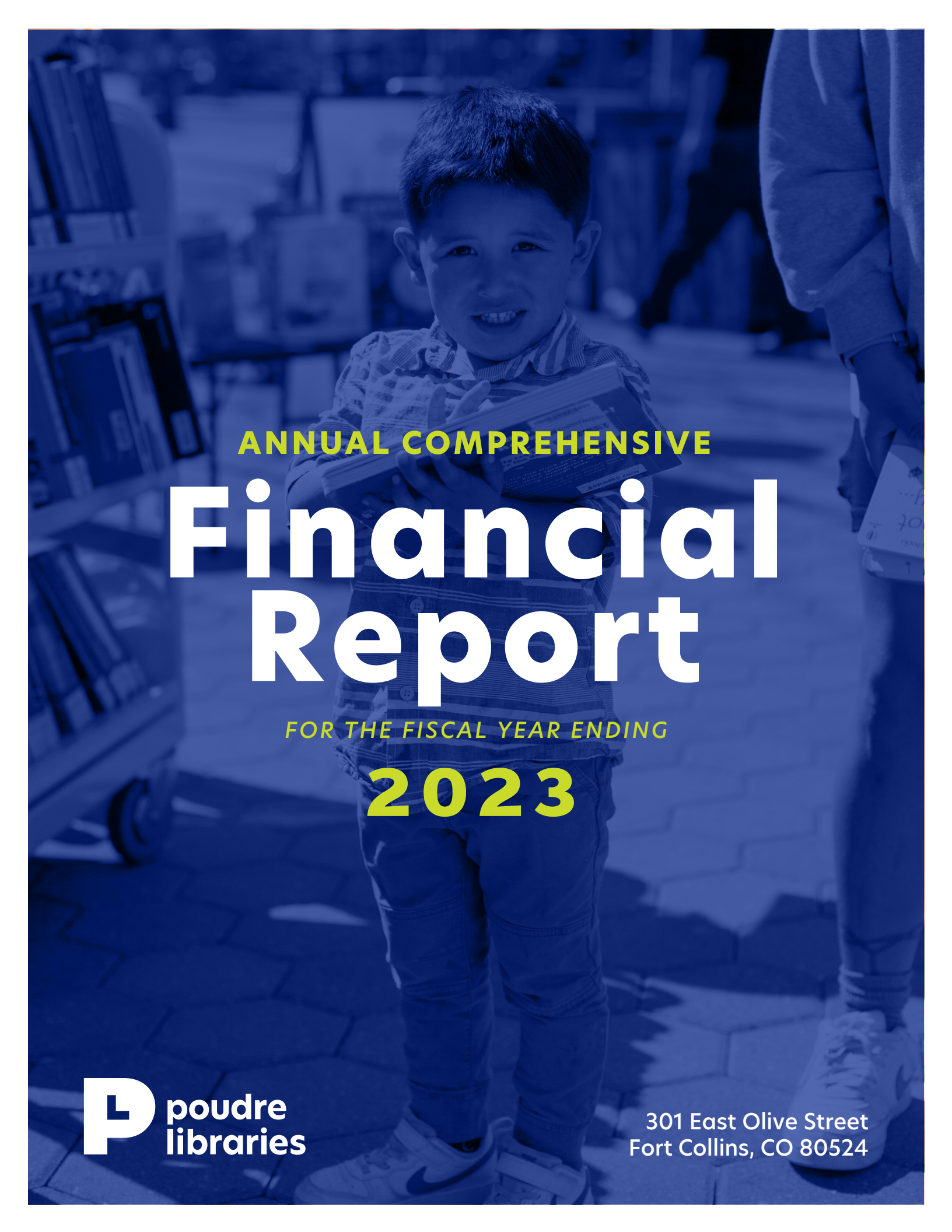




ANNUAL COMPREHENSIVE

Financial Report

FOR THE FISCAL YEAR ENDING

2023

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POUDRE RIVER PUBLIC LIBRARY DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
December 31, 2023



Board of Trustees

Matt Schild, *President*

Corey Radman, *Vice President*

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Executive Director

Diane Lapierre

Prepared by:

Amy Lyons

Finance Manager

301 East Olive Street

Fort Collins, Colorado 80524

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POUDRE RIVER PUBLIC LIBRARY DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED December 31, 2023

TABLE OF CONTENTS

Introductory Section	Page
Executive Director's Letter of Transmittal.....	9
Letter of Transmittal.....	10
Certificate of Achievement.....	14
Library Leadership Team.....	15
 Financial Section	
Independent Auditor's Report.....	19
Management's Discussion and Analysis (Unaudited).....	23
Basic Financial Statements	
Statement of Net Position and Governmental Funds Balance Sheet.....	30
Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance.....	31
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual....	32
Notes to the Financial Statements.....	34
Supplementary Information	
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual.....	49
 Statistical Section (Unaudited)	
Financial Trends Information	
Table I: Government-wide Net Position by Component.....	52
Table II: Government-wide Changes in Net Position.....	53
Table III: Governmental Funds Fund Balances.....	54
Table IV: Change in Total Governmental Fund Balances.....	55
Revenue Capacity Information	
Table V: Assessed Value and Estimated Actual Value of Taxable Property.....	56
Table VI: Direct and Overlapping Property Tax Rates.....	57
Table VII: Principal Property Taxpayers.....	58
Table VIII: Property Tax Levies and Collections.....	59
Debt Capacity Information	
Table IX: Legal Debt Margin Information.....	60
Demographic and Economic Information	
Table X: Demographic and Economic Information.....	61
Table XI: Principal Employers.....	62
Operating Information	
Table XII: Full-time Equivalent District Employees by Function.....	63
Table XIII: Library Materials Purchased and Circulated.....	64
Table XIV: Circulation by Location.....	65
Table XV: Service Location Information.....	66

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Introductory Section



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July 31, 2024

Members of the Board of Trustees
Poudre River Public Library District
301 East Olive Street
Fort Collins, Colorado 80524

Dear Trustees:

I am pleased to submit to you the Annual Comprehensive Financial Report of Poudre River Public Library District (the District) for the year ended December 31, 2023.

An Annual Comprehensive Financial Report is an expanded annual financial report prepared in accordance with guidelines of the Government Finance Officers Association of the United States and Canada (GFOA). The required components include all of the financial statement data as historically reported, a Management Discussion and Analysis Section, expanded information in the letter of transmittal, and a Statistical Section that includes fifteen tables of information on financial trends, revenue capacity, debt capacity, demographic information, economic information and operating information.

The GFOA administers an award program for governments that prepare Annual Comprehensive Financial Reports in compliance with its guidelines. When successful, the submitting government is awarded a Certificate of Achievement for Excellence in Financial Reporting. The District received this award for 2022, and the District intends to submit the 2023 report to the GFOA for similar recognition.

Thank you for your review of this report and your stewardship of the District's fiscal activities.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Diane Lapierre'.

Diane Lapierre
Executive Director



July 31, 2024

To the Board of Trustees and the Citizens of Poudre River Public Library District:

State law requires that local governments publish audited financial statements within seven months of the close of each fiscal year. Poudre River Public Library District (the District) publishes this report to fulfill that requirement for the fiscal year ended December 31, 2023. Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

The certified public accounting firm Plante Moran has issued an unmodified (“clean”) opinion on the District’s financial statements for the year ended December 31, 2023. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follow the independent auditor’s report and provide a narrative introduction as well as an overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Established in 2006 by voter approval in compliance with state statute CRS 24-90-110, the District is an independent political subdivision of the State of Colorado. The District is governed by a seven-member board of trustees jointly appointed by Fort Collins City Council and Larimer County Board of County Commissioners. Trustees serve four-year terms and are limited to two consecutive terms. The District is primarily supported by a 3-mill property tax levy.

The District serves more than 208,000 people across 1,800 square miles in northern Larimer County, Colorado. Anchored by three library branches in Fort Collins, the District is dedicated to matching diverse District patrons’ needs and interests with exceptional opportunities for learning, intellectual stimulation and personal enjoyment. Library patrons are provided a wide range of library services including books, DVDs and other materials for business and pleasure, programming services for all ages, literacy services and meeting room availability.

The District’s operating departments, called Business Units, include Administration (the Executive Director’s office, Human Resources, Finance and the Answer Center), Combined Expenditures (Systems Administration and Facilities), Community Services, Communication, the operations of three library branches and Collection Services.

The Board of Trustees is required to adopt a final budget no later than December 15th of each fiscal year. The annual budget serves as a foundation for the District's financial planning and control and is prepared by fund and Business Unit. The Executive Director is specifically authorized to make budget transfers between operating accounts within a fund. Any transfer of budgeted funds related to a specifically approved capital project and any change in a fund's total budget require Board of Trustees approval.

Local Economy

The District encompasses northern Larimer County, with the same boundaries as Poudre School District. Ninety-one percent of the District's population resides in Fort Collins. The remaining population resides in Timnath and the unincorporated rural and mountain communities of Bellvue, LaPorte, Livermore, Lower Rist Canyon, Poudre Park, Stove Prairie, Upper Poudre Canyon, Virginia Dale and Waverly.

Fort Collins was recently ranked as the #5 Remote-Ready City in the United States by Livability.com (2020) and recognized as one of the best places to live in America by both MarketWatch (#23 in 2022) and Livability.com (#19 in 2023).

According to the 2023 Colorado Business Economic Outlook published by the University of Colorado, the leading industries in northern Colorado are retail, manufacturing, health care, construction, accommodations and food services. The local workforce is diverse and highly educated, with 52.9% of residents holding bachelors' degrees or higher. Colorado's unemployment rate has historically been one of the lowest in the country. The statewide unemployment rate in December 2023 was 3.3%. Within Larimer County, the unemployment rate increased from 2.4% in December 2022 to 2.8% in December 2023. Larimer County's per capita personal income was \$46,676 in 2023, up from \$42,596 in 2022.

The region's diverse industrial mix has been helpful in weathering the impacts of the COVID-19 pandemic. Innovation, education and opportunity define Larimer County. The region is home to a variety of companies from burgeoning startups supported by the area's tech incubator, Innosphere, to global leaders in food and agriculture, energy and advanced manufacturing. Target industries include bioscience, software, hardware, clean energy and water innovation. Key technology and innovation manufacturers include Woodward, Inc. and Walker; top brewer Anheuser-Busch; and top craft breweries New Belgium Brewing Company and Odell Brewing Company. Other global manufacturers include Hewlett-Packard Enterprise, Inc., Otter Products, and Tolmar, a leading pharmaceutical company.

More than 20% of the jobs in Larimer County are in local, state or federal government, which includes a broad range of public institutions such as local schools, public universities and hospitals. Colorado State University, the District's largest employer, is one of the country's leading research universities with strong emphasis on energy management and renewables, agricultural technology, cancer in animals, infectious diseases and atmospheric science.

According to the Colorado Association of Realtors, the Larimer County single-family home median sales price as of December 2023 was \$610,000 and consistent with prior year trends. According to the Colorado Statewide Apartment Survey conducted by the Colorado Housing and Finance Authority, average rent in Fort Collins was \$1,723 in the fourth quarter of 2023, up from \$1,640 in 2022. Affordable local housing continues to be a concern as the population grows and housing availability declines.

Long-term Financial Planning

In 2019, management reviewed and updated the District's long-term Capital Replacement Plan. The purpose of this plan is to identify major capital replacement and repair needs for the District. Annual transfers from the District's General Fund to the Capital Projects Fund provide the primary funding.

The District also enacted a new Master Plan effective in 2019, which includes a comprehensive facility plan and elements of our Strategic Planning initiatives.

Relevant Financial Policies

The Board of Trustees has adopted policies on working capital and Capital Projects Fund transfers. A Working Capital Operating Reserve has been established equal to 20% of budgeted revenue. This reserve remains in the General Fund to provide for the cash flow needs of the District. The Capital Reserve policy requires the District to transfer a minimum of \$250,000 annually from the General Fund to the Capital Projects Fund to fund the Capital Replacement Plan and to accumulate funds for major repair or replacement and expansion of District facilities and equipment.

The Colorado Constitution places limits on the amount of revenue growth that state and local governments can retain. The approved ballot issue that authorized the formation of the District exempted the District from this constraint. However, the District is subject to other state constitution requirements, including the requirement to maintain an emergency reserve equal to 3% of annual spending and the requirement for an election to approve any tax increase.

Major Initiatives

In 2022, the Board of Trustees adopted a new Strategic Plan for the years 2023-2025, with our Strategic Vision "To be a vibrant and essential center of learning, inspiration, and engagement" for our community. The plan identifies three focus areas of Welcoming Spaces, Intentional Partnerships, and Dynamic Services. The Library Leadership Team has developed desired actions and community impacts for each focus area that will inform and guide our decisions and projects for the duration of the Plan. A critical part of the Plan is to identify facility needs for our growing population and find creative solutions to maximize our community reach and impact.

In 2023, we completed replacement of the irrigation system in Library Park at Old Town Library. We made improvements to the Webster House Administration Center building, in addition to purchasing new furniture for upgraded office spaces in the building. We purchased signage to reflect our rebranding updates, and we incurred leasehold improvement costs associated with moving our Collections Department from their Research Way location to its new Automation Way location.

Library staff has been working with our vendors on the production of our all-electric mobile library and bookmobile, EVIE. EVIE began distributing materials, resources, and services in April 2023.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Poudre River Public Library District for its annual comprehensive financial report for the fiscal year ended December 31, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a

period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we will submit it to GFOA to determine its eligibility for another certificate.

I would like to thank the Communications team and Tova Aragon of the District for their assistance in the preparation of this report and Ivana Ross for her ongoing contributions to the Finance Office. I also thank the members of the Board of Trustees for their leadership and support. The District contracts with the City of Fort Collins for support services including accounting and treasury management, and I express my appreciation to the members of the City's Finance Office for their service. Finally, I would like to thank the professionals from our external auditing firm, Plante Moran.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Amy Lyons', written in a cursive style.

Amy Lyons
Finance Manager



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial
Reporting

Presented to

**Poudre River Public Library District
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

**Poudre River Public Library District
Library Leadership Team**

Diane Lapierre
Tova Aragon
Katie Auman
Kristen Draper
Ken Draves
Mark Huber
Angela Kettle
Sabrina Leslie
Amy Lyons
Currie Meyer
Monique Ramos
Molly Thompson

Executive Director
Collections Manager
Communications Manager
Old Town Library Manager
Deputy Director
IT and Facilities Manager
Programming and Events Coordinator
Human Resources Manager
Finance Manager
Council Tree Library Manager
Community Services Manager
Harmony Library Manager

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Financial Section



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Independent Auditor's Report

To the Board of Trustees
Poudre River Public Library District

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Poudre River Public Library District (the "District") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Poudre River Public Library District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Poudre River Public Library District as of December 31, 2023 and the respective changes in its financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note V to the financial statements, the District adopted the provisions of GASB 96, *Subscription-Based Information Technology Arrangements*, as of January 1, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Trustees
Poudre River Public Library District

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of 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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Poudre River Public Library District's basic financial statements. The capital projects fund schedule of revenues, expenditures, and changes in fund balances, actual and budget (non-GAAP budgetary basis) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections 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.

To the Board of Trustees
Poudre River Public Library District

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 whether 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.

Plante & Moreau, PLLC

July 31, 2024

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Management's Discussion and Analysis (Unaudited)

Poudre River Public Library District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2023. In addition to this overview and analysis based on currently known facts, decisions and conditions, the District encourages readers to consider the information presented in the District's financial statements, which begin on page 30 of this report.

Overall Financial Highlights

The assets of the District exceeded its liabilities and deferred inflows of resources at the end of the fiscal year ended December 31, 2023, by \$32,776,195 (net position). Of the net position balance, \$14,774,839 is unrestricted and available to meet the District's ongoing obligations in accordance with the District's fund designations and fiscal policies.

The District's overall net position increased by \$1,073,054 in 2023. The General Fund, the District's primary operating fund, reported a fund balance increase of \$346,810 on a current financial resource basis and an ending fund balance of \$5,757,303. The increase is related to strong property tax receipts and positive investment income driven by increasing interest rates. The Capital Projects Fund reported a fund balance increase of \$679,835 on a current financial resource basis and an ending fund balance of \$9,741,982. The primary reason for the Capital Projects Fund balance increase was an inter-fund transfer of \$500,000 from the General Fund to the Capital Projects Fund for future facilities expansion, in addition to the annual transfer of \$250,000 in accordance with the Board approved capital reserve policy, offset by spending on current year projects.

Overview of the Financial Statements

This analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of the following three components:

- 1) Government-wide Financial Statements
- 2) Fund Financial Statements
- 3) Notes to the Financial Statements

Government-wide Financial Statements and Analysis

The government-wide statements are designed to provide readers with a broad overview of the District's finances using the accrual basis of accounting, which is the basis of accounting used by most private-sector businesses.

The statement of net position presents information on all District's assets, liabilities and deferred inflows of resources. The difference between assets, liabilities and deferred inflows of resources is reported as net position. Over time, increases and decreases in net position may provide an indication of whether the District's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the District's net position has changed during the 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned

but unused vacation leave). The government-wide financial statements can be found on pages 30 and 31 of this report, and an analysis and summary of the statements is provided here.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2023, assets exceeded liabilities and deferred inflows of resources by \$32,776,195. The following table reflects a condensed Statement of Net Position as of December 31 of 2023 and 2022. For more detailed information, see the Statement of Net Position on page 30 of this report.

**Condensed Statement of Net Position
as of December 31, 2023 compared with 2022**

	2023	2022
Current and other assets	\$ 30,139,017	\$ 26,410,425
Capital and right to use leased assets	18,278,298	17,746,685
Total assets	<u>48,417,315</u>	<u>44,157,110</u>
Current liabilities	1,025,611	731,019
Non-current liabilities - leases payable	300,908	137,218
Deferred inflows of resources	14,314,601	11,585,732
Net Position:		
Invested in capital assets	17,643,356	17,746,685
Restricted	358,000	363,000
Unrestricted	<u>14,774,839</u>	<u>13,593,456</u>
Total net position	<u>\$ 32,776,195</u>	<u>\$ 31,703,141</u>

The investment in capital assets (e.g., land, library buildings, equipment and the collection of library materials) is the largest portion of the District's net position, representing 54% of the total. This includes right to use leased assets recorded by the District as a result of implementing GASB 87 and right to use software as a result of implementing GASB 96. The District uses these capital assets to provide library services to citizens; consequently, these assets are not available for future spending.

The restricted portion of the District's net position, representing 1% of the total net position, includes resources that are subject to external restrictions on how they may be used. For 2023, \$358,000 is specifically restricted by Colorado state statute under the Taxpayer Bill of Rights (TABOR) to be set aside for emergencies. This amount may fluctuate each year based on fiscal year spending. The District's unrestricted net position of \$14,774,839 represents the remaining 45% of total net position.

The District's total net position increased by \$1,073,054 during 2023. General Fund revenues were \$346,810 more than budgeted due to strong property tax receipts and investment income related to a favorable interest rate environment. The District transferred \$500,000 of the excess funds to the Capital Projects Fund to assist with future facility and equipment needs, in addition to \$250,000 under the capital reserve policy. For more detailed information, see the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual on page 32 of this report.

The table on the following page reflects a condensed summary of activities and changes in net position for the fiscal years ending December 31, 2023 and 2022. For more detailed information, see the Statement of Activities on page 31 of this report.

Condensed Statement of Activities & Changes in Net Position
For the fiscal years ended December 31, 2023 and 2022

	2023	2022
Program revenues:		
Charges for services	\$ 31,484	\$ 47,830
Operating grants and contributions	278,565	788,187
Capital grants and contributions	-	-
General revenues:		
Property and specific ownership taxes	12,284,492	12,374,234
Investment earnings	829,174	(384,046)
Miscellaneous	32,705	110,575
Total Revenues	<u>13,456,423</u>	<u>12,936,780</u>
Expenses:		
Library services	8,516,900	7,867,176
Administration	2,173,684	1,858,769
Depreciation and amortization	1,692,785	1,394,962
Total expenses	<u>12,383,369</u>	<u>11,120,907</u>
Change in net position	1,073,054	1,815,873
Net position - beginning	<u>31,703,141</u>	<u>29,887,268</u>
Net position - ending	<u>\$ 32,776,195</u>	<u>\$ 31,703,141</u>

Fund Financial Statements and Analysis

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 accounts for all of its activities in two governmental funds, the General Fund and a Capital Projects Fund.

The District, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. Governmental funds are used to report the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures and changes in fund balances in the notes to the financial statements beginning on page 34 of this report.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the District's two funds, the General Fund and the Capital Projects Fund, to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 30-32 of this report and an analysis of the statements is provided here.

As noted previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported an ending total fund balance of \$15,499,285. \$358,000 of the ending total fund balance is restricted as required to be set aside by the Colorado Taxpayer Bill of Rights (TABOR) for fiscal emergencies. This amount is equal to 3% of fiscal year spending and is not available for new spending.

Within the unrestricted fund balance, the Board of Trustees has internally committed \$9,741,982 in the Capital Projects Fund for capital improvements and facilities expansion. In the General Fund, the Board has internally assigned \$2,919,000 for the maintenance of adequate working capital/operating reserves. Additionally, the District has set aside \$100,000 to provide for future programming and \$510,025 from a generous donation assigned for future children's programs. The remaining unrestricted fund balance of \$1,859,278 is unassigned.

General Fund 2023 actual expenditures of \$ 12,259,749 were greater than budgeted expenditures by \$493,419, largely due to noncash adjustments for GASB 87 related to the lease agreement for Collections space. The remainder of the District's operating segments, or Business Units, expenditures were at budget following a return to full operating hours and programming coming out of the COVID-19 pandemic. The only exception was Community Services, which had unbudgeted grant expenditures. Actual revenue exceeded budgeted revenue by \$688,769, with the biggest positive variances in property tax revenue, specific ownership taxes, and investment income.

Notes to the Financial Statements

The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 34 of this report.

Capital Assets

The District's investment in capital assets as of December 31, 2023 was \$18,278,298. Capital assets, net of depreciation, increased \$18,226 from 2022 to 2023 due to capital project additions versus regular asset depreciation. Also included are right to use leased assets as a result of implementing GASB 87 during the prior year and right to use leased software from GASB 96 in the current year. The following table summarizes capital assets by category for 2023 and 2022.

	2023	2022
Land	\$ 2,508,223	\$ 2,256,000
Construction in Progress	-	177,624
Buildings and Improvements	12,116,092	12,520,807
Machinery and Equipment	1,208,614	946,028
Library Materials Collection	1,716,809	1,657,334
Right to Use Leased Assets	420,888	186,949
Right to Use Software	305,649	513,306
Total Capital Asset Book Value	\$ 18,278,298	\$ 18,260,072

Significant Capital Asset activity in 2023 included additions to the District's library materials collection, the Old Town Library Park irrigation replacement, and newly rebranded signage around the District, and our all-electric mobile library, EVIE, began distributing materials, resources, and services in April 2023. We disposed of the 2017 materials collection. Additional information on the District's capital assets is located on page 43 of this report.

Economic Factors

The District is dependent on property tax as its primary source of revenue. Property values are reassessed every two years, with 2021 being the most recent reassessment year. Larimer County has seen an increase in building activity over the past several years, though some of the larger construction projects are subject to tax increment financing agreements. When tax increment financing agreements are in place, the District receives a portion of new tax revenue until the agreement is complete. The total tax increment financing deducted from the District's revenue in 2023 was \$701,779.

In 2020, Colorado voted to repeal the Gallagher Amendment, which had set residential and non-residential property tax assessment rates in the state constitution since 1982. The vote allowed the Colorado State Legislature to freeze property tax assessments rates at the current rates of 7.15% for residential and 29% for non-residential properties. The vote also allowed the State Legislature to provide for future property tax assessment rate decreases through state law while requiring voter approval for any rate increases. The residential assessment rate had been consistently declining since the Gallagher Amendment passed, from 30% prior to 1983 to 7.15%, because the rate was structured to float against the 29% fixed non-residential assessment rate to achieve a specific balance. The disproportionate growth in Colorado residential property values over the past thirty years had forced the residential assessment rate to keep declining, which put a significant budget strain on smaller and rural communities and special districts. We believe that the repeal of the Gallagher Amendment will provide a more stable and consistent revenue stream for the District that better aligns with our population growth.

As a result of this action, the State Legislature passed SB21-293, which will decrease residential assessment rates to 6.80% and agricultural assessment rates to 26.40% down from 29%. These assessment rates are effective for the property tax year 2022, payable in 2023. Additionally, the State Legislature passed SB 22-238 which will further decrease the residential assessment rate to 6.765%, while also decreasing commercial assessment rates from 29% to 27.9%. These assessment rates are effective for the property tax year 2023, payable in 2024. The District estimated these initiatives will result in decreased property tax revenues of \$225,000, dependent upon certain backfill provisions within the legislation that we be eligible to receive. Actual property tax receipts for 2023 were approximately \$90K.

lower than 2022 due to these initiatives, and the District anticipates additional property tax initiatives may impact our property tax assessments and receipts in the future.

Another significant source of revenue for the District is specific ownership tax, which is a portion of the fees paid on vehicle licensing. This revenue fluctuates based on the level of new vehicle sales and other economic factors. The District collected more than \$870,000 in specific ownership tax for 2023 and 2022, respectively.

Financial Contact

The District's financial statements are designed to provide users (citizens, taxpayers, customers and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information presented in this report or requests for additional information can be addressed to District Finance Manager Amy Lyons, 301 E. Olive Street, Fort Collins, CO 80524.

Basic Financial Statements



Poudre River Public Library District
Statement of Net Position and Governmental Funds Balance Sheet
December 31, 2023

	General Fund	Capital Projects Fund	Total	Adjustments (Note II)	Statement of Net Position
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 930,504	\$ 1,479,284	\$ 2,409,788	\$ -	\$ 2,409,788
Investments	4,950,610	8,299,142	13,249,752	-	13,249,752
Receivables					
Property taxes	14,151,272	-	14,151,272	-	14,151,272
Accounts	57,933	1,784	59,717	-	59,717
Accrued interest	32,446	54,392	86,838	-	86,838
Lease	166,983	-	166,983	-	166,983
Federal Grants	3,667	-	3,667	-	3,667
Prepaid item	11,000	-	11,000	-	11,000
Non-Current Assets					
Land	-	-	-	2,508,223	2,508,223
Construction in Progress	-	-	-	-	-
Right to use leased assets (net of amortization)	-	-	-	420,888	420,888
Right to use software (net of amortization)	-	-	-	305,650	305,650
Other capital assets (net of accum. depreciation)	-	-	-	15,043,537	15,043,537
Total assets	\$ 20,304,415	\$ 9,834,602	\$ 30,139,017	\$ 18,278,298	\$ 48,417,315
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 90,092	\$ 92,620	\$ 182,712	\$ -	\$ 182,712
Accrued wages payable	132,008	-	132,008	-	132,008
Accrued compensated absences	-	-	-	366,446	366,446
Leases payable	-	-	-	118,569	118,569
SBITA payable	-	-	-	215,465	215,465
Unearned revenue	10,411	-	10,411	-	10,411
Non-Current Liabilities					
Leases payable	-	-	-	300,908	300,908
Total liabilities	232,511	92,620	325,131	1,001,388	1,326,519
DEFERRED INFLOWS OF RESOURCES					
Property taxes	14,151,272	-	14,151,272	-	14,151,272
Leases	163,329	-	163,329	-	163,329
FUND BALANCES					
Nonspendable fund balance	11,000	-	11,000	(11,000)	-
Restricted fund balance	358,000	-	358,000	(358,000)	-
Committed fund balance	-	9,741,982	9,741,982	(9,741,982)	-
Assigned fund balance	3,529,025	-	3,529,025	(3,529,025)	-
Unassigned fund balance	1,859,278	-	1,859,278	(1,859,278)	-
Total fund balances	5,757,303	9,741,982	15,499,285	(15,499,285)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 20,304,415	\$ 9,834,602	\$ 30,139,017		
NET POSITION					
Net Investment in Capital Assets				17,643,356	17,643,356
Restricted for Emergencies				358,000	358,000
Unrestricted				14,774,839	14,774,839
Total Net Position				\$ 32,776,195	\$ 32,776,195

The notes to the financial statements are an integral part of this statement.

Poudre River Public Library District
Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balance
For the fiscal year ended December 31, 2023

	General Fund	Capital Projects Fund	Total	Adjustments (Note II)	Statement of Activities
Expenditures					
Personnel services	\$ 7,017,034	\$ -	\$ 7,017,034	\$ 40,364	\$ 7,057,398
Contractual services					
City support services	623,801	-	623,801	-	623,801
Treasurer fees	-	-	-	-	-
Other contractual	2,025,235	-	2,025,235	-	2,025,235
Commodities					
Collection development	642,085	-	642,085	(642,085)	-
Other commodities and capital outlay	1,951,592	571,489	2,523,081	(1,538,933)	984,148
Depreciation	-	-	-	1,692,785	1,692,785
Total Expenditures/Expenses	12,259,747	571,489	12,831,236	(447,869)	12,383,367
Program Revenues					
Charges for services	31,484	-	31,484	-	31,484
Operating grants and contributions	278,565	-	278,565	-	278,565
Capital grants and contributions	-	-	-	-	-
Total Program Revenues	310,049	-	310,049	-	310,049
Net Program Expense					12,073,318
General Revenues					
Property taxes	11,411,674	-	11,411,674	-	11,411,674
Specific ownership taxes	872,818	-	872,818	-	872,818
Earnings on investments	332,118	497,056	829,174	-	829,174
Miscellaneous	28,438	4,267	32,705	-	32,705
Other Financing (Uses) Sources New	-	-	-	-	-
New leases entered into	401,460	-	401,460	(401,460)	-
Transfers	(750,000)	750,000	-	-	-
Total General Revenues and Transfers	12,296,508	1,251,324	13,547,832	(401,460)	13,146,372
Excess (Deficiency) of Revenues and Transfers					
In Over Expenditures and Transfers Out	346,810	679,835	1,026,645	(1,026,645)	-
Change in Net Position				1,073,054	1,073,054
Fund Balance / Net Position					
Beginning of year	5,410,493	9,062,147	14,472,640		31,703,141
End of year	\$ 5,757,303	\$ 9,741,982	\$ 15,499,285		\$ 32,776,195

The notes to the financial statements are an integral part of this statement.

Poudre River Public Library District
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the fiscal year ended December 31, 2023

	Actual	Budget (Original)	Budget (Final)	Variance
Revenues				
Property taxes	\$ 11,411,674	\$ 11,290,355	\$ 11,290,355	\$ 121,319
Fines and fees	31,080	-	-	31,080
Intergovernmental grants	165,687	54,975	54,975	110,712
Specific ownership taxes	872,818	800,000	800,000	72,818
Charges for service	406	-	-	406
Earnings on investments	332,118	10,000	10,000	322,118
Donations	112,878	100,000	100,000	12,878
Miscellaneous	28,438	11,000	11,000	17,438
Total Operating Revenues	12,955,099	12,266,330	12,266,330	688,769
Expenditures				
Library Administration	2,173,684	2,617,039	2,176,039	2,355
Combined Operations	1,234,685	1,223,434	1,238,634	3,949
Community Services	619,444	577,177	599,977	(19,467)
Communication	588,738	546,623	589,923	1,185
Old Town Library	1,656,696	1,538,663	1,657,663	967
Collection Services	3,534,191	2,908,117	3,044,817	(489,374)
Harmony Library	1,211,518	1,168,091	1,216,591	5,073
Council Tree Library	1,240,793	1,187,186	1,242,686	1,893
Total Expenditures	12,259,749	11,766,330	11,766,330	(493,419)
Excess of Revenues Over Expenditures	695,350	500,000	500,000	195,350
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(750,000)	(500,000)	(750,000)	-
New leases entered into	401,460	-	-	401,460
Net Change in Fund Balance	346,810	-	(250,000)	596,810
Fund Balance - January 1	5,410,493	5,410,493	5,410,493	-
Fund Balance - December 31	\$ 5,757,303	\$ 5,410,493	\$ 5,160,493	\$ 596,810

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements



NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Poudre River Public Library District (the District) was created in 2007 as the Fort Collins Regional Library District under the provisions of Article 90, Title 24 of the Colorado Revised Statutes after a successful 2006 election to authorize formation. The District name was changed to Poudre River Public Library District in January 2009.

The District is administered by a governing Board of Trustees whose seven members are appointed by the City of Fort Collins and Larimer County. The accompanying financial statements present all of the financial activity for which the District is financially accountable.

The District is considered a stand-alone government for financial reporting purposes. As such, it follows the same principles as if it were a primary government as defined by Governmental Accounting Standards Board Statements (GASB) No. 14 and 39.

The reporting entity of the District consists of its own legal entity and those organizations for which it is financially accountable. Entities 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 included in the reporting entity. As of December 31, 2023, no legal entities meet this criterion.

B. Government-wide Financial Statements

The District reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the government. Governmental activities are supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly associated with a specific function or program. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Investment earnings and other items not properly included among program revenues are reported instead as general revenues.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are 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. Charges for services, amounts due from other governments and earnings on investments

associated with the current fiscal period are all considered susceptible to accrual. Other revenue items such as lost material fees are considered to be measurable and available only when the District receives the cash; as a result, they are not subject to accrual. Under accrual accounting, expenditures are generally recorded when a liability is incurred. However, compensated absences and incurred claims and judgments are recorded only when payment is due.

D. Financial Statement Presentation

The accounts of the District are organized and operated based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities and deferred inflows of resources, fund balances, revenues and expenditures.

The District reports all of its financial activity in two Governmental Funds, the General Fund and a Capital Projects Fund. The Capital Projects Fund holds resources that are internally committed for capital expansion, facility design, funding the Capital Replacement Plan and accumulating a capital reserve as established by the Board of Trustees. All other financial activity and resources are accounted for in the General Fund.

E. Assets, Liabilities, Deferred Inflows of Resources and Fund Balance

Assets – Cash and Investments

The District has stated certain investments at fair value in accordance with GASB Statement No. 72. Fair value is determined utilizing the third-party custodian's statements, the Wall Street Journal, Bloomberg and other recognized pricing services.

The District's cash and investments are held in the name of and managed by the City of Fort Collins. Whenever possible, cash is pooled from the District's funds to enhance investment capabilities and maximize investment income. Investments are made taking into consideration cash flow needs, market conditions and contingency plans. On behalf of the District, the City's investment policies prescribe eligible investments, investment diversification, and maturity and liquidity guidance, which are utilized in managing the investment portfolio.

Assets – Capital Assets

The District reports capital assets at actual or estimated historical cost in the government-wide financial statements. A capital asset is an acquired or constructed asset with an initial individual cost of more than \$5,000 and an estimated useful life of greater than one year. The District capitalizes in aggregate the annual total addition of materials to the library collection and deletes it upon full depreciation in six years. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Normal maintenance and repair costs that do not add value or materially extend the lives of the assets are recorded as expenditures in the General Fund. All capital assets other than land, construction in progress and impaired assets are depreciated. Depreciation is computed using the straight-line method with the following estimated useful lives:

Buildings.....	30-50 years
Furnishings and equipment.....	5-15 years
Library materials collection.....	6 years

Assets – Right to Use Leased Assets

The Library has recorded right to use lease assets as a result of implementing GASB 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurements of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease. The District leases six Xerox copiers in addition to office space for our Collections operations. Lease terms range from one to five years.

Assets – Subscription Based Information Technology

Subscription-based Information Technology (IT) Arrangements are defined as the right to use an underlying subscription based IT software or service. As the subscriber to this arrangement, the District recognizes an intangible right-to-use subscription asset in the government-wide financial statements at the beginning of a subscription term in use unless the subscription is considered a short-term arrangement. Right-to-use subscription assets are measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the subscription term in use less an subscription incentives and plus ancillary charges necessary to utilize the subscribed IT software or service. The right-to-use subscription assets are amortized on a straight-line basis over the subscription term.

Assets – Property Taxes Receivable

Property taxes are levied for the following year no later than December 15 and are recorded as a receivable with a corresponding offset to deferred inflows of resources. Larimer County, Colorado bills and collects all property taxes for the District. Taxes are payable in the subsequent year as two installments in March and June or as one installment in April.

Assets – Right to Use Leased Receivable

As lessor, the District recognizes a lease receivable. The lease receivable is measured using the net present value of future minimum lease payments to be received for the lease term and deferred inflow of resources at the beginning of the lease term. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. The District recognized \$163,329 deferred inflows related to the leases during 2023.

Liabilities

A significant portion of the District's liabilities are compensated absences, which include earned but unused paid time off and earned, but unused compensatory leave granted as a deferral of overtime pay. Compensated absences are reported as liabilities in the governmental funds only if they have matured. Unused sick pay is not reported as a liability in the governmental funds because it does not meet the criteria for accrual. The District considers compensated absences due within one year because the entire balance is available for unrestricted use or withdrawal by current employees at any time.

There are two methods to delete or use compensated absences:

1. A current employee may use their accrued compensated absences for paid time off.
2. When an employee separates from the District, the District pays out the full value of their remaining unused accrued compensated absences upon termination.

Liabilities – Leases

Leases are defined as the right to use an underlying asset, as described above. As a lessee, the Library recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements at the beginning of the lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. The lease liability is calculated as the present value of the remaining lease payments expected to be paid/received during the term.

Liabilities – Subscription Based Information Technology

Subscription-based Information Technology (IT) Arrangements are defined as the right to use an underlying subscription based IT software or service. As the subscriber to this arrangement, the District recognizes a subscription liability in the government-wide financial statements at the beginning of a subscription term in use unless the subscription is considered a short-term arrangement. The subscription liability is calculated as the present value of the remaining lease payments expected to be paid/received during the lease term.

Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred outflows/inflows of resources as follows:

Levied for the Following Year – The governmental funds and government-wide statements report a deferred inflow of resources for the property taxes receivable that will become an inflow in the year in which the taxes are levied.

Lease-Related Amounts - When the Library is a lessor on a lease agreement, a deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Fund Balance – Policies and Flow Assumptions

In the fund financial statements, fund balances of the District's governmental funds are classified as non-spendable, restricted, committed, assigned or unassigned. Management has been granted the authority to make fund balance assignments by the Board of Trustees.

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The restricted fund balance classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or enabling legislation. The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action (resolution) of the government's highest level of decision-making authority, which is the District's Board of Trustees. The assigned fund balance classification includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Finally, the unassigned fund balance classification includes any residual fund balance amounts.

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted (committed, assigned and unassigned) resources. In order to calculate how the amounts within each category will be reported, a flow assumption must be made about the order in which resources are considered to be applied. It is the District's policy for all governmental funds to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance and finally unassigned fund balance.

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", establishes criteria for classifying fund balances into specifically defined classifications and clarifies

definitions for governmental fund types. An overview of the District's current fund balance classifications is shown below.

	General Fund	Capital Projects Fund	Total
Fund Balances			
Nonspendable			
Prepaid items	\$ 11,000	\$ -	\$ 11,000
Total nonspendable	11,000	-	11,000
Restricted			
Restricted for emergencies	358,000	-	358,000
Restricted donation	-	-	-
Total Restricted	358,000	-	358,000
Committed			
Encumbrances	-	-	-
Capital replacement and expansion	-	9,741,982	9,741,982
Total Committed	-	9,741,982	9,741,982
Assigned			
Programming	100,000	-	100,000
Working capital	2,919,000	-	-
Donations	510,025	-	510,025
Total Assigned	3,529,025	-	3,529,025
Unassigned			
Unassigned	1,859,278	-	1,859,278
Total Fund Balance	\$ 5,757,303	\$ 9,741,982	\$ 15,499,285

Fund Balance – General Fund

In the General Fund, the restricted fund balance includes an emergency reserve that is required to be set aside by the Colorado Taxpayer Bill of Rights (TABOR). This emergency reserve equals 3% of fiscal year spending; the actual restricted amount may fluctuate each year. There are no other restricted funds in the General Fund as of December 31, 2023.

The Board of Trustees has established, by resolution, a reserve for working capital equal to 20% of the subsequent year's budgeted revenue that must be maintained in the General Fund as assigned fund balance to provide for the cash flow needs of the District. This practice will continue until Board action is taken to change these amounts. For 2023, that amount is \$2,919,000. Additionally, the District has assigned a total of \$610,025 in 2023, including \$100,000 to provide for future programming and \$510,025 from a generous donation for future children's programs.

All spendable amounts that are not contained within other classifications are categorized as unassigned. The General Fund is the only fund to report an unassigned fund balance.

Fund Balance – Capital Projects Fund

In the Capital Projects Fund, the entire unrestricted fund balance is committed by the Board for capital replacement and capital expansion projects, so no other classifications are currently in use. The Board of Trustees has established, by resolution, a minimum annual transfer of \$250,000 from the General Fund to

the Capital Projects Fund as a capital reserve primarily to fund the District's Capital Replacement Plan. This annual transfer occurs within the current fiscal year and is included in the committed fund balance.

F. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Rounding

Due to rounding, some numbers may not appear to sum.

NOTE II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Fund balances per Balance Sheet	\$ 15,499,285
Inclusion of capital assets which are not financial resources and therefore not reported in the funds	18,278,298
Inclusion of liability for compensated absences budgeted in the fund in future years	(366,446)
Inclusion of liability for leases	(419,477)
Inclusion of liability for SBITA	(215,465)
Reconition of revenue that met criteria for full accrual but not modified accrual	-
Net Position per Statement of Net Position	\$ 32,776,195
Net change in Fund Balances per Statement of Revenue, Expenditures and Change in Fund Balance	\$ 1,026,645
Inclusion of liability for Compensated Absences	(40,364)
Capitalization of current year addition to the library materials collection	642,085
Net capitalization of commodities and other capital outlays	1,137,473
Current depreciation of capital assets	(1,692,785)
Reconition of revenue that met criteria for full accrual but not modified accrual	-
Change in Net Position per Statement of Activities	\$ 1,073,054

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Accounting and Control

The budget for the General Fund is adopted on a basis that is consistent with generally accepted accounting principles (GAAP).

Legal Level of Control

The legal level of budgetary control is at the individual fund level.

Lapsing Appropriations

All unexpended annual appropriations for operating and capital replacement funds lapse at year-end. Appropriations for capital projects continue until completion of the specific project.

Budgetary Procedures

The District's budget is approved by the governing board prior to the commencement of the fiscal year. The District's management may transfer any unused budgeted amount or portion thereof from one budget category to any other budget category at the legal level of budgetary control without Board approval. Other budget amendments must be approved by a resolution of the Board.

In 2023, the Board approved one supplemental budget resolution to transfer an additional \$500,000 from the General Fund to the Capital Projects Fund to add to the reserve for future facilities.

Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. The District had no open purchase orders at the end of 2023.

NOTE IV. DETAILED FUND NOTES

A. Cash deposits with financial institutions

The District's cash deposits are held in the name of and managed by the City of Fort Collins, with the exception of one District cash account that collects incoming cash and check deposits. This account is reconciled on a monthly basis, and balances exceeding \$20,000 are transferred to the City to be invested according to the City's standard investment process. All other cash deposits are included within the City's pooled cash accounts.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a financial institution or counterparty, the District would not be able to recover its deposits. Due to federal deposit insurance, and the collateral used for the City's pooled cash accounts, no deposits for the District are exposed to custodial credit risk. As of December 31, 2023, the bank balances and carrying amounts of the District's deposits were \$2,361,707 and \$2,409,788, respectively.

B. Investments

The District's investments are held in the name of and managed by the City of Fort Collins. As such, they are not evidenced by accounts or securities in the District's name that exist in physical or book entry form. The District has adopted the same investment policy as the City. These investment disclosures are

for the District's share of the City's pooled investments. Investment policies are governed by Colorado statute and the District's own investment policies and procedures. District investments may include the following types of investments:

- Legal investments for municipalities under state statutes
- Interest-bearing accounts or certificates of deposit at banks or savings and loan institutions in Colorado which are eligible public depositories (including CDARS)
- Obligations of the United States Government, its agencies or instrumentalities
- Debt of U.S. corporations
- Obligations issued by or on behalf of the District
- State or local government obligations having an investment grade rating
- Prime rated banker's acceptances
- Prime rated commercial paper
- Guaranteed investment contracts
- Repurchase and reverse repurchase agreements of any marketable security described above which afford the District a perfected security interest in such security
- Local government investment pools authorized under the laws of the State of Colorado
- Shares in any money market fund or account, unit investment trust or open or close-end investment company, all of the net assets of which are invested in securities described above
- Mutual funds that include eligible investments found above

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a financial institution or counterparty, the District would not be able to recover its investments. The District's investments are exposed to custodial credit risk, and the carrying amount of investments managed by the City of Fort Collins was \$13,249,752 as of December 31, 2023.

Credit Risk

The District's investment policy limits investment in corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs) at the time of purchase. The District places maximum limits on the amount the District may invest in any one issuer. Limits vary by investment type. More than 76% of the District's investments are in the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA). These investments were 15%, 45%, 12% and 5%, respectively, of the District's total investment as of December 31, 2023. All of these investments were rated AA+ by Standard and Poor's and AAA by Moody's.

Interest Rate Risk

The District's investment policy limits its exposure to fair value losses arising from rising interest rates with the following practices:

- Whenever possible, holding investments to their stated maturity dates
- Investing a portion of the operating funds in shorter-term securities, money market mutual funds or local government investment pools

Based on the current rate environment, the District assumes all callable securities may not be called on the first call date. The District invests in various mortgage-backed securities and bonds in order to maximize yields. Mortgage-backed securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. If interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of

these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

Fair Value Measurements

The District categorizes its assets and liabilities measured at fair value within the hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Investment prices for the District's securities are reported by US Bank, the District's custodial bank. US Bank acquires its pricing data from Interactive Data, a third-party provider, which provides global security evaluations and fair value pricing for fixed income securities. Their evaluations represent a good faith opinion as to what a buyer in the marketplace would pay for a security in a current sale. Interactive Data's evaluations are based on market data and evaluated pricing models that vary by asset class. These pricing models incorporate trade, bid and other market information as well as evaluated pricing applications that utilize benchmark curves, benchmarking of like securities, sector groupings and matrix pricing to prepare evaluations. In addition, model processes such as the Option Adjusted Spread model are used to assess interest rate impacts and develop prepayment scenarios. For each asset class, teams of evaluators gather information from market sources and integrate relevant credit information, perceived market movements, and sector news into the evaluated pricing applications and models.

The District invests primarily in fixed income securities. The investments are valued at fair value at least monthly. The following fair value techniques were utilized in measuring the fair value of the District's investments:

- **U.S. Government Agency securities:** U.S. Government Agency securities are reported at fair value based on a multi-dimensional relational model and Option Adjusted Spread model. The model inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and other reference data including TRACE reported trades. TRACE is a program developed by the National Association of Securities Dealers (NASD) that allows for the reporting of over-the counter transactions for eligible fixed-income securities.
- **Corporate securities:** Corporate securities are reported at fair value based on a multi-dimensional relational model and Option Adjusted Spread model. The model inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and other reference data including TRACE reported trades.
- **Mortgage-backed securities:** Mortgage-backed securities are reported at fair value based on Electronic Communication Networks and Broker feeds. Inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and other reference data including vendor trading platform data.

The District has no other investments meeting the fair value disclosure requirements of GASB Statement No. 72. As of December 31, 2023, the District had the following investments:

Investment Type	Credit Risk Rating <u>S&P/Moody's</u>	Fair Value Measurement <u>Level</u>	Investment Maturities			
			Fair <u>Value</u>	Up to <u>120 days</u>	121 days <u>to 5 years</u>	More than <u>5 years</u>
<i>Investments measured by fair value levels</i>						
Instrumentality						
Federal Farm Credit Bank (FFCB)	AA+/AAA	2	\$ 2,007,394	\$ -	\$ 2,007,394	\$ -
Federal Home Loan Bank (FHLB)	AA+/AAA	2	5,898,632	178,504	5,720,128	-
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	2	1,547,309	-	1,547,309	-
Federal National Mortgage Association (FNMA)	AA+/AAA	2	602,302	229,145	373,157	-
Corporate bonds	AAA/AAA	2	192,787	115,388	77,399	-
Corporate bonds	AA+/AA3	2	365,825	-	365,825	-
Corporate bonds	AA-/AA3	2	522,828	-	522,828	-
Corporate bonds	AA+/AA2	2	108,585	-	108,585	-
Corporate bonds	AA+/AAA	2	1,457,817	196,238	1,261,579	-
Corporate bonds	AA/AA2	2	227,393	-	227,393	-
Marketable Certificates of Deposit		2	22,906	-	22,906	-
Total Library Share of City Investment Pool			\$ 13,249,752	\$ 719,275	\$ 12,530,477	\$ -
Percent of Total				5%	95%	0%

The carrying amounts of deposits and investments are reflected in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents	\$ 2,409,788
Investments	\$ 13,249,752
Total deposits and investments	\$ 15,659,540

In addition to investments held by the District, the Community Foundation of Northern Colorado owns an endowment fund comprised of donations made directly to the Foundation, for the benefit of the District. The purpose of the fund is to support District adult literacy programs. The Community Foundation holds the fund and makes it available to the District only by specific request, with withdrawals limited to 4.5% of the balance annually. Withdrawals not taken in a year add to the available distribution balance. Since 2000, there have been nine withdrawals in the form of grants paid to the District, with the most recent grant paid in 2023. As of December 31, 2023, the balance in the endowment fund was \$253,048 and \$0 was available for distribution.

C. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2023 is shown below.

	2023 Changes in Capital Assets				
	Beginning of Year	Additions	Transfers	Deletions	End of Year
Capital assets, not being depreciated					
Land	\$ 2,256,000	\$ -	\$ 252,223	\$ -	\$ 2,508,223
Construction in process	177,624	413,355	(590,979)	-	-
Total capital assets, not being depreciated	2,433,624	413,355	(338,756)	-	2,508,223
Capital assets, being depreciated					
Buildings & Improvements	18,702,077	163,781	-	-	18,865,858
Machinery & Equipment	2,918,738	101,801	338,756	-	3,359,296
Library Materials Collection	3,382,723	642,085	-	(616,886)	3,407,922
Right to Use - Leased Assets	326,383	401,460	-	(184,478)	543,365
Right to Use - Software	513,360	-	-	-	513,360
Total capital assets, being depreciated	25,843,281	1,309,127	338,756	(801,364)	26,689,801
Less accumulated depreciation					
Buildings & Improvements	(6,179,301)	(568,441)	-	-	(6,747,742)
Machinery & Equipment	(1,972,710)	(177,972)	-	-	(2,150,682)
Library Materials Collection	(1,725,388)	(582,611)	-	616,886	(1,691,113)
Right to Use Leased Assets	(139,434)	(156,050)	-	173,007	(122,477)
Right to Use Software	-	(207,711)	-	-	(207,711)
Total accumulated depreciation	(10,016,833)	(1,692,785)	-	789,893	(10,919,726)
Total capital assets being depreciated, net	15,826,448	(383,658)	338,756	(11,471)	15,770,075
Capital assets, net	\$ 18,260,072	\$ 29,697	\$ -	\$ (11,471)	\$ 18,278,298

D. Right to Use Leased Assets

The Library has recorded eight right to use leased assets. The assets are right to assets for leased equipment and leased space for our Collections operations. The related leases are discussed in the Leases subsection of the Liabilities section of this note. The right to use assets are amortized on a straight-line basis over the terms of the related leases.

E. Inter-fund Transfers

In 2023, \$250,000 was transferred from the General Fund to the Capital Projects Fund for the annual transfer based on the Board approved Capital Reserve Policy. The Board of Trustees also approved an additional transfer of \$500,000 to be used for future facilities expansion.

F. Liabilities

A significant portion of the District's current liabilities consist of compensated absences, for which a summary is shown on the following page.

2023 Changes in Compensated Absences					
Beginning of Year	Additions Earned	Deletions Used	End of Year	Due Within One Year	
\$ 326,082	\$ 344,103	\$ (303,739)	\$ 366,446	\$ 366,446	

G. Liabilities – Long Term Obligations

Lease Liability: The Library leases certain assets from various third parties. The library recognizes lease liability and an intangible right to use assets in the financial statements. At the commencement of a lease, the Library 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 the 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 its useful life or the lease term.

The leased assets include copy machines and a building. Payments are generally fixed monthly payments with certain variable payments not included in the measurement of the lease liability. Variable payments are generally related to the operating costs of the leased item and are not included in the calculation of the right-to-use asset. Lease assets are reported with other capital assets on the statement of net position. Lease asset activity of the City is included in Note C – Capital Assets.

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

As of December 31, 2023, the District had an outstanding liability for all of its leases of \$419,477. Of this amount, \$118,569 is payable within one year.

2023 Future Minimum Payments					
Year Ending December 31	Principal	Interest	Total		
2024	\$ 118,569	\$ 9,836	\$	128,405	
2025	77,675	7,373	\$	85,048	
2026	82,509	5,091	\$	87,600	
2027	87,560	2,668	\$	90,228	
2028	53,164	379	\$	53,543	
	\$ 419,477	\$ 25,347	\$	444,824	

Subscription Based Information Technology Arrangements: The Library has access to subscription-based arrangements for IT software and services and intangible assets from various third parties. The District recognizes subscription liability and an intangible right-to-use subscription asset in the financial statements for these subscription-based IT arrangements. When the subscription of the arrangement begins, the District initially measures the subscription liability at the present value of payments expected to be made during the terms of the subscription. Subsequently, the subscription liability is reduced by the

principal portion of the subscription payments made. The related intangible asset is initially measured as the initial amount of the subscription liability, adjustment for payments made at or before the subscription arrangement term commencement date, plus certain direct initial costs. Subsequently, the intangible asset for the IT services is amortized on a straight-line basis over the subscription term.

The subscription-based IT assets include software and access to IT services utilized by the Library to provide services to library patrons. Payments are generally fixed monthly with certain variable payments not included in the measurement of the subscription liability. Variable payments generally related to operating costs or related costs for use of the IT assets not included in the calculation of the right-to-use intangible subscription asset. Subscription based intangible assets are reported with other capital assets on the statement of net position. Subscription based IT asset activity of the District is included in Note C – Capital Assets.

The District monitors changes in circumstances that would require remeasurement or change in subscription arrangement terms and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. As of December 31, 2023, the District had an outstanding liability for all of its subscription-based IT assets of \$215,465, all of which is payable within one year.

The District had no other long-term liabilities as of December 31, 2023.

NOTE V. OTHER INFORMATION

A. Risk Management

Property, Liability and Workers Compensation

The District is exposed to various risks of loss related to theft, damage and destruction of assets, torts, errors and omissions, injuries to employees and natural disasters. The District purchases commercial insurance for risks of loss in excess of deductible amounts. Settlements did not exceed insurance coverage in 2021, 2022 or 2023.

B. Retirement Commitment

Money Purchase Plan 401(a)

The District's benefited employees participate in the Poudre River Public Library District 401(a) Money Purchase Plan. As a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate for six months from the date of employment and are fully vested upon initial participation. The plan requires employer contributions of 6.5% and employee contributions of 3% of base salary each pay period. Employee contributions are made with pretax or after-tax dollars. Contributions made by the District as well as earnings from District and employee contributions are not taxable to the employee until they are withdrawn. Plan provisions and contribution requirements are established and may be amended by the District's Board of Trustees. District and employee contributions to the plan were \$318,622 and \$119,198, respectively, for the year ended December 31, 2023.

C. Related Party Transactions

Pursuant to an intergovernmental agreement with the City of Fort Collins, the District contracts for support services including accounting, budgeting, treasury management, accounts payable, payroll, human resources, purchasing and information technology. In 2023, the District paid the City \$396,033 for

these services. The District also contracts with the City to provide operations services for janitorial and facilities maintenance billed on a usage basis.

Health Insurance

The District participates in the City of Fort Collins's self-insured health program, allowing District employees to pay the same benefit premiums as City employees. The District cost for employee health insurance, dental insurance, life insurance and disability insurance benefits in 2023 was \$1,018,223. All claims are paid by the City, and unpaid claims or claims incurred but not paid as of December 31, 2023, are recognized by the City and not passed through to the District.

D. Legal Matters

Tax, Spending, and Debt Limitations

Article X, Section 20, of the State Constitution has several limitations, including those for revenues, expenditures, property taxes and issuance of debt. The Amendment is complex and subject to judicial interpretation. As part of the ballot language that formed the District, permission was given to retain all revenue generated by the current mill levy and other operating revenues. The District is required to comply with all other aspects of this amendment including needing voter approval to increase tax rates or issue debt.

E. Adoption of New Accounting Pronouncements

During the year ended December 31, 2023, the District adopted Governmental Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. As a result, governmental activities now include a liability for the present value of payments expected to be made and subscription assets. The subscription assets and liabilities have been added to notes C and E, respectively, as of the beginning of the year. Subscription activity is further described in Note H. The District has applied the provisions of this standard to the beginning of the period of adoption, and there was no impact on the beginning net position.

The GASB has issued several statements not yet implemented by the District. District management has not yet determined the effect the statements will have on the financial statements. However, the District intends to implement all standards by the required dates.

F. Subsequent Events

On January 8, 2024, the District, along with the City of Fort Collins (City) and Poudre School District (PSD), entered into an Intergovernmental Agreement (IGA), supporting our joint commitment to open a new community center in southeast Fort Collins.

The community center, which was promised to the voters in 2015, will feature a state-of-the-art public library, multi-use spaces, as well as recreation and aquatics facilities. The center will be built on the 10 acres of land that PSD owns adjacent to Fossil Ridge High School.

The District, City, and PSD are working on a project charter that will further guide the project timeline and phases moving forward. Construction on the project is anticipated to begin in 2025. Once the community center opens, the existing Council Tree Library (located less than a mile from the new site) will close and operations will move to the new facility, anticipated sometime in early 2027.

Supplementary Information



Poudre River Public Library District
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the fiscal year ended December 31, 2023

	2023 Actual	Project to Date	Budget (Original)	Budget (Final)	Budget Variance \$
Revenues					
Investment earnings	\$ 497,056	\$ -	\$ -	\$ -	\$ 497,056
Miscellaneous	4,267	-	-	-	4,267
Total Revenue	501,323	-	-	-	501,323
Expenditures / Expenses					
Capital Replacement Plan - 2019	-	208,046	125,000	1,125,000	916,954
Capital Replacement Plan - 2020	-	101,235	580,000	1,905,000	1,803,765
Capital Replacement Plan - 2021	22,695	900,031	138,000	1,138,000	237,969
Capital Replacement Plan - 2022	347,627	957,286	1,001,500	2,001,500	1,044,214
Capital Replacement Plan - 2023	201,166	201,166	299,067	799,067	597,901
Total Expenditures	571,488	2,367,764	2,143,567	6,968,567	4,600,803
Excess Revenue over Expenditures	(70,165)	-	(2,143,567)	(6,968,567)	6,898,402
Other Financing Sources (Uses)					
Transfers In	750,000	-	500,000	750,000	-
Net Change in Fund Balance	679,835	-	(1,643,567)	(6,218,567)	6,898,402
Fund Balance - January 1	9,062,147	-	9,062,147	9,062,147	-
Fund Balance - December 31	\$ 9,741,982	-	7,418,580	2,843,580	6,898,402

Statistical Section



Statistical Section (Unaudited)

This part of the District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

Contents	Page(s)
Financial Trends, Tables I – IV These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	52-55
Revenue Capacity, Tables V – VIII These schedules contain information to help the reader assess the District’s most significant revenue source, local property tax.	56-59
Debt Capacity, Table IX These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the government’s ability to issue debt in the future.	60
Demographic and Economic Information, Tables X – XI These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.	61-62
Operating Information, Tables XII – XV These schedules contain service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.	63-66

Sources: unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant years.

Table I

**Poudre River Public Library District
Government-wide Net Position by Component
Last Ten Years**

Year	Invested in Capital Assets	Restricted	Unrestricted	Total
2014	20,717,096	1,214,284	4,628,316	26,559,696
2015	20,668,506	1,325,805	4,962,232	26,956,543
2016	20,003,033	637,533	5,753,004	26,393,570
2017	19,434,854	350,097	6,474,556	26,259,507
2018	18,441,288	309,720	7,350,926	26,101,934
2019	18,084,345	302,000	8,275,493	26,661,838
2020	17,391,771	334,000	10,500,875	28,226,646
2021	17,023,947	335,000	12,528,321	29,887,268
2022	17,746,685	363,000	13,593,456	31,703,141
2023	17,643,356	358,000	14,774,839	32,776,195

Table II

Poudre River Public Library District Government-wide Changes in Net Position Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses - Governmental Activities										
Administration	\$ 1,469,167	\$ 1,573,383	\$ 1,783,039	\$ 1,873,137	\$ 2,060,211	\$ 1,907,063	\$ 1,814,598	\$ 1,740,430	\$ 1,872,852	\$ 2,214,048
Combined Operations	2,704,706	2,643,214	2,671,937	2,585,779	2,920,233	2,607,226	2,401,626	2,723,819	2,593,238	2,361,486
Community Services	281,610	292,020	323,357	323,501	363,206	352,853	394,328	248,270	450,053	619,444
Communication (1)	-	-	-	-	-	-	236,303	322,309	413,660	588,738
Branch Operations & Services	3,195,668	3,283,506	3,619,046	3,575,903	3,690,015	3,815,534	3,684,522	3,667,204	3,733,277	4,109,007
Collection Services	1,203,493	1,421,889	1,521,889	1,700,585	1,915,540	1,801,551	2,086,107	1,641,491	2,057,827	2,490,646
Programming (2)	102,846	85,261	127,442	150,172	169,000	168,178	-	-	-	-
Total Expenses	8,957,490	9,299,273	10,046,710	10,209,077	11,118,204	10,652,406	10,617,484	10,345,523	11,120,907	12,383,369
Program Revenues - Governmental Activities										
Charges for Services	199,289	213,039	188,905	179,859	139,434	128,888	40,245	36,266	47,830	31,484
Operating Grants and Contributions	921,593	929,501	176,598	205,407	203,781	181,990	225,222	226,638	788,187	278,565
Capital Grants and Contributions	80,953	407,798	13,549	37,779	5,600	10,100	-	-	-	-
Total Program Revenues	1,201,835	1,550,338	379,052	423,045	348,815	320,979	265,466	263,904	836,017	310,049
Net Program Expense	(7,755,655)	(7,748,935)	(9,667,658)	(9,786,032)	(10,769,389)	(10,331,427)	(10,352,018)	(10,080,619)	(10,284,890)	(12,073,320)
General Revenues										
Property Taxes	7,150,978	7,389,426	8,365,443	8,695,120	9,578,657	9,630,069	10,828,707	10,887,726	11,500,948	11,411,674
Specific Ownership Taxes	610,183	672,359	706,176	847,663	876,611	880,989	826,000	877,858	873,286	872,818
Earnings on Investments	74,480	83,997	33,066	109,186	156,548	307,603	197,975	(60,551)	(384,046)	829,174
Miscellaneous	-	-	-	-	-	72,670	64,143	36,208	110,575	32,705
Total General Revenue	7,835,641	8,145,782	9,104,685	9,651,969	10,611,816	10,891,332	11,916,825	11,741,241	12,100,763	13,146,372
Net Change in Financial Position	\$ 79,986	\$ 396,847	\$ (562,973)	\$ (134,063)	\$ (157,573)	\$ 559,905	\$ 1,564,808	\$ 1,660,622	\$ 1,815,873	\$ 1,073,052

(1) Prior to 2020, Communication expenses were included in the Administration budget.

(2) Beginning in 2020, Programming expenses are allocated to individual Business Units instead of utilizing a separate Business Unit.

Table III

**Poudre River Public Library District
Governmental Funds Fund Balances
Last Ten Years**

General Fund						
Fiscal Year	Non-spendable	Restricted	Committed	Assigned	Unassigned	Total
2014	-	1,173,907	1,783,100	-	2,572,554	5,529,561
2015	-	1,285,428	1,817,600	-	2,924,557	6,027,585
2016	-	597,156	1,916,300	-	3,433,099	5,946,555
2017	-	309,720	2,119,000	-	1,828,053	4,256,773
2018	-	309,720	2,188,712	-	1,352,436	3,850,868
2019	-	302,000	2,421,590	-	998,459	3,722,049
2020	-	334,000	2,385,125	-	1,502,326	4,221,451
2021	-	335,000	2,598,000	-	1,634,263	4,567,263
2022	-	363,000	3,064,025	-	1,983,468	5,410,493
2023	11,000	358,000	-	3,529,025	1,859,278	5,757,303

Capital Projects Fund						
Fiscal Year	Non-spendable	Restricted	Committed	Assigned	Unassigned	Total
2014	-	40,377	499,267	-	-	539,644
2015	-	40,377	441,732	-	-	482,109
2016	-	40,377	628,905	-	-	669,282
2017	-	40,377	2,756,462	-	-	2,796,839
2018	-	-	4,059,114	-	-	4,059,114
2019	-	-	5,104,155	-	-	5,104,155
2020	-	-	6,956,742	-	-	6,956,742
2021	-	-	8,608,057	-	-	8,608,057
2022	-	-	9,062,147	-	-	9,062,147
2023	-	-	9,741,982	-	-	9,741,982

Note: The committed amount shown in the General Fund beginning in 2014 was found to be not committed but assigned in 2024 based on an analysis of the source of funding and intention and has therefore been restated as assigned for 2024 and going forward. See Note I, Section E for more information.

Table IV

**Poudre River Public Library District
Change in Total Governmental Fund Balances
Last Ten Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 7,761,161	\$ 8,061,785	\$ 9,071,619	\$ 9,542,783	\$ 10,455,268	\$ 10,511,059	\$ 11,654,708	\$ 11,765,584	\$ 12,374,234	\$ 12,284,491
Intergovernmental	821,037	855,778	73,185	89,115	51,373	79,707	85,753	84,562	207,722	165,687
Charges for services	191,453	209,159	187,951	175,760	139,434	128,888	40,245	36,266	47,830	31,484
Investment earnings	74,480	83,997	33,066	109,186	156,548	307,603	197,975	(60,551)	(384,046)	829,174
Donations	181,509	481,521	116,962	154,071	153,177	112,383	139,469	142,076	580,465	112,878
Miscellaneous	7,836	3,880	954	4,099	4,831	72,670	54,321	25,105	110,575	32,705
Total Revenues	9,037,476	9,696,120	9,483,737	10,075,014	10,960,631	11,212,310	12,172,470	11,993,042	12,936,780	13,456,420
Expenditures										
Administration	1,461,214	1,578,332	1,779,396	1,869,478	2,039,834	1,907,688	1,710,171	1,781,570	1,858,769	2,173,682
Combined Operations & Capital Outlay	1,312,378	1,891,908	1,321,016	1,400,714	1,393,473	1,700,063	1,186,200	1,413,724	2,526,625	1,806,174
Community Services	281,610	292,020	323,357	323,501	363,206	352,853	394,328	248,270	450,053	619,444
Communication (1)	-	-	-	-	-	-	236,303	322,309	413,660	588,738
Branch Operations & Services	3,195,668	3,283,506	3,619,046	3,575,903	3,690,015	3,815,534	3,684,522	3,667,204	3,733,277	4,109,007
Collection Services	1,839,154	2,124,604	2,207,337	2,317,471	2,448,734	2,351,772	2,608,958	2,562,838	2,657,076	3,534,191
Programming (2)	102,846	85,261	127,442	150,172	169,000	168,178	-	-	-	-
Total Expenditures	8,192,870	9,255,631	9,377,594	9,637,239	10,104,261	10,296,088	9,820,482	9,995,915	11,639,460	12,831,236
Excess (Deficiency) of Revenue over Expenditures	844,606	440,489	106,143	437,775	856,370	916,223	2,351,988	1,997,127	1,297,320	625,184
Other Financing Sources										
New leases entered into	-	-	-	-	-	-	-	-	-	401,460
Net Change in Fund Balances	\$ 844,606	\$ 440,489	\$ 106,143	\$ 437,775	\$ 856,370	\$ 916,223	\$ 2,351,988	\$ 1,997,127	\$ 1,297,321	\$ 1,026,645

(1): Prior to 2020, Communication expenditures were included in the Administration budget.

(2): Beginning in 2020, Programming expenditures are allocated to individual Business Units instead of utilizing a separate Business Unit.

Table V

**Poudre River Public Library District
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years**

Assess. Year	Collection Year	Residential Values		Commercial Values		Industrial Values	
		Assessed	Est. Actual	Assessed	Est. Actual	Assessed	Est. Actual
2012	2013	1,259,178,730	15,819,107,400	730,268,070	2,518,152,190	217,196,580	748,953,130
2013	2014	1,314,078,500	16,508,716,500	739,226,900	2,549,046,660	246,953,580	851,563,680
2014	2015	1,347,244,860	16,925,375,200	736,629,610	2,550,434,310	272,079,420	938,204,680
2015	2016	1,579,496,347	19,842,902,800	856,105,958	2,952,089,110	290,354,151	1,001,221,170
2016	2017	1,615,484,343	20,295,013,700	863,693,386	2,978,252,560	347,890,460	1,199,622,210
2017	2018	1,835,515,094	25,493,267,100	979,154,351	3,376,393,840	347,143,976	1,197,048,140
2018	2019	1,879,970,106	26,110,697,600	995,779,568	3,433,722,190	329,150,483	1,135,001,600
2019	2020	2,203,845,074	30,822,796,300	1,105,313,974	3,811,426,960	333,779,821	1,150,964,850
2020	2021	2,239,598,128	31,322,835,100	1,101,217,438	3,797,301,070	317,531,646	1,094,936,670
2021	2022	2,379,363,015	33,277,608,400	1,133,298,288	3,907,927,290	327,148,596	1,128,098,590
2022	2023	2,353,703,990	33,952,489,200	1,121,703,091	3,868,327,810	324,783,434	1,119,942,850

Assess. Year	Collection Year	Other Values (1)		Total Values		Ratio of Assessed to	
		Assessed	Est. Actual	Assessed	Est. Actual	Est. Actual Value	Total Mill Levy
2012	2013	161,282,018	546,845,650	2,367,925,398	19,633,058,370	12%	3.000
2013	2014	165,823,825	561,194,367	2,466,082,805	20,470,521,207	12%	3.000
2014	2015	170,823,340	566,894,245	2,526,777,230	20,980,908,435	12%	3.013
2015	2016	190,203,402	646,809,432	2,916,159,858	24,443,022,512	12%	3.024
2016	2017	178,711,811	614,648,749	3,005,780,000	25,087,537,219	12%	3.016
2017	2018	203,037,119	699,037,539	3,364,850,540	30,765,746,619	11%	3.034
2018	2019	189,696,155	651,818,292	3,394,596,312	31,331,239,682	11%	3.000
2019	2020	198,487,601	680,953,766	3,841,426,470	36,466,141,876	11%	3.000
2020	2021	190,828,568	655,801,305	3,849,175,777	36,870,874,145	11%	3.000
2021	2022	206,342,883	711,062,478	4,046,152,782	39,024,694,258	10%	3.017
2022	2023	214,529,525	744,229,233	4,014,720,040	39,684,989,093	10%	3.010

(1) Other Values includes agricultural, natural resources, oil and gas, state assessed and vacant properties.

The actual value of property is reappraised every two years in odd-numbered years. The assessment rate is set by Colorado legislature.

Non-residential property is currently assessed at 29% of actual value and residential property is assessed at 7.15% of actual value.

Source: Larimer County Assessor's Office "2022 Report of Authorities by Value Type"

Table VI

**Poudre River Public Library District
Direct and Overlapping Property Tax Rates
Per \$1,000 of Assessed Value
Last Ten Years**

Taxing Authority	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Direct										
Poudre River Public Library District	3.013	3.024	3.016	3.024	3.000	3.000	3.000	3.000	3.017	3.018
Overlapping Governments										
Larimer County	22.424	22.459	21.882	22.521	22.092	22.403	21.863	22.458	22.425	22.436
Cities and Towns										
Fort Collins	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797
Loveland	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564
Timnath	6.749	6.749	6.749	6.688	6.688	6.688	6.688	6.688	6.688	6.688
Windsor	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030
School District										
Poudre R-1	52.763	52.630	52.630	52.630	52.630	52.630	56.000	55.000	54.207	55.865
Thompson R2-J	40.416	40.268	38.393	38.349	36.315	47.428	43.838	44.578	44.578	44.571
Fire Districts	5.000 - 21.199	5.000 - 21.142	6.522 - 21.142	6.522 - 21.142	6.522 - 21.142	6.522 - 21.142	6.520 - 21.142	6.520 - 21.142	6520- 21.142	8.250 - 21.142
Other Special Districts	0.142 - 45.000	0.142 - 60.000	0.142 - 60.611	0.142 - 60.222	0.142 - 60.110	0.142 - 60.351	0.142 - 67.512	0.142 - 67.512	0.142 - 67.512	0.142 - 67.406

Source: Larimer County Assessor's Office "2022 Mill Levies by Tax Area and Authority"

Table VII

**Poudre River Public Library District
Principal Property Taxpayers
Current Year and Ten Years Ago, Based on Collection Year**

Principal Taxpayer	2023			2014		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Avago Technologies	\$ 110,287,213	1	2.7%	\$ 60,299,175	2	2.6%
Anheuser-Busch, Inc.	59,892,108	2	1.5%	71,919,199	1	3.0%
Public Service Company of Colorado	41,176,200	3	1.0%	22,380,800	4	0.9%
Amazon.com Services LLC	27,583,910	4	0.7%	-		
RPT Realty LP	26,935,512	5	0.7%	-		
Hewlett Packard Co	20,241,539	6	0.5%	20,014,927	6	0.8%
Anheuser-Busch Commercial	19,429,839	7	0.5%	-		
Woodward Governor Company	19,284,815	8	0.5%	-		
Woodward Inc.	18,322,041	9	0.5%	-		
BNSF Railway Company	16,745,706	10	0.4%	8,200,400	10	0.3%
Ramco-Gershenson Properties LP	N/A			22,769,741	3	1.0%
Qwest Corporation	N/A			20,363,000	5	0.9%
AMCAP Harmony LLC	N/A			12,661,748	7	0.5%
New Belgium Brewing Co	N/A			10,569,819	8	0.4%
Walton Foothills Holdings VI LLC	N/A			10,200,688	9	0.4%

Source: Larimer County Assessor's Office

Table VIII

**Poudre River Public Library District
Property Tax Levies and Collections
Last Ten Years**

Assess. Year	Collect. Year	Total Tax Levy	Tax Collected within Fiscal Year Levied	Percent of Levy	Tax Collected in Subsequent Years	Total Tax Collected to Date	Percent of Levy
2013	2014	7,217,549	7,169,472	99.3%	(4,871)	7,164,601	99.3%
2014	2015	7,640,772	7,627,598	99.8%	(13,686)	7,613,912	99.6%
2015	2016	8,454,597	8,378,925	99.1%	(9,682)	8,369,243	99.0%
2016	2017	8,726,722	8,692,531	99.6%	(7,476)	8,685,055	99.5%
2017	2018	10,094,552	10,069,415	99.8%	(13,912)	10,055,502	99.6%
2018	2019	10,183,789	10,162,816	99.8%	(23,392)	10,139,424	99.6%
2019	2020	11,524,279	11,449,440	99.4%	(4,318)	11,445,122	99.4%
2020	2021	11,547,527	11,516,745	99.7%	(6,128)	11,510,617	99.7%
2021	2022	12,207,243	12,157,496	99.6%	-	12,157,496	99.6%
2022	2023	12,116,425	12,086,189	99.8%	-	12,086,189	99.8%

Source: Larimer County Assessor's Office "2022 Abstract of Assessments" and Treasurer's Office "2023 Statement of Collections"

Note: Tax Collected in Subsequent Years is net of corrections to prior tax roles.

Table IX

**Poudre River Public Library District
Legal Debt Margin Information
Last Ten Years**

	2014	2015	2016	2017	2018
Assessed valuation	\$ 2,466,082,805	\$ 2,526,777,230	\$ 2,916,159,858	\$ 3,005,780,000	\$ 3,364,850,540
Debt limitation - 1.5% of assessed value	36,991,242	37,901,658	43,742,398	45,086,700	50,472,758
Total debt, excluding compensated absences	-	-	-	-	-
Legal debt margin	\$ 36,991,242	\$ 37,901,658	\$ 43,742,398	\$ 45,086,700	\$ 50,472,758

	2019	2020	2021	2022	2023
Assessed valuation	\$ 3,394,596,312	\$ 3,841,426,470	\$ 3,849,175,777	\$ 4,046,152,782	\$ 4,014,720,040
Debt limitation - 1.5% of assessed value	50,918,945	57,621,397	57,737,637	60,692,292	60,220,801
Total debt, excluding compensated absences ⁽¹⁾	-	-	-	(190,102)	(634,942)
Legal debt margin	\$ 50,918,945	\$ 57,621,397	\$ 57,737,637	\$ 60,502,190	\$ 59,585,859

Source: Assessed valuation - Larimer County Assessor's Office "2022 Report of Authorities by Value Type"

Source: Debt limitation - Colorado Revised Statutes 22-42-104

(1): Includes liabilities for right to use leased assets and subscription-based IT assets related to implementings new accounting standards; GASB 87 & 96, respectively. No amounts are reported prior to 2022.

Table X

**Poudre River Public Library District
Demographic and Economic Information
Last Ten Years**

Year	Larimer County							
	Demographic and Economic Information				Household Information			
	Population	Per Capita Personal Income	Total Personal Income	Unemployment Rate	Total Households	Average Size	Median Age	K-12 School Enrollment
2014	324,149	30,422	9,861,260,878	5.2%	130,097	2.4	35.6	45,745
2015	333,473	30,768	10,260,297,264	5.2%	133,697	2.4	35.6	46,313
2016	339,182	32,047	10,869,765,554	4.4%	135,999	2.4	35.9	46,713
2017	344,267	32,658	11,243,071,686	3.3%	137,987	2.4	36.0	47,115
2018	350,842	36,050	12,647,854,100	2.9%	140,596	2.4	36.4	47,438
2019	356,938	37,711	13,460,488,918	2.7%	142,596	2.4	36.4	47,773
2020	359,066	40,582	11,344,431,120	6.1%	146,056	2.4	36.1	48,068
2021	362,533	38,142	13,827,733,686	3.6%	146,638	2.5	36.2	45,404
2022	366,778	42,596	15,623,275,688	3.0%	145,175	2.4	36.4	46,290
2023	370,771	46,676	17,306,107,196	2.7%	148,851	2.4	37.0	44,911

Sources: Colorado State Demography Office, Colorado Department of Education, Colorado LMI Gateway and US Census Bureau QuickFacts: Larimer County

Table XI

**Poudre River Public Library District
Principal Employers
Current Year and Ten Years Ago**

Employer	2023			2014		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Colorado State University	8,840	1	7.6%	7,605	1	9.5%
UC Health: Poudre Valley Hospital	7,020	2	6.0%	3,665	3	4.6%
Poudre School District	4,740	3	4.1%	4,140	2	5.2%
City of Fort Collins	2,400	4	2.1%	1,968	4	2.5%
Larimer County	2,310	5	2.0%	1,566	5	2.0%
Woodward, Inc.	1,420	6	1.2%	1,253	6	1.6%
Avago	1,130	7	1.0%	950	9	1.2%
U.S. Department of Agriculture	1,090	8	0.9%	1,079	7	1.4%
Orthopaedic & Spine Center of the Rockies	1,030	9	0.9%			
Summitstone Health Partners	950	10	0.8%			
Employment Solutions Personnel Serv.	N/A			1,075	8	1.3%
Hewlett Packard Company	N/A			830	10	1.0%

Source: City of Fort Collins

Table XII

**Poudre River Public Library District
Full-time Equivalent District Employees by Function
Last Ten Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Old Town Library	26.70	28.25	27.30	26.95	30.60	25.52	25.51	22.70	19.20	18.40
Harmony Library	22.50	22.88	23.00	23.70	21.30	19.52	20.52	18.00	16.30	16.80
Council Tree Library	18.50	18.62	18.40	17.90	18.90	17.69	17.69	16.40	15.40	15.40
Administration	9.20	9.20	10.25	11.15	11.30	9.46	8.46	9.70	10.20	12.00
Facilities & Systems Administration	7.00	7.00	7.00	7.00	7.00	7.61	7.61	7.00	7.00	6.00
Communications	-	-	-	-	-	3.00	3.51	4.00	4.00	4.50
Community Services	4.50	5.25	5.50	5.00	5.65	5.95	7.96	5.90	5.90	6.90
Collection Services	8.50	8.80	8.80	8.80	10.30	11.41	11.41	10.00	10.00	10.00
Total FTE Employees	96.90	100.00	100.25	100.50	105.05	100.16	102.67	93.70	88.00	90.00

Source: Poudre River Public Library District

Note: Prior to 2014, Community Services was included in Old Town Library staffing. Prior to 2019, Communications was included in Administration staffing.

Table XIII

**Poudre River Public Library District
Library Materials Purchased and Circulated
Last Ten Years**

Fiscal Year	Number of Volumes Owned	Number of AV Items Owned	Total Items Owned	Total Circulation	Turnover Rate (1)	Acquisition Cost	Net Book Value of Collections
2014	315,187	85,663	400,850	3,132,584	7.81	635,661	2,514,404
2015	362,411	109,555	471,966	3,226,900	6.84	834,577	2,382,542
2016	340,445	48,803	389,248	3,164,856	8.13	685,448	2,316,625
2017	316,480	49,333	365,813	3,041,983	8.32	659,487	2,261,102
2018	299,241	40,708	339,949	2,986,721	8.79	533,194	1,849,629
2019	293,058	39,448	332,506	2,916,869	8.77	550,221	1,778,368
2020	291,515	32,004	323,519	2,007,577	6.21	522,851	1,689,933
2021	292,809	27,239	320,048	2,354,054	7.36	560,323	1,657,334
2022	293,971	27,954	321,925	2,484,396	7.72	599,249	1,657,334
2023	296,981	26,595	323,576	2,859,073	8.84	642,085	1,716,809

Source: Poudre River Public Library District

(1): Turnover rate is calculated as Total Circulation divided by Total Items Owned.

Table XIV

**Poudre River Public Library District
Circulation by Location
Last Ten Years**

Fiscal year	Collection Department (1)	Old Town Library	Harmony Library	Council Tree Library	Outreach (2)	Remote Renewals	e Media	Total Circulation
2014	23,790	751,524	642,710	672,284	-	716,255	326,021	3,132,584
2015	24,062	715,319	619,467	645,091	-	763,623	459,338	3,226,900
2016	22,675	676,610	577,602	605,961	-	773,501	508,507	3,164,856
2017	21,147	632,869	536,906	577,094	-	749,261	524,706	3,041,983
2018	21,539	613,733	495,767	557,614	-	697,206	600,862	2,986,721
2019	57,615	574,959	440,548	537,601	-	658,715	647,431	2,916,869
2020	35,720	297,754	213,123	290,879	-	374,224	795,877	2,007,577
2021	50,916	506,778	248,072	419,040	-	423,203	706,045	2,354,054
2022	49,138	424,425	303,328	381,720	-	587,434	738,351	2,484,396
2023	47,143	431,711	307,384	408,865	4,321	826,029	833,620	2,859,073

Source - Poudre River Public Library District

(1): Prior to 2014, circulation processed by the Collection Department was included in Old Town Library's circulation.

(2): Prior to 2023, circulation processed by the Outreach Department was included in Collection's circulation. Outreach circulation includes EVIE, the Library's mobile unit.

Table XV

**Poudre River Public Library District
Service Location Information
As of December 31, 2023**

Location Name	Address	Sq. Ft.	Number of Full-time Equivalent Employees
Libraries			
Old Town Library	201 Peterson St. Fort Collins, CO 80524	39,400	18.40
Harmony Library	4616 South Shields Dr. Fort Collins, CO 80526	31,100	16.80
Council Tree Library	2733 Council Tree Ave. Fort Collins, CO 80525	16,600	15.40
Administration			
Webster House Administration Center	301 East Olive St. Fort Collins, CO 80524	10,550	29.40
Midtown	2401 Research Blvd Ste 101 Fort Collins, CO 80526	4,720	10.00
Total		102,370	90.00