

PRPLD Financial Report Highlights - May 2023

These numbers are not final; they may change through the 2022 year-end audit process. Fund Balances are preliminary.

General Fund Revenue

Property taxes	YTD Property Tax receipts are on track.
Grants	YTD we are on target with receipts from the State Library Grant.
Investment earnings	Represents interest income (\$47,213) offset by accounting for unrealized losses (\$25,772) due to changes in the fixed income/bond markets that have no actual impact on our cash flows. Please refer to the "Notes to the Financial Statements" for more detailed information on our cash and investments.

General Fund Expenditures

Total Expenditures	YTD total expenditures are 94% of budget.
Administration	YTD we are 85% of budget. Compensation study allocations are pending, along with savings on consulting, food, dues and subscriptions and program supplies.
Combined	YTD we are 94% of budget with savings on maintenance and support contracts due to timing.
Community Outreach	YTD we are 97% of budget with savings on conference/travel and program savings.
Communications	YTD we are 99% of budget with savings on contractual costs and conference/travel.
Old Town Library	YTD we are 100% of budget with security services budget transfer pending offset by supply savings.
Collection Services	YTD we are 96% of budget with savings from online databases and non-print media (usage & timing).
Harmony Library	YTD we are 98% of budget with savings on conference/travel and YTD supplies.
Council Tree Library	YTD we are 98% of budget with savings on property management payments (timing) and programs.
Net Revenue over Exp.	YTD is \$3.008M with an ending fund balance of \$8,419,075

Capital Projects Fund

Expenditures	Payments were made for EVIE, CTL security cameras, and the OTL irrigation project.
Ending Fund Balance	The ending fund balance in the Capital Projects Fund is \$8,938,951.

Statement of Net Position and Governmental Funds Balance Sheet

This statement shows our overall net position as of 5/31/23. Fund balance details may change slightly as we wrap up the year-end audit, specifically leased assets and liabilities related to GASB 87. The Annual Comprehensive Financial Report is now in its review stage with our auditors. We will be submitting it by the State deadline of 6/30.

PRPLD General Fund Budget vs. Actual

	2022		2023					
	May	YTD Actual	May	YTD Actual	YTD Budget	YTD % of Budget	YTD Budget Variance \$	Adopted Annual Budget
Revenue								
Property taxes	2,376,339	7,429,135	2,241,526	7,210,811	7,000,000	103%	210,811	11,290,355
Library fines	2,849	14,777	2,163	10,256	-	0%	10,256	-
State grants/Other Grants	50,000	92,888	29,080	54,795	40,000	137%	14,795	54,975
Specific ownership taxes	64,437	287,220	68,595	283,633	220,000	129%	63,633	800,000
Investment earnings	27,581	(170,491)	(20,667)	21,441	16,668	129%	4,773	10,000
Donations	355,609	364,288	2,087	4,689	5,250	89%	(561)	100,000
Miscellaneous	900	4,678	941	13,641	3,600	379%	10,041	11,000
Total Revenue	2,877,715	8,022,495	2,323,724	7,599,265	7,285,518	104%	313,747	12,266,330
Expenditures								
Administration	168,337	771,222	177,455	949,379	1,119,596	85%	170,217	2,617,039
Combined	85,995	377,001	261,356	549,640	585,084	94%	35,443	1,223,434
Community Outreach	37,324	126,700	54,456	220,176	228,056	97%	7,880	577,177
Communication	30,685	130,583	53,993	231,572	234,567	99%	2,995	546,623
Old Town Library	110,719	557,644	133,812	589,820	588,409	100%	(1,410)	1,538,663
Collection Services	207,481	942,665	232,955	1,145,955	1,193,358	96%	47,403	2,908,117
Harmony Library	76,999	390,858	94,143	443,556	450,909	98%	7,353	1,168,091
Council Tree Library	84,957	400,773	97,699	460,585	470,163	98%	9,578	1,187,186
Total Operating Costs	802,497	3,697,446	1,105,871	4,590,683	4,870,141	94%	279,459	11,766,330
Transfer to Capital Fund	-	-	-	-	-	0%	-	500,000
Total Expenditures	802,497	3,697,446	1,105,871	4,590,683	4,870,141	94%	279,459	12,266,330
Net Revenue over Exp.	2,075,218	4,325,049	1,217,853	3,008,582	2,415,377		593,206	-
Beginning Fund Balance				5,410,493				
Current Fund Balance				8,419,075				

PRPLD Capital Projects Fund Budget vs. Actual

	May 2023	2023 YTD Actual	Project to Date	Adopted Budget	Budget Variance \$
Revenue					
Investment earnings	(20,353)	172,957	-	-	172,957
Miscellaneous	-	-	-	-	-
Library Trust donations	-	-	-	-	-
Transfer from General Fund	-	-	-	500,000	(500,000)
Total Revenue	(20,353)	172,957	-	500,000	(327,043)

Expenditures

Library Trust expenditures	-	-	-	-	-
Capital Replacement Plan - 2019	-	-	208,046	125,000	(83,046)
Capital Replacement Plan - 2020	-	-	101,235	580,000	478,765
Capital Replacement Plan - 2021	-	-	877,335	138,000	(739,335)
Capital Replacement Plan - 2022	77,389	266,137	875,795	1,001,500	125,705
Capital Replacement Plan - 2023**	3,675	30,016	30,016	299,067	269,051
Total Expenditures	81,064	296,153	2,092,428	2,143,567	(343,616)

Net Revenue over Exp.	(101,417)	(123,196)
Beginning Fund Balance		9,062,147
Current Fund Balance		8,938,951

**Major budgeted capital projects for 2023 include Webster House improvements and upgrades; rebranding capital purchases, and Harmony bathroom upgrades (cost share with FRCC).

Interest income	73,386
Unrealized gain/loss	99,571
Investment earnings***	172,957

PRPLD Preliminary Statement of Net Position & Governmental Funds Balance Sheet

	As of 5/31/23				5/31/22		12/31/22
	General Fund	Capital Projects Fund	Total	Adjust	Net Position	Net Position	Net Position
Assets							
Cash and cash equivalents	4,252,143	944,639	5,196,782	-	5,196,782	17,416,613	2,028,949
Interest receivable	15,285	31,046	46,331	-	46,331	20,931	49,346
Property taxes receivable	11,414,646		11,414,646	-	11,414,646	11,517,826	11,414,646
Accounts receivable	-		-	-	-	2,454	183,559
Lease Assets (GASB 87)	35,569		35,569		35,569		35,569
Investments	4,510,699	7,963,266	12,473,965	-	12,473,965	(483,462)	12,400,166
Land			-	2,256,000	2,256,000	2,256,000	2,256,000
Construction in Progress			-	177,624	177,624	220,878	177,624
Other capital assets, net of depreciation			-	15,353,144	15,353,144	14,498,522	15,353,144
Total Assets	20,228,342	8,938,951	29,167,293	17,786,768	46,954,061	45,449,762	43,899,003

Liabilities, Deferred Inflows & Fund Balances

Accounts payable	24,218	-	24,218	-	24,218	20,096	211,143
Wages payable	-	-	-	-	-	-	104,789
Accrued compensated absence	-	-	-	326,082	326,082	311,999	326,082
Sales tax payable	-	-	-	-	-	-	-
Unearned revenue	9,021	-	9,021	-	9,021	19,021	9,021
Total Liabilities	33,239	-	33,239	326,082	359,321	351,116	651,035
Lease liabilities (GASB 87)	361,382	-	361,382	-	361,382		361,382
Property taxes	11,414,646	-	11,414,646	-	11,414,646	11,517,826	11,414,646
Total Deferred Inflows	11,776,028	-	11,776,028	-	11,776,028	11,517,826	11,776,028
Restricted fund balance	363,000	-	363,000	-	363,000	334,000	363,000
Committed fund balance	3,064,025	9,062,147	12,126,172	-	12,126,172	11,325,333	11,772,081
Unassigned fund balance	1,983,468	-	1,983,468	17,460,686	19,444,154	18,288,539	19,336,859
Total Fund Balance	5,410,493	9,062,147	14,472,640	17,460,686	31,933,326	29,947,872	31,471,940
Net Change in fund balance	3,008,582	(123,196)	2,885,386		2,885,386	3,632,948	-
Total Liabilities, Deferred Inflows & Fund Balances	20,228,342	8,938,951	29,167,293	17,786,768	46,954,061	45,449,762	43,899,003

Net Position as of	5/31/23	5/31/22	12/31/22
Invested in Capital Assets	17,786,768	16,975,400	17,786,768
Restricted Emergencies	334,000	334,000	363,000
Unrestricted	16,668,944	16,271,420	13,322,172
Total Net Position	34,789,712	33,580,820	31,471,940

**Notes to the Financial Statements
As of May 31, 2023**

Assets – Cash and Investments

The District’s cash and investments are held in the name of and managed by the City of Fort Collins per our Intergovernmental Agreement (IGA). 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.

Reconciliations are performed by the City monthly to adjust for changes to interest income and unrealized gains/losses. This process takes place after the regular three day general ledger close process. This is often after the District’s financial reports are prepared for board review at the District’s monthly meetings, sometimes resulting in a one-month lag as is the case with this month’s financial statements.

Detailed allocations between cash and investments are performed annually by the City and presented in our annual financial statement (unaudited as of 12/31/2022 are presented below). In the meantime, the City provides an overview and breakout between cash and investments quarterly going forward. The allocations shown below are estimates based on actual changes to unrealized gains/losses recorded through May 31, 2023.

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Cash and cash equivalents	731,355	1,297,594	2,028,949
Investments	4,825,116	8,364,043	13,206,103
Unrealized gains (losses)	(288,645)	(500,348)	(788,993)
12/31/2022	<u>4,536,471</u>	<u>7,863,695</u>	<u>12,400,166</u>

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Cash and cash equivalents	4,252,143	944,639	5,196,782
Investments	4,825,116	8,364,043	13,189,159
Unrealized gains (losses)	(314,417)	(400,777)	(715,194)
5/31/2023	<u>4,510,699</u>	<u>7,963,266</u>	<u>12,473,965</u>

YTD change in unrealized gains (losses)	(25,772)	99,571	73,799
--	-----------------	---------------	---------------

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. All capital assets other than land, construction in progress and impaired assets are depreciated.

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.

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.

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.

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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds and the government-wide statements report a deferred inflow of resources for the property taxes receivable that will become an inflow in the year for which the taxes are levied.

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.

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.

Adjustments for GASB Statement No. 87, Leases, will be reported as of December 31, 2022 and presented in the Board's April 2023 financial statements. More detailed information will be included in the notes to the financial statements.

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.

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 a committed 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.

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.