliation of the Balance Sheet
Governmental Fund to the Statement of Net Position
December 31, 2025

Fund Balance - Governmental Fund		39,458,267
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.</p>		
Capital assets	94,697,345	
Accumulated depreciation	(30,802,753)	
Accumulated amortization	<u>(670,921)</u>	
		63,223,671
<p>Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.</p>		
Pension related deferred outflows	4,514,404	
OPEB related deferred outflows	241,124	
OPEB related deferred inflows	<u>(370,918)</u>	
		4,384,610
<p>Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.</p>		
Certificates of participation payable	(8,850,000)	
Financed equipment notes payable	(61,375)	
Compensated absences	(1,836,393)	
Leases payable	(457,988)	
Subscriptions payable	(126,233)	
Accrued interest payable on long-term debt	(38,063)	
Net pension liability	(10,019,713)	
Net OPEB liability	<u>(616,255)</u>	
		(22,006,020)
<p>Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Premium on certificates of participation		<u>(415,099)</u>
Net Position of Governmental Activities		<u><u>84,645,429</u></u>

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

Douglas County Libraries
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balance - Governmental Fund 10,289,005

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

Governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.

Capital asset additions, excluding archives and collections	2,309,473	
Capitalized archives and collections	1,534,730	
Depreciation and amortization	<u>(5,676,710)</u>	
		(1,832,507)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.

Lease issued	(251,064)	
SBITA issued	(44,739)	
Principal paid on certificates of participation	1,525,000	
Principal paid on leases	181,210	
Principal paid on financed equipment notes	133,854	
Principal paid on subscriptions	<u>51,153</u>	
		1,595,414

Some expenses reported in the statement of activities do not require the use of current financial resources.

Accrued interest on long-term debt	8,100	
Amortization of certificates of participation premiums	180,402	
Compensated absences	(422,934)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(311,769)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>247,385</u>	

(298,816)

Change in Net Position of Governmental Activities

9,753,096



Notes to the Basic Financial Statements

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025

I. Summary of Significant Accounting Policies

Douglas County Libraries (the “District”), was established in 1990 to provide library services within Douglas County, Colorado. A seven-member Board of Trustees, appointed by the Douglas County Commissioners, governs the District.

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

A. Reporting Entity

The reporting entity consists of (a) the primary government (i.e., the District), and (b) organizations for which the District is financially accountable. The District is considered to be financially accountable for a legally separate organization if it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent, i.e., unable to adopt a budget, levy tax, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

The accompanying financial statements present the primary government and its component units for which the government is considered to be financially accountable. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the District. The component unit has a fiscal year of December 31.

Discretely Presented Component Unit

The Douglas County Libraries Foundation (the “Foundation”) is a nonprofit organization whose sole purpose is to support the District by funding opportunities above and beyond the District’s normal operating budget. The Foundation is governed by a seven-member Board of Directors led by the Foundation’s and District’s Executive Director. Separately issued internal financial statements of the Foundation may be obtained by contacting the Foundation’s offices at 100 South Wilcox Street, Castle Rock, Colorado 80104.

B. Government-wide and Fund Financial Statements

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

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

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

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

C. Fund Financial Statements

The financial transactions of the District are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures.

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

The District's General operating Fund is the District's only fund and is used to account for all financial resources of the District.

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis (continued)

The exception to this general rule is that principal and interest on general long-term debt is recognized when due. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, intergovernmental revenues, charges for services, and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenues items are considered to be measurable and available only when cash is received by the District.

E. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less. Investments are stated at fair market value, net asset value, or amortized cost. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- FDIC-Insured Certificates of Deposit
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

2. Receivables

All property tax and other receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property but not collected by governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable on the fund financial statements.

4. Prepaid Expenses

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

5. Capital Assets

Capital assets, which include land, buildings, furniture, equipment, and library materials, are reported in the government-wide financial statements. Capital assets include assets with an individual cost of \$10,000 or more and an estimated useful life in excess of two years. Capital assets are recorded as historical cost, with the exception of library materials, which are capitalized regardless of cost.

The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. The District values donated capital assets at the estimated acquisition value of the item at the date of donation.

Capital assets of the District are depreciated using the straight-line method. The composite method is used in the depreciation of library materials. These assets are depreciated over the following estimated useful lives:

<u>Asset</u>	<u>Useful Life</u>
Buildings	30
Building improvements	15
Shelving	10
Furniture	10
Equipment and machinery	5
Computers	4
Library materials	4

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

6. Compensated Absences

The District allows its employees to accumulate paid time off ("PTO"), based on the employee's length of service. Paid time off can be accrued up to a maximum of 278 hours. Paid time off is paid out upon termination up to the maximum accrual.

The District also allows its employees to accumulate sick and exigency leave in accordance with the Colorado Healthy Families and Workplace Act ("HFWA leave"). Employees accumulate HFWA at the rate of 1 hour per 30 hours worked, up to a maximum of 48 hours. No portion of remaining HFWA at termination is payable at termination.

The District estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences.

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the obligated governmental fund only if they have matured (e.g., unused reimbursable leave still outstanding following an employee's resignation or retirement). Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the government-wide financial statements. Vested or accumulated leave of the proprietary fund types are recorded as an expense and liability of that fund as the benefits accrue to employees.

7. Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has two items, pension, and other post-employment benefits ("OPEB") related deferred outflows, which qualify for reporting under this category on the Statement of Net Position.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet, are deferred and recognized as an inflow from resources in the period that the amounts become available. The other item is the collective deferred inflows related to the District's net OPEB obligation as reported on the Statement of Net Position and is amortized over the average remaining service life of all active and inactive plan members.

See Note III.E and Note III.F below for discussion on pension and OPEB, respectively, related deferred outflows and inflows.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Leases

District as Lessee:

The District is lessee in non-cancellable leases of buildings and pieces of equipment, as further described in Note III.D.3. In such arrangements, the District recognizes right-to-use lease assets (and corresponding lease liabilities). Right-to-use lease assets and lease liabilities are reported on the Statement of Net Position.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

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

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

Discount Rate: The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses the Bond Buyer State and Local Government's Series Rates, plus an additional 200 basis points (2%), on the start date of the lease.

Lease Term: The lease term includes the non-cancellable period of the lease and extended term(s) that the District is reasonably certain to exercise.

Lease Payments: Lease payments included in the measurement of the lease liability are composed of fixed payments. Certain lease payments are subject to annual Consumer Price Index ("CPI") adjustments, and such variable payments are recognized as an expense when the estimated CPI adjustment differs from fixed payments initially used to measure the liability.

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

9. Subscription-Based Information Technology Software Arrangements

The District is party to non-cancellable agreements for subscription-based information technology software arrangements ("SBITAs"), as further described in Notes III.D.4. In such arrangements, the District recognizes right-to-use subscription assets (and corresponding subscription liabilities). Right-to-use subscription assets and subscription liabilities are reported on the Statement of Net Position.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

9. Subscription-Based Information Technology Software Arrangements (continued)

At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

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

Discount Rate: The District uses the interest rate charged by the subscription service provider as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the subscription service provider is not provided, the District utilizes the United States Treasury rate as of the date of the subscription initiation.

Subscription Term: The subscription term includes the non-cancellable period of the subscription and extended term(s) that the District is reasonably certain to exercise.

Subscription Payments: Subscription payments included in the measurement of the subscription liability are composed of fixed payments. Some subscription payments are subject to annual CPI adjustments, and such variable payments are recognized as an expense when the estimated CPI adjustment differs from fixed payments initially used to measure the liability.

The District monitors changes in circumstances that would require a remeasurement of its subscriptions and will re-measure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

10. Long-term Debt

In the governmental activities financial statements, long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method.

In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of the debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources or uses. Issuance costs are reported as current period expenditures.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

11. Pensions

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

12. Other Post Employment Benefits

The District participates in the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net Other Post Employment Benefits (“OPEB”) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position 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.

13. Fund Balance

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

- *Nonspendable* fund balance represents amounts that are nonspendable in form or are legally or contractually required to be maintained intact.
- *Restricted* fund balance represents amounts constrained to specific purposes by external parties, such as grantors, contributors, or through constitutional provisions. Restricted fund balance also includes revenues raised pursuant to legislation that restricts the use of funds to a specific purpose.
- *Committed* Fund balance represents amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

13. Fund Balance (continued)

- *Assigned* fund balance represents amounts the District intends to use for a specific purpose. Intent can be expressed by either the District's Board of Trustees or by an official or body to which the Board delegates the authority. Assigned fund balance is established through adoption of a Board resolution or the amendment of the budget as intended for a specific purpose, such as the purchase of fixed assets, construction, debt service, etc.
- *Unassigned* fund balance represents amounts that are available for any purpose.

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

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions, and the Administration calculates targets and report them annually to the Board.

As a nonprofit organization operating under the Financial Accounting Standards Board ("FASB"), the Foundation reports net position with restricted or unrestricted funds, in accordance with donor requests.

F. Significant Accounting Policies

1. Use of Estimates

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

2. Credit Risk

Receivables in the District's funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

- (1) For the 2025 budget, prior to August 25, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries.
- (2) On or before October 15, 2024, the Director submitted to the District's Board of Trustees a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) For the 2025 budget, prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that will derive the necessary property taxes as computed in the proposed budget.
- (4) After a required public hearing, the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient.

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

B. TABOR Amendment

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

One of the requirements of TABOR is for emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue (excluding bonded debt service). The District has reserved a portion of its December 31, 2025 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$1,419,274, which is the approximate required reserve at December 31, 2025.

III. Detailed Notes on All Funds

A. Cash, Cash Equivalents, and Investments (continued)

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 regulators. Amounts in deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. 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 collateral must be at least equal to the aggregate uninsured deposits.

At December 31, 2025, the District reported an unrealized gain (loss) of (\$64,662) on investments.

The District had the following cash and investments with the following maturities:

	Rating	Carrying Amounts	Maturities	
			Less than one year	One to five years
<i>Primary government:</i>				
Cash and cash equivalents:				
Petty cash	Not Rated	\$ 2,279	\$ 2,279	\$ -
Checking	Not Rated	355,524	355,524	-
Savings and money market	Not Rated	1,568,329	1,568,329	-
Cash with County Treasurer	Not Rated	265,602	265,602	-
Investments:				
Investment pools	AAAm	17,751,720	17,751,720	-
U.S. Treasury Bonds	AA1	1,598,015	900,423	697,592
U.S. Treasury Notes	AA1	18,304,334	10,502,973	7,801,361
		\$ 39,845,803	\$ 31,346,850	\$ 8,498,953

Amounts held by the local government investment pool are invested with COLOTRUST and CSIP, which are investment vehicles established for local government entities in Colorado to pool surplus funds.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

B. Cash, Cash Equivalents, and Investments (continued)

Fair Value of Investments

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

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

At December 31, 2025 the District had the following recurring fair value measurements:

Primary government:

Investments Measured at Net Asset Value

Colotrust investment pool \$ 17,740,723

Investments Measured at Amortized Cost:

CSIP \$ 10,997

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury Bonds	\$ 1,598,015	\$ 1,598,015	\$ -	\$ -
U.S. Treasury Notes	18,304,334	18,304,334	-	-
Total Investments at Fair Value	<u>\$ 19,902,349</u>	<u>\$ 19,902,349</u>	<u>\$ -</u>	<u>\$ -</u>

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

At December 31 2025, the District's cash in COLOTRUST and U.S. Treasury Notes was 47.1% and 48.6%, respectively, of the District's investment portfolio.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District has invested primarily in COLOTRUST and CSIP. Funds in COLOTRUST and CSIP can be withdrawn without notice or penalty.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

A. Cash, Cash Equivalents, and Investments (continued)

Credit Risk. The District limits its exposure to credit risk, which is the risk of loss due to the failure of the security issuer or backer, by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings. The District's investment policy limits investments to those authorized by State statutes as listed in Note I.E.1. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

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

Custodial Credit Risk: At December 31, 2025, all investments in the District's portfolio were invested in COLOTRUST or CSIP, which are investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state regulations governing local government investment pools. COLOTRUST and the CSIP Liquid Portfolio operate similarly to a money market fund, are rated AAA by Standard & Poor's, and each share is equal in value to \$1.00. The CSIP Term portfolio invests only in securities permissible under Colorado law and is rated AA+ by Fitch Ratings. The CSIP Term portfolio offers fixed-rate, fixed-term investments with maturities of 90-365 days. The rate is fixed for the full term of the investment, and there may be a penalty for early redemption. The CSIP Term portfolio has a goal of \$1.00 per share net asset value at maturity, however the value may fluctuate prior to maturity. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

The Foundation holds the following cash and investments at December 31, 2025:

	Carrying Amounts	Maturities	
		Less than one year	One to five years
<i>Foundation:</i>			
Cash and cash equivalents:			
Checking	\$ 90,173	\$ 90,173	-
Savings and money market	417,812	417,812	-
Investments:			
Endowment held by Rose			
Community Foundation	1,130,239	1,130,239	-
Fixed income bond funds	724,171	724,171	-
Equities	512,081	512,081	-
Long-term capital mutual funds	105,769	105,769	-
	<u>\$ 2,980,245</u>	<u>\$ 2,980,245</u>	<u>\$ -</u>

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

A. Cash, Cash Equivalents, and Investments (continued)

At December 31, 2025 the Foundation had the following recurring fair value measurements:

<u>Foundation:</u>	Fair Value Measurements Using			
Investments Measured at Fair Value	Total	Level 1	Level 2	Level 3
Endowment held by Rose Community Foundation	\$ 1,130,239	\$ -	\$ -	\$ 1,130,239
Fixed income bond funds	724,171	-	724,171	-
Equities	512,081	-	512,081	-
Long-term capital mutual funds	105,769	105,769	-	-
Total Investments at Fair Value	\$ 2,472,260	\$ 105,769	\$ 1,236,252	\$ 1,130,239

In late 2020, the Foundation established the Douglas County Libraries Foundation Fund (the "Fund"). The Fund is a Nonprofit Agency Endowment Fund that is held and managed by the Rose Community Foundation on behalf of the Foundation. The Fund is designed to preserve investment principal in perpetuity and provide investment income that can be channeled into the Foundation's support efforts for the District.

During 2025, an additional \$800,500 of contributions were made to the Fund.

The Fund's assets are invested according to the Rose Community Foundation's asset allocation methods. The Fund's assets are currently invested in Rose Community Foundation's Growth Fund, which is a diversified investment pool across common stocks, bonds, mutual funds, alternative investments, and cash equivalents. Up to 2% of the Fund's assets are eligible to be distributed annually (the "Spensible Amount"), with any unused Spensible Amount being returned to Fund Principle at the end of each calendar year. The Foundation did not distribute any of the Fund's assets in 2025.

The Foundation's cash balances held with financial institutions at December 31, 2025 are insured by the FDIC for up to \$250,000 per depositor at each FDIC-member institution. At December 31, 2025, the Foundation had deposits with a book and bank balance of \$90,173 which was fully insured.

The Foundation currently invests excess cash in an investment account with BOK Financial, where funds are used to purchase a mix of equities, mutual funds, bonds, and cash equivalents.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

B. Capital Assets

The District had the following capital asset activity for the year ended December 31, 2025:

<i>Primary Government:</i>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,002,408	\$ -	\$ -	\$ 4,002,408
Construction in progress	1,257,773	898,183	(1,244,173)	911,783
Artwork	221,229	-	-	221,229
Total capital assets not being depreciated	<u>5,481,410</u>	<u>898,183</u>	<u>(1,244,173)</u>	<u>5,135,420</u>
Capital assets, being depreciated:				
Buildings	59,680,788	-	-	59,680,788
Building improvements	6,242,809	1,959,007	-	8,201,816
Computers	5,144,031	234,752	(519,849)	4,858,934
Shelving	1,882,971	56,195	-	1,939,166
Furniture	3,865,695	79,856	-	3,945,551
Equipment and machinery	3,171,241	29,850	(39,536)	3,161,555
Right to use lease assets	807,866	251,064	-	1,058,930
Subscription assets	189,363	44,739	(31,082)	203,020
Archives and collections	6,446,427	1,534,730	(1,468,992)	6,512,165
Total capital assets being depreciated	<u>87,431,191</u>	<u>4,190,193</u>	<u>(2,059,459)</u>	<u>89,561,925</u>
Less accumulated depreciation for:				
Buildings	(14,179,404)	(1,982,892)	-	(16,162,296)
Building improvements	(2,154,686)	(427,913)	-	(2,582,599)
Computers	(3,641,391)	(588,974)	519,849	(3,710,516)
Shelving	(1,287,366)	(177,627)	-	(1,464,993)
Furniture	(1,800,549)	(384,021)	-	(2,184,570)
Equipment and machinery	(1,941,295)	(345,057)	39,536	(2,246,816)
Right to use lease assets	(438,775)	(173,462)	-	(612,237)
Subscription assets	(36,447)	(53,319)	31,082	(58,684)
Archives and collections	(2,376,510)	(1,543,445)	1,468,992	(2,450,963)
Total accumulated depreciation	<u>(27,856,423)</u>	<u>(5,676,710)</u>	<u>2,059,459</u>	<u>(31,473,674)</u>
Total capital assets being depreciated, net	<u>59,574,768</u>	<u>(1,486,517)</u>	<u>-</u>	<u>58,088,251</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,056,178</u>	<u>\$ (588,334)</u>	<u>\$ (1,244,173)</u>	<u>\$ 63,223,671</u>

The District recorded depreciation and amortization expense of \$5,676,710 for the year ended December 31, 2025.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

C. Receivables

Receivables as of December 31, 2025 for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

Property taxes receivable, gross	36,593,985
Receivables due from component unit	216,747
Other receivables	219,782
Less: Allowance for doubtful accounts	-
Total receivables	<u><u>37,030,514</u></u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$36,593,985 of unavailable revenue is property taxes levied in 2025 but not available until 2026.

D. Long-Term Debt

1. 2015 Certificates of Participation

In 2015, the District issued \$20,655,000 in Certificates of Participation (2015 CoPs) to partially fund the construction of three new libraries. The 2015 CoPs carry an average coupon rate of 2.545%. Interest payments are due semi-annually in June and December. Principal payments are due annually in December, through 2030.

Annual remaining debt service requirements are as follows:

Year Ending	Principal	Interest	Total
<u>December 31,</u>	<u></u>	<u></u>	<u></u>
2026	\$ 1,600,000	\$ 408,375	\$ 2,008,375
2027	1,680,000	328,375	2,008,375
2028	1,765,000	244,375	2,009,375
2029	1,855,000	156,125	2,011,125
2030	1,950,000	63,375	2,013,375
	<u>\$ 8,850,000</u>	<u>\$ 1,200,625</u>	<u>\$ 10,050,625</u>

2. Financed Equipment Notes

- a) In 2021, the District entered into an agreement to purchase 19 self-check kiosks for a total purchase price of \$222,863 and a financed cost of \$196,844. Principal and interest payments are due annually in May from 2022 through 2025.
- b) In 2022, the District entered into a lease to purchase 2 servers located at Iron Mountain and Lone Tree library for a total purchase price and finance cost of \$347,310. Principal and interest payments are due monthly from 2022 through 2027.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

2. Financed Equipment Notes (continued)

The following is a schedule of future principal and interest payments due under the financed equipment notes as of December 31, 2025:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 45,074	\$ 1,822	\$ 46,896
2027	16,301	159	16,460
	<u>\$ 61,375</u>	<u>\$ 1,981</u>	<u>\$ 63,356</u>

3. Leases

Relating to lease assets, the District has the following outstanding agreements as of December 31, 2025:

(a) *Roxborough Library*: In 2004, the District entered into a non-cancelable lease agreement with LSI Retail II, LLC (“LSI”) for the lease of the building for the Roxborough Library. The non-cancelable term of the lease is 10 years, with two optional 5-year extensions, which the District exercised.

In 2025, the 5th Amendment to the LSI lease agreement was executed, extending this lease for an additional 2-year term. The amendment calls for monthly payments of \$10,823 (annualized at \$129,938) for fiscal year 2026, and \$11,100 (annualized at \$133,195) for fiscal year 2027, and is measured using the estimated incremental borrowing rate of 4.93%.

(b) *Courier Trucks*: In 2023, the District entered into a non-cancelable lease agreement with MHT Truck Leasing, LLC/PacLease (“PacLease”) for the lease of two courier trucks. The non-cancelable term of the lease is 6 years and calls for annual payments of \$22,380. The lease is measured using the estimated incremental borrowing rate of 2.9%.

(c) *Maintenance and Facilities Shop*: In December 2022, the District entered into a non-cancelable lease agreement with Beverly Building Company for the lease of a facilities shop in Castle Rock, Colorado. The non-cancelable term of the lease is 5 years and calls for annual payments as follows: \$34,080 for the first year of the lease, \$35,800 annually for years two and three, and \$37,200 annually for years four and five. The lease is measured using the estimated incremental borrowing rate of 5.64%.

During 2025, the District recorded principal reduction of \$181,210 against the leases payable, and incurred \$11,818 in interest expense and a credit (\$1,064) in variable payment expense in respect of the leases.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

3. Leases (continued)

The following is a schedule of future principal and interest lease payments due under the terms of the agreements at December 31, 2025:

Year Ending December	Primary Government		
	Principal	Interest	Total
2026	\$ 196,619	\$ 15,146	\$ 211,765
2027	208,265	6,130	214,395
2028	46,972	804	47,776
2029	6,132	12	6,144
	\$ 457,988	\$ 22,092	\$ 480,080

4. Subscriptions Payable

Relating to subscription-based information technology arrangements (“SBITAs”), the District has the following outstanding agreements as of December 31, 2025:

- (a) *Advanced security*: In 2022, the District entered into a non-cancelable SBITA with Telecom4Good for the use of cloud-managed routers and advanced security. The non-cancelable term of the agreement is 3 years and calls for annual payments of \$12,876. The agreement is measured using the estimated incremental borrowing rate of 6.19%.
- (b) *Lease software*: In 2023, the District entered into a non-cancelable SBITA with LeaseQuery for lease analysis software. The non-cancelable term of the agreement is 5 years and calls for an initial annual payment of \$11,004, which is increased through the life of the agreement. The agreement is measured using the estimated incremental borrowing rate of 6.19%.
- (c) *Budgeting software*: In 2024, the District entered into a non-cancelable SBITA with Questica for the use of budgeting software. The non-cancelable term of the agreement is 5 years and calls for an annual payment of \$24,500, which is increased by 3% annually. The agreement is measured using the estimated incremental borrowing rate of 3.31%.
- (d) *Cloud management system*: In 2025, the District entered into a non-cancelable SBITA with Telecom4Good for the use of cloud managed routers and platforms. The non-cancelable period of the agreement is 3 years and calls for annual payments of \$15,653. The agreement is measured using the incremental borrowing rate of 4.93%.

During 2025, the District recorded principal reduction of \$51,153 against the subscriptions payable, and incurred \$922 in interest expense and \$0 in variable payment expense in respect of the SBITAs.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

4. Subscriptions Payable (continued)

Remaining principal and interest payments on SBITAs are as follows:

Year Ending December	Primary Government		
	Principal	Interest	Total
2026	\$ 36,156	\$ 3,790	\$ 39,946
2027	38,367	2,276	40,643
2028	25,034	918	25,952
2029	26,676	20	26,696
	<u>\$ 126,233</u>	<u>\$ 7,004</u>	<u>\$ 133,237</u>

5. Changes in Long-Term Debt

Changes in long-term obligations for the year ended December 31, 2025 are as follows:

<i>Primary Government:</i>	Balance	Additions	Reductions	Ending Balance	Due within one year
2015 Certificates of Participation	\$ 10,375,000	\$ -	\$ (1,525,000)	\$ 8,850,000	\$ 1,600,000
Deferred amount:					
2015 Certificates of Participation					
Premium	595,501	-	(180,402)	415,099	-
Financed equipment notes	195,229	-	(133,854)	61,375	45,074
Leases	388,134	251,064	(181,210)	457,988	196,619
Subscriptions	132,647	44,739	(51,153)	126,233	36,156
Accrued compensated absences*	1,413,459	422,934	-	1,836,393	1,836,393
Net pension liability	11,397,071	-	(1,377,358)	10,019,713	-
Net OPEB liability	875,034	-	(258,779)	616,255	-
	<u>\$ 25,372,075</u>	<u>\$ 718,737</u>	<u>\$ (3,707,756)</u>	<u>\$ 22,383,056</u>	<u>\$ 3,714,242</u>

*The change in the accrued compensated absences liability is presented as a net change.

6. Debt Requirements

The District is compliant with ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Benefits provided as of December 31, 2024 (continued)

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.

Contributions provisions as of December 31, 2025. Eligible employees of the District and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of January 01, 2025, through December 31, 2025 are summarized in the table below :

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

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Contribution provisions as of December 31, 2024 (continued)

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

	Jan. 1, 2024 through Dec. 31, 2024	Jan. 1, 2025 through Dec. 31, 2025
Employer contribution rate	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the Division Trust Fund	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	<u>13.76%</u>	<u>13.79%</u>

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

	Jan. 1, 2024 through Dec. 31, 2024	Jan. 1, 2025 through Dec. 31, 2025
Employer contribution rate	14.10%	14.10%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the Division Trust Fund	13.08%	13.08%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined contribution supplement as specified in C.R.S § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	<u>16.86%</u>	<u>16.89%</u>

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Contribution provisions as of December 31, 2024 (continued)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$2,311,347 for the year ended December 31, 2025.

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

At December 31, 2025, the District reported a liability of \$10,019,713 for its proportionate share of the net pension liability.

At December 31, 2024, the District proportion was 1.5500%. which was an increase of 0.0829% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the District recognized pension expense of \$2,623,116. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 756,069	\$ -
Changes of assumptions or other inputs	295,710	-
Net difference between projected and actual earnings on pension plan investments	942,895	-
Changes in proportionate share of contributions	199,217	-
Difference between actual and reported contributions recognized	9,166	-
Contributions subsequent to the measurement date	2,311,347	-
Total	\$ 4,514,404	\$ -

\$2,311,347 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026 measurement date.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Contribution provisions as of December 31, 2024 (continued)

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

Year ended December 31:	
2026	\$ 2,028,238
2027	2,402,613
2028	(1,595,958)
2029	(631,836)
Total	<u><u>\$ 2,203,057</u></u>

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40% - 11.00%
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 as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

Salary increases, including wage inflation:

Members other than Safety Officers	3.40%-13.00%
Safety Officers	3.20%-16.30%

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

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 total pension liability 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.
- 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 position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

E. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

- 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 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 total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District'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:

	1% Decrease	Current	1% Increase
	(6.25%)	Discount Rate	(8.25%)
	_____	_____	_____
Proportionate share of the net pension liability	\$ 21,931,142	\$ 10,019,713	\$ 12,753

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.

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

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

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

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

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

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (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 the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$170,963 for the year ended December 31, 2025.

Liabilities. At December 31, 2025, the District reported a liability of \$616,255 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability ("TOL") used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the TOL to December 31, 2024. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District proportion was 0.1289%, which was an increase of 0.0063% from its proportion measured as of December 31, 2023.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Liabilities (continued):

For the year ended December 31, 2025, the District recognized a credit OPEB expense of \$76,422. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 135,933
Change of assumptions or other inputs	7,066	196,986
Net difference between projected and actual earnings on plan investments	2,089	-
Changes in proportionate share of contributions	57,627	37,994
Difference between actual and reported contributions recognized	3,379	5
Contributions subsequent to measurement date	170,963	-
	\$ 241,124	\$ 370,918

\$170,963 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	Amortization
2026	\$ (101,156)
2027	(51,060)
2028	(73,439)
2029	(39,267)
2030	(23,375)
Thereafter	(12,460)
Total	\$ (300,757)

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (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	3.40% - 11.00%
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 4.5% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.5% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

Age-Related Morbidity Assumptions

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

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

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.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

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%

¹Increase 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.

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (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.

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (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.

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

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

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

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued)

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERA Care Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERA Care 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	\$ 599,651	\$ 616,255	\$ 635,045

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.
- 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.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on All Funds (continued)

F. Health Care Trust Fund Liabilities and Related Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources (continued)

Discount rate (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 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 projection test indicates the HCTF's fiduciary net position was projected 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 total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 755,229	\$ 616,255	\$ 496,441

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.

IV. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters for which the District carries commercial and workers' compensation insurance. Settled claims have not exceeded coverage for property, liability, or workers' compensation deductibles in the past five fiscal years. In the 2025 Budget, the District has included funds to provide limited medical benefits for volunteers who serve in the District in lieu of workers' compensation for which volunteers are ineligible.

The District carries commercial insurance for all other risks of loss not addressed above, including worker's compensation and employee health and accident insurance. Any settled claims are not expected to exceed the commercial insurance coverage.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information (continued)

B. Retirement Plans

1. Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding Policy. The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does perform any matches of employee contributions to the PERAPlus 401(k) plan. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2025 program members contributed \$424,688.

2. Defined Contribution (“DC”) Retirement Plan (PERA DC Plan)

Plan Description. Eligible employees of the LGDTF hired on or after January 1, 2019, have the option to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution Retirement Plan (PERA DC Plan).

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERA DC Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy. All participating employees in the PERA DC Plan and District are required to contribute a percentage of the participating employees’ PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period January 01, 2024, through December 31, 2025 are summarized in the following tables:

	Jan. 1, 2024 through Dec. 31, 2024	Jan. 1, 2025 through Dec. 31, 2025
<i>Employee contribution rates:</i>		
All employees other than Safety Officers	9.00%	9.00%
Safety Officers	13.00%	13.00%
<i>Employer contribution rates:</i>		
All employees other than Safety Officers	10.00%	10.00%
Safety Officers	12.85%	12.85%

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

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information (continued)

B. Retirement Plans (continued)

3. Defined Contribution (“DC”) Retirement Plan (PERA DC Plan) (continued)

Funding Policy (continued)

Additionally, the employers are required to contribute AED, SAED, and other statutory amounts for employees other than Safety Officers to the LGDTF, as follows:

	Jan. 1, 2024 through Dec. 31, 2024	Jan. 1, 2025 through Dec. 31, 2025
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%
Automatic adjustment provision (AAP) as specified in C.R.S. § 24-51-411	1.00%	1.00%
Defined contribution supplement as specified in C.R.S § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	4.78%	4.81%

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

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed \$30,272 and the District recognized pension expense of \$33,636 for the PERA DC Plan.

4. Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description. Employees of the District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Douglas County Libraries
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information (continued)

B. Retirement Plans (continued)

4. Deferred Compensation Plan (PERAPlus 457 Plan) (continued)

Funding Policy (continued)

Funding Policy. The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. The District does not perform any matches of employee contributions to the PERAPlus 457 Plan. Members are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2025 program members contributed \$109,091.

C. Related Party Transactions

During the year ended December 31, 2025, the District incurred \$1,317,351 of expenditures with Fransen Pittman (“Fransen”), related to the Roxborough and other capital projects. A spouse of a District manager is employed by Fransen as a project manager.

These transactions were conducted in the ordinary course of operations and were approved in accordance with the District’s conflict-of-interest policies.

As of December 31, 2025, amounts payable to Fransen totaled \$268,603, which is included in accounts payable in the accompanying financial statements.

D. Construction Commitments

The District has active construction projects ongoing at year-end.

At December 31, 2025, the District’s commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Sterling Ranch library	\$ 775,031	\$ 17,396,147

E. Subsequent Event

In January 2025, the Board of Trustees approved a one-time property tax rebate to eligible property owners within the District’s boundaries in the aggregate amount of \$5,000,000. The rebate was approved in response to overfunded reserves and is intended to provide financial relief to taxpayers.

The rebate will be funded from available resources of the General Fund and is expected to be distributed during fiscal year 2026 through a temporary mill levy reduction.



Required Supplementary Information

Douglas County Libraries
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024	
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Amounts
Revenues:					
General revenues:					
Property taxes	42,001,506	42,001,506	41,674,874	(326,632)	37,678,094
Property tax relief	(5,000,000)	(5,000,000)	-	5,000,000	-
Specific ownership taxes	1,599,360	1,599,360	3,265,152	1,665,792	2,734,022
Earnings on investments	1,483,779	1,483,779	1,842,961	359,182	1,789,666
Program revenues:					
Charges for services	346,998	346,998	546,610	199,612	445,097
Operating grants and contributions	405,932	405,932	384,354	(21,578)	475,185
Total Revenues	40,837,575	40,837,575	47,713,951	6,876,376	43,122,064
Expenditures:					
Operating:					
Salaries and benefits	21,255,128	21,255,128	20,887,882	367,246	19,843,078
Library materials	4,617,295	4,617,295	4,620,220	(2,925)	4,630,294
Facilities	2,721,588	2,693,588	2,197,994	495,594	1,821,236
Technology and support services	1,837,957	1,837,957	1,700,415	137,542	1,758,919
Programs and outreach	1,601,239	1,601,239	1,708,550	(107,311)	1,573,548
District-wide support	2,155,435	2,252,735	1,900,427	352,308	1,703,956
Capital outlay	2,493,219	6,455,984	2,309,472	4,146,512	3,531,369
Debt service:					
Principal	1,695,074	1,695,074	1,891,217	(196,143)	1,774,653
Interest	492,349	492,349	504,572	(12,223)	586,202
Total Expenditures	38,869,284	42,901,349	37,720,749	5,180,600	37,223,255
Excess (Deficiency) of Revenues over Expenditures	1,968,291	(2,063,774)	9,993,202	12,056,976	5,898,809
Other Financing Sources (Uses):					
Sale of general capital assets	-	-	-	-	3,047,921
Leases issued	-	-	251,064	251,064	-
Subscriptions issued	-	-	44,739	44,739	121,129
Total Other Financing Sources (Uses)	-	-	295,803	295,803	3,169,050
Net Change in Fund Balance	1,968,291	(2,063,774)	10,289,005	12,352,779	9,067,859
Fund Balance - Beginning of Year	29,362,231	29,362,231	29,169,262	(192,969)	20,101,403
Fund Balance - End of Year	31,330,522	27,298,457	39,458,267	12,159,810	29,169,262

Douglas County Libraries
Schedule of the District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years

For the measurement date of December 31,	2024	2023	2022	2021	2020
District's proportion of the net pension liability	1.63%	1.55%	1.52%	1.63%	1.64%
District's proportionate share of the net pension liability (asset)	10,019,713	11,397,071	15,281,393	(1,400,686)	8,539,635
District's covered payroll	16,123,254	13,828,660	12,624,049	12,279,731	11,664,855
District's proportionate share of the net pension liability as a percentage of its covered payroll	62.14%	82.42%	121.05%	-11.41%	73.21%
Plan fiduciary net position as a percentage of the total pension liability	90.45%	88.03%	82.99%	101.49%	90.88%
For the measurement date of December 31,	2019	2018	2017	2016	2015
District's proportion of the net pension liability	1.70%	1.72%	1.80%	1.85%	1.76%
District's proportionate share of the net pension liability (asset)	12,441,110	21,675,902	20,082,094	24,917,735	19,433,036
District's covered payroll	11,715,798	11,308,418	11,800,629	11,184,779	10,018,742
District's proportionate share of the net pension liability as a percentage of its covered payroll	106.19%	191.68%	170.18%	222.78%	193.97%
Plan fiduciary net position as a percentage of the total pension liability	86.26%	75.96%	79.37%	73.60%	76.90%

Douglas County Libraries
Schedule of District Pension Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years

Fiscal year-ended December 31,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	2,311,347	2,218,560	1,900,058	1,699,413	1,620,924
Contributions in relation to the contractually required contribution	<u>(2,311,347)</u>	<u>(2,218,560)</u>	<u>(1,900,058)</u>	<u>(1,699,413)</u>	<u>(1,620,924)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	16,761,038	16,123,254	13,828,660	12,624,049	12,279,731
Contributions as a percentage of covered payroll	13.79%	13.76%	13.74%	13.46%	13.20%
Fiscal year-ended December 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	1,505,196	1,485,563	1,433,907	1,496,320	1,364,600
Contributions in relation to the contractually required contribution	<u>(1,505,196)</u>	<u>(1,485,563)</u>	<u>(1,433,907)</u>	<u>(1,496,320)</u>	<u>(1,364,600)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	11,664,855	11,715,798	11,308,418	11,800,629	11,184,779
Contributions as a percentage of covered payroll	12.90%	12.68%	12.68%	12.68%	12.20%

Douglas County Libraries
Schedule of the District's Proportionate Share of the Net Other Post-Employment Benefits Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years*

For the measurement date of December 31,	2024	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.13%	0.12%	0.12%	0.13%	0.12%
District's proportionate share of the net OPEB liability	616,255	875,034	998,211	1,090,415	1,186,573
District's covered payroll	16,123,254	13,828,660	12,624,049	12,279,731	11,664,855
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.82%	6.33%	7.91%	8.88%	10.17%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%
For the measurement date of December 31,	2019	2018	2017	2016	
District's proportion of the net OPEB liability	0.13%	0.13%	0.14%	0.14%	
District's proportionate share of the net OPEB liability	1,464,199	1,819,124	1,821,389	1,836,557	
District's covered payroll	11,715,798	11,308,418	11,800,629	11,184,779	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.50%	16.09%	15.43%	16.42%	
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%	

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2017.

Douglas County Libraries
Schedule of District Other Post-Employment Benefits Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended June 30,	2025	2024	2023	2022	2021
Contractually required contribution	170,963	164,457	141,052	128,765	125,254
Contributions in relation to the contractually required contribution	<u>(170,963)</u>	<u>(164,457)</u>	<u>(141,052)</u>	<u>(128,765)</u>	<u>(125,254)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	16,761,038	16,123,254	13,828,660	12,624,049	12,279,731
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%
Fiscal year-ended June 30,	2020	2019	2018	2017	
Contractually required contribution	118,982	119,501	115,346	116,056	
Contributions in relation to the contractually required contribution	<u>(118,982)</u>	<u>(119,501)</u>	<u>(115,346)</u>	<u>(116,056)</u>	
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
District's covered payroll	11,664,855	11,715,798	11,308,418	11,800,629	
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	0.98%	

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2017.

Douglas County Libraries
Notes to Required Supplementary Information
December 31, 2025

Note I. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information – Defined Benefit Pension Plan

1. Changes since the December 31, 2023 actuarial valuation:

- 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.

2. Changes since the December 31, 2022 actuarial valuation:

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24,967,000 and \$1,033,000, respectively.
- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225,000,000 direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in C.R.S. § 24-51-416, plus \$10,000,000 from the General Fund, totaling \$14,561,000.
- SB 23-163, enacted and effective June 6, 2023, states beginning July 1, 2023, a wildlife officer and a parks and recreation officer employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a "State Trooper" for the purpose of determining their service retirement eligibility.
- 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.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

Douglas County Libraries
Notes to Required Supplementary Information
December 31, 2025
(continued)

Note I. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information – Defined Benefit Pension Plan (continued)

3. Changes since the December 31, 2021 actuarial valuation:

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled \$225,000,000 direct distribution, a warrant to PERA in the amount of \$380,000,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190,000,000 to \$35,000,000. The July 1, 2024, direct distribution will not be reduced from \$225,000,000 due to a negative investment return in 2022.
- The TPL for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

4. Changes since the December 31, 2020 actuarial valuation:

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
 - Member contribution rates increase by 0.50%.
 - Employer contribution rates increase by 0.50%.
 - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

5. Changes since the December 31, 2019 actuarial valuation:

- HB 20-1379, enacted on June 29, 2020, suspended the \$225,000,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.
- HB 20-1394, enacted on June 29, 2020, requires 5.0% of the Judicial Division base employer contributions rate to be paid by the members of the Judicial Division for the State's 2020-21 and 2021-22 fiscal years. This does not apply to the employer or member contribution rates for judges employed by the Denver County Court.
- SB 18-200 and SB 20-057, enacted in 2018 and 2020, respectively expanded the definition of "State Trooper" under Colorado law as follows: ▪ Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII;
- New members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff, or detention officer by a Local Government Division employer; and

Douglas County Libraries
Notes to Required Supplementary Information
December 31, 2025
(continued)

Note I. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information – Defined Benefit Pension Plan (continued)

5. Changes since the December 31, 2019 actuarial valuation (continued)

- New members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

6. Changes since the December 31, 2018 actuarial valuation:

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
 - Member contribution rates increase by 0.50%.
 - Employer contribution rates increase by 0.50%.
 - AI cap is lowered from 1.50% per year to 1.25% per year.
- HB 19-1217, enacted May 20, 2019, repealed the member contribution increases scheduled for the Local Government Division pursuant to SB 18-200.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

7. Changes since the December 31, 2017 actuarial valuation:

- The following changes were made to the plan provisions as part of SB 18-200:
 - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
 - Employer contribution rates increase by 0.25% effective July 1, 2019 for State, School, Judicial, and DPS Divisions.
 - An annual direct distribution of \$225,000,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
 - AI cap is lowered from 2.00% per year to 1.50% per year. • Initial AI waiting period is extended from one year after retirement to three years after retirement.
 - AI payments are suspended for 2018 and 2019.
 - The number of years used in the highest average salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

Douglas County Libraries
Notes to Required Supplementary Information
December 31, 2025
(continued)

Note I. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information – Defined Benefit Pension Plan (continued)

8. Changes since the December 31, 2016 actuarial valuation:

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division on December 2, 2017. For the purpose of the December 31, 2017, measurement date, liabilities were determined assuming no additional benefit accruals for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159,000 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063,000 and \$96,000, respectively.
- Pursuant to HB 17-1265, the amortization equalization disbursement (AED) and supplemental amortization equalization disbursement (SAED) contribution rates are adjusted for employers in the Judicial Division as follows:
 - For the calendar year beginning in 2019, C.R.S. § 24-51-411(4.5) increased the AED payment to 3.40% of PERA-includable salary and requires the AED payment to increase by 0.40% at the start of each of the following four calendar years through 2023 at which time the AED payment will be 5.00% of PERA-includable salary.
 - For the calendar year beginning in 2019, C.R.S. § 24-51-411(7.5) increased the SAED payment to 3.40% of PERA-includable salary and requires the SAED payment to increase by 0.40% at the start of each of the following four calendar years through 2023 at which time the SAED payment will be 5.00% of PERA-includable salary.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

9. Changes since the December 31, 2015 actuarial valuation:

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

10. Changes since the December 31, 2014 actuarial valuation:

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.
- As required under C.R.S. § 24-51-401(1.7)(e), PERA calculated and provided to the Colorado General Assembly an adjustment to the DPS Division's employer contribution rate to assure the equalization of the School Division's and the DPS Division's ratios of unfunded actuarial accrued liability to payroll as of December 31, 2039. Subsequently, the Colorado General Assembly passed HB 15-1391, reducing the employer contribution rate of the DPS Division from 13.75% to 10.15%, effective January 1, 2015.

Douglas County Libraries
Notes to Required Supplementary Information
December 31, 2025
(continued)

Note II. Changes to Assumptions or Other Inputs – Defined Benefit Pension Plan

1. Changes since the December 31, 2023 actuarial valuation:

- 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%.

2. Changes since the December 31, 2022 actuarial valuation:

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

3. Changes since the December 31, 2021 actuarial valuation:

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

4. Changes since the December 31, 2020 actuarial valuation:

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

5. Changes since the December 31, 2019 actuarial valuation:

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

6. Changes since the December 31, 2018 actuarial valuation:

- The price inflation assumption was lowered from 2.4 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Douglas County Libraries
Notes to Required Supplementary Information
December 31, 2025
(continued)

Note II. Changes to Assumptions or Other Inputs – Defined Benefit Pension Plan (continued)

6. Changes since the December 31, 2018 actuarial valuation (continued):

- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

7. Changes since the December 31, 2017 actuarial valuation:

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

8. Changes since the December 31, 2016 actuarial valuation:

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

9. Changes since the December 31, 2015 actuarial valuation:

- The SEIR was lowered from 5.26% to 4.78% to reflect the changes to the projection’s valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86% on the prior measurement date to 3.43% on the measurement date.

10. Changes Since the December 31, 2014 Actuarial Valuation:

- The investment return assumption was lowered from 7.5% to 7.25%
- The wage inflation assumption was lowered from 3.90% to 3.50%
- The post-retirement mortality assumption for healthy lives for the School and Denver Public School (“DPS”) Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, or males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.

Douglas County Libraries
Notes to Required Supplementary Information
December 31, 2025
(continued)

Note II. Changes to Assumptions or Other Inputs – Defined Benefit Pension Plan (continued)

10. Changes Since the December 31, 2014 Actuarial Valuation (continued)

- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the School Division Trust Fund was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

Note III. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information - OPEB

1. Changes since the December 31, 2023 actuarial valuation:

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (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 \$20,000 and \$486,000, respectively.

2. Changes since the December 31, 2022 actuarial valuation:

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

3. Changes since the December 31, 2021 actuarial valuation:

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

4. Changes since the December 31, 2020 actuarial valuation:

- There were no change made to the plan provisions.

Douglas County Libraries
Notes to Required Supplementary Information
December 31, 2025
(continued)

Note III. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information – OPEB
(continued)

5. Changes since the December 31, 2019 actuarial valuation:

- There were no change made to the plan provisions.

6. Changes since the December 31, 2018 actuarial valuation:

- There were no change made to the plan provisions.

7. Changes since the December 31, 2017 actuarial valuation:

- There were no change made to the plan provisions.

8. Changes since the December 31, 2016 actuarial valuation:

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

Note IV. Changes to Assumptions or Other Inputs - OPEB

1. Changes since the December 31, 2023 actuarial valuation:

- 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

2. Changes since the December 31, 2022 actuarial valuation:

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

Douglas County Libraries
Notes to Required Supplementary Information
December 31, 2025
(continued)

Note IV. Changes to Assumptions or Other Inputs - OPEB (continued)

- 3. Changes since the December 31, 2021 actuarial valuation:**
 - The timing of the retirement decrement was adjusted to middle-of-year.
- 4. Changes since the December 31, 2020 actuarial valuation:**
 - There were no change made to the actuarial methods or assumption
- 5. Changes since the December 31, 2019 actuarial valuation:**
 - Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.5. above.
- 6. Changes since the December 31, 2018 actuarial valuation:**
 - There were no change made to the actuarial methods or assumptions
- 7. Changes since the December 31, 2017 actuarial valuation:**
 - There were no change made to the actuarial methods or assumptions.
- 8. Changes since the December 31, 2016 actuarial valuation:**
 - There were no change made to the actuarial methods or assumptions.



Other Information

Douglas County Libraries
Summary of Revenue, Expenditures, and Change in Fund Balance
General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024, 2023, 2022, and 2021)
(Unaudited)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
General revenues:					
Property taxes	29,655,129	32,350,900	32,295,064	37,678,094	41,674,874
Specific ownership taxes	2,888,807	2,894,516	3,036,478	2,734,022	3,265,152
Earnings on investments	38,739	521,327	1,531,656	1,789,666	1,842,961
Program revenues:					
Charges for services	566,869	567,080	534,069	445,097	546,610
Operating grants and contributions	264,404	421,593	303,961	475,185	384,354
Total Revenues	<u>33,413,948</u>	<u>36,755,416</u>	<u>37,701,228</u>	<u>43,122,064</u>	<u>47,713,951</u>
Expenditures:					
Operating:					
Salaries and benefits	15,807,234	16,523,332	17,482,263	19,843,078	20,887,882
Library materials	3,847,342	3,996,798	3,969,124	4,630,294	4,620,220
Facilities	1,673,773	1,785,765	1,801,238	1,821,236	2,197,994
Technology and support services	1,360,864	1,395,873	1,462,249	1,758,919	1,700,415
Programs and outreach	822,131	1,137,341	1,177,265	1,573,548	1,708,550
District-wide support	1,188,083	1,260,806	1,318,090	1,703,956	1,900,427
Capital outlay	2,046,816	12,821,756	14,146,806	3,531,369	2,309,472
Debt service:					
Principal	-	-	-	1,774,653	1,891,217
Interest	2,013,425	2,225,930	2,349,845	586,202	504,572
Total Expenditures	<u>28,759,668</u>	<u>41,147,601</u>	<u>43,706,880</u>	<u>37,223,255</u>	<u>37,720,749</u>
Excess (Deficiency) of Revenues over Expenditures	4,654,280	(4,392,185)	(6,005,652)	5,898,809	9,993,202
Other Financing Sources (Uses):					
Sale of general capital assets	-	-	-	3,047,921	-
Notes issued	196,844	347,310	-	-	-
Lease income (expenditures)	108,853	2,138	(11,538)	-	-
Leases issued	-	436,818	404,906	-	251,064
Subscriptions issued	-	-	21,741	121,129	44,739
Total Other Financing Sources (Uses)	<u>305,697</u>	<u>786,266</u>	<u>415,109</u>	<u>3,169,050</u>	<u>295,803</u>
Net Change in Fund Balance	4,959,977	(3,605,919)	(5,590,543)	9,067,859	10,289,005
Fund Balance - Beginning of Year	<u>24,337,888</u>	<u>29,297,865</u>	<u>25,691,946</u>	<u>20,101,403</u>	<u>29,169,262</u>
Fund Balance - End of Year	<u><u>29,297,865</u></u>	<u><u>25,691,946</u></u>	<u><u>20,101,403</u></u>	<u><u>29,169,262</u></u>	<u><u>39,458,267</u></u>

Douglas County Libraries
Summary Historical Comparison Of Revenues, Expenditures, and Change in Fund Balance
General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024 and 2023
(Unaudited)

	<u>2023</u>	<u>Actual 2024</u>	<u>2025</u>	<u>Final Budget 2025</u>
Statistics:				
Circulation	6,036,732	6,399,328	6,821,701	n/a
Patron visits	1,340,490	1,400,186	1,403,268	n/a
Building square footage	192,968	194,083	193,054	n/a
Full time equivalent employee headcount	254	266	267	n/a
Revenues:				
General revenues:				
Property taxes	32,295,064	37,678,094	41,674,874	42,001,506
Property tax relief	-	-	-	(5,000,000)
Specific ownership taxes	3,036,478	2,734,022	3,265,152	1,599,360
Earnings on investments	1,531,656	1,789,666	1,842,961	1,483,779
Program revenues:				
Charges for services	534,069	445,097	546,610	346,998
Operating grants and contributions	303,961	475,185	384,354	405,932
Total Revenues	<u>37,701,228</u>	<u>43,122,064</u>	<u>47,713,951</u>	<u>40,837,575</u>
Operating Expenditures:				
Salaries and benefits	17,482,263	19,843,078	20,887,882	21,255,128
Library materials	3,969,124	4,630,294	4,620,220	4,617,295
Facilities	1,801,238	1,821,236	2,197,994	2,693,588
Technology and support services	1,462,249	1,758,919	1,700,415	1,837,957
Programs and outreach	1,177,265	1,573,548	1,708,550	1,601,239
District-wide support	1,318,090	1,703,956	1,900,427	2,252,735
Capital outlay	908,399	1,164,787	1,534,730	1,504,920
Principal and interest payments	2,349,845	2,360,855	2,395,789	2,187,423
Total Operating Expenditures	<u>30,468,473</u>	<u>34,856,673</u>	<u>36,946,007</u>	<u>37,950,285</u>
Excess (Deficiency) of Revenues over Expenditures	7,232,755	8,265,391	10,767,944	2,887,290
Non-Operating Revenues (Expenditures)				
Capital outlay	(13,238,407)	(2,366,582)	(774,742)	(4,951,064)
Sale of general capital assets	-	3,047,921	-	-
Lease income (expenditures)	(11,538)	-	-	-
Leases issued	404,906	-	251,064	-
Subscriptions issued	21,741	121,129	44,739	-
Total Other Financing Sources (Uses)	<u>(12,823,298)</u>	<u>802,468</u>	<u>(478,939)</u>	<u>(4,951,064)</u>
Net Change in Fund Balance	<u>(5,590,543)</u>	<u>9,067,859</u>	<u>10,289,005</u>	<u>(2,063,774)</u>

Douglas County Libraries
History of Assessed Valuations, History of Mill Levies, and Property Tax Collections
Last 5 Fiscal Years
(Unaudited)

History of Assessed Valuations

Levy/Collection Year	Assessed Valuation	Percent Change	Statutory "Actual" Value
2021/2022	\$ 8,065,691,731		\$ 81,370,875,194
2022/2023	8,104,381,140	0.48%	83,777,072,422
2023/2024	10,292,323,249	27.00%	114,596,756,478
2024/2025	10,500,376,390	2.02%	117,505,520,097
2025/2026	10,398,496,367	-0.97%	123,882,682,269

History of Mill Levies

Levy/Collection Year	General Fund	Special Abatement	Temporary Rate "Actual" Value	Total Levy
2021/2022	4.000	0.021	0.000	4.021
2022/2023	4.000	0.008	0.000	4.008
2023/2024	4.000	0.000	(0.487)	3.513
2024/2025	4.000	0.000	0.000	4.000
2025/2026	4.000	0.000	(0.481)	3.519

Property Tax Collections

Levy/Collection Year	Taxes Levied	Current Tax Collections	Collection Rate
2020/2021	\$ 29,713,820	\$ 29,901,263	100.63%
2021/2022	32,432,146	32,606,739	100.54%
2022/2023	32,436,073	32,641,357	100.63%
2023/2024	36,156,932	36,305,658	100.41%
2024/2025	42,001,506	41,826,979	99.58%