

# Pikes Peak Library District

Administrative Offices  
1175 Chapel Hills Drive  
Colorado Springs, Colorado 80920

Comprehensive Annual Financial Report  
For the year ended December 31, 2013

### Board of Trustees

(As of December 31, 2013)

Kathleen Owings .....	President
John Wilson .....	Vice President
Katherine Spicer .....	Secretary/Treasurer
Kenneth Beach .....	Trustee
John Bornschien .....	Trustee
Keith Clayton, II .....	Trustee
Cathy Grossman .....	Trustee

Executive Director  
Paula J. Miller

Prepared by  
Michael E. Varnet, CPA, CPFO  
Chief Finance and Business Officer

THIS PAGE LEFT BLANK INTENTIONALLY

**Pikes Peak Library District  
Comprehensive Annual Financial Report  
Table of Contents  
December 31, 2013**

**INTRODUCTORY SECTION**

	Page
Executive Director’s Letter of Transmittal.....	9
Letter of Transmittal.....	11
Organizational Chart .....	23
Executive Director’s Leadership Team.....	24
List of Managers.....	25
Certificate of Achievement for Excellence in Financial Reporting .....	27

**FINANCIAL SECTION**

<b>Independent Auditor’s Report .....</b>	<b>29</b>
<b>Management’s Discussion and Analysis (Unaudited) .....</b>	<b>33</b>
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position .....	45
Statement of Financial Position – Foundation.....	46
Statement of Activities .....	48
Statement of Activities – Foundation .....	50
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	51
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	52
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	53
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	54

**Pikes Peak Library District  
Comprehensive Annual Financial Report  
Table of Contents (Continued)  
December 31, 2013**

	Page
Proprietary Fund	
Internal Service Fund	
Statement of Net Position .....	55
Statement of Revenues, Expenses and Changes in Net Position .....	56
Statement of Cash Flows .....	57
Fiduciary Fund – Statement of Fiduciary Assets and Liabilities .....	58
Notes to Financial Statements .....	59
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	84
Notes to Required Supplementary Information .....	87
<b>Supplementary Information – Combining and Individual Fund Financial Statements and Schedules</b>	
General Fund	
Comparative Balance Sheets .....	91
Comparative Statements of Revenues, Expenditure and Changes in Fund Balance.....	92
Schedule of Expenditures by Natural Classification – Budget and Actual .....	93
North Facility Project Fund	
Comparative Balance Sheets .....	94
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance.....	95
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	96
Nonmajor Governmental Funds	
Combining Balance Sheet.....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	100

**Pikes Peak Library District  
 Comprehensive Annual Financial Report  
 Table of Contents (Continued)  
 December 31, 2013**

	Page
Designated Purpose Fund	
Comparative Balance Sheets .....	102
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance.....	103
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	104
East Library Renovation Fund	
Comparative Balance Sheets .....	105
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance.....	106
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	107
Penrose Library Renovation Fund	
Comparative Balance Sheets .....	108
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance.....	109
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	110
Capital Reserve Fund	
Comparative Balance Sheets .....	111
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance.....	112
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	113

**Pikes Peak Library District  
Comprehensive Annual Financial Report  
Table of Contents (Continued)  
December 31, 2013**

	Page
Internal Service Fund	
Employee Health Plan Fund	
Comparative Statements of Net Position.....	116
Comparative Statements of Revenues, Expenses and Changes in Net Position .....	117
Comparative Statements of Cash Flows.....	118
Agency Fund	
Flexible Spending Accounts	
Comparative Statement of Fiduciary Assets and Liabilities .....	120
Statement of Changes in Fiduciary Assets and Liabilities .....	121
Notes to Supplemental Information .....	122

**STATISTICAL SECTION**

	Ref.	Page
Financial Trends Information		
Government-wide Net Position by Component .....	I-1	125
Government-wide Expenses, Program Revenues and Net Expenses .....	I-2	126
Government-wide General Revenues and Other Changes in Net Position.....	I-3	128
Fund Balances, Governmental Funds.....	I-4	131
Summary of Changes in Total Governmental Fund Balances .....	I-5	132
Governmental Funds Revenues .....	I-6	134
Governmental Funds Expenditures .....	I-7	136
Revenue Capacity Information		
Assessed and Estimated Actual Value of Taxable Property .....	I-8	138
Property Tax Rates – Direct and Overlapping .....	I-9	140
Principal Property Taxpayers .....	I-10	146
Property Tax Levies and Collections .....	I-11	148

**Pikes Peak Library District  
 Comprehensive Annual Financial Report  
 Table of Contents (Continued)  
 December 31, 2013**

	Ref.	Page
Debt Capacity Information		
Ratios of Outstanding Debt .....	I-12	150
Direct and Overlapping Governmental Activities Debt .....	I-13	152
Debt Limitation Information .....	I-14	154
Debt Service Information .....	I-15	156
Demographic and Economic Information		
Demographic and Economic Information .....	I-16	158
Principal Employers .....	I-17	159
Operating Information		
District Employees by Function .....	I-18	160
Library Materials Purchased and Circulated .....	I-19	162
Circulation by Location .....	I-20	164
Service Location Information .....	I-21	166

THIS PAGE LEFT BLANK INTENTIONALLY





June 23, 2014

Members of the Board of Trustees  
Pikes Peak Library District  
1175 Chapel Hills Drive  
Colorado Springs, Colorado 80920

Dear Trustees:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Pikes Peak Library District (the District) for the year ended December 31, 2013.

This is the twenty-third consecutive year that an annual financial report has been submitted to you in CAFR format, in accordance with guidelines of the Government Finance Officers Association of the United States and Canada (GFOA).

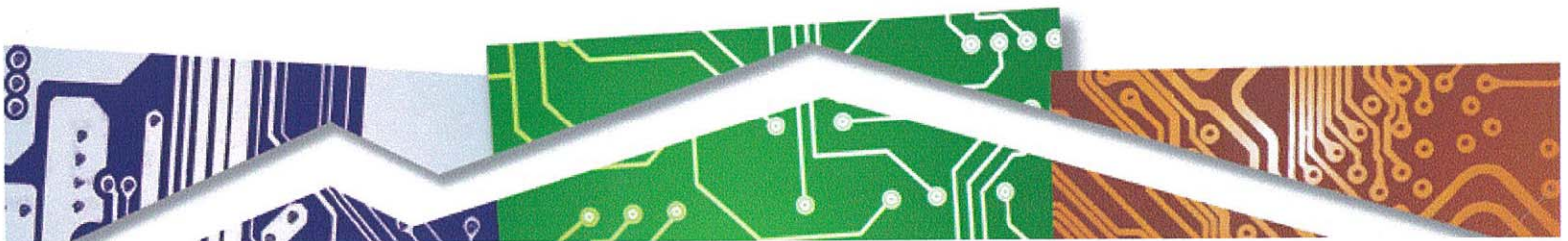
Please refer to pages 33 to 44 for the section of the CAFR called "Management's Discussion and Analysis." This section provides a discussion of the significant issues and analysis of the District's 2013 financial statements.

Last year's CAFR received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the twenty-second consecutive year. This award represents affirmation that the District has achieved excellence in financial reporting. The District will submit the 2013 CAFR for recognition again this year.

I want to take this opportunity to thank PPLD's Chief Financial and Business Officer and Finance Office staff for their operational support that ensures financial excellence, and the Board of Trustees for their stewardship of the District's fiscal activities and their supportive and future-oriented planning.

Respectfully submitted,

Paula J. Miller  
Executive Director



THIS PAGE LEFT BLANK INTENTIONALLY



June 23, 2014

To the Board of Trustees and the Citizens of the Pikes Peak Library District:

State law requires that every general-purpose local government publish within seven months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this 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 any material misstatements.

**BKD, LLP**, our independent certified public accountants, has issued an unmodified (“clean”) opinion on the Pikes Peak Library District’s (the District or PPLD) financial statements as of and for the year ended December 31, 2013. The independent auditor’s report is located at the front of the financial section of this report.

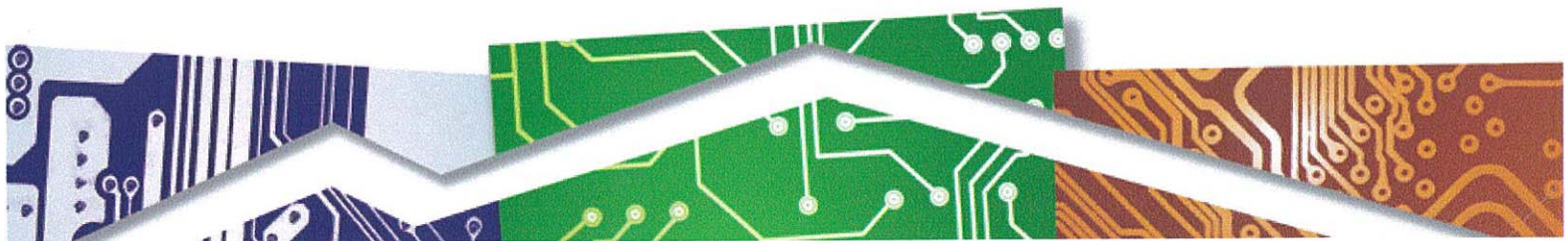
Management’s Discussion and Analysis (MD&A) immediately follows the Independent Auditor’s Report, and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### *PROFILE OF THE GOVERNMENT*

#### **Government Structure**

The District is considered to be a “Library District,” which is a separate legal entity, and was created through Colorado State Statute (C.R.S. 24-90-110). The District is not considered to be a component unit of any other government entity, including El Paso County, Colorado, and is financially, managerially and operationally independent, and meets the guidelines outlined by the Governmental Accounting Standards Board.

The District has two component unit affiliations: The Pikes Peak Library District Building Authority (a blended component unit) and the Pikes Peak Library District Foundation, Inc. (a discretely presented component unit), organized in 2003 to raise funds for the sole benefit of the District.



The District provides library services to all of El Paso County, excluding the Security/Widefield School District #3. Security/Widefield and the Town of Manitou Springs did not join the District when it was formed in 1962. The Town of Manitou Springs subsequently voted to join PPLD effective January 1, 2013.

There are 14 active library facilities located in the District service area and three mobile libraries covering a service area of approximately 2,090 square miles. The District owns six facilities – East Library, Fountain Library, High Prairie Library, Old Colorado City Library, Penrose Library Complex, and Sand Creek Library – and leases the other eight facilities – Briargate Library, Cheyenne Mountain Library, Manitou Springs Library, Monument Library, Palmer Lake Library, Rockrimmon Library, Ruth Holley Library, and Ute Pass Library. Additionally, the District maintains an automated Express Library at First & Main Town Center and the mobile library fleet delivers service to remote sites and to special non-mobile populations. Finally, in 2012, PPLD purchased a facility at 1175 Chapel Hills Drive (Colorado Springs) to renovate into a future library site, which is expected to be open to the public in June 2014.

The District's Administrative divisions include the Executive Director's Office, the Finance and Business Office, Support Services (human resources, circulation and shelving, collection management, literacy, facilities and security operations), Information Technology and Virtual Services, and the Community Engagement and Outreach Office (public relations, video production, and design/print operations). The District also has its Public Services division (children's services, adult and teen services, special collections, mobile services, and community libraries).

The District's Board of Trustees consists of seven members. A joint committee comprised of members of El Paso County Commissioners and the City of Colorado Springs Council appoints Library Board members to five-year terms of office. Appointees serve a maximum of two five-year terms. The Trustees convene at regular meetings and at special meetings when necessary to conduct the business of the District. Trustees are prohibited by law from receiving compensation and their duties and responsibilities are defined in law (C.R.S. 24-90-109).

The Board of Trustees is required to adopt a final budget no later than December 15<sup>th</sup> of each fiscal year. The annual budget serves as a foundation of the Pikes Peak Library District's financial planning and control. The budget is prepared by fund and by department. Managers and supervisors may transfer funds within the same expenditure category, but transfers between expenditure categories require special approval by the Board of Trustees.

### **About Pikes Peak Library District**

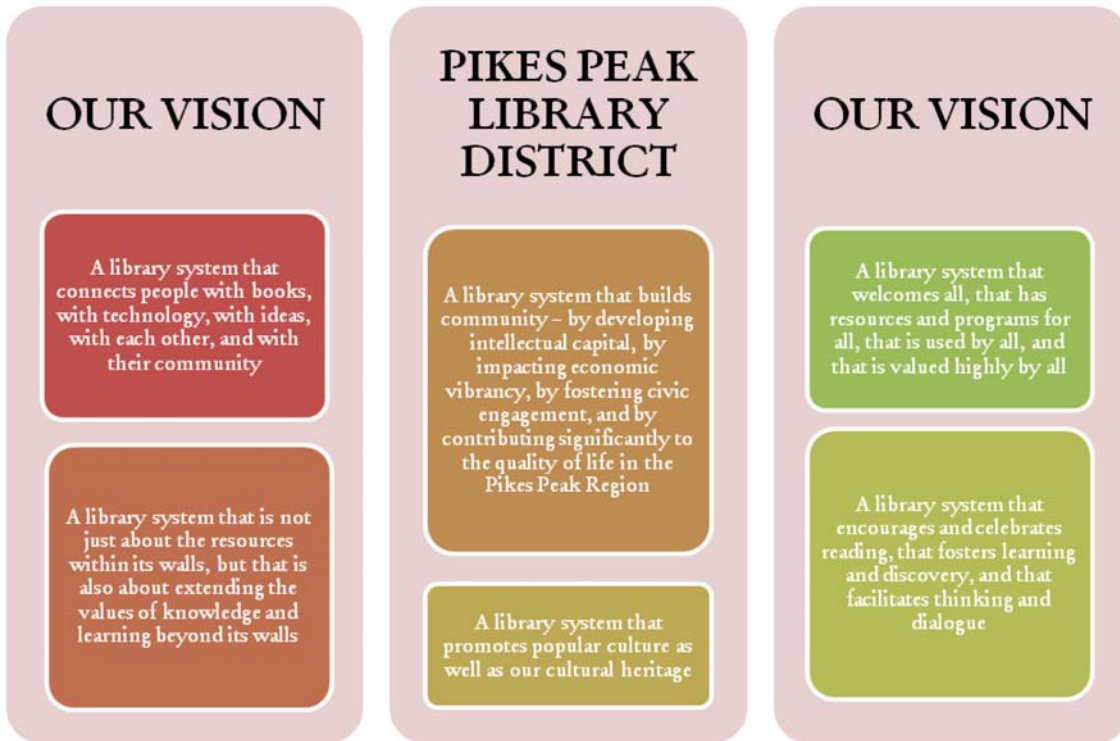
Pikes Peak Library District (PPLD) is a nationally recognized system of public libraries serving a population of approximately 599,000 in El Paso County, Colorado. PPLD's 15 facilities, online resources, and mobile library service make it a vital force for individual and community transformation. PPLD has an employee base of 448 full and part-time staff, and utilizes roughly 1,450 volunteers annually. It strives to reach all members of the community, providing free and equitable access to information and an avenue for personal and community education and enrichment. PPLD is recognized for its commitment to diversity and community collaboration, its quality programming, and its excellent customer service.

PPLD is the second largest library district in the State of Colorado and has generally placed in the top tier of national library rankings. PPLD serves a 2,090 mile service area in El Paso County, including all unincorporated areas and cities of Colorado Springs, Fountain, Manitou Springs, Monument, Palmer Lake, Falcon, Ellicott and Calhan.

## OUR MISSION



**Providing resources and opportunities  
that change individual lives and build community.**



## OUR VISION



The history of public libraries in the Pikes Peak Region began in October 1885 when the Colorado Springs Social Union established a library on the corner of Tejon and Cucharras Streets in downtown Colorado Springs. In 1905, a new library opened at 21 West Kiowa Street with funds donated by Andrew Carnegie and land granted by General William Jackson Palmer.

### *MAJOR INITIATIVES in 2013*

Early in 2013, PPLD increased its hours open to the public by 52 hours, opening at nine a.m. Monday through Thursday at most facilities and increasing service at Manitou Springs by eight hours. Work continued in earnest on the Tri-Building Project, which incorporates the new building and changes at East and Penrose Libraries, following the issuance of permits in 2013. The 21st Century Library campaign garnered 39% of its anticipated funds, with major contributions coming from El Pomar Foundation, Anschutz, Family Place Initiative, Ent Federal Credit Union, and Friends of PPLD. It was supported by the launch of a new website, social media interfaces, and a gala event.

PPLD worked in partnership with numerous other local entities to secure an archival record of and produce an exhibit related to recent wildfires entitled *In Our Own Backyard: Photographs of the Waldo Canyon Fire*. A documentary about the fire was also produced and screened. Staff supported response to the Black Forest fire as well, contributing time and expertise. Other 2013 programs included Spark Fun Tour; computer programming classes; The Big Library Read online initiative; the *Talking It Out: Getting to Agreement* exhibit; and All Pikes Peak Reads 2013: My Voice – Our Future.

New services and resources in 2013 included the launch of a new Digital Collections website; the purchase of Universal Class Library Edition, a powerful new online continuing education service designed specifically for use by the patrons of public libraries; Hoopla Digital, with thousands of movies, television shows, and music albums, all available for mobile and online access; and deploying a new mobile library for service within the city of Colorado Springs.

In terms of recognition, PPLD's Sue Hammond was named Administrative Professional of the Year by the Pikes Peak Chapter of the International Association of Administrative Professionals. Pikes Peak Library District's Special Collections Manager, Tim Blevins, has been awarded the highest honor bestowed by The Society of Southwest Archivists (SSA) – its Distinguished Service Award.

PPLD initiated new partnerships in 2013, including a citizen journalism initiative with Tim Gill Center for Public Media, maker classes with a variety of local organizations, and the Diwali Festival with the Colorado Springs Indian community. In November the Shivers Fund at Pikes Peak Library District held its final celebration, hosting performers from around the country.

In 2013, visiting authors included U.S. Children's Poet Laureate J. Patrick Lewis, Andrew McCarthy, Stephen Coonts, Blake Bailey, Gus Lee, Carolyn Wall, Steven Galloway, Shaun Daggett and Kay Esmiol.

The Pikes Peak Library District Foundation raised roughly \$400,000 in support of PPLD activities and programs, and \$1.5 million toward the Tri-Building Project.

The Shivers Celebration Finale raised more than \$60,000 in support of the Shivers Fund at Pikes Peak Library District, founded in 1993 by Clarence and Peggy Shivers. This fund, which benefits the Shivers African-American Historical and Cultural Collection at PPLD and provides cultural opportunities for youth, gained more than \$15,000 in investment earnings in 2013. It is overseen by the Investment

Committee of the PPLD Foundation under the chairmanship of Ken Beach. The fund currently stands at \$171,605.

Children’s Services received \$12,500 in donations toward technology and materials.

PPLD’s Adult Literacy and ESL program received \$114,000 toward expanded services for adult language learners in El Paso County.

Carnegie Society members, PPLD Foundation’s leadership giving group, increased twofold in 2013. These individual donors support the Library with a three year pledge of \$1,000 or more.

El Pomar Foundation Trustees approved a \$750,000 (conditional) challenge grant to PPLD’s Tri-Building Project, inviting the community to help meet the campaign’s \$3.9 million goal by January 1, 2016. Additional pledges and gifts to the project totaled \$700,000.

### *LOCAL ECONOMY*

The information included in the following paragraphs under this caption has been extracted and summarized from the Colorado Springs Chamber of Commerce, Colorado Department of Revenue, Colorado Springs Economic Development Corporation, Colorado Department of Education, the Bureau of Labor Statistics, U.S. Census Bureau, and the Colorado Springs Convention and Visitors Bureau.

#### **Population**

As of December 31, 2013, the population of El Paso County was estimated at 654,929 (the District’s legal service area comprises 598,549 of this total). Colorado Springs, the largest municipality within El Paso County (the County), is the 41st largest city in the nation. The County’s population has increased by about 115,000 since 2000, with about half of the increase due to in-migration and the balance due to natural growth.

#### **Age**

The projected median age for El Paso County was 34.2 at the end of 2013. The following are estimates of the population for El Paso County by certain age categories:

	<b><u>2013</u></b>		<b><u>2012</u></b>	
Under 15	140,637	21.5%	138,087	21.4%
15-24	100,309	15.3%	100,522	15.6%
25-44	174,138	26.6%	172,692	26.8%
45-64	165,986	25.3%	164,670	25.4%
65+	<u>73,859</u>	11.3%	<u>69,597</u>	10.8%
 Total	 <u><u>654,929</u></u>		 <u><u>645,568</u></u>	

## **Industries**

The following chart shows the percentage of employment by industry type:

	<b>2013</b>	<b>2012</b>
Government, including military	18.9%	19.4%
Professional and business	15.9%	15.4%
Wholesale and retail trade	13.6%	13.4%
Leisure and hospitality	12.9%	12.6%
Education, health care	12.6%	12.5%
Financial	6.3%	6.2%
Manufacturing	4.5%	5.1%
All other	15.3%	15.4%

## **Wage/Salary**

Wages are competitive with similarly sized cities, but the average education of the El Paso County employee is greater, providing employers with a high value workforce.

In regularly conducted surveys, local employers rank the quality, dependability and stability of the El Paso County workforce as some of the community's top strengths. Local employers also consistently rank the caliber of their employees as higher than that of employees in sister facilities elsewhere.



The following table depicts the estimated annual mean of wage levels for certain occupations:

<b>Occupation</b>	<b>2013 Annual Wages</b>	<b>2012 Annual Wages</b>
Accountants and Auditors	\$ 62,670	\$ 61,630
Bank Tellers	29,970	28,000
Bookkeeping, Accounting, and Auditing Clerks	35,080	34,050
Carpenters	42,050	41,070
Civil Engineers	78,010	79,640
Computer Programmers	76,460	79,530
Correctional Officers	52,700	45,060
Dental Hygienists	68,650	71,980
Electrical Engineers	97,950	86,740
Elementary School Teachers	44,990	44,810
Executive Secretaries	46,210	47,440
Financial Analysts	105,940	86,560
Graphic Designers	44,350	44,360
Order Clerks	32,430	33,300
Payroll Clerks	41,410	38,920
Physicians and Surgeons	192,450	196,880
Property Managers	57,140	53,390
Social Workers	63,590	57,540
Systems Analysts	94,090	91,150

### **Consumer Spending**

Retail sales for 2013 were about 4.2% higher than 2012. Population and per capita income drive consumer spending. Both are expected to increase in the future.

### **Cost of Living**

Colorado Springs' cost of living index for 2013 was 96.1, which is slightly lower than the nation as a whole. The following table compares the cost of living index for Colorado Springs to other cities:

	<b>2013</b>	<b>2012</b>
Los Angeles, CA	130.4	130.8
Seattle, WA	119.1	115.2
Portland, OR	117.6	115.7
Denver, CO	104.2	104.5
Las Vegas, NV	100.8	98.2
National Average	100.0	100.0
Colorado Springs, CO	96.1	96.3
Phoenix, AZ	96.0	96.8
Dallas, TX	95.9	98.9
Salt Lake City, UT	94.5	95.2
Boise, ID	93.5	96.1
Albuquerque, NM	93.1	98.2

### **Housing**

Colorado Springs currently has a supply of reasonably affordable housing, which is important because much of the country is having a difficult time providing this necessity. Colorado Springs' median household income is currently above the levels needed to meet the average cost of housing.

The following table compares the average price of a new 2,400 sq. ft. home in Colorado Springs to other cities at the end of 2013:

	<b>2013</b>	<b>2012</b>
Los Angeles, CA	\$ 555,087	\$ 528,255
Seattle, WA	372,516	370,966
Portland, OR	360,669	333,373
Denver, CO	358,600	340,704
Las Vegas, NV	318,806	251,055
National Average	298,738	285,121
Phoenix, AZ	298,688	265,978
Salt Lake City, UT	276,667	255,932
Colorado Springs, CO	267,980	259,763
Boise, ID	263,288	243,648
Dallas, TX	206,706	208,650

At the end of 2013, apartment rental rates were equally reasonable when compared to approximately 950 square foot apartments with 2 bedrooms and 1.5 or 2 full baths in other cities:

	<b>2013</b>	<b>2012</b>
	<b>Per Month</b>	<b>Per Month</b>
Portland, OR	\$ 2,161	\$ 1,603
Los Angeles, CA	2,069	2,003
Seattle, WA	1,649	1,436
Denver, CO	1,031	904
Colorado Springs, CO	937	862
National Average	913	870
Salt Lake City, UT	906	770
Phoenix, AZ	842	883
Dallas, TX	836	799
Las Vegas, NV	812	782
Boise, ID	752	717

### **Tourism**

Tourism remains one of the main draws to the Colorado Springs area. More than 5 million visitors per year put nearly \$1 billion dollars into the local economy. Top attractions include the world renowned Garden of the Gods followed by the United States Air Force Academy. Most visitors to the Colorado Springs area come from Colorado followed by Texas and California.

### **Roads**

Colorado Springs is conveniently located near the geographical center of the United States, providing easy access to Interstate 70 heading east-west and Interstate 25 heading north-south. To the city's east, Powers Boulevard is a major north-south thoroughfare providing rapid access for the city's growing eastern edge. Highway 24 bypass provides an east-west route.

### **Airport**

Air travel is easy from Colorado Springs with two airports from which to choose in close proximity. The Colorado Springs airport features 16 gates and a 13,500-foot runway, which allows modern aircraft to reach any city in North America. The airport is capable of handling all jet aircraft including wide body planes. Denver International Airport is just 75 miles to the north (about 1 hour and 30 minutes by car on Interstate 25 and E-470).

### **Legislation**

The State of Colorado operates under the Taxpayer Bill of Rights (TABOR), which imposes restrictions on collected property tax revenues in relation to fiscal year spending. Both amounts cannot exceed the prior year's amount (adjusted for inflation and a growth factor) without voter approval. TABOR also imposes restrictions and stipulations on elections, including bond issuances and mill levy increases.

## Education

El Paso County has 17 school districts, as well as private elementary/high schools, charter schools, and the state-sponsored Colorado School for the Deaf and the Blind. The 80.1% high school graduation rates in El Paso County are higher than those for Colorado, but are still below the Colorado Department of Education's target of 90%.

Colorado Springs has 18 institutions of higher education. The three largest are:

	<b>2013 Total Enrollment</b>	<b>2012 Total Enrollment</b>
Pikes Peak Community College	15,175	13,572
University of Colorado at Colorado Springs	10,257	9,882
United States Air Force Academy	4,120	4,413

## National Rankings

- Colorado Springs **ranked 14<sup>th</sup>** Best Run City in America by [www.24/7wallst.com](http://www.24/7wallst.com). The ranking looks at the 100 largest cities in the United States and is based on local economies, fiscal management, and quality of life measures.
- Colorado Springs **ranked 9<sup>th</sup>** Best City for Driving by [www.NerdWallet.com](http://www.NerdWallet.com). Criteria included traffic delays for commuters, the price of gas, and population density.
- Colorado Springs **ranked 4<sup>th</sup>** Small Business Friendly City by [www.Thumbtack.com](http://www.Thumbtack.com). The survey measures overall small business friendliness, ease of starting a small business and hiring new employees, overall regulatory friendliness, friendliness of health and safety regulations, employment, labor, and hiring regulations, tax codes, licensing regulations, environmental regulations, zoning regulations, and availability of helpful training or networking programs.
- Colorado Springs **ranked 2<sup>nd</sup>** fittest city in the U.S., according to a new Facebook ranking. The ranking is based on check-ins, fitness-related mentions, and use of fitness apps during a three-month period.
- Colorado Springs **ranked 9<sup>th</sup>** (tying with Bridgeport, Connecticut) of the best small cities to “make it rich in,” according to [www.CreditDonkey.com](http://www.CreditDonkey.com). To come up with the list, CreditDonkey looked at areas with populations between 250,000 and 850,000 with a percentage of households making \$150,000 or more, and the number of patents granted in the city.

- Colorado Springs **ranked 9<sup>th</sup>** in the Top 10 Metro Areas for High-Tech Startup Density study by New Engine/Kauffman Foundation. This report contrasts business and job creation dynamics in the entire U.S. private sector with the innovative high-tech sector – defined as the group of industries with very high shares of employees in the STEM fields of science, technology, engineering and math.
- Colorado Springs **ranked in the top 25** of the Happiest, Healthiest Cities in America according to Prevention Magazine. Colorado Springs was noted for being a city that is active, has a low diabetes rates, and healthy blood pressure.

## *OTHER ITEMS*

### **Internal Controls**

The District has a number of policies and procedures, which govern the operations of the District to ensure effective cash management, compliance with government accounting regulations, and good business practice. The objectives of these policies and procedures are commensurate with our District-wide goals to effectively manage the current assets and resources of the District.

The oversight responsibilities of the financial operations of the District rest with the Board of Trustees. Each month the Board is provided detailed financial information, prepared by the Finance Office, including financial statements and budget analysis for each fund. The Board is responsible for all budgetary resolutions and approvals, and for setting the mill levy annually. The Board is also responsible for the approval of any real estate transactions, bonded debt, borrowing of funds, and major contracts.

The Executive Director has the authority to negotiate and sign regular operational contracts, and to approve expenditures up to \$50,000. The Chief Finance and Business Officer can authorize purchase orders under \$5,000. Purchases in excess of \$50,000 are submitted to the Board of Trustees for approval. These, and other stipulations, are included in an extensive Financial Guidelines Policy, which was approved by the Board of Trustees.

Segregation of duties is a guiding principle in the Finance Office. For example, the staff members who count the cash and prepare deposit slips are not authorized to record deposits in the accounting system. Only a few staff members are given the combination of the safe, and only the Chief Finance and Business Officer and the Executive Director are authorized to affect wire transfers or banking transactions.

The Chief Finance and Business Officer approves all purchase orders, payments of services, and journal entries. The accounting system is carefully set up to allow rights for certain functions to the appropriate staff members only. A staff member who does not have cash receipt or cash disbursement responsibility processes bank reconciliations, but such reconciliations must be reviewed and approved by the Chief Finance and Business Officer.

Internally performed cash audits of all petty cash and cash registers banks are scheduled periodically at the Library locations.

We believe that the cash management procedures in place are thorough and comprehensive, providing an effective environment of safety and good stewardship of the taxpayers' trust.

## *AWARDS and ACKNOWLEDGMENTS*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pikes Peak Library District for its Comprehensive Annual Financial Report for the year ended December 31, 2012. This was the twenty-second consecutive year that the District has received this prestigious award.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must justify 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 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement for Excellence in Financial Reporting program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We wish to thank the members of the Board of Trustees for their leadership and support.

Finally, we would like to offer special thanks to the following individuals who are employed by the District's Finance Office, and whose efforts and contributions made the preparation of the 2013 CAFR a success:

Dana Austin  
Carol Holt  
Dawn Ouradnik  
Arnie Wehofer  
Tatiana Zonte

Respectfully submitted,

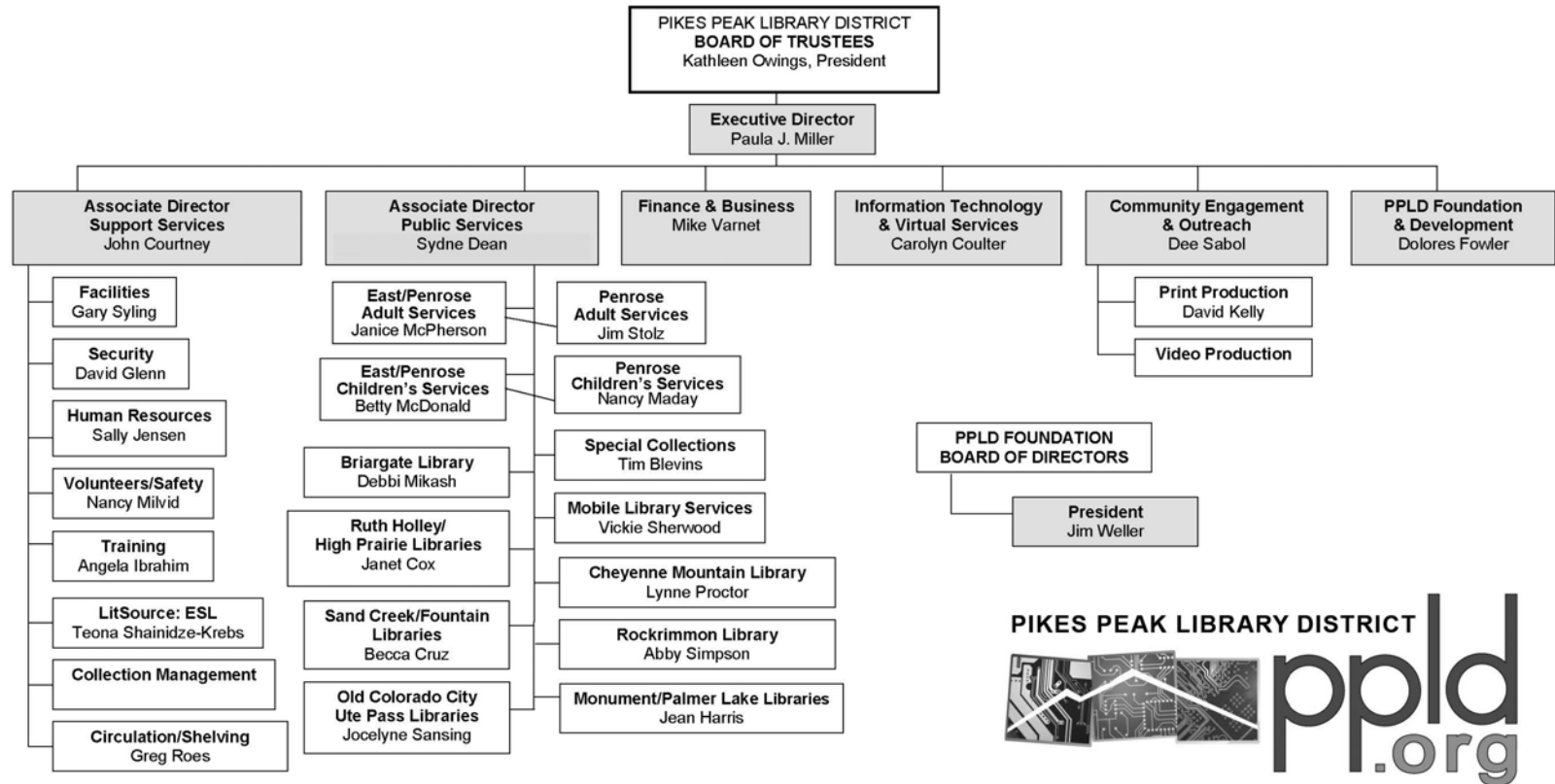


Paula J. Miller  
Executive Director



Michael E. Varnet, CPA, CPFO  
Chief Finance and Business Officer

# 2014 PPLD Organizational Chart



**Executive Director's Leadership Team  
December 31, 2013**

Paula J. Miller ..... Executive Director  
Sydne Dean ..... Associate Director, Public Services  
John Courtney ..... Associate Director, Support Services  
Carolyn Coulter..... Information Technology and Virtual Services Officer  
Dolores Fowler.....PPLD Foundation and Development Officer  
Dee Vazquez Sabol ..... Community Engagement and Outreach Officer  
Michael E. Varnet, CPA ..... Chief Finance and Business Officer  
Sue Hammond..... Executive Staff Assistant



**Pikes Peak Library District  
List of Managers  
As of December 31, 2013**

<u>Manager's Name</u>	<u>Job Title</u>
Blakely, Evelyn	Community Library Supervisor, Old Colorado City Library
Blevins, James	Division Head, Special Collections
Cox, Janet	Community Library Manager, Ruth Holley/High Prairie Libraries
Cruz, Rebecca	Community Library Manager, Fountain /Sand Creek Libraries
Daily, Dennis	Manager, Special Collections
Daugherty, Jenna	Community Library Supervisor, High Prairie Library
Doherty, Michael	Librarian 2, High Prairie Library
Franklyn, Virginia	ITVS Administrator, Website
Fuqua-Jones, Linda	Community Library Supervisor, Palmer Lake Library
Garcia, David	Facilities Lead, East Library Facilities
Garcia, Lisa	Community Library Supervisor, Sand Creek Library
Glenn, David	Program Supervisor, Security
Harris, Jean	Community Library Manager, Monument/Palmer Lake Libraries
Horch, Kandiss	Community Library Supervisor, Monument Library
Houghton, Sara	Division Head, Collection Management
Huff, Barbara	Librarian 2, Penrose Library Children's Services
Jackson, Sara	ITVS Administrator, Support
Jensen, Sally	Manager, Human Resources
Kelly, David	Supervisor, Print Production
Krow, Cecile	Supervisor, Cheyenne Mountain Library
Kyer, Kathleen	Supervisor, East Library Circulation Services
Leavitt, Susan	Community Library Supervisor, Rockrimmon Library
London, Laura	Community Library Supervisor, Ruth Holley Library
Maday, Nancy	Division Head, Children's Services
McDonald, Elisabeth	Librarian 2, East Library Children's Services
McPherson, Janice	Division Head, Adult Services
Mikash, Debra	Community Library Manager, Briargate Library
Morris, Margaret	Community Library Manager, Manitou Springs Library
Nelson, James	Facilities Lead, Penrose Library Facilities
Preller, Kathryn	Community Library Supervisor, Fountain Library
Proctor, Lynne	Community Library Manager, Cheyenne Mountain/Rockrimmon Libraries
Robert, Marion	Supervisor, East Library Circulation Services
Roes, Gregory	Manager, Circulation Services
Sansing, Jocelyne	Community Library Manager, Old Colorado City/Ute Pass Libraries
Shainidze-Krebs, Teona	Program Supervisor, Literacy
Sherwood, Vickie	Supervisor, Mobile Library Services
Simpson, Abigail	Librarian 2, Rockrimmon Library
Stolz, James	Manager, Adult Services
Syling, Gary	Division Head, Facilities
Thomas, Elisabeth	Librarian 2, Adult Services Interlibrary Loan
Wehofer, Arnold	Manager, Finance
Vacant	Community Library Supervisor, Briargate Library
Vacant	Supervisor, Penrose Library Circulation Services

THIS PAGE LEFT BLANK INTENTIONALLY



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Pikes Peak Library District  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

THIS PAGE LEFT BLANK INTENTIONALLY

## Independent Auditor's Report

Board of Trustees  
Pikes Peak Library District  
Colorado Springs, Colorado

We have audited the accompanying basic financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Pikes Peak Library District (the District), as of and for the year ended December 31, 2013, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pikes Peak Library District as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 District's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 2013 information has been subjected to the auditing procedures applied in the audit of the 2013 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 2013 information is fairly stated in all material respects in relation to the basic financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements as of and for the year ended December 31, 2012, which are not presented with the accompanying financial statements. In our report dated June 24, 2013, we expressed unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. In our opinion, the 2012 comparative combining and individual fund financial statements and schedules supplementary information is fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2012, taken as a whole.

Board of Trustees  
Pikes Peak Library District

***Other Information***

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*BKD, LLP*

Colorado Springs, Colorado  
June 23, 2014

THIS PAGE INTENTIONALLY LEFT BLANK



**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2013**

As management of the Pikes Peak Library District, we offer readers of the Pikes Peak Library District financial statements this narrative overview and analysis of the financial activities of the Pikes Peak Library District (the District or PPLD) for the year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 11 through 22 of this report.

**Financial Highlights**

- The District's assets exceed its liabilities by \$47,676,754 (net position) as of December 31, 2013.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$33,839,914 includes property and equipment, net of accumulated depreciation.
  - (2) Net position of \$1,005,719 is restricted by constraints imposed from outside the District, such as debt covenants, grantors, laws or regulations.
  - (3) Unrestricted net position of \$12,831,121 represents the portion available to maintain the District's continuing obligations to citizens and creditors.
- The District's General Fund reported total ending fund balance of \$6,225,348 this year. This compares to the prior year ending fund balance of \$7,404,707, showing a decrease of \$1,179,359 during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$4,056,243, or 14% of total General Fund expenditures, including transfers for the year ended December 31, 2013.
- Overall, the District continues to maintain a moderately strong financial position.

The above financial highlights are explained in more detail in the "Financial Analysis of the District as a Whole" section of this document.

**Overview of the Financial Statements**

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves. Comparative data is presented when available.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

**Government-wide Financial Statements**

The District's annual report includes two District government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination of internal activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of District infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by property taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general library operations. The District has no business-type activities.

The government-wide financial statements also include the financial statements of Pikes Peak Library District Foundation, Inc., a legally separate entity. Financial information for this component unit is reported separately from the financial information presented for the District (primary government) in accordance with GASB standards.

The government-wide financial statements are presented on pages 45 through 50 of this report.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's significant funds. Each major fund is separately reported.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

The District has the following fund types:

*Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 51 through 54 of this report.

The Internal Service Fund (Employee Health Plan) is reported in the fund financial statements, and generally reports employee and employer contributions along with benefit claims paid and administrative costs related to the District's partially self-insured health plan offered to employees with a regularly scheduled workweek of 30 or more hours.

The basic internal service fund financial statements are presented on pages 55 through 57 of this report.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because those resources are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for the government-wide statements.

The basic fiduciary fund financial statement can be found on page 58 of this report.

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 59 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's detailed budget presentations for its General Fund. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. The required supplementary information can be found on pages 83 through 87.

As discussed, the District reports two major funds and several nonmajor funds in the basic financial statements. The individual governmental fund comparative statements are presented in a subsequent section of this report beginning on page 89.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

**Financial Analysis of the District as a Whole**

The District's net position at calendar year-end is \$47,676,754. The following table provides a summary of the District's net position as of December 31, 2013 and 2012:

	<b>Summary of Net Position</b>			
	<b>2013</b>		<b>2012</b>	
	<b>Governmental Activities</b>	<b>Percentage of Total</b>	<b>Governmental Activities</b>	<b>Percentage of Total</b>
<b>Assets</b>				
Current and other assets	\$ 40,983,252	54%	\$ 38,511,398	52%
Capital assets	35,193,090	46%	34,892,840	48%
Total assets	<u>76,176,342</u>	<u>100%</u>	<u>73,404,238</u>	<u>100%</u>
<b>Liabilities</b>				
Current liabilities	3,469,815	75%	2,478,625	69%
Noncurrent liabilities	1,182,303	25%	1,109,103	31%
Total liabilities	<u>4,652,118</u>	<u>100%</u>	<u>3,587,728</u>	<u>100%</u>
Deferred Inflows of Resources	<u>23,847,470</u>	<u>100%</u>	<u>23,930,531</u>	<u>100%</u>
<b>Net Position</b>				
Net investment in capital assets	33,839,914	71%	34,818,102	76%
Restricted	1,005,719	2%	952,634	2%
Unrestricted	<u>12,831,121</u>	<u>27%</u>	<u>10,115,243</u>	<u>22%</u>
Total net position	<u>\$ 47,676,754</u>	<u>100%</u>	<u>\$ 45,885,979</u>	<u>100%</u>

The District continues to maintain a moderately high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. However, to make this ratio meaningful, we have eliminated the property taxes receivable for governmental activities. After this elimination, governmental activities' current assets are \$17,135,782. As a result, the current ratio for the District overall is 4.9 to 1, which is slightly higher than the December 31, 2012 ratio of 4.8 to 1. This ratio is strong.

The District reported positive balances in net position. Net position increased by \$1,790,775 for governmental activities.

Approximately 71% of the District's net position is comprised of capital assets as of December 31, 2013. The District uses these capital assets to provide services to its citizens.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

The following table provides a summary of the District's changes in governmental activities' net position for the years ended December 31, 2013 and 2012:

	<b>Summary of Changes in Net Position</b>			
	<b>2013</b>		<b>2012</b>	
	<b>Governmental Activities</b>	<b>Percentage of Total</b>	<b>Governmental Activities</b>	<b>Percentage of Total</b>
Revenues				
Program				
Charges for services, sales and fines	\$ 523,316	2%	\$ 529,077	2%
Operating grants/donations	354,936	1%	133,936	0%
Capital grants/donations	406,986	2%	240,800	1%
General				
Taxes	26,343,400	94%	25,855,532	96%
Other	285,963	1%	216,850	1%
<b>Total revenues</b>	<b>27,914,601</b>	<b>100%</b>	<b>26,976,195</b>	<b>100%</b>
Program expenses				
Public services	8,422,792	32%	7,883,922	31%
Administrative services	11,964,224	46%	12,021,277	47%
Director's Office	386,564	1%	373,535	1%
Finance Office	435,422	2%	403,231	2%
Information Technology Office	1,716,479	7%	1,531,283	6%
Community Relations Office	709,136	3%	721,944	3%
Other administration	2,489,209	9%	2,571,087	10%
Interest expense	-	0%	1,672	0%
<b>Total expenses</b>	<b>26,123,826</b>	<b>100%</b>	<b>25,507,951</b>	<b>100%</b>
Change in net position	1,790,775		1,468,244	
Beginning net position	45,885,979		44,417,735	
Ending net position	<u>\$ 47,676,754</u>		<u>\$ 45,885,979</u>	

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

**Governmental Revenues**

The District is heavily reliant on taxes to support governmental activities. Taxes provided 94% of the District's total revenues. Also, note that program revenues generated only 5% of governmental activities' revenues for the year ended December 31, 2013. This means that the government's taxpayers and the District's other general revenues fund 95% of the governmental activities. As a result, the general economy and the changes in both residential and commercial property values have a major impact on the District's revenue streams.

**Governmental Function Expenses**

Approximately 32% of the District's expenses provide supporting services to the public service function. Also, approximately \$1.1 million of depreciation expense on the District's buildings is included in total expenses, and total depreciation expense was approximately \$4.8 million.

**Financial Analysis of the District's Funds**

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$13,713,658.

Fund balances as of December 31, 2013 and 2012 include:

	<b>2013</b>	<b>2012</b>
Nonspendable	\$ 435,259	\$ 515,665
Restricted	1,005,719	952,634
Committed	7,399,563	4,647,272
Assigned	816,874	1,420,835
Unassigned	4,056,243	4,626,698
	<u>\$ 13,713,658</u>	<u>\$ 12,163,104</u>

Major Governmental Funds

*General Fund*

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's balance decreased by \$1,179,359 during 2013, principally due to the transfer of funds to the North Facility Project Fund to finance capital outlay. The total balance of the General Fund as of December 31, 2013 was \$6,225,348. The total fund balance as of December 31, 2012 was \$7,404,707.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

The balance of the General Fund is broken down as follows as of December 31, 2013 and 2012:

	<b>2013</b>	<b>2012</b>
Nonspendable	\$ 432,357	\$ 515,665
Restricted	927,498	849,133
Assigned	809,250	1,413,211
Unassigned	4,056,243	4,626,698
	\$ 6,225,348	\$ 7,404,707

*North Facility Project Fund*

The purpose of the North Facility Project Fund is to account for all financial activity related to the purchase and renovation of a facility in northern Colorado Springs (Library 21C). The purchase of the facility was completed in January 2012. The purchase price was \$3.75 million. During 2013, a total of \$4,496,930 was transferred into this fund, primarily from the General Fund.

The renovation work commenced in 2013, and is expected to be completed by June 2014.

Nonmajor Governmental Funds

Nonmajor governmental funds include one Special Revenue Fund and three Capital Projects Funds.

Special Revenue Fund – Total fund balance as of December 31, 2013 was \$476,666. This amount is \$55,979 less than the fund balance as of December 31, 2012.

Capital Projects Funds – As of December 31, 2013, fund balance for specific funds equals the following and represents ongoing projects; funds not listed have zero balances and were closed as the projects were completed:

East Library Renovation Fund	\$ 611,153
Penrose Library Renovation Fund	360,260
Capital Reserve Fund	720,199

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

For 2013, capital outlay for those specific funds equaled the following:

East Library Renovation Fund	\$ 3,565
Penrose Library Renovation Fund	36,561
Capital Reserve Fund	533,048

**Budgetary Highlights**

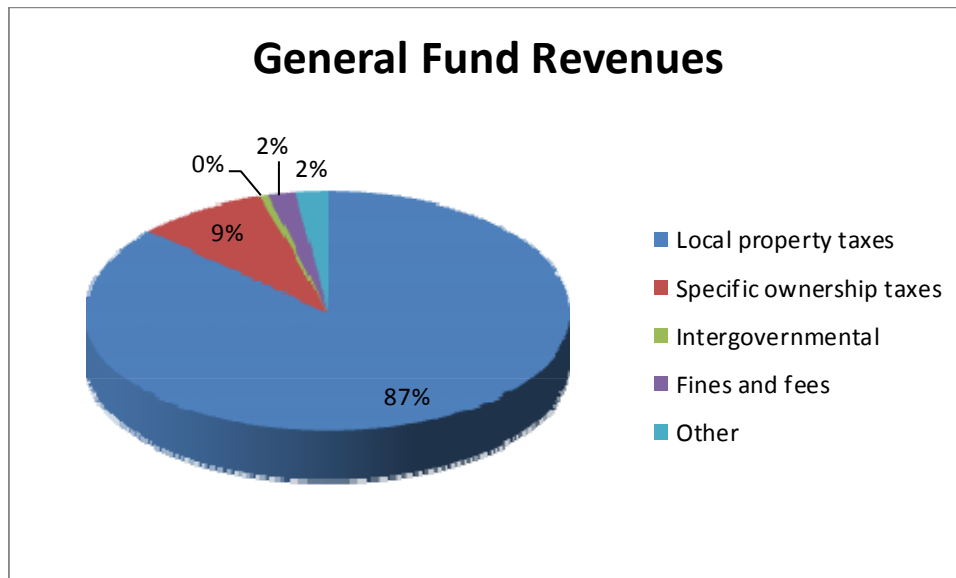
General Fund

The original budget (expenditures and transfers out) was amended by \$3,743,958, principally to utilize prior year fund balances that were primarily either reserved for encumbrances or designated for specific capital projects, and for a transfer of funds to the North Facility Project Fund for the renovation of Library 21C. Such reserves and designations of fund balance were not included in the original 2013 budget.

General Fund Revenues

Total General Fund actual revenues for fiscal year 2013 were \$27,624,092. This amount exceeded the 2013 budget, as amended, by \$30,374, which is approximately 0.1% of the total revenue budget.

The following chart depicts General Fund revenue for 2013 by category:



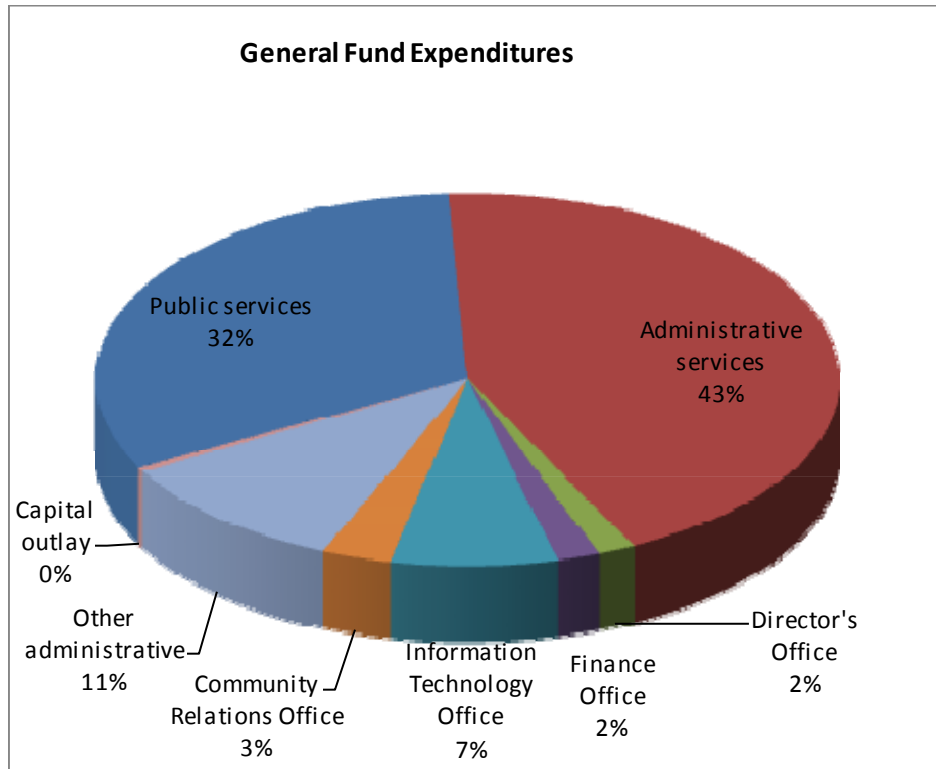


**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

General Fund Expenditures

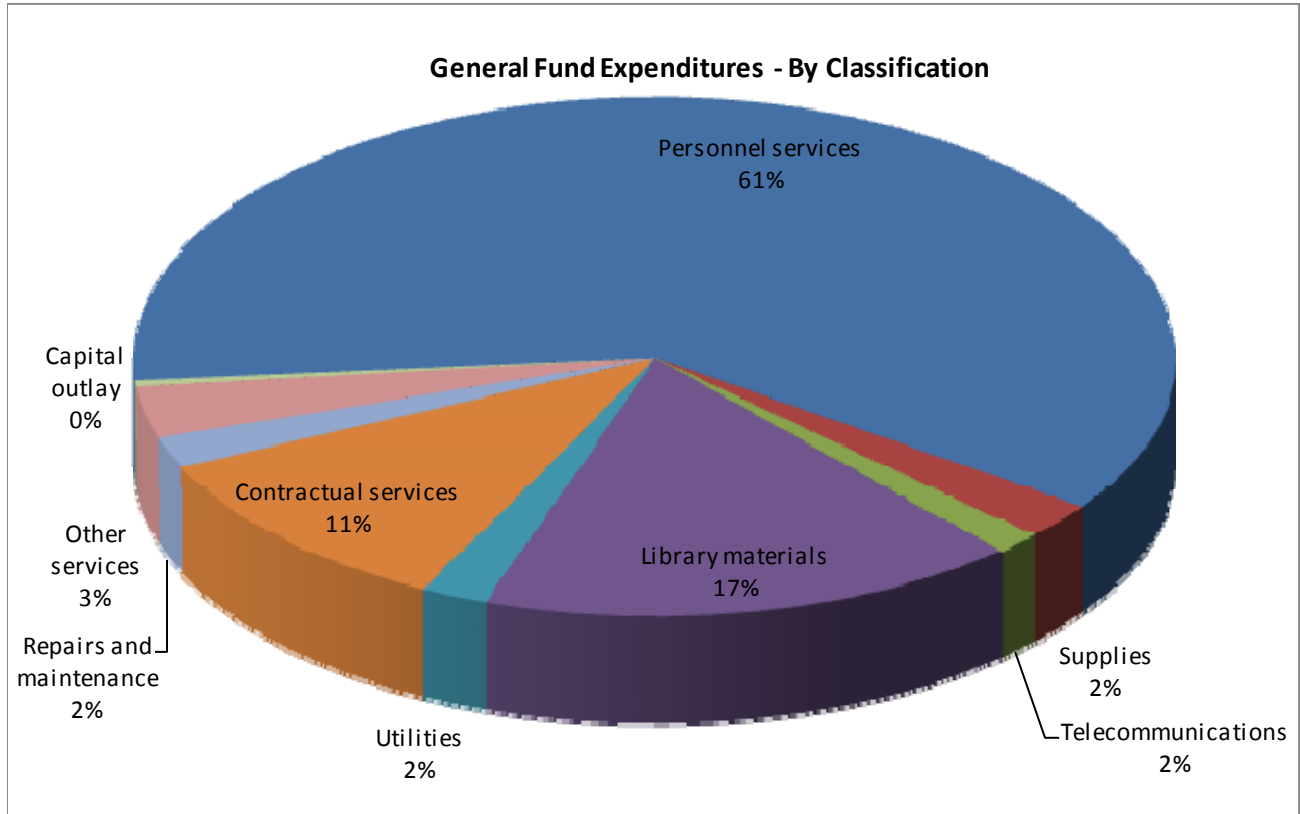
Total General Fund actual expenditures for fiscal year 2013 are \$23,620,578. This amount was less than the 2013 budget, as amended, by \$2,376,907, which is approximately 9% of the total budget.

The following chart depicts 2013 General Fund expenditures by function:



**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

The following chart depicts 2013 General Fund expenditures by classification:



The following is a summary of the departments or accounts that significantly contributed to the difference between the 2013 budget and actual expenditures:

Public Services – For 2013, this function was under budget by \$110,790. The primary cause is due to staff positions that were vacant at some point throughout 2013. The budget includes all authorized positions budgeted at the amount for full employment during the entire year. During the year, there are periods of time when positions are vacant, and it is during this time when savings are realized.

Administrative Services – For 2013, this function was under budget by \$1,308,512. The primary reason for this amount is the library material budget was under budget by \$349,915. In addition, utilities expenditures were less than budget by \$264,059, resulting primarily from not completing the Library 21C until 2014. In addition, personnel services were less than budget by \$108,859, resulting from savings from vacant positions.

Information Technology – For 2013, this function was under budget by \$178,986. In short, anticipated expenditures related to telecommunications expansion, computer related contractual services and systems maintenance were not as high as expected for 2013.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

Other Administrative – For 2013, the accounts included in this category were under budget by \$604,204. The primary reason for this is that the District budgets for possible payouts of accrued leave should there be turnover in staff. The total turnover resulting in payouts was not as high as estimated.

**Capital Assets**

The District's capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2013 was \$35,193,090. See note III-D on page 77 for additional information about changes in capital assets during the calendar year and balances at the end of the year.

The following table provides a summary of capital assets as of December 31, 2013 and 2012:

	<b>Capital Assets</b>			
	<b>2013</b>		<b>2012</b>	
	<b>Governmental Activities</b>	<b>Percentage of Total</b>	<b>Governmental Activities</b>	<b>Percentage of Total</b>
Nondepreciable assets				
Land	\$ 5,317,363	6%	\$ 5,317,363	7%
Construction in progress	2,183,745	3%	172,494	0%
Collections of historical treasures	9,588,204	12%	9,415,264	12%
Total nondepreciable assets	<u>17,089,312</u>		<u>14,905,121</u>	
Depreciable assets				
Leasehold improvements	1,221,221	2%	1,221,221	2%
Buildings	33,494,219	40%	33,494,219	41%
Equipment, furniture and fixtures	5,814,939	7%	5,773,394	7%
Bookmobiles and vans	890,835	1%	783,622	1%
Books and materials	24,096,904	29%	24,500,451	30%
Total depreciable assets	65,518,118	<u>100%</u>	65,772,907	<u>100%</u>
Less accumulated depreciation	<u>(47,414,340)</u>		<u>(45,785,188)</u>	
Book value - depreciable assets	<u>18,103,778</u>		<u>19,987,719</u>	
Percentage depreciated	<u>72%</u>		<u>70%</u>	
Book value - all capital assets	<u>\$ 35,193,090</u>		<u>\$ 34,892,840</u>	

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2013**

At December 31, 2013, the depreciable capital assets for governmental activities were 72% depreciated. This compares consistently to the December 31, 2012 percentage of 70%.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND MILL LEVY**

The following factors were considered when the 2014 budget was prepared:

1. The unemployment rate for El Paso County, Colorado was 8.0%, which is a decrease from a rate of 8.8% a year ago.
2. Inflationary trends in the region and cost of living indices in the region compare favorably to national indices.

At December 31, 2013, unassigned fund balance in the General Fund totaled \$4,056,243. The District has not appropriated any of this balance for spending in the 2014 fiscal year budget.

For the fiscal year 2014 budget, the total mill levy is 4.000 mills. The mill levy for fiscal year 2013 was also 4.000 mills. The gross assessed valuation for all taxable property within the District's legal service area is \$6,028,899,300 and \$6,042,452,470 for 2014 and 2013, respectively.

**REQUESTS FOR INFORMATION**

This Financial Report is designed to provide a general overview of the District's finances, compliance with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report, or would like to request additional information, contact the District's Financial Office at 1175 Chapel Hills Drive, Colorado Springs, Colorado 80920.

**Pikes Peak Library District**  
**Statement of Net Position**  
**December 31, 2013**

	<b>Primary Government</b>
	<b>Governmental Activities</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and investments	\$ 16,037,693
Property taxes receivable	23,847,470
Other receivables	139,059
Due from discretely presented component unit	256,505
Due from other governments	230,599
Prepaid items	471,926
Total current assets	40,983,252
<b>Noncurrent Assets</b>	
Capital assets	
Nondepreciable property	17,089,312
Depreciable building, property and equipment, net	18,103,778
Total noncurrent assets	35,193,090
Total assets	76,176,342
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	2,178,976
Accrued compensation payable	1,172,244
Unearned revenue	118,595
Total current liabilities	3,469,815
<b>Noncurrent Liabilities</b>	
Noncurrent portion of long-term obligations	
Accrued compensated absences	1,182,303
Total liabilities	4,652,118
<b>Deferred Inflows of Resources</b>	
Deferred property tax revenue	23,847,470
<b>Net Position</b>	
Net investment in capital assets	33,839,914
Restricted for	
Declared emergencies	812,187
Debt service	1,040
Gifts and grants	192,492
	1,005,719
Unrestricted	12,831,121
Total net position	\$ 47,676,754

**Pikes Peak Library District Foundation, Inc.**  
**Statement of Financial Position**  
**December 31, 2013**

**Assets**

Cash and cash equivalents	\$	537,412
Contributions receivable, net		210,919
Accounts receivable		69,506
Investments		1,324,707
		1,324,707
Total assets	\$	2,142,544

**Liabilities**

Accounts payable	\$	11,178
Accounts payable, related party		256,505
		256,505
Total liabilities		267,683

Net assets

Unrestricted		634,755
Temporarily restricted		1,211,497
Permanently restricted		28,609
		28,609
Total net assets		1,874,861
Total liabilities and net assets	\$	2,142,544

THIS PAGE LEFT BLANK INTENTIONALLY

**Pikes Peak Library District**  
**Statement of Activities**  
**Year Ended December 31, 2013**

Functions/Programs	Expenses	Charges for Services, Sales and Fines
<b>Primary Government</b>		
Governmental activities		
Public Services	\$ 8,422,792	\$ 523,316
Administrative Services	11,964,223	-
Director's Office	386,564	-
Finance Office	435,422	-
Information Technology Office	1,716,479	-
Community Relations Office	709,136	-
Other administration	<u>2,489,209</u>	<u>-</u>
Total governmental activities	<u>\$ 26,123,825</u>	<u>\$ 523,316</u>
General revenues		
Property taxes levied for library purposes		
Specific ownership taxes		
Investment earnings		
Miscellaneous		
Total general revenues		
Change in net position		
Net position, January 1		
Net position, December 31		



<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Primary Government Governmental Activities</b>
\$ 141,009	\$ 166,769	\$ (7,591,698)
213,927	240,217	(11,510,079)
-	-	(386,564)
-	-	(435,422)
-	-	(1,716,479)
-	-	(709,136)
-	-	(2,489,209)
<u>\$ 354,936</u>	<u>\$ 406,986</u>	<u>(24,838,587)</u>
		23,930,258
		2,413,142
		21,912
		<u>264,050</u>
		<u>26,629,362</u>
		1,790,775
		<u>45,885,979</u>
		<u>\$ 47,676,754</u>

# Pikes Peak Library District Foundation, Inc.

## Statement of Activities

Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support				
Contributions	\$ 141,487	\$ 2,865,433	\$ 264	\$ 3,007,184
Investment return	63,075	56,491	2,640	122,206
Net assets released from restrictions	2,679,050	(2,679,050)	-	-
Total revenues, gains and other support	<u>2,883,612</u>	<u>242,874</u>	<u>2,904</u>	<u>3,129,390</u>
Expenses				
Program services				
Support for PPLD	2,664,478	-	-	2,664,478
Total program services	<u>2,664,478</u>	<u>-</u>	<u>-</u>	<u>2,664,478</u>
Support services				
General and administrative	13,930	-	-	13,930
Fundraising	153,350	-	-	153,350
Total support services	<u>167,280</u>	<u>-</u>	<u>-</u>	<u>167,280</u>
Total expenses	<u>2,831,758</u>	<u>-</u>	<u>-</u>	<u>2,831,758</u>
Change in net assets	51,854	242,874	2,904	297,632
Net assets, beginning of year	<u>582,901</u>	<u>968,623</u>	<u>25,705</u>	<u>1,577,229</u>
Net assets, end of year	<u>\$ 634,755</u>	<u>\$ 1,211,497</u>	<u>\$ 28,609</u>	<u>\$ 1,874,861</u>

**Pikes Peak Library District**  
**Balance Sheet – Governmental Funds**  
**December 31, 2013**

	General	North Facility Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 15,358,047	\$ -	\$ -	\$ 15,358,047
Property taxes receivable	23,847,470	-	-	23,847,470
Other receivables	139,059	-	-	139,059
Due from discretely presented component unit	131,155	125,350	-	256,505
Due from other governments	230,599	-	-	230,599
Due from other funds	-	6,485,956	2,235,741	8,721,697
Prepaid items	432,357	-	2,902	435,259
Total assets	<u>\$ 40,138,687</u>	<u>\$ 6,611,306</u>	<u>\$ 2,238,643</u>	<u>\$ 48,988,636</u>
<b>Liabilities</b>				
Accounts payable	\$ 578,939	\$ 1,291,274	\$ 70,365	\$ 1,940,578
Accrued compensation payable	563,179	-	-	563,179
Unearned revenue	118,595	-	-	118,595
Due to other funds	8,721,697	-	-	8,721,697
Total liabilities	<u>9,982,410</u>	<u>1,291,274</u>	<u>70,365</u>	<u>11,344,049</u>
<b>Deferred Inflows of Resources</b>				
Deferred property tax revenue	23,847,470	-	-	23,847,470
Unavailable fund resources	83,459	-	-	83,459
Total deferred inflow of resources	<u>23,930,929</u>	<u>-</u>	<u>-</u>	<u>23,930,929</u>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid expenditures	432,357	-	2,902	435,259
Restricted for:				
Declared emergencies	812,187	-	-	812,187
Debt service	1,040	-	-	1,040
Gifts and grants	114,271	-	78,221	192,492
Committed to:				
Capital projects	-	5,320,032	2,079,531	7,399,563
Assigned to:				
Purchased contracts	59,040	-	-	59,040
Library materials	750,210	-	-	750,210
Gifts and grants	-	-	7,624	7,624
Unassigned	4,056,243	-	-	4,056,243
Total fund balances	<u>6,225,348</u>	<u>5,320,032</u>	<u>2,168,278</u>	<u>13,713,658</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 40,138,687</u>	<u>\$ 6,611,306</u>	<u>\$ 2,238,643</u>	<u>\$ 48,988,636</u>

**Pikes Peak Library District**  
**Reconciliation of the Balance Sheet of Governmental**  
**Funds to the Statement of Net Position**  
**December 31, 2013**

Amounts reported for governmental activities in the statement of net position (page 45) are different because:

Fund balances - total governmental funds (page 51)		\$ 13,713,658
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Cost of capital assets	82,607,430	
Less: accumulated depreciation	<u>(47,414,340)</u>	
		35,193,090
Liabilities that are not due and payable in the current period and, therefore, are not reported in the funds		
Accounts payable - operating leases with escalation clauses		(114,565)
Accrued compensated absences		(1,791,368)
Certain revenue earned but not available, classified as deferred inflows in governmental funds is susceptible to full accrual on the entity-wide statements		
		83,459
Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		
		<u>592,480</u>
Net position - governmental activities (page 45)		<u>\$ 47,676,754</u>

**Pikes Peak Library District**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2013**

	General	North Facility Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 26,343,399	\$ -	\$ -	\$ 26,343,399
Intergovernmental	160,887	-	-	160,887
Fines and fees	523,316	-	-	523,316
Interest earnings	21,912	-	-	21,912
Donations	401,130	200,350	-	601,480
Miscellaneous	173,448	-	-	173,448
	<u>27,624,092</u>	<u>200,350</u>	<u>-</u>	<u>27,824,442</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
<b>Current</b>				
Public Services	7,554,353	-	20,284	7,574,637
Administrative Services	10,242,374	-	-	10,242,374
Director's Office	386,564	-	-	386,564
Finance Office	435,422	-	-	435,422
Information Technology Office	1,716,479	-	-	1,716,479
Community Relations Office	709,136	-	-	709,136
Other administrative	2,489,209	-	-	2,489,209
Capital outlay	87,041	2,120,419	608,869	2,816,329
	<u>23,620,578</u>	<u>2,120,419</u>	<u>629,153</u>	<u>26,370,150</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over (under) expenditures	<u>4,003,514</u>	<u>(1,920,069)</u>	<u>(629,153)</u>	<u>1,454,292</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	4,496,930	735,957	5,232,887
Transfers out	(5,232,887)	-	-	(5,232,887)
Proceeds from insurance reimbursements	12,985	-	-	12,985
Proceeds from sale of capital assets	37,029	46,248	-	83,277
	<u>(5,182,873)</u>	<u>4,543,178</u>	<u>735,957</u>	<u>96,262</u>
<b>Total other financing sources (uses)</b>				
Net change in fund balances	(1,179,359)	2,623,109	106,804	1,550,554
Fund balances, beginning of year	<u>7,404,707</u>	<u>2,696,923</u>	<u>2,061,474</u>	<u>12,163,104</u>
Fund balances, end of year	<u>\$ 6,225,348</u>	<u>\$ 5,320,032</u>	<u>\$ 2,168,278</u>	<u>\$ 13,713,658</u>

**Pikes Peak Library District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2013**

Amounts reported for governmental activities in the statement of activities (pages 48 and 49) are different because:

Net change in fund balances - total governmental funds (page 53)	\$ 1,550,554
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the fund statements until they become available. This amount is the difference in the treatment of revenue recognition.	(444)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:	
Depreciation expense	(4,800,249)
Capital outlay for building, furniture, land and vehicles	2,412,484
Amounts paid for books and audio visual materials	2,693,675
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Operating leases with rental escalation clauses that are reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	58,576
In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold.	(5,660)
Compensated absences expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(110,909)
Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to the individual funds. The net revenue of the internal service fund is reported with governmental activities.	(7,252)
Change in net position - governmental activities (page 49)	<u>\$ 1,790,775</u>

**Pikes Peak Library District**  
**Statement of Net Position**  
**Proprietary Fund**  
**December 31, 2013**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 679,646
Deposit	<u>36,667</u>
Total current assets	<u>716,313</u>
 <b>Liabilities</b>	
<b>Current Liabilities</b>	
Claims payable	<u>123,833</u>
 <b>Net Position</b>	
<b>Total Net Position - Unrestricted</b>	<u><u>\$ 592,480</u></u>

**Pikes Peak Library District**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Fund**  
**Year Ended December 31, 2013**

	<b>Governmental Activities - Internal Service Fund</b>
Operating revenues	
Employer contributions	\$ 1,203,995
Employee contributions	<u>272,535</u>
Total operating revenues	<u>1,476,530</u>
Operating expenses	
Claims incurred	897,812
Administrative	<u>585,973</u>
Total operating expenses	<u>1,483,785</u>
Operating income	(7,255)
Nonoperating revenues	
Investment earnings	<u>3</u>
Change in net position	(7,252)
Total net position, beginning	<u>599,732</u>
Total net position, ending	<u><u>\$ 592,480</u></u>



**Pikes Peak Library District**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended December 31, 2013**

	<b>Governmental Activities - Internal Service Fund</b>
Cash flows from operating activities	
Employee and employer contributions	\$ 1,476,530
Payment of claims and administrative expenses	<u>(1,436,408)</u>
Net cash provided by operating activities	<u>40,122</u>
Cash flows from investing activities	
Interest received	<u>3</u>
Net increase in cash and cash equivalents	40,125
Cash and cash equivalents - January 1	<u>639,521</u>
Cash and cash equivalents - December 31	<u><u>\$ 679,646</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (7,255)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Increase in claims payable	<u>47,377</u>
Total adjustments	<u>47,377</u>
Net cash provided by operating activities	<u><u>\$ 40,122</u></u>
Noncash investing, capital and financing activities	
None	

**Pikes Peak Library District**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Fund**  
**December 31, 2013**

	<b>Agency Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 49,023
<b>Liabilities</b>	
Accounts payable	\$ 49,023

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

	<u>Ref.</u>	<u>Page</u>
<b>Summary of Significant Accounting Policies</b>	I	60
Reporting Entity	I-A.	60
Basis of Presentation	I-B.	61
Measurement Focus	I-C.	64
Basis of Accounting	I-D.	64
Assets, Liabilities and Net Position or Fund Balances	I-E.	66
Cash, Cash Equivalents and Investments	I-E-1.	66
Receivables	I-E-2.	67
Restricted Assets	I-E-3.	67
Interfund Activity	I-E-4.	67
Prepaid Items	I-E-5.	67
Capital Assets	I-E-6.	67
Compensated Absences	I-E-7.	68
Accrued Liabilities and Long-term Obligations	I-E-8.	69
Net Position or Fund Balances	I-E-9.	69
Estimates	I-E-10.	70
New Accounting Pronouncement	I-F.	70
<b>Stewardship, Compliance and Accountability</b>	II	70
Budgetary Information	II-A.	70
Encumbrances	II-B.	71
<b>Detailed Notes on All Funds</b>	III	72
Deposits and Investments	III-A.	72
Deposits	III-A-1.	72
Investments	III-A-2.	72
Taxes	III-B.	75
Property Taxes	III-B-1.	75
Specific Ownership Taxes	III-B-2.	76
Interfund Receivables, Payables, and Transfers	III-C.	76
Capital Assets	III-D.	77
Long-Term Liabilities	III-E.	78
Changes in Long-term Liabilities	III-E-1.	78
Computation of Legal Debt Margin	III-E-2.	78
Operating Agreements	III-F.	78
<b>Other Information</b>	IV	79
Retirement Plan	IV-A.	79
General	IV-A-1.	79
Deferred Compensation Plan	IV-B.	79
Contingencies	IV-C.	80
Risk Management	IV-C-1.	80
Grants	IV-C-2.	80
TABOR Amendment	IV-C-3.	80
Claims and Litigation	IV-C-4.	81
Commitments	IV-D.	81

# Pikes Peak Library District

## Notes to Financial Statements

### December 31, 2013

#### **Note I: Summary of Significant Accounting Policies**

The financial statements of the Pikes Peak Library District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

##### ***I-A. Reporting Entity***

The District is considered to be a "Special Library District" and was created through state statute (C.R.S. 24-90-110). A joint committee equally represented by the City of Colorado Springs, Colorado and El Paso County, Colorado appoints members of the District's seven-member Board of Trustees.

As required by US GAAP, these financial statements present the District and its component units, entities for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the District's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, if any, on the other hand, is reported in a separate statement in the financial statements to emphasize it is legally separate from the District.

Depending upon the significance of the District's financial and operational relationships with various separate entities, the organizations are classified as blended or discrete component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

**Blended Component Units** – The Pikes Peak Library District Building Authority does not issue separate financial statements. Given the nature and relationship between the Pikes Peak Library District and the Pikes Peak Library District Building Authority, exclusion of the Authority from the financial statements would cause the statements to be incomplete. The Board members of both the Pikes Peak Library District and the Pikes Peak Library District Building Authority are substantially the same. The District had no other blended component units during the fiscal year ended December 31, 2013.

In connection with the issuance of the Certificates of Participation, Series 1996, the Pikes Peak Library District Building Authority (the Authority) was established. The Authority is comprised of three board members, of which one member is the Secretary of the District's Board of Trustees. The Authority is not fiscally dependent on the District.

There was no financial activity applicable to the Pikes Peak Library District Building Authority during 2013.

**Related Organizations** – The District had no financial relationships of this type during the fiscal year ended December 31, 2013.

**Joint Ventures** – The District did not participate in any joint venture during the fiscal year ended December 31, 2013.

# Pikes Peak Library District

## Notes to Financial Statements

### December 31, 2013

**Jointly Governed Organizations** – The District had no financial relationships of this type during the fiscal year ended December 31, 2013.

#### **Discretely Presented Component Unit**

The Pikes Peak Library District Foundation, Inc. (the Foundation).

The Foundation, which was formed in 2003, was established exclusively for the benefit of, to perform the function of, or to carry out the charitable and educational purposes of the Pikes Peak Library District. The Foundation is a tax-exempt corporation under the provisions of 501(c)(3) of the Internal Revenue Code. The Foundation issues separate financial statements and a copy can be obtained from the District's Financial Office at 5550 North Union Boulevard, Colorado Springs, Colorado 80918.

The District maintains control of the Foundation in the following areas:

- The Board of Trustees of the District originally elected members of the Foundation's Board of Directors. The Members of the Foundation Board make subsequent Board appointments.
- The Foundation may not disburse funds for costs that have not been recommended by the District's Board of Trustees.
- There are two members of the District's Board of Trustees that serve on the Foundation's Board of Directors at all times.

#### ***I-B. Basis of Presentation***

The District's basic financial statements consist of government-wide statements, including a statement of net position, a statement of financial position and statements of activities, and fund financial statements, which provide a more detailed level of financial information.

*Government-wide Financial Statements* – The government-wide financial statements include the District's statement of net position, the Foundation's statement of financial position and a statement of activities for the District and the Foundation. These statements report financial information on all of the nonfiduciary activities of the District and its component unit. The effect of interfund activity has been removed from these statements. The primary government and the discretely presented component unit are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed and the statements report governmental activities, generally supported by taxes and District general revenues. The District does not have any business-type activities, which rely to a significant extent on fees and charges for support.

The District's statement of net position presents the financial position of the governmental activities of the District at year-end. The Foundation's statement of financial position presents the financial position of the Foundation at year-end using not-for-profit accounting and financial reporting principles promulgated by the AICPA's Financial Accounting Standards Board.

The District's statement of activities presents a comparison between direct expenses and program revenues for the year for each function of the District's governmental activities. The Foundation's

# Pikes Peak Library District

## Notes to Financial Statements

### December 31, 2013

statement of activities presents the activities of the Foundation using not-for-profit accounting and financial reporting principles promulgated by the AICPA's Financial Accounting Standards Board. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in its statement of activities.

The Foundation reports under not-for-profit accounting and financial reporting principles promulgated by the AICPA's Financial Accounting Standards Board, including FASB Codification ASC 958-205. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences. Because the Foundation uses a generally accepted accounting principles (GAAP) reporting model that is different than the District's reporting model, the District has elected to present the Foundation's financial statements separately from those of the District as provided for under GASB standards.

The District's statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the District's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

*Fund Financial Statements* – During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

The major individual governmental funds (the General Fund and North Project Fund) are reported in separate columns with a composite column for nonmajor funds.

*Fund Accounting* – The District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District uses three categories of funds: governmental, proprietary and fiduciary.

*Governmental Funds* – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

fund from which they will be liquidated. The District reports the difference between governmental fund assets and liabilities as fund balance.

The following are the District's major governmental funds:

*General Fund* – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado.

*North Facility Project Fund* – The North Facility Project Fund accounts for all financial activity related to the purchase and renovation of a facility located in northern Colorado Springs. Funds are being accumulated over a period of several years. Primary and anticipated sources of funding for this project include the General Fund and other fundraising activities including grants and donations.

Additionally, the District reports the following nonmajor governmental fund types:

*Special Revenue Fund* – This fund accounts for resources that are restricted or committed for specific purposes, specifically gifts and grants.

*Capital Projects Funds* – These funds account for the financial activity related to significant capital projects.

The District also reports the following proprietary fund type:

*Internal Service Fund* – This fund accounts for the health insurance plan that is provided to eligible District employees (employees with a regularly scheduled work week of 30 hours or more).

Additionally, the District reports the following fiduciary fund type:

*Agency Fund* – This fund is used to report resources held by the District in a purely custodial capacity. This fund is used to account for contributions made by employees who elect to participate in the District's Flexible Spending Program as authorized under Section 125 of the Internal Revenue Code.

As a general rule, interfund services provided and used are not eliminated in the process of consolidation of the government-wide statement of activities.

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Internal Service Fund are charges to customers for sales and services. Operating expenses for the District's Internal Service Fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

# Pikes Peak Library District

## Notes to Financial Statements

### December 31, 2013

#### ***I-C. Measurement Focus***

*Government-wide Financial Statements* – The District’s government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. The statement of activities reports revenues and expenses.

*Fund Financial Statements* – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenue and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

#### ***I-D. Basis of Accounting***

##### *District*

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting and the fiduciary fund uses the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

*Revenues – Exchange Transactions* – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

The District considers revenues, other than grants, to be measurable and available if collected within three months after year-end. Grants are considered measurable and available if 1) they are collected within one year after year-end, and 2) all eligibility requirements, including incurring allowable costs, have been met.

*Revenues – Nonexchange Transactions* – Nonexchange transactions in which the District receives value without directly giving equal value in return, include property taxes, specific ownership taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note III-B-1.). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual



**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

basis, revenue from nonexchange transactions also must be available (i.e., collected within 90 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, specific ownership taxes, interest and federal and state grants.

*Unearned Revenue* – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue.

*Deferred Inflows and Outflows of Resources* – A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period, and a deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as deferred inflow of resources. In addition, property tax receivables are reported as a deferred inflow of resources when levied in the fund statements.

Since property taxes are levied in December (i.e., there is a legal claim) for the next calendar year's operations, the total levy is reported as taxes receivable and deferred inflow.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows (i.e., they are measurable but not available) rather than as revenue.

*Expenses/Expenditures* – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

*Foundation*

The Foundation uses the accrual basis of accounting.

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity.

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor,

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

and for which the restriction is met in the same time period, are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

In addition to receiving cash contributions, the Foundation receives in-kind contributions from various donors. It is the policy of the Foundation to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the year ended December 31, 2013, \$2,061,924 was received in in-kind contributions.

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation had no unrelated business taxable income for the year ended December 31, 2013. The Foundation is not considered a private foundation.

The Foundation files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Foundation is no longer subject to U.S. federal examinations by tax authorities for years before 2010.

***I-E. Assets, Liabilities and Net Position or Fund Balances***

***I-E-1. Cash, Cash Equivalents and Investments***

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District.

Investments are stated at fair value based on quoted market prices.

Under Colorado statutes, the District, its funds and fund types may lawfully invest eligible funds in the following securities:

- a. Obligations of the United States and certain U.S. government agencies' securities;
- b. Certain international agency securities;
- c. General obligation and revenue bonds of U.S. local government entities;
- d. Bankers' acceptances of certain banks;
- e. Commercial paper;
- f. Local government investment pools;

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

- g. Written repurchase agreements collateralized by certain authorized securities;
- h. Certain money market funds;
- i. Guaranteed investment contracts;
- j. Certain corporate bonds

The District may also deposit funds in Colorado financial institutions that are members of the Federal Deposit Insurance Corporation.

***I-E-2. Receivables***

All trade and property tax receivables are reported net of an allowance for uncollectible amounts, when applicable. Property tax allowance as of December 31, 2013 was \$130,828.

***I-E-3. Restricted Assets***

Restricted assets are reported when restrictions on asset use change the nature or normal understanding of the availability of the asset. Restrictions on assets can be externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or can be imposed by law through constitutional provisions or enabling legislation.

***I-E-4. Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in the Internal Service Fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between funds reported in the governmental activities column are eliminated.

***I-E-5. Prepaid Items***

Payments made to vendors for services (e.g., insurance, rents, and library services from other libraries) that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as nonspendable, as this amount is not available for general appropriation.

***I-E-6. Capital Assets***

Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, books and audio visual materials and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. These assets generally result from expenditures in governmental funds. The District reports these assets in the governmental

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2013

activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, collections of historical treasures and construction-in-progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Leasehold improvements are depreciated over the shorter of the term of the lease or the estimated useful life of the asset. Depreciation is computed using the straight-line method over the following useful lives:

<b>Description</b>	<b>Estimated</b>
Buildings	20 years
Vehicles	5 to 10 years
Computer equipment	3 to 5 years
Other equipment	3 to 5 years
Furniture and fixtures	10 to 30 years
Books and audio visual materials	6 years

The District capitalizes its library books and audiovisual materials. Purchased items are recorded at cost, and donated items are capitalized at fair value on the date donated. Damage and lost materials are deleted from the inventory, using the specific identification method.

### ***I-E-7. Compensated Absences***

Employees earn 15 to 20 days of vacation leave annually based on length of service. District policy allows employees to carryover up to 320 hours of unused vacation leave into the next year for full-time employees, prorated for part-time employees. All outstanding vacation leave is payable upon resignation, termination, retirement or death.

Employees also earn sick leave and can accumulate up to 180 days of sick leave. Accumulated sick leave is payable only upon retirement or termination after twenty years of service at 50% of the accrued balance as specified in the District's policies. Upon resignation, termination or death prior to twenty years of service, any outstanding sick leave is forfeited.

The District estimates its accrued sick leave liability based on the sick leave accumulated at the Statement of Net Position date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when matured".

***I-E-8. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in-full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

***I-E-9. Net Position or Fund Balances***

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

*Net Position* – Net position is assets minus liabilities plus deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

*Fund Balance* – Generally, fund balances reflect assets minus liabilities plus deferred inflows of resources. Financial reporting standards establish criteria for classifying fund balance amounts into specifically defined categories to make the nature and extent of constraints on these amounts more useful and understandable. The categories comprise a hierarchy based on the extent to which constraints must be honored for a specified purpose and for which amounts can be spent. Fund balances of governmental funds may be categorized as nonspendable, restricted, committed, assigned, and unassigned.

*Nonspendable Fund Balance* – cannot be spent because it is either in nonspendable form or is legally or contractually required to be maintained intact. Examples include items not expected to be converted to cash such as inventories and prepaid assets.

*Restricted Fund Balance* – is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

*Committed Fund Balance* – is constrained for a specific purpose by formal action (resolution or ordinance) adopted by the Board of Trustees, and can be rescinded only through the same type of formal action used to establish the original commitment. Trustee actions require either an ordinance or resolution. Both are equally binding for their respective purposes and are mutually exclusive, not interchangeable with one another.

*Assigned Fund Balance* – is constrained for specific purposes as determined by management and the Board of Trustees through the budget process. The Executive Director is the only employee authorized to assign fund balance.

*Unassigned Fund Balance* – is unconstrained and comprised of residual uncategorized fund balance amounts.

As previously discussed, the District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are considered to be reduced first, followed by assigned amounts and then unassigned amounts.

***I-E-10. Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***I-F. New Accounting Pronouncement***

Effective January 1, 2013, the District implemented the provisions of GASB No. 65, *Items Previously Reported as Assets and Liabilities* (GASB No. 65).

GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets or liabilities. Property taxes reported as assets before the period for which they are levied and certain assets recorded in governmental fund financial statements before the revenue is available are now reported as deferred inflows of resources. Adoption of GASB 65 had no effect on the District's beginning net position/fund balance or change in net position/fund balance.

**Note II: Stewardship, Compliance and Accountability**

***II-A. Budgetary Information***

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. The District adopts an annual operating budget for its General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Funds. During October, the Executive Director submits to the Board of Trustees a proposed budget for the fiscal year

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

commencing the following January 1. The budget includes proposed expenditures and means of financing them.

2. Public hearings are conducted by the Board of Trustees to obtain taxpayer comments.
3. Prior to December 15, the budget is adopted by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Executive Director and/or Chief Finance and Business Officer. The Board of Trustees must approve revisions that alter the total expenditures of any fund.
5. Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts reported in the accompanying financial statements are as originally adopted per a separate budget report, and as amended by the Executive Director and/or the Board of Trustees throughout the year.

The original appropriation for all governmental funds has been amended as follows:

<b>Changes to Original Budget</b>			
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Budget Change</b>
General Fund	\$ 27,486,414	\$ 31,230,372	\$ 3,743,958
Designated Purpose Fund	37,674	108,216	70,542
North Facility Project Fund	3,697,149	6,969,102	3,271,953
Capital Reserve Fund	570,757	1,253,247	682,490
East Library Renovation Fund	390,900	974,718	583,818
Penrose Library Renovation Fund	449,300	756,821	307,521

6. All original and supplemental appropriations for all funds lapse at the end of the year.

***II-B. Encumbrances***

Appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse as of the end of the fiscal year, the succeeding year's budget is amended for the re-appropriation of year-end encumbrances.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note III: Detailed Notes on All Funds**

*III-A. Deposits and Investments*

*III-A-1. Deposits*

Deposits include bank accounts and short-term investments.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulators. Amounts on deposit in excess of federal deposit insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another financial institution or held in trust. The fair value of the collateral must be equal to 102% of the aggregate uninsured deposits.

The District has transaction accounts which are covered under FDIC insurance. The FDIC insurance limit for cash accounts is \$250,000. The carrying amount of the District's deposits, excluding the cash held in the Agency Fund of \$49,023, as of December 31, 2013 was \$1,122,726. The bank balances, excluding the cash held in the agency fund of \$49,023, were \$1,380,601, of which \$1,130,601 is not covered by federal deposit insurance. While this amount is uninsured, it is collateralized in accordance with provisions of the PDPA. Additionally, the District had \$17,189 in cash on hand as of December 31, 2013.

*III-A-2. Investments*

Investment decisions are governed by the District's investment policy.

The primary objectives of the investment policy are:

*Safety of Principal* – The primary objective is to protect against the loss of any principal.

*Liquidity* – Investments will be managed to ensure that funds are available to meet obligations as necessary.

*Yield* – Investments will be managed to optimize returns within the appropriate safety and liquidity constraints.

The standard of prudence to be used shall be the "prudent investor" standard which states "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for preservation, considering the probable safety of their capital as well as probable income to be derived."

The following is a list of eligible instruments for investments:

*U.S. Treasury Obligations* – Treasury Bills, Notes and Bonds with a maturity of five years or less.



**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

*Federal Agency Securities* – Instruments such as those issued by the Government National Mortgage Association (GNMA) that are backed by the full faith and credit of the U.S. Treasury. Such securities must have a maturity of five years or less.

*Federal Instrumentality Securities* – Instruments such as those issued by the Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), and the Federal Home Loan Mortgage Corporation (FHLMC). These obligations carry only an implied government guarantee. Such securities must have a maturity of five years or less.

*Repurchase Agreements* – Such instruments must be collateralized at 102% by U.S. Treasury securities, Federal Agency securities, or Federal Instrumentality securities.

*Prime Commercial Paper* – Such instruments must have a maturity of 270 days or less, and be rated in the highest category by one or more nationally recognized rating services.

*Bonds* – Instruments/debt issued by a U.S. corporation or bank with a net worth in excess of \$250 million. Securities must mature within three years and must be rated at least AA or Aa3 by two or more nationally recognized rating services.

*Bankers Acceptances* – Instruments issued by a state or national bank with a combined capital surplus of at least \$250 million.

*General Obligation Debt or Revenue Obligation Debt* – Debt with a maturity of five years or less, issued by any state or any political subdivision of any state.

*Local Government Investment Pools* – Investment pools, such as COLOTRUST, which are authorized by C.R.S. 24-75-701 and 702 at seq.

*Money Market Mutual Funds* – Funds that are registered under the Investment Company Act of 1940 that are no load and maintain a constant share price. Funds must be rated in the highest category by one or more nationally recognized rating services and must have a weighted average maturity in accordance with Federal Securities Regulation 2a-7.

*Interest-Bearing Accounts, Certificates of Deposit* – Such accounts must either be fully insured by the FDIC or are approved to accept public deposits and which have pledged eligible collateral to secure uninsured public funds on deposit with such institution in accordance with the requirements of the PDPA.

The District has invested in the Colorado Government Liquid Asset Trust (COLOTRUST). This investment vehicle has been established for local government entities in Colorado to pool surplus funds for investment purposes by state statute. This fund operates similarly to a money market fund and each share is equal in value to \$1.00. This investment pool operates under the authority and in conformity with Part 6 of Article 75 of Title 24 of the Colorado State Revised Statutes.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

***Credit Risk***

The composition of the portfolio will vary according to market opportunities; however, the investment should be diversified by security type and institution.

<b>Instrument</b>	<b>Allowed</b>	<b>Per Issuer</b>
U.S. Treasury Obligations	100%	100%
Federal Agency Securities	75%	50%
Federal Instrumentality Securities	75%	50%
Repurchase Agreements	100%	50%
Prime Commercial Paper	100%	100%
Bonds	50%	50%
Banker's Acceptances	50%	50%
General Obligation Debt or Revenue Obligation Debt	50%	50%
Local Government Investment Pools	100%	100%
Money Market Mutual Funds	100%	100%
Interest-bearing Accounts, Certificates and Deposits	100%	100%

The maturity of the securities shall be structured to avoid undue concentration in any sector of the yield curve. No investment maturity shall exceed three years. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board.

The District's policy permits investment in local government investment pools. Current investments of \$14,897,778 are held in COLOTRUST, which was rated AAAM by Standard & Poor's at December 31, 2013. The District policy also encourages diversification of investments, limited to the Colorado Revised Statute CRS 24-75-701.

***Cash and Investment Reconciliation***

	<b>Cash and Cash Equivalents</b>	<b>Investments</b>	<b>Total</b>
Governmental activities - statement of net position	\$ 1,139,915	\$ 14,897,778	\$ 16,037,693
Agency Fund	49,023	-	49,023
Less cash on hand and petty cash	(17,189)	-	(17,189)
<b>Total deposits and investments</b>	<b>\$ 1,171,749</b>	<b>\$ 14,897,778</b>	<b>\$ 16,069,527</b>
Per note disclosure above			
Deposits			\$ 1,171,749
Investments			14,897,778
<b>Primary Government total</b>			<b>\$ 16,069,527</b>

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

The Foundation's cash and investments are comprised of the following as of December 31, 2013:

	<b>2013 Amount</b>	<b>Institutions</b>	<b>Insurance or Collateral</b>	<b>Credit Ratings of Underlying Securities *</b>
Money market savings account	\$ 4,580	ENT Federal Credit Union	\$ 4,580	N/A
Investments (stocks, bonds, mutual funds)	1,320,127	Members Trust Company	-	A/AAA
Investment level money market account	<u>537,412</u>	Members Trust Company	-	A1/P1
Total	<u><u>\$ 1,862,119</u></u>			

\* As applicable

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Foundation's cash and investments are exposed to \$1,857,539 of custodial credit risk as of December 31, 2013.

**III-B. Taxes**

**III-B-1. Property Taxes**

Property taxes for the current year are certified in arrears to El Paso County on December 15 and attach as a lien on property the previous January 1. For example, property taxes owed in 2013 are certified to the County in December 2012 and are available for collection on the due date, January 1, 2013. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. El Paso County bills and collects property taxes for all taxing districts in the County. The property tax receipts collected by El Paso County are remitted to the District in the subsequent month.

Property taxes are reported as a receivable and as deferred inflows of resources when the District has an enforceable legal claim to the taxes and as revenue when available for collection in the following year. Available means when due, or past due and receivable within the period, and collected within the period or expected to be collected soon enough thereafter, generally within 90 days, to be used to pay liabilities of the period.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

**III-B-2. Specific Ownership Taxes**

Specific ownership taxes are collected by El Paso County for motor vehicles and other personal property registered in the District's assessment area. Specific ownership taxes are recorded as revenue when collected by El Paso County.

**III-C. Interfund Receivables, Payables, and Transfers**

The following schedule reflects the District's interfund receivables and payables as of December 31, 2013.

<u>Receivable Fund</u>	<u>Payable Fund</u>
	<u>General Fund</u>
Designated Purpose Fund	\$ 485,128
Penrose Library Renovation Fund	360,260
East Library Renovation Fund	611,153
North Facility Project Fund	6,485,956
Capital Reserve Fund	<u>779,200</u>
Total	<u>\$ 8,721,697</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>
	<u>General Fund</u>
East Library Renovation Fund	\$ 30,900
Penrose Library Renovation Fund	89,300
North Facility Project Fund	4,496,930
Capital Reserve Fund	<u>615,757</u>
	<u>\$ 5,232,887</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) as residual equity transfers of remaining fund balances when funds are closed out.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

**III-D. Capital Assets**

Capital asset activity for the year ended December 31, 2013 was as follows:

	<b>Balance January 1, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance December 31, 2013</b>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 5,317,363	\$ -	\$ -	\$ -	\$ 5,317,363
Construction in progress	172,494	2,066,050	-	(54,799)	2,183,745
Collections of historical treasurers	9,415,264	172,940	-	-	9,588,204
Total capital assets not being depreciated	<u>14,905,121</u>	<u>2,238,990</u>	<u>-</u>	<u>(54,799)</u>	<u>17,089,312</u>
Capital assets, being depreciated					
Leasehold improvements	1,221,221	-	-	-	1,221,221
Buildings	33,494,219	-	-	-	33,494,219
Equipment, furniture and fixtures	5,773,394	195,222	(170,674)	16,997	5,814,939
Vehicles	783,622	151,212	(81,801)	37,802	890,835
Books and audio visual materials	24,500,451	2,520,735	(2,924,282)	-	24,096,904
Total capital assets being depreciated	<u>65,772,907</u>	<u>2,867,169</u>	<u>(3,176,757)</u>	<u>54,799</u>	<u>65,518,118</u>
Less accumulated depreciation for					
Leasehold improvements	(923,920)	(98,242)	-	-	(1,022,162)
Buildings	(21,138,486)	(1,072,123)	-	-	(22,210,609)
Equipment, furniture and fixtures	(4,219,353)	(450,065)	165,014	-	(4,504,404)
Vehicles	(648,624)	(64,699)	81,801	-	(631,522)
Books and audit visual materials	(18,854,805)	(3,115,120)	2,924,282	-	(19,045,643)
Total accumulated depreciation	<u>(45,785,188)</u>	<u>(4,800,249)</u>	<u>3,171,097</u>	<u>-</u>	<u>(47,414,340)</u>
Total capital assets, being depreciated, net	<u>19,987,719</u>	<u>(1,933,080)</u>	<u>(5,660)</u>	<u>54,799</u>	<u>18,103,778</u>
Governmental activities capital assets, net	<u>\$ 34,892,840</u>	<u>\$ 305,910</u>	<u>\$ (5,660)</u>	<u>\$ -</u>	<u>\$ 35,193,090</u>
Governmental activities depreciation expense					
Public services					\$ 690,510
Administrative services					<u>4,109,739</u>
Total governmental activities depreciation expense					<u>\$ 4,800,249</u>

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

**III-E. Long-Term Liabilities**

**III-E-1. Changes in Long-term Liabilities**

Long-term liability activity of the District for the year ended December 31, 2013 was as follows:

	<b>Balance January 1, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2013</b>	<b>Due Within One Year</b>
Governmental activities					
Compensated absences	\$ 1,680,459	\$ 1,229,068	\$ (1,118,159)	\$ 1,791,368	\$ 609,065 *
Total governmental activities long-term liabilities	<u>\$ 1,680,459</u>	<u>\$ 1,229,068</u>	<u>\$ (1,118,159)</u>	<u>\$ 1,791,368</u>	<u>\$ 609,065</u>

Compensated absences are generally liquidated by the General Fund.

\* Reported in accrued compensation payable in the statement of net position.

**III-E-2. Computation of Legal Debt Margin**

Assessed valuation	<u>\$ 6,042,452,470</u>
Debt limitation - 1.5% of total assessed value	<u>90,636,787</u>
Total debt (excluding compensated absences)	-
Less capital lease	<u>-</u>
Total debt applicable to limitation	-
Legal debt margin	<u>\$ 90,636,787</u>

Capital leases are not included as debt for purposes of calculating legal debt margin (Colorado Revised Statute 22-42-104).

**III-F. Operating Agreements**

The District has entered into several agreements for building leases, equipment and services. All agreements are renewable on a year-to-year basis. Should the Board of Trustees fail to appropriate funds for the subsequent budget year, the agreements can be terminated. The total cost for such agreements was \$1,114,161 for the year ended December 31, 2013.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

The future minimum payments for the agreements, subject to the renewal process described above, are as follows:

**Year Ending**

2014	\$ 1,061,810
2015	624,895
2016	272,055
2017	164,743
2018	25,228
Future years	<u>37,056</u>
Total	<u><u>\$ 2,185,787</u></u>

**Note IV: Other Information**

***IV-A. Retirement Plan***

***IV-A-1. General***

All permanent, full-time employees of the District are eligible to participate in the El Paso County Retirement Plan (the Plan), a cost-sharing multiple-employer defined benefit plan. The Plan has six participating employers. The Plan provides benefits to members at retirement or disability, or to their beneficiaries in the event of death. The El Paso County Board of Retirement has the authority to establish and amend benefit provisions of the Plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the El Paso County Retirement Plan, 105 E. Vermijo, Suite 200, Colorado Springs, Colorado 80903-2007, or by calling (719) 520-5491.

The District and covered employees are each required by District Resolution to contribute 7.5% of the employees' salary to the Plan. The current District contribution rate is 7.5% of annual covered payroll. The contribution rates for both the employee and the District will change to 8% for fiscal year 2014. The contribution requirements of Plan members and the District are established and may be amended by the El Paso County Board of Retirement. The District's annual contributions to the Plan for the years ended December 31, 2011, 2012 and 2013, were \$476,098, \$530,319 and \$554,419, respectively, equal to the required contributions for each year.

***IV-B. Deferred Compensation Plan***

The District offers its employees the Pikes Peak Library District Deferred Compensation Plan, an Internal Revenue Code Section 457 deferred compensation plan. Participation is voluntary. The District does not contribute to the Plan, and the maximum amount that may be deferred under the Plan for 2013, excluding catch-up provisions for participants age 55 or over, was the lesser of \$17,500 or 33-1/3 percent of the participant's includable compensation. The District does not have fiduciary accountability for the Plan and does not hold the Plan's assets in a trustee capacity.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

Accordingly, the Plan's assets and related liabilities to Plan participants are not recorded on the financial statements of the District.

***IV-C. Contingencies***

***IV-C-1. Risk Management***

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for the risks of loss, including worker's compensation and employee accident insurance. There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the District's insurance coverage during the past three years.

The following is a summary of claims activity for the District's employee health plan for the years ended December 31, 2013 and 2012:

	<b>Claims Payable Beginning of Year</b>	<b>Claims Incurred</b>	<b>Claims Paid</b>	<b>Claims Payable End of Year</b>
Fiscal Year 2012	\$ 95,258	\$ 898,946	\$ (917,748)	\$ 76,456
Fiscal Year 2013	\$ 76,456	\$ 897,812	\$ (850,435)	\$ 123,833

The plan is partially self-insured and is offered to employees with a regularly scheduled workweek of 30 or more hours.

***IV-C-2. Grants***

The District periodically receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. District management believes disallowances, if any, will be immaterial.

***IV-C-3. TABOR Amendment***

In November 1992, the people of the State of Colorado passed an amendment to the State's constitution (Article X, Section 20) known as the Taxpayer's Bill of Rights (TABOR), which was effective December 31, 1992. TABOR's intended purpose was to reasonably restrain the growth of government by imposing spending and revenue limits on the state and any local government, excluding enterprises. Provisions of TABOR require, among other things, that:

- Each district shall reserve for use in declared emergencies 3% or more of its fiscal year spending (as defined by TABOR) excluding bonded debt service, and this amount is set aside as part of reserved fund balance, called "declared emergencies".



**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2013**

- If revenue from sources not excluded from fiscal year spending exceeds the limits prescribed by TABOR in dollars for that fiscal year, the excess shall be refunded in the next fiscal year unless voters approve a revenue change as an offset.
- Revenue collected, kept, or spent illegally since four full fiscal years before an individual or class action enforcement suit is filed shall be refunded with 10% annual simple interest from the initial conduct.
- With minor exceptions, advance voter approval is required for any new tax, tax rate increase, or mill levy above that for the prior year or creation of any multiple-fiscal year direct or indirect district debt or other financial obligation without certain cash reserve amounts or a non-appropriation clause contained within the legal documents.
- Management believes it is in compliance with all aspects of TABOR.

***IV-C-4. Claims and Litigation***

Various suit(s) and claim(s) are pending against the District as of December 31, 2013. Although the outcome of such suit(s) and claim(s) cannot be predicted with certainty, the District believes that adequate insurance coverage exists and that the final settlements of these matters will not materially affect the financial statements of the District.

***IV-D. Commitments***

As of December 31, 2013, the District has a construction commitment of approximately \$2,784,000 for the completion of the Library 21C renovation project.

Total encumbrances outstanding as of December 31, 2013, by fund, are as follows:

<b>Fund</b>	<b>Balance</b>
General Fund	\$ 509,250
Designated Purpose Fund	24,371
Capital Reserve Fund	89,108
North Facility Project Fund	2,955,524

THIS PAGE LEFT BLANK INTENTIONALLY

## **Required Supplementary Information**

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Local property taxes				
Current	\$ 23,797,931	\$ 23,797,931	\$ 23,852,302	\$ 54,371
Delinquent	18,000	18,000	30,559	12,559
Omitted	2,550	2,550	5,639	3,089
Specific ownership taxes	2,320,000	2,320,000	2,413,142	93,142
Interest on taxes	45,000	45,000	41,757	(3,243)
Total taxes	<u>26,183,481</u>	<u>26,183,481</u>	<u>26,343,399</u>	<u>159,918</u>
Intergovernmental	<u>150,000</u>	<u>267,043</u>	<u>160,887</u>	<u>(106,156)</u>
Fines and fees	<u>500,000</u>	<u>500,000</u>	<u>523,316</u>	<u>23,316</u>
Interest earnings	<u>45,000</u>	<u>45,000</u>	<u>21,912</u>	<u>(23,088)</u>
Donations/fundraising	<u>440,036</u>	<u>469,046</u>	<u>401,130</u>	<u>(67,916)</u>
Miscellaneous				
Copy sales	57,000	57,000	54,917	(2,083)
Parking lot collections	36,000	36,000	30,569	(5,431)
Other	35,400	36,148	87,962	51,814
Total miscellaneous	<u>128,400</u>	<u>129,148</u>	<u>173,448</u>	<u>44,300</u>
Total revenues	<u>27,446,917</u>	<u>27,593,718</u>	<u>27,624,092</u>	<u>30,374</u>
Expenditures				
Current				
Public Service				
Personnel services	6,608,920	7,267,623	7,199,815	67,808
Supplies	125,995	128,067	109,034	19,033
Library materials	25,000	-	-	-
Telecommunications	17,500	-	-	-
Contractual services	148,609	155,710	135,438	20,272
Repairs and maintenance	44,100	-	-	-
Other services	122,507	113,743	110,066	3,676
Total Public Service	<u>7,092,631</u>	<u>7,665,143</u>	<u>7,554,353</u>	<u>110,789</u>

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
Administrative Services				
Personnel services	3,683,722	3,835,446	3,726,587	108,859
Supplies	289,173	320,286	187,021	133,265
Library materials	3,998,050	4,313,014	3,963,099	349,915
Telecommunications	41,850	41,850	-	41,850
Utilities	750,921	750,921	486,862	264,059
Contractual services	1,540,873	1,630,026	1,485,104	144,922
Repairs and maintenance	392,127	443,271	253,691	189,580
Other services	168,358	216,072	140,010	76,063
Total Administrative Services	<u>10,865,074</u>	<u>11,550,886</u>	<u>10,242,374</u>	<u>1,308,513</u>
Director's Office				
Personnel services	250,984	250,984	228,935	22,049
Supplies	4,000	4,000	4,784	(784)
Other services	146,570	146,570	152,845	(6,275)
Total Director's Office	<u>401,554</u>	<u>401,554</u>	<u>386,564</u>	<u>14,990</u>
Finance Office				
Personnel services	306,157	323,072	329,947	(6,875)
Supplies	11,103	11,103	4,313	6,790
Contractual services	64,800	63,685	68,695	(5,010)
Other services	28,360	28,360	32,467	(4,107)
Total Finance Office	<u>410,420</u>	<u>426,220</u>	<u>435,422</u>	<u>(9,202)</u>
Information Technology Office				
Personnel services	782,982	830,245	842,411	(12,166)
Supplies	213,700	220,390	156,006	64,384
Telecommunications	306,738	359,238	337,311	21,927
Contractual services	209,500	174,500	163,725	10,775
Repairs and maintenance	259,712	290,891	201,096	89,795
Other services	20,200	20,200	15,930	4,270
Total Information Technology Office	<u>1,792,832</u>	<u>1,895,464</u>	<u>1,716,479</u>	<u>178,985</u>
Community Engagement/Outreach Office				
Personnel services	518,522	544,602	544,290	312
Supplies	87,600	87,726	53,579	34,147
Contractual services	21,180	34,407	19,115	15,292
Repairs and maintenance	1,000	1,000	140	860
Other services	89,797	96,377	92,012	4,365
Total Community Engagement Outreach Office	<u>718,099</u>	<u>764,112</u>	<u>709,136</u>	<u>54,976</u>

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
Other administrative				
Personnel services	3,113,401	1,947,086	1,547,089	399,997
Supplies	25,120	39,484	32,138	7,346
Library materials	5,950	124,635	21,487	103,148
Contractual services	771,663	766,688	680,975	85,713
Repairs and maintenance	-	540	1,121	(581)
Other services	164,132	214,980	206,399	8,581
Total other administrative	<u>4,080,266</u>	<u>3,093,413</u>	<u>2,489,209</u>	<u>604,204</u>
Total administrative services	<u>18,268,245</u>	<u>18,131,649</u>	<u>15,979,184</u>	<u>2,152,466</u>
Capital outlay	200,650	195,531	87,041	108,490
Debt service	5,161	5,161	-	5,161
Total expenditures	<u>25,566,687</u>	<u>25,997,484</u>	<u>23,620,578</u>	<u>2,376,906</u>
Excess of revenues over expenditures	<u>1,880,230</u>	<u>1,596,234</u>	<u>4,003,514</u>	<u>2,407,280</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	48,000	48,000	37,029	(10,971)
Proceeds from insurance reimbursements	-	12,000	12,985	985
Transfers out	(1,919,727)	(5,232,887)	(5,232,887)	-
Total other financing sources (uses)	<u>(1,871,727)</u>	<u>(5,172,887)</u>	<u>(5,182,873)</u>	<u>(9,986)</u>
Net change in fund balance	8,503	(3,576,653)	(1,179,359)	2,397,294
Fund balance, beginning of year	7,404,707	7,404,707	7,404,707	-
Fund balance, end of year	<u>\$ 7,413,210</u>	<u>\$ 3,828,054</u>	<u>\$ 6,225,348</u>	<u>\$ 2,397,294</u>

**Pikes Peak Library District**  
**Notes to Required Supplementary Information**  
**Year Ended December 31, 2013**

**Note I: General Fund Budgetary Information**

The District adopts an annual operating budget for its General Fund each year. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Executive Director and/or Chief Finance and Business Officer. The Board of Trustees must approve revisions that alter the total expenditures of any fund. Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles.

THIS PAGE LEFT BLANK INTENTIONALLY



## **Supplementary Information**

## **MAJOR FUNDS**

### **General Fund**

The General Fund is used to account for all transactions of the District that are not required legally or by sound financial management to be accounted for in another fund. This fund accounts for the District's ordinary operating expenditures, which are financed primarily from property taxes. It is the most significant fund in relation to the District's overall operations.

### **North Facility Project Fund**

The North Facility Project Fund, a capital projects fund, is used to account for all financial activity related to the purchase of and renovation of a facility located in northern Colorado Springs. Funds are being accumulated over a period of several years. Primary and anticipated sources of funding for this project include the General Fund and other fundraising activities including grants and donations.

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**General Fund**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 15,358,047	\$ 13,012,062
Receivables, net of allowance for uncollectibles		
Property taxes	23,847,470	23,930,531
Accounts	139,059	100,192
Due from discretely presented component unit	131,155	90,362
Due from other governments	230,599	186,398
Prepaid items	432,357	515,665
	<hr/>	<hr/>
Total assets	<u>\$ 40,138,687</u>	<u>\$ 37,835,210</u>
<b>Liabilities</b>		
Accounts payable	\$ 578,939	\$ 782,322
Due to discretely presented component units	-	19,604
Accrued compensation payable	563,179	779,494
Unearned revenue	118,595	-
Due to other funds	8,721,697	4,834,649
	<hr/>	<hr/>
Total liabilities	<u>9,982,410</u>	<u>6,416,069</u>
<b>Deferred Inflows of Resources</b>		
Deferred property tax revenue	23,847,470	23,930,531
Unavailable fund resources	83,459	83,903
	<hr/>	<hr/>
Total deferred inflow of resources	<u>23,930,929</u>	<u>24,014,434</u>
<b>Fund Balances</b>		
Nonspendable:		
Prepaid expenditures	\$ 432,357	\$ 515,665
Restricted for:		
Declared emergencies	812,187	798,044
Debt service	1,040	2,080
Gifts and grants	114,271	49,009
Assigned to:		
Library materials	750,210	1,318,578
Purchased contracts	59,040	94,633
Unassigned	4,056,243	4,626,698
	<hr/>	<hr/>
Total fund balances	<u>6,225,348</u>	<u>7,404,707</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 40,138,687</u>	<u>\$ 37,835,210</u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**General Fund**  
**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Revenues		
Taxes		
Local property taxes		
Current	\$ 23,852,302	\$ 23,521,488
Delinquent	30,559	19,120
Omitted	5,639	3,205
Specific ownership taxes	2,413,142	2,267,050
Interest on taxes	41,757	44,669
Total taxes	<u>26,343,399</u>	<u>25,855,532</u>
Intergovernmental	160,887	85,247
Fines and fees	523,316	529,077
Interest earnings	21,912	34,635
Donations/fundraising	401,130	192,586
Miscellaneous		
Copy sales	54,917	59,290
Parking lot collections	30,569	34,085
Other	87,962	60,804
Total miscellaneous	<u>173,448</u>	<u>154,179</u>
Total revenues	<u>27,624,092</u>	<u>26,851,256</u>
Expenditures		
Current		
Public services	7,554,353	7,082,339
Administrative services	10,242,374	10,030,970
Director's Office	386,564	373,535
Finance Office	435,422	403,231
Information Technology Office	1,716,479	1,531,283
Community Relations Office	709,136	721,944
Other administrative	2,489,209	2,571,087
Capital outlay	87,041	45,520
Debt service	-	67,073
Total expenditures	<u>23,620,578</u>	<u>22,826,982</u>
Excess of revenues over expenditures	<u>4,003,514</u>	<u>4,024,274</u>
Other financing sources (uses)		
Proceeds from sale of capital assets	37,029	40,924
Proceeds from insurance reimbursement	12,985	-
Transfers out	(5,232,887)	(2,697,533)
Total other financing sources (uses)	<u>(5,182,873)</u>	<u>(2,656,609)</u>
Net change in fund balance	(1,179,359)	1,367,665
Fund balance, beginning of year	<u>7,404,707</u>	<u>6,037,042</u>
Fund balance, end of year	<u>\$ 6,225,348</u>	<u>\$ 7,404,707</u>

**Pikes Peak Library District**  
**Schedule of Expenditures by Natural Classification –**  
**Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Expenditures				
Current				
Personnel services	\$ 15,264,688	\$ 14,999,057	\$ 14,419,074	\$ 579,983
Supplies	756,691	811,056	546,874	264,182
Telecommunications	366,088	401,088	337,311	63,777
Library materials	4,029,000	4,437,649	3,984,586	453,063
Utilities	750,921	750,921	486,862	264,059
Contractual services	2,756,625	2,825,017	2,553,052	271,965
Repairs and maintenance	696,939	735,702	456,048	279,654
Other services	739,924	836,302	749,730	86,572
Capital outlay	200,650	195,531	87,041	108,490
Debt service	5,161	5,161	-	5,161
Total expenditures	\$ 25,566,687	\$ 25,997,484	\$ 23,620,578	\$ 2,376,906

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**North Facility Project Fund**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Due from discretely presented component unit	\$ 125,350	\$ -
Due from other funds	6,485,956	2,697,953
Total assets	\$ 6,611,306	\$ 2,697,953
<b>Liabilities</b>		
Accounts payable	\$ 1,291,274	\$ 1,030
<b>Fund Balance</b>		
Committed to:		
Capital projects	5,320,032	2,696,923
Total liabilities and fund balance	\$ 6,611,306	\$ 2,697,953

**Pikes Peak Library District**  
**Comparative Statements of Revenue, Expenditures**  
**and Changes in Fund Balance**  
**North Facility Project Fund**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
Revenues		
Donations	\$ 200,350	\$ -
Expenditures		
Capital outlay	2,120,419	3,789,785
Deficit of revenues over expenditures	(1,920,069)	(3,789,785)
Other financing sources		
Transfers in	4,496,930	1,515,781
Proceeds from sales of assets	46,248	-
Total other financing sources	4,543,178	1,515,781
Net change in fund balance	2,623,109	(2,274,004)
Fund balance, beginning of year	2,696,923	4,970,927
Fund balance, end of year	\$ 5,320,032	\$ 2,696,923

**Pikes Peak Library District**  
**Comparative Statements of Revenue, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**North Facility Project Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues				
Donations	\$ 1,044,100	\$ 80,000	\$ 200,350	\$ 120,350
Expenditures				
Capital outlay	3,697,149	6,969,102	2,120,419	4,848,683
Excess (deficit) of revenues over expenditures	(2,653,049)	(6,889,102)	(1,920,069)	4,969,033
Other financing sources (uses)				
Transfers in	1,228,770	4,497,030	4,496,930	(100)
Proceeds from sales of assets	10,000	10,000	46,248	36,248
Total other financing sources (uses)	1,238,770	4,507,030	4,543,178	36,148
Net change in fund balance	(1,414,279)	(2,382,072)	2,623,109	5,005,181
Fund balance, beginning of year	2,696,923	2,696,923	2,696,923	-
Fund balance, end of year	<u>\$ 1,282,644</u>	<u>\$ 314,851</u>	<u>\$ 5,320,032</u>	<u>\$ 5,005,181</u>



## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

A Special Revenue Fund is used to account for all financial activity related to funds received that are restricted or committed for specific purposes. The District has one Special Revenue Fund, the Designated Purpose Fund, which is used for this purpose.

### **CAPITAL PROJECTS FUNDS**

A Capital Projects Fund is used to account for all financial activity related to the acquisition, construction, and renovation of major capital facilities. The District has four Capital Projects Funds as follows:

#### **East Library Renovation Fund**

This fund is used to account for all financial activity related to the renovation of the East Library facility. Funds are being accumulated over a period of several years. The primary source of funding for this project is the General Fund.

#### **Penrose Library Renovation Fund**

This fund is used to account for all financial activity related to the renovation of the Penrose Library complex. Funds are being accumulated over a period of several years. The primary source of funding for this project is the General Fund.

#### **Capital Reserve Fund**

This fund is used to account for all financial activity related to capital projects and expenditures of capital items not specifically accounted for under a separate fund. Funds are being accumulated over a period of several years. The primary source of funding for these projects is annual transfers from the General Fund.

**Pikes Peak Library District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2013**

	<b>Special Revenue Fund</b>	<b>Capital</b>
	<b>Designated Purpose Fund</b>	<b>East Library Renovation Fund</b>
<b>Assets</b>		
Due from other funds	\$ 485,128	\$ 611,153
Prepaid items	-	-
Total assets	\$ 485,128	\$ 611,153
<b>Liabilities</b>		
Accounts payable	\$ 8,462	\$ -
Total liabilities	8,462	-
<b>Fund Balance</b>		
Nonspendable:		
Prepaid expenditures	-	-
Restricted for:		
Gifts and grants	78,221	-
Committed to:		
Capital projects	390,821	611,153
Assigned to:		
Gifts and grants	7,624	-
Total fund balance	476,666	611,153
Total liabilities and fund balance	\$ 485,128	\$ 611,153

<b>Project Funds</b>		
<b>Penrose Library Renovation Fund</b>	<b>Capital Reserve Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 360,260	\$ 779,200	\$ 2,235,741
-	2,902	2,902
<u>\$ 360,260</u>	<u>\$ 782,102</u>	<u>\$ 2,238,643</u>
\$ -	\$ 61,903	\$ 70,365
-	61,903	70,365
-	2,902	2,902
-	-	78,221
360,260	717,297	2,079,531
-	-	7,624
<u>360,260</u>	<u>720,199</u>	<u>2,168,278</u>
<u>\$ 360,260</u>	<u>\$ 782,102</u>	<u>\$ 2,238,643</u>

**Pikes Peak Library District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2013**

	<b>Special Revenue Fund</b>	<b>Capital</b>
	<b>Designated Purpose Fund</b>	<b>East Library Renovation Fund</b>
Expenditures		
Current		
Public services	\$ 20,284	\$ -
Capital outlay	35,695	3,565
Total expenditures	55,979	3,565
Other financing sources		
Transfers in	-	30,900
Net change in fund balances	(55,979)	27,335
Fund balances, beginning of year	532,645	583,818
Fund balances, end of year	\$ 476,666	\$ 611,153

<b>Project Funds</b>		
<b>Penrose Library Renovation Fund</b>	<b>Capital Reserve Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ 20,284
<u>36,561</u>	<u>533,048</u>	<u>608,869</u>
<u>36,561</u>	<u>533,048</u>	<u>629,153</u>
<u>89,300</u>	<u>615,757</u>	<u>735,957</u>
52,739	82,709	106,804
<u>307,521</u>	<u>637,490</u>	<u>2,061,474</u>
<u><u>\$ 360,260</u></u>	<u><u>\$ 720,199</u></u>	<u><u>\$ 2,168,278</u></u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Designated Purpose Fund**  
**December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Due from other funds	<u>\$ 485,128</u>	<u>\$ 534,159</u>
<b>Liabilities</b>		
Accounts payable	<u>\$ 8,462</u>	<u>\$ 1,514</u>
<b>Fund Balance</b>		
Restricted for:		
Gifts and grants	78,221	103,501
Committed to:		
Capital projects	390,821	421,520
Assigned to:		
Gifts and grants	<u>7,624</u>	<u>7,624</u>
Total fund balance	<u>476,666</u>	<u>532,645</u>
Total liabilities and fund balance	<u>\$ 485,128</u>	<u>\$ 534,159</u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Designated Purpose Fund**  
**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Revenues		
Donations	\$ -	\$ 13,000
Expenditures		
Current - public services	20,284	18,065
Capital outlay	35,695	44,870
Total expenditures	<u>55,979</u>	<u>62,935</u>
Deficit of revenues over expenditures	<u>(55,979)</u>	<u>(49,935)</u>
Fund balance, beginning of year	<u>532,645</u>	<u>582,580</u>
Fund balance, end of year	<u><u>\$ 476,666</u></u>	<u><u>\$ 532,645</u></u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Designated Purpose Fund**  
**Year Ended December 31, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current - public services	\$ 4,750	\$ 35,281	\$ 20,284	\$ 14,997
Capital outlay	32,924	72,935	35,695	37,240
	37,674	108,216	55,979	52,237
Total expenditures				
Net change in fund balance	(37,674)	(108,216)	(55,979)	52,237
Fund balance, beginning of year	532,645	532,645	532,645	-
Fund balance, end of year	\$ 494,971	\$ 424,429	\$ 476,666	\$ 52,237



**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**East Library Renovation Fund**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Due from other funds	\$ 611,153	\$ 587,057
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 3,239
<b>Fund Balance</b>		
Committed to:		
Capital projects	611,153	583,818
Total fund balance	611,153	583,818
Total liabilities and fund balance	\$ 611,153	\$ 587,057

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**East Library Renovation Fund**  
**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Revenues		
Miscellaneous	\$ -	\$ 28,036
Total revenues	<u>-</u>	<u>28,036</u>
Expenditures		
Capital outlay	<u>3,565</u>	<u>280,893</u>
Deficit of revenues over expenditures	<u>(3,565)</u>	<u>(252,857)</u>
Other financing sources		
Transfers in	<u>30,900</u>	<u>36,968</u>
Net change in fund balance	27,335	(215,889)
Fund balance, beginning of year	<u>583,818</u>	<u>799,707</u>
Fund balance, end of year	<u>\$ 611,153</u>	<u>\$ 583,818</u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**East Library Renovation Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
Revenues				
Miscellaneous	\$ 360,000	\$ 360,000	\$ -	\$ (360,000)
Total revenues	<u>360,000</u>	<u>360,000</u>	<u>-</u>	<u>(360,000)</u>
Expenditures				
Capital outlay	<u>390,900</u>	<u>974,718</u>	<u>3,565</u>	<u>971,153</u>
Excess (deficit) of revenues over expenditures	<u>(30,900)</u>	<u>(614,718)</u>	<u>(3,565)</u>	<u>611,153</u>
Other financing sources				
Transfers in	<u>30,900</u>	<u>30,900</u>	<u>30,900</u>	<u>-</u>
Net change in fund balance	-	(583,818)	27,335	611,153
Fund balance, beginning of year	<u>583,818</u>	<u>583,818</u>	<u>583,818</u>	<u>-</u>
Fund balance, end of year	<u>\$ 583,818</u>	<u>\$ -</u>	<u>\$ 611,153</u>	<u>\$ 611,153</u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Penrose Library Renovation Fund**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Due from other governments	\$ 360,260	\$ 307,521
 <b>Fund Balance</b>		
Committed to:		
Capital projects	\$ 360,260	\$ 307,521
Total fund balance	\$ 360,260	\$ 307,521

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Penrose Library Renovation Fund**  
**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Expenditures		
Capital outlay	\$ 36,561	\$ -
Deficit of revenues over expenditures	<u>(36,561)</u>	<u>-</u>
Other financing sources		
Transfers in	<u>89,300</u>	<u>100,000</u>
Net change in fund balance	52,739	100,000
Fund balance, beginning of year	<u>307,521</u>	<u>207,521</u>
Fund balance, end of year	<u><u>\$ 360,260</u></u>	<u><u>\$ 307,521</u></u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Penrose Library Renovation Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
Expenditures				
Capital outlay	\$ 449,300	\$ 756,821	\$ 36,561	\$ 720,260
Excess (deficit) of revenues over expenditures	(449,300)	(756,821)	(36,561)	720,260
Other financing sources (uses)				
Transfers in	449,300	449,300	89,300	(360,000)
Net change in fund balance	-	(307,521)	52,739	360,260
Fund balance, beginning of year	307,521	307,521	307,521	-
Fund balance, end of year	<u>\$ 307,521</u>	<u>\$ -</u>	<u>\$ 360,260</u>	<u>\$ 360,260</u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Capital Reserve Fund**  
**December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Due from other funds	\$ 779,200	\$ 707,959
Prepaid items	<u>2,902</u>	<u>-</u>
Total assets	<u>\$ 782,102</u>	<u>\$ 707,959</u>
 <b>Liabilities</b>		
Accounts payable	<u>\$ 61,903</u>	<u>\$ 70,469</u>
 <b>Fund Balance</b>		
Nonspendable:		
Prepaid expenditures	2,902	-
Committed to:		
Capital projects	<u>717,297</u>	<u>637,490</u>
Total fund balance	<u>720,199</u>	<u>637,490</u>
Total liabilities and fund balance	<u>\$ 782,102</u>	<u>\$ 707,959</u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Capital Reserve Fund**  
**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Expenditures		
Capital outlay	\$ 533,048	\$ 866,915
	<u>(533,048)</u>	<u>(866,915)</u>
Deficit of revenues over expenditures		
Other financing sources (uses)		
Transfers in	615,757	1,544,784
Transfers out	<u>-</u>	<u>(200,000)</u>
Total other financing sources (uses)	<u>615,757</u>	<u>1,344,784</u>
Net change in fund balance	82,709	477,869
Fund balance, beginning of year	<u>637,490</u>	<u>159,621</u>
Fund balance, end of year	<u>\$ 720,199</u>	<u>\$ 637,490</u>



**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Capital Reserve Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
Expenditures				
Capital outlay	\$ 570,757	\$ 1,253,247	\$ 533,048	\$ 720,199
	<u>(570,757)</u>	<u>(1,253,247)</u>	<u>(533,048)</u>	<u>720,199</u>
Excess (deficit) of revenues over expenditures				
Other financing sources				
Transfers in	570,757	615,757	615,757	-
	<u>570,757</u>	<u>615,757</u>	<u>615,757</u>	<u>-</u>
Net change in fund balance	-	(637,490)	82,709	720,199
Fund balance, beginning of year	637,490	637,490	637,490	-
	<u>637,490</u>	<u>637,490</u>	<u>637,490</u>	<u>-</u>
Fund balance, end of year	<u>\$ 637,490</u>	<u>\$ -</u>	<u>\$ 720,199</u>	<u>\$ 720,199</u>

THIS PAGE LEFT BLANK INTENTIONALLY

### **INTERNAL SERVICE FUND**

Internal Service Funds are used to account for revenues received from District departments to be used for services to benefit all departments.

The District has one Internal Service Fund.

### **Employee Health Plan Fund**

This fund is used to account for the accumulation of and utilization of financial resources related to the District's partially self-insured medical health plan, offered to employees with a regularly scheduled workweek of 30 or more hours.

**Pikes Peak Library District**  
**Internal Service Fund**  
**Comparative Statements of Net Position**  
**Employee Health Plan Fund**  
**December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 679,646	\$ 639,521
Deposit	<u>36,667</u>	<u>36,667</u>
Total current assets	<u>716,313</u>	<u>676,188</u>
 <b>Liabilities</b>		
<b>Current Liabilities</b>		
Claims payable	<u>123,833</u>	<u>76,456</u>
 <b>Net Position</b>		
<b>Total Net Position - Unrestricted</b>	<u><u>\$ 592,480</u></u>	<u><u>\$ 599,732</u></u>

**Pikes Peak Library District**  
**Internal Service Fund**  
**Comparative Statements of Revenue, Expenses**  
**and Changes in Net Position**  
**Employee Health Plan Fund**  
**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues		
Employer contributions	\$ 1,203,995	\$ 1,457,485
Employee contributions	272,535	314,760
Total operating revenues	<u>1,476,530</u>	<u>1,772,245</u>
Operating expenses		
Claims incurred	897,812	898,946
Administrative	585,973	538,079
Total operating expenses	<u>1,483,785</u>	<u>1,437,025</u>
Operating income (loss)	<u>(7,255)</u>	<u>335,220</u>
Nonoperating revenues		
Investment earnings	<u>3</u>	<u>20</u>
Change in net position	(7,252)	335,240
Total net position, beginning	<u>599,732</u>	<u>264,492</u>
Total net position, ending	<u>\$ 592,480</u>	<u>\$ 599,732</u>

**Pikes Peak Library District**  
**Internal Service Fund**  
**Comparative Statements of Cash Flows**  
**Employee Health Plan Fund**  
**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Employee and employer contributions	\$ 1,476,530	\$ 1,774,063
Payment of claims and administrative expenses	<u>(1,436,408)</u>	<u>(1,569,533)</u>
Net cash provided by operating activities	40,122	204,530
Cash flows from investing activities		
Interest received	<u>3</u>	<u>20</u>
Net increase in cash and cash equivalents	40,125	204,550
Cash and cash equivalents, January 1	<u>639,521</u>	<u>434,971</u>
Cash and cash equivalents, December 31	<u>\$ 679,646</u>	<u>\$ 639,521</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (7,255)	\$ 335,220
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Decrease in due from other funds	-	1,818
Increase (decrease) in due to other funds	-	(113,706)
Increase (decrease) in claims payable	<u>47,377</u>	<u>(18,802)</u>
Total adjustments	<u>47,377</u>	<u>(130,690)</u>
Net cash provided by operating activities	<u>\$ 40,122</u>	<u>\$ 204,530</u>
Noncash investing, capital and financing activities		
None		

### **AGENCY FUND**

Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, and other governments.

The District has one agency fund.

### **Flexible Spending Accounts**

This fund is used to account for contributions made by employees who elect to participate in the District's Internal Revenue Service Section 125 program (medical care or dependent care accounts). Employee contributions for the medical accounts come from wages and/or accrued vacation, and employee contributions for the dependent care accounts come from wages. Such amounts are to be used for either certain medical expenses or dependent care expenses incurred which are not covered by the District's employee benefits coverage.

**Pikes Peak Library District**  
**Comparative Statement of Fiduciary Assets and Liabilities**  
**Flexible Spending Accounts – Agency Fund**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 49,023	\$ 46,175
Accounts receivables	-	5,608
Total assets	\$ 49,023	\$ 51,783
<b>Liabilities</b>		
Accounts payable	\$ 49,023	\$ 51,783



**Pikes Peak Library District**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Flexible Spending Accounts – Agency Fund**  
**Year Ended December 31, 2013**

	<b>Flexible Spending Accounts</b>			<b>Balance December 31, 2013</b>
	<b>Balance January 1, 2013</b>	<b>Additions</b>	<b>Deletions</b>	
<b>Assets</b>				
Cash and cash equivalents	\$ 46,175	\$ 147,213	\$ 144,365	\$ 49,023
Other receivables	5,608	-	5,608	-
	<u>51,783</u>	<u>-</u>	<u>5,608</u>	<u>-</u>
Total assets	<u>\$ 51,783</u>	<u>\$ 147,213</u>	<u>\$ 149,973</u>	<u>\$ 49,023</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ 51,783</u>	<u>\$ 147,213</u>	<u>\$ 149,973</u>	<u>\$ 49,023</u>

**Pikes Peak Library District**  
**Notes to Supplemental Information**  
**December 31, 2013**

**Note I: Reclassifications**

Certain 2012 balances have been reclassified to conform to 2013 presentation.

## STATISTICAL SECTION

This part of the Pikes Peak Library District's comprehensive annual 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.

<b>Contents</b>	<b>Page</b>
Financial Trends	125
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	138
These schedules contain information to help the reader assess the District's most significant revenue source, the property tax.	
Debt Capacity	150
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	158
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	160
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.	

THIS PAGE LEFT BLANK INTENTIONALLY

**Pikes Peak Library District  
Government-wide Net Position by Component  
Last Ten Fiscal Years  
(Unaudited)**

**Governmental Activities**

Fiscal Year	Invested in Capital Assets, Net of		Restricted	Unrestricted	Total
	Related Debt				
2004	\$ 32,465,943	\$	899,552	\$ 2,229,938	\$ 35,595,433
2005	31,188,493		858,170	2,918,722	34,965,385
2006	29,688,346		650,401	3,747,915	34,086,662
2007	31,044,662		690,363	5,189,755	36,924,780
2008	30,800,858		714,126	6,459,901	37,974,885
2009	31,464,402		754,282	8,313,471	40,532,155
2010	32,881,474		771,319	8,894,537	42,547,330
2011	32,872,879		858,203	10,686,653	44,417,735
2012	34,818,102		837,421	10,230,456	45,885,979
2013	33,839,914		1,005,719	12,831,121	47,676,754

**Business-type Activities**

Fiscal Year	Invested in Capital Assets, Net of		Restricted	Unrestricted	Total
	Related Debt				
2004	\$ -	\$	-	\$ -	-
2005	-		-	-	-
2006	-		-	-	-
2007	-		-	-	-
2008	-		-	-	-
2009	-		-	-	-
2010	-		-	-	-
2011	-		-	-	-
2012	-		-	-	-
2013	-		-	-	-

**Total Primary Government**

Fiscal Year	Invested in Capital Assets, Net of		Restricted	Unrestricted	Total
	Related Debt				
2004	\$ 32,465,943	\$	899,552	\$ 2,229,938	\$ 35,595,433
2005	31,188,493		858,170	2,918,722	34,965,385
2006	29,688,346		650,401	3,747,915	34,086,662
2007	31,044,662		690,363	5,189,755	36,924,780
2008	30,800,858		714,126	6,459,901	37,974,885
2009	31,464,402		754,282	8,313,471	40,532,155
2010	32,881,474		771,319	8,894,537	42,547,330
2011	32,872,879		858,203	10,686,653	44,417,735
2012	34,818,102		837,421	10,230,456	45,885,979
2013	33,839,914		1,005,719	12,831,121	47,676,754

Schedule 2

Pikes Peak Library District  
 Government-wide Expenses, Program Revenues and Net Expenses  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Expenses Governmental Activities					
	Public Services	Support and Outreach Services	Administrative Services	Director's Office	Finance Office	Information Technology Office
2004	\$ 11,193,804	\$ 4,544,083	\$ 2,459,547	\$ 227,065	\$ 347,043	\$ 842,005
2005	11,117,184	3,630,203	2,605,173	104,498	375,241	968,456
2006	10,641,943	4,796,671	2,817,382	181,162	406,645	1,113,515
2007	8,271,488	4,081,256	3,476,979	219,409	426,739	1,359,962
2008	10,043,347	4,962,156	3,337,749	224,311	514,702	1,343,640
2009	10,029,059	5,111,509	3,304,300	239,948	449,031	1,383,900
2010	8,132,184	-	10,916,543	339,211	451,191	1,472,077
2011	8,115,178	-	10,846,365	366,455	404,789	1,634,549
2012	7,883,922	-	12,021,277	373,535	403,231	1,531,283
2013	8,422,792	-	11,964,223	386,564	435,422	1,716,479

Fiscal Year	Charges for Services			Program Revenues Governmental Activities Operating Grants and Contributions		
	Public Services	Support and Outreach Services	Total	Public Services	Administrative Services	Total
2004	\$ 321,657	\$ 100,548	\$ 422,205	\$ 175,566	\$ 65,803	\$ 241,369
2005	347,828	115,294	463,122	278,055	102,057	380,112
2006	339,909	130,184	470,093	151,071	57,859	208,930
2007	351,762	135,005	486,767	167,117	64,138	231,255
2008	370,841	147,394	518,235	224,384	89,183	313,567
2009	379,233	153,934	533,167	194,605	78,991	273,596
2010	526,805	-	526,805	163,885	-	163,885
2011	521,577	-	521,577	181,675	-	181,675
2012	529,077	-	529,077	99,400	34,536	133,936
2013	523,316	-	523,316	141,009	213,927	354,936

Fiscal Year	Total Net Expenses
	Total Primary Government
2004	\$ (21,420,216)
2005	(20,011,909)
2006	(21,209,838)
2007	(19,156,542)
2008	(21,978,263)
2009	(21,794,671)
2010	(22,457,184)
2011	(23,169,027)
2012	(24,604,138)
2013	(24,838,587)

	<b>Community Relations Office</b>	<b>Other Administration</b>	<b>Interest Expense</b>	<b>Total Primary Government</b>
\$	693,902	\$ 1,709,108	\$ 67,233	\$ 22,083,790
	683,433	1,662,242	42,154	21,188,584
	717,133	1,684,150	22,373	22,380,974
	762,408	1,741,607	2,680	20,342,528
	821,686	1,973,592	298	23,221,481
	797,124	2,153,292	-	23,468,163
	731,409	2,235,421	6,085	24,284,121
	676,199	2,073,758	4,261	24,121,554
	721,944	2,571,087	1,672	25,507,951
	709,136	2,489,209	-	26,123,825

**Capital Grants and Contributions**

	<b>Public Services</b>	<b>Support and Outreach Services</b>	<b>Administrative Services</b>	<b>Total</b>	<b>Total Primary Government</b>
\$	-	\$ -	\$ -	\$ -	\$ 663,574
	66,155	267,286	-	333,441	1,176,675
	355,831	136,282	-	492,113	1,171,136
	27,807	440,157	-	467,964	1,185,986
	146,295	265,121	-	411,416	1,243,218
	79,354	787,375	-	866,729	1,673,492
	1,093,374	-	42,873	1,136,247	1,826,937
	168,993	-	80,282	249,275	952,527
	98,131	-	142,669	240,800	903,813
	166,769	-	240,217	406,986	1,285,238

Schedule 3

**Pikes Peak Library District**  
**Government-wide General Revenues and Other Changes in Net Position**  
**Last Ten Fiscal Years**  
(Unaudited)

Fiscal Year	General Revenues				Governmental Activities
	Property Taxes	Specific Ownership Taxes	Investment Earnings	Miscellaneous	Total
2004	\$ 15,934,770	\$ 2,367,614	\$ 82,346	\$ 146,443	\$ 18,531,173
2005	16,711,932	2,473,287	251,813	177,509	19,614,541
2006	17,436,541	2,347,386	418,492	128,696	20,331,115
2007	18,899,082	2,571,483	493,172	185,898	22,149,635
2008	20,382,917	2,325,426	282,118	140,716	23,131,177
2009	21,881,357	2,247,518	50,888	172,178	24,351,941
2010	22,199,204	2,072,875	30,838	169,442	24,472,359
2011	22,783,130	2,013,321	15,988	226,993	25,039,432
2012	23,588,482	2,267,050	34,635	182,215	26,072,382
2013	23,930,258	2,413,142	21,912	264,051	26,629,362

Fiscal Year	Total Changes in Net Position
	Total Primary Government
2004	\$ (2,889,043)
2005	(630,048)
2006	(878,723)
2007	2,838,118
2008	1,050,105
2009	2,557,270
2010	2,015,175
2011	1,870,405
2012	1,468,244
2013	1,790,775



**Exhibit I-3**

<b>TABOR Refund</b>	
<b>Fiscal Year Spending and Property Tax Revenue in Excess of Limit</b>	<b>Total Primary Government</b>
\$ -	\$ 18,531,173
(232,680)	19,381,861
-	20,331,115
(154,975)	21,994,660
(102,809)	23,028,368
-	24,351,941
-	24,472,359
-	25,039,432
-	26,072,382
-	26,629,362

THIS PAGE LEFT BLANK INTENTIONALLY

**Pikes Peak Library District**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**General Fund**

<b>Fiscal Year</b>	<b>Reserved</b>	<b>Unreserved</b>	<b>Non-spendable</b>	<b>Restricted</b>	<b>Committed</b>	<b>Assigned</b>	<b>Unassigned</b>	<b>Total</b>
2004	\$ 1,554,432	\$ 1,957,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,511,841
2005	1,728,856	2,297,160	-	-	-	-	-	4,026,016
2006	1,388,558	3,382,300	-	-	-	-	-	4,770,858
2007	1,449,061	4,064,631	-	-	-	-	-	5,513,692
2008	1,706,414	4,139,543	-	-	-	-	-	5,845,957
2009	1,686,328	5,594,367	-	-	-	-	-	7,280,695
2010	1,684,352	6,671,066	-	-	-	-	-	8,355,418
2011	-	-	302,673	768,933	-	2,283,641	2,681,795	6,037,042
2012	-	-	515,665	849,133	-	1,413,211	4,626,698	7,404,707
2013	-	-	432,357	927,498	-	809,250	4,056,243	6,225,348

**North Facility Project Fund**

2011	\$ -	\$ -	\$ -	\$ -	\$ 4,970,927	\$ -	\$ -	\$ 4,970,927
2012	-	-	-	-	2,696,923	-	-	2,696,923
2013	-	-	-	-	5,320,032	-	-	5,320,032

**Other Governmental Funds**

<b>Fiscal Year</b>	<b>Reserved</b>	<b>Unreserved - Fund Type</b>			<b>Non-spendable</b>	<b>Restricted</b>	<b>Committed</b>	<b>Assigned</b>	<b>Total</b>
		<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total</b>					
2004	\$ 322,196	\$ (625)	\$ 37,093	\$ 36,468	\$ -	\$ -	\$ -	\$ -	\$ 358,664
2005	250,224	309,857	-	309,857	-	-	-	-	560,081
2006	2,024	428,587	-	428,587	-	-	-	-	430,611
2007	348,926	353,743	686,498	1,040,241	-	-	-	-	1,389,167
2008	1,373,307	344,470	628,498	972,968	-	-	-	-	2,346,275
2009	132,884	322,133	2,718,990	3,041,123	-	-	-	-	3,174,007
2010	503,381	311,181	1,987,508	2,298,689	-	-	-	-	2,802,070
2011	-	-	-	-	-	89,270	1,959,887	272	2,049,429
2012	-	-	-	-	-	103,501	1,950,349	7,624	2,061,474
2013	-	-	-	-	2,902	78,221	2,079,531	7,624	2,168,278

Schedule 5

**Pikes Peak Library District**  
**Summary of Changes in Total Governmental Fund Balances**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Revenues	Expenditures	Other Financing	
			Capital Lease Financing	Proceeds from Sale of Capital Assets
2004	\$ 19,194,747	\$ 17,777,982	\$ -	\$ 6,570
2005	20,791,216	19,890,232	-	47,288
2006	21,502,251	20,943,653	-	56,774
2007	23,279,941	21,478,806	-	55,680
2008	24,374,395	23,034,259	-	51,596
2009	25,417,133	23,205,387	-	50,724
2010	26,299,296	25,818,473	173,756	48,207
2011	25,942,307	24,092,049	-	49,652
2012	26,892,292	27,827,510	-	40,924
2013	27,824,442	26,370,150	-	83,277

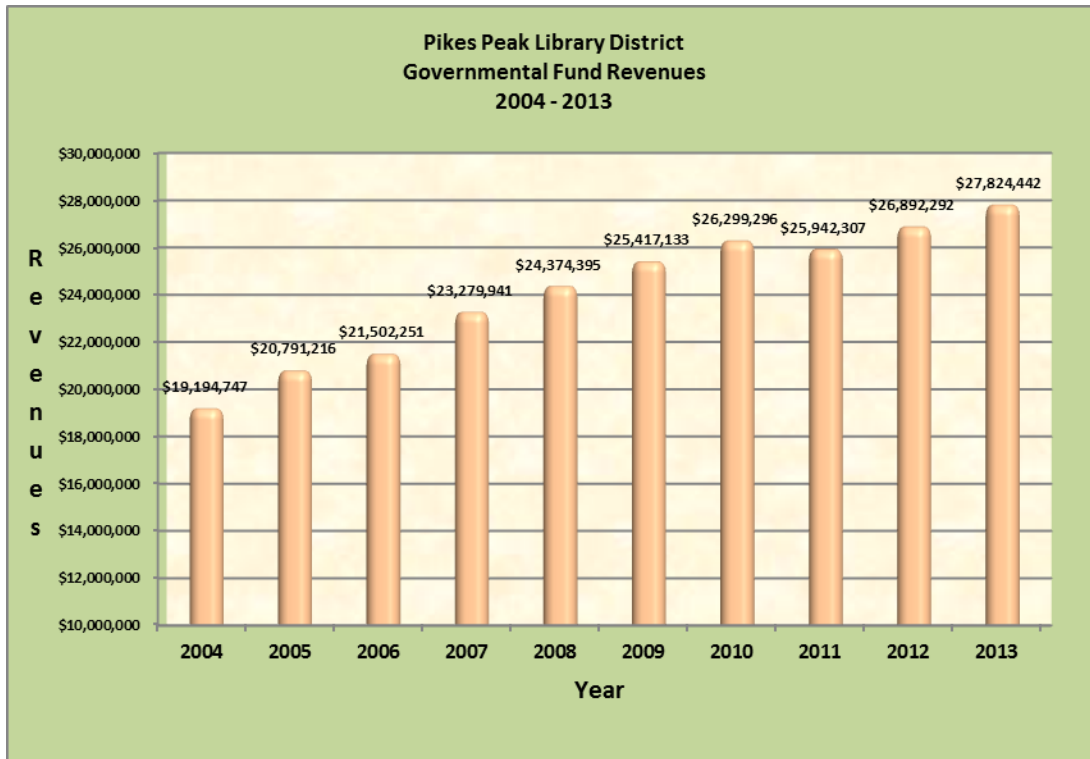
Exhibit I-5

<b>Sources (Uses)</b>		<b>TABOR Refund</b>		<b>Ratio of</b>		
<b>Proceeds</b>	<b>Fiscal Year Spending</b>	<b>and Property Tax</b>	<b>Net Change in</b>	<b>Debt Service</b>		
<b>from</b>	<b>Revenue In Excess</b>	<b>of Limit</b>	<b>Fund Balance</b>	<b>Expenditures to</b>		
<b>Insurance</b>				<b>Noncapital</b>		
<b>Reimbursement</b>				<b>Expenditures</b>		
\$	-	\$	-	\$	1,423,335	2.42%
	-		(232,680)		715,592	2.21%
	-		-		615,372	1.98%
	-		(154,975)		1,701,840	0.25%
	-		(102,809)		1,288,923	0.08%
	-		-		2,262,470	0.00%
	-		-		702,786	0.26%
	-		-		1,899,910	0.30%
	-		-		(894,294)	0.27%
	12,985		-		1,550,554	0.00%

Schedule 6

**Pikes Peak Library District  
Governmental Funds Revenues  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Intergovernmental</b>	<b>Fines and Fees</b>	<b>Interest Earnings</b>
2004	\$ 18,302,384	\$ 41,119	\$ 408,730	\$ 82,346
2005	19,185,219	132,490	463,122	251,813
2006	19,783,927	32,492	470,093	418,492
2007	21,470,565	302,805	486,767	493,172
2008	22,708,343	291,416	518,235	282,118
2009	24,128,875	241,372	533,167	50,888
2010	24,272,079	1,126,247	526,805	30,838
2011	24,796,451	185,728	521,577	15,988
2012	25,855,532	85,247	529,077	34,635
2013	26,343,400	160,887	523,316	21,912



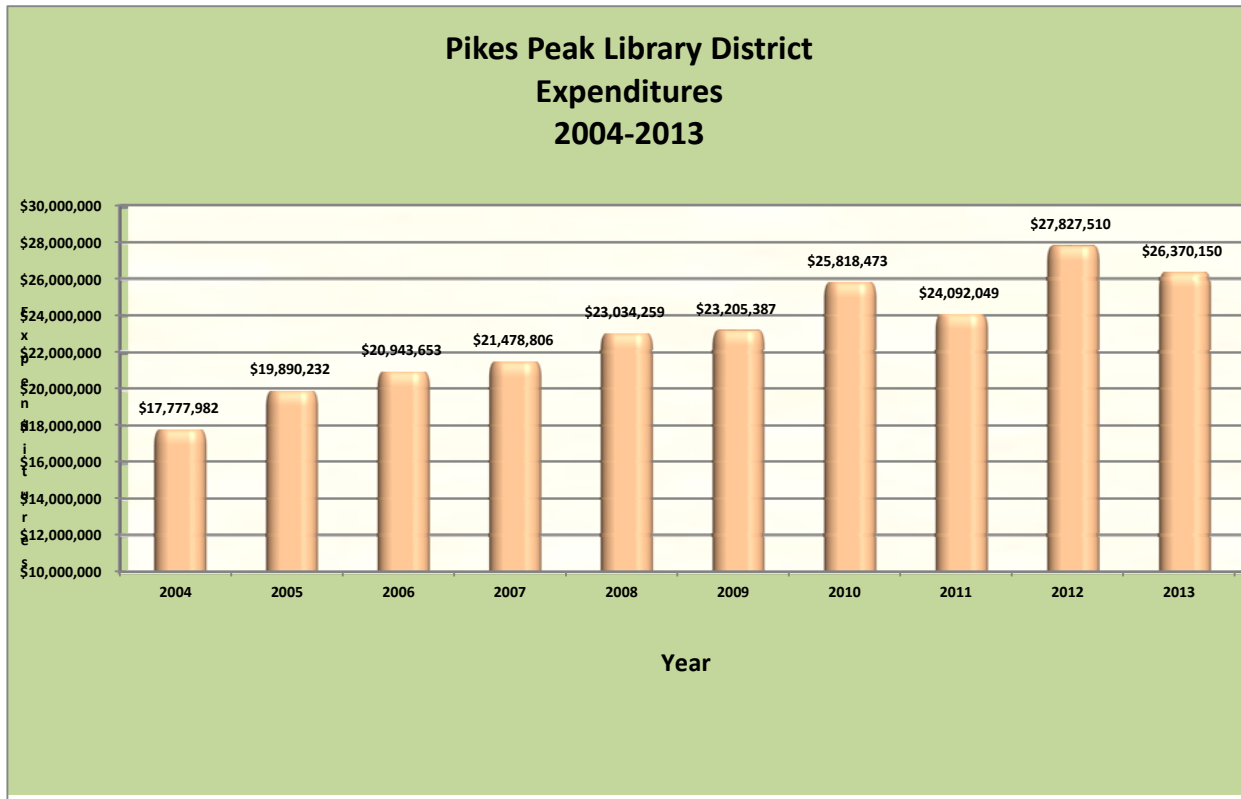
**Exhibit I-6**

<b>Miscellaneous</b>	<b>Total</b>
\$ 360,168	\$ 19,194,747
758,572	20,791,216
797,247	21,502,251
526,632	23,279,941
574,283	24,374,395
462,831	25,417,133
343,327	26,299,296
422,563	25,942,307
387,801	26,892,292
774,928	27,824,443

Schedule 7

**Pikes Peak Library District  
Governmental Funds Expenditures  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Current						Contractual Services
	Personnel Services	Supplies	Library Materials	Utilities	Telecommunications		
2004	\$ 10,276,904	\$ 680,421	\$ 2,446,834	\$ 404,955	\$ 169,298	\$ 1,504,944	
2005	10,568,609	338,555	2,719,407	437,625	186,841	1,687,860	
2006	11,263,711	395,714	3,108,355	443,950	228,413	1,853,785	
2007	11,731,741	491,139	2,833,458	476,110	245,310	2,526,167	
2008	12,636,652	497,294	3,189,695	443,750	230,476	2,210,009	
2009	12,991,937	493,755	3,165,955	475,102	226,694	1,986,951	
2010	13,225,570	495,039	3,881,375	468,604	215,510	2,459,797	
2011	13,475,371	538,030	3,817,412	483,211	258,893	2,301,929	
2012	13,972,868	448,827	3,974,955	497,624	305,675	2,431,627	
2013	14,426,213	547,072	3,984,804	486,862	337,311	2,556,487	





	<b>Repairs and Maintenance</b>		<b>Other Services</b>		<b>Total</b>	<b>Capital Outlay</b>	<b>Debt Service</b>		<b>Total Expenditures</b>				
	<b>Principal</b>	<b>Interest</b>											
\$	200,792	\$	905,262	\$	16,589,410	\$	776,524	\$	344,815	\$	67,233	\$	17,777,982
	230,807		990,828		17,160,532		2,341,977		345,569		42,154		19,890,232
	264,728		974,081		18,532,737		2,035,680		352,863		22,373		20,943,653
	321,387		970,787		19,596,099		1,834,521		45,506		2,680		21,478,806
	336,980		1,159,216		20,704,072		2,314,125		15,764		298		23,034,259
	264,760		1,059,682		20,664,836		2,540,551		-		-		23,205,387
	417,822		773,001		21,936,718		3,824,985		50,685		6,085		25,818,473
	457,546		729,920		22,062,312		1,967,806		57,670		4,261		24,092,049
	385,416		715,462		22,732,454		5,027,983		65,401		1,672		27,827,510
	454,927		760,146		23,553,821		2,816,329		-		-		26,370,150

Schedule 8

**Pikes Peak Library District**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Assessment Year	Collection Year	Residential		All Other Property	
		Assessed Value	Estimated Actual value	Assessed Value	Estimated Actual Value
2003	2004	\$ 2,294,378,764	\$ 28,823,853,818	\$ 2,359,533,536	\$ 8,136,322,538
2004	2005	2,386,571,171	29,982,049,884	2,373,243,689	8,183,598,928
2005	2006	2,742,554,533	34,454,202,670	2,494,326,377	8,601,125,439
2006	2007	2,876,530,671	36,137,319,991	2,530,481,869	8,725,799,547
2007	2008	3,286,142,024	41,283,191,255	2,856,179,516	9,848,894,883
2008	2009	3,350,480,089	42,091,458,408	2,857,561,581	9,853,660,623
2009	2010	3,497,892,156	43,943,368,798	2,956,974,344	10,196,463,254
2010	2011	3,526,403,277	44,301,548,703	2,935,761,423	10,123,315,252
2011	2012	3,281,225,918	41,221,431,129	2,686,809,582	9,264,860,628
2012	2013	3,345,705,933	42,031,481,566	2,696,746,537	9,299,125,991

Notes:

(1) The following are the assessment rates for collection years 2004 through 2013:

Collection Year	Residential	All Other Categories
2004 - 2005	9.15%	29.00%
2006 - 2013	7.96%	29.00%

Data Source: El Paso County Assessor's Office Abstracts of Assessment

Exhibit I-8

	<b>Total Assessed Value</b>	<b>Total Mill Levy</b>	<b>Estimated Actual Value</b>	<b>Ratio of Total Assessed Value to Total Estimated Actual Value</b>
\$	4,653,912,300	3.434	\$ 36,960,176,356	12.6%
	4,759,814,860	3.495	38,165,648,812	12.5%
	5,236,880,910	3.296	43,055,328,109	12.2%
	5,407,012,540	3.515	44,863,119,538	12.1%
	6,142,321,540	3.325	51,132,086,138	12.0%
	6,208,041,670	3.540	51,945,119,031	12.0%
	6,454,866,500	3.468	54,139,832,052	11.9%
	6,462,164,700	3.556	54,424,863,955	11.9%
	5,968,035,500	3.999	50,486,291,757	11.8%
	6,042,452,470	4.000	51,330,607,557	11.8%

**Schedule 9**

**Pikes Peak Library District  
Property Tax Rates - Direct and Overlapping  
Last Ten Fiscal Years  
(Unaudited)  
(Per \$1,000 of assessed value)**

Taxing Authority	Collection Year				
	2004	2005	2006	2007	2008
<b>Direct</b>					
Pikes Peak Library District	3.434	3.495	3.296	3.515	3.325
<b>Overlapping Governments</b>					
El Paso County	7.947	8.012	7.673	7.710	7.514
<b>Cities and Towns</b>					
Calhan	17.563	17.563	17.525	17.563	17.563
Colorado Springs	5.032	4.944	4.944	4.944	4.944
Fountain	10.239	10.239	10.239	10.239	10.239
Green Mountain Falls	14.588	14.588	14.588	14.588	15.558
Monument	6.454	6.408	5.872	6.458	6.289
Palmer Lake	21.536	21.753	19.070	16.544	15.340
Ramah	19.827	19.827	19.827	19.827	19.827
<b>Fire Districts</b>					
Big Sandy	-	-	7.000	8.000	8.000
Black Forest	8.292	8.189	7.659	7.287	6.600
Black Forest (OPS)	-	-	2.694	2.322	1.635
Broadmoor	4.500	4.500	4.500	4.500	4.500
Calhan	7.648	7.641	7.297	7.672	7.558
Cascade	6.181	6.451	6.007	6.544	6.333
Cimarron Hills	7.598	9.870	10.314	10.780	11.110
Donald Wescott	7.000	7.000	7.000	7.000	7.000
Edison	-	-	-	-	9.000
Elbert	4.575	4.575	4.575	4.575	4.575
Ellicott	3.802	4.511	4.427	4.481	4.354
Falcon	5.712	5.712	5.712	5.712	5.712
Green Mountain Falls	7.077	7.482	6.916	7.314	7.775
Hanover	4.720	4.720	4.720	4.720	4.720
Manitou Springs	-	-	-	-	-
Peyton	2.139	2.241	2.130	6.114	6.137
Security	5.879	7.538	6.391	6.692	6.675
Stratmoor Hills	10.842	12.813	12.527	12.660	12.423
SW Hwy 115	7.200	7.200	7.200	7.200	7.200
Tri-County	3.000	3.000	3.000	3.000	3.000
Tri-Lakes	7.000	7.000	7.000	8.500	8.500
Woodmoor Monument	9.921	9.921	9.921	9.921	8.500
Woodman Valley	6.793	9.050	9.050	9.050	9.050

Exhibit I-9

2009	2010	2011	2012	2013
3.540	3.468	3.556	3.999	4.000
7.583	7.531	7.717	7.597	7.663
17.563	17.563	17.563	17.563	17.563
4.944	4.279	4.279	4.279	4.279
10.239	10.239	10.239	10.239	10.239
14.588	13.588	14.588	14.588	17.588
6.289	6.289	6.289	6.289	6.289
16.180	15.989	16.459	16.459	16.459
19.827	19.827	19.827	19.827	19.827
8.000	8.000	8.000	8.000	8.000
6.444	6.322	6.275	10.406	10.379
1.479	1.357	1.310	1.191	1.164
4.500	4.500	4.500	4.500	4.500
7.461	6.313	7.094	6.500	6.536
6.748	6.940	7.373	7.968	8.443
11.082	11.110	11.110	12.150	14.390
7.000	7.000	7.000	7.000	7.000
9.000	9.000	9.000	9.000	9.000
4.575	4.575	4.575	4.575	4.575
9.116	9.374	9.329	9.999	10.168
5.712	5.712	5.712	8.612	8.612
6.829	6.905	7.325	8.048	8.542
4.720	4.720	4.720	4.720	4.720
-	-	-	-	12.070
6.135	6.109	6.253	6.253	6.458
6.706	6.687	6.693	6.681	10.001
12.423	12.423	12.423	12.423	12.423
7.200	7.200	7.200	7.200	13.200
3.000	3.000	3.000	3.000	3.000
8.500	8.500	8.500	8.500	11.500
-	-	-	-	-
9.050	9.050	9.050	9.050	9.050

Schedule 9

**Pikes Peak Library District**  
**Property Tax Rates - Direct and Overlapping (Continued)**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**(Per \$1,000 of assessed value)**

Taxing Authority	Collection Year				
	2004	2005	2006	2007	2008
<b>Water Districts</b>					
Cheyenne Creek	1.000	1.000	0.800	0.800	0.800
Forest View	-	-	-	5.000	5.000
Park Forest	10.437	10.437	14.437	14.437	14.437
Red Rock Valley Estates	15.300	16.279	14.285	14.135	12.325
Stratmoor Hills	2.459	2.463	2.390	2.391	2.391
S.E. Colo. Water Conserv.	0.947	0.947	0.943	0.941	0.915
Security	6.354	6.354	6.082	6.367	5.946
Turkey Canyon Ranch	7.533	8.341	7.841	8.416	7.858
Upper Arkansas Water Conserv.	-	-	-	-	-
Upper Big Sandy	0.532	0.532	0.532	0.532	0.534
Upper Black Squirrel	0.755	0.755	0.706	0.706	0.682
<b>Sanitation Districts</b>					
Fountain	5.254	3.714	3.759	4.134	4.500
Security	0.960	0.960	0.921	0.962	0.898
Stratmoor Hills	0.665	0.666	0.650	0.650	0.650
Monument	3.950	3.500	3.300	3.200	-
<b>Sanitation and Water Districts</b>					
Academy	32.198	30.911	26.955	27.613	24.817
Donala (Area A)	16.296	16.296	16.121	16.296	16.296
Donala (Area B)	-	8.148	7.127	8.148	8.148
Garden Valley	3.429	3.981	3.831	4.142	4.065
Garden Valley #2	-	-	-	-	-
Westmoor	11.447	34.044	30.645	31.840	31.423
Woodmoor	9.500	9.500	8.500	8.500	7.250

Exhibit I-9

2009	2010	2011	2012	2013
0.800	0.800	0.500	0.500	0.500
5.000	5.000	5.000	5.000	5.000
14.437	14.437	14.437	14.437	14.437
12.409	13.123	13.894	16.803	17.709
2.128	2.224	2.000	2.000	2.088
0.943	0.940	0.947	0.947	0.944
5.822	5.961	5.960	5.952	5.947
8.523	8.622	9.058	11.005	9.500
-	0.445	0.454	0.495	0.478
0.532	0.532	0.532	0.532	5.320
0.682	0.682	1.082	1.082	1.082
4.501	4.500	4.654	5.334	5.534
0.889	0.896	0.900	0.899	0.898
0.579	0.621	0.549	0.549	0.573
-	-	-	-	-
25.517	23.637	21.450	24.950	24.755
16.296	16.296	16.296	16.296	21.296
8.148	8.148	8.148	8.148	10.648
4.001	7.000	10.000	8.617	8.167
-	7.000	7.000	5.500	5.805
33.070	29.055	30.986	35.508	37.471
7.000	6.950	6.950	-	-

Schedule 9

**Pikes Peak Library District  
Property Tax Rates - Direct and Overlapping (Continued)  
Last Ten Fiscal Years  
(Unaudited)  
(Per \$1,000 of assessed value)**

Taxing Authority	Collection Year				
	2004	2005	2006	2007	2008
<b>School Districts</b>					
Calhan #RJ-1	42.124	40.980	36.829	36.180	33.800
Harrison #2	42.256	43.256	44.081	44.039	42.473
Fountain/Ft. Carson #8	27.697	21.568	20.096	19.699	19.715
Colorado Springs #11	41.698	42.094	43.813	44.045	44.045
Cheyenne Mountain #12	54.800	54.800	54.800	50.391	44.741
Manitou Springs #14	-	-	-	-	-
Air Force Academy #20	60.216	60.216	60.216	60.216	60.216
Ellicott #22	49.211	48.476	48.419	47.903	46.947
Peyton #23	41.042	39.399	36.261	36.279	35.000
Hanover #28	21.717	27.541	26.043	26.043	25.442
Lewis-Palmer #38	55.181	55.224	32.746	53.786	49.586
Fremont/Florence #39	33.387	34.190	30.920	30.380	28.934
Falcon #49	44.575	43.281	46.848	45.547	45.795
Edison #54	36.195	36.278	36.837	36.357	38.814
Miami/Yoder #60	35.829	35.099	32.047	31.283	40.906
Big Sandy #100J	40.727	30.272	26.499	25.397	25.481
<b>Miscellaneous Districts</b>	<b>566.236</b>	<b>581.993</b>	<b>1,087.400</b>	<b>1,568.774</b>	<b>2,094.822</b>

Data Source: El Paso County Assessor's Office Abstracts of Assessment



Exhibit I-9

2009	2010	2011	2012	2013
33.645	30.031	30.049	30.049	29.117
41.409	41.434	41.147	41.147	41.344
24.301	29.695	24.723	24.723	24.703
42.331	42.183	44.004	44.004	43.445
44.794	43.765	49.764	49.764	50.000
-	-	-	-	47.354
60.216	60.216	60.216	60.216	60.216
46.009	45.633	41.148	41.148	41.147
34.000	33.969	34.041	34.041	34.097
25.459	23.436	27.551	27.551	27.463
46.077	48.074	52.343	52.343	51.756
29.548	29.695	33.907	33.907	28.774
45.674	45.572	45.842	45.842	45.585
38.801	37.525	36.104	36.104	37.044
41.281	41.366	42.853	42.853	43.194
25.499	25.509	25.468	42.067	42.128
2,115.266	2,710.623	2,554.140	2,554.140	2,703.102

**Pikes Peak Library District  
Principal Property Taxpayers - Top 10  
Current Year and Nine Years Ago  
(Unaudited)**

Principal Taxpayer	Type of Business	Fiscal Year 2013		Fiscal Year 2004	
		Assessed Valuation	Percent of Total Assessed Valuation	Assessed Valuation	Percent of Total Assessed Valuation
Qwest Corporation	Telecommunications	\$ 62,202,310	1.03%	\$ 70,586,100	1.52%
Wal-Mart Businesses	Merchandise/Retail	31,727,890	0.53%	-	0.00%
Broadmoor Hotel, Inc.	Hotel	29,306,270	0.49%	25,945,030	0.56%
dpiX, LLC	Technology	28,341,720	0.47%	-	0.00%
Verizon Wireless	Technology	24,780,910	0.41%	-	0.00%
Mountain View Electric Association	Utility	20,255,000	0.34%	-	0.00%
Black Hills Fountain Valley Power LLC	Utilities	19,086,500	0.32%	32,474,400	0.70%
Colorado Interstate Gas	Technology	15,168,200	0.25%	-	0.00%
Palmer Center LTD	Hotel, Office Center	13,689,410	0.23%	-	0.00%
Coyote Garrison Chapel Hills Mall LLP	Retail Mall	13,346,530	0.22%	13,574,620	0.29%
Intel Corp	Technology	-	0.00%	88,933,270	1.91%
Atmel Corp.	Investments	-	0.00%	52,001,630	1.12%
MCI Telecommunications Corp.	Communications	-	0.00%	23,406,570	0.50%
Agilent Technologies	Technology	-	0.00%	21,660,220	0.47%
Macerich Citadel LLP	Retail Mall	-	0.00%	14,811,420	0.32%
Oracle Corporation	Technology	-	0.00%	12,450,210	0.27%
<b>Total Top 10 Principal Taxpayers</b>		<b>\$ 257,904,740</b>	<b>4.29%</b>	<b>\$ 355,843,470</b>	<b>7.66%</b>
<b>Total Assessed Valuation</b>		<b>\$ 6,042,452,470</b>	<b>100.00%</b>	<b>\$ 4,653,912,300</b>	<b>100.00%</b>

Data Source: El Paso County Treasurer's Office

THIS PAGE LEFT BLANK INTENTIONALLY

Schedule 11

**Pikes Peak Library District  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

<b>Assessment Year</b>	<b>Collection Year</b>	<b>Current Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Tax Collected</b>	<b>Delinquent Tax Collections</b>
2003	2004	\$ 15,981,537	\$ 15,803,185	98.9%	\$ 124,450
2004	2005	16,632,772	16,454,522	98.9%	28,368
2005	2006	17,559,260	17,391,950	99.0%	15,562
2006	2007	18,997,055	18,828,686	99.1%	30,205
2007	2008	20,404,148	20,325,222	99.6%	14,552
2008	2009	21,952,801	21,802,319	99.3%	17,902
2009	2010	22,348,644	22,096,603	98.9%	44,982
2010	2011	22,907,471	22,708,581	99.1%	19,503
2011	2012	23,776,533	23,521,488	98.9%	19,120
2012	2013	24,058,794	23,852,302	99.1%	30,559

Data Sources: District's financial records and El Paso County Treasurer's Office

<b>Penalties and Interest Delinquent Tax Collections</b>	<b>Omitted Property Tax Collections</b>	<b>Total Tax Collection</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Total Tax Levy</b>
\$ 7,135	\$ -	\$ 15,934,770	99.7%	\$ 160,463	1.0%
28,598	200,444	16,711,932	100.5%	156,650	0.9%
26,091	2,938	17,436,541	99.3%	158,635	0.9%
38,762	1,429	18,899,082	99.5%	135,189	0.7%
40,610	2,533	20,382,917	99.9%	112,302	0.6%
54,453	6,683	21,881,357	99.7%	123,563	0.6%
53,198	4,421	22,199,204	99.3%	86,509	0.4%
50,844	4,202	22,783,130	99.5%	93,389	0.4%
44,669	3,205	23,588,482	99.2%	128,616	0.5%
41,758	5,639	23,930,258	99.5%	139,504	0.6%

Schedule 12

**Pikes Peak Library District  
Ratios of Outstanding Debt  
Last Ten Fiscal Years  
(Unaudited)**

Year Ended December 31,	Population	Certificates of Participation			Capital Leases	
		Gross Debt	Funds Available in Debt Service Fund	Net Debt	Gross Debt	Funds Available in Debt Service Fund
2004	495,265	\$ 605,000	\$ 250,000	\$ 355,000	\$ 158,718	\$ -
2005	506,992	310,000	250,137	59,863	108,149	-
2006	516,366	-	-	-	65,286	-
2007	527,600	-	-	-	19,780	-
2008	535,537	-	-	-	-	-
2009	547,061	-	-	-	-	-
2010	554,355	-	-	-	123,071	-
2011	575,789	-	-	-	65,401	-
2012	585,158	-	-	-	-	-
2013	598,549	-	-	-	-	-

	<b>Net Debt</b>	<b>Total Net Debt</b>	<b>Net Debt Per Capita</b>	<b>Personal Income</b>	<b>Debt as a Percentage of Personal Income</b>	<b>Assessed Value Used for Next Year's Collections</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>
\$	158,718	\$ 513,718	1.04	\$18,879,052,000	0.003%	\$ 4,653,912,300	0.000%
	108,149	168,012	0.33	20,147,935,000	0.001%	4,759,814,860	0.000%
	65,286	65,286	0.13	21,479,738,000	0.000%	5,236,880,910	0.000%
	19,780	19,780	0.04	22,803,097,000	0.000%	5,407,012,540	0.000%
	-	-	-	23,758,135,000	0.000%	6,142,321,540	0.000%
	-	-	-	24,047,682,000	0.000%	6,208,041,670	0.000%
	123,071	123,071	0.22	24,986,786,000	0.000%	6,454,866,500	0.000%
	65,401	65,401	0.11	25,420,872,000	0.000%	6,462,164,700	0.000%
	-	-	-	26,374,299,000	0.000%	5,968,035,500	0.000%
	-	-	-		-	6,042,452,470	0.000%

**Pikes Peak Library District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2013**  
**(Unaudited)**

Tax District	Governmental Activities Debt	Percentage Applicable to Pikes Peak Library District	Amount Applicable to Pikes Peak Library District
<b>Direct:</b>			
Pikes Peak Library District		100.00%	\$ -
<b>Overlapping:</b>			
Cities and Towns			
Colorado Springs	97,295,000	100.00%	97,295,000
Fountain	3,638,753	100.00%	3,638,753
Monument	1,604,823	100.00%	1,604,823
Palmer Lake	310,434	100.00%	310,434
<b>Total Cities and Towns</b>			<b>102,849,010</b>
<b>El Paso County</b>	<b>166,481,345</b>	<b>94.18%</b>	<b>156,792,131</b>
<b>Special Districts</b>			
Fire protection	2,180,060	100.00%	2,180,060
Miscellaneous	51,905,000	100.00%	51,905,000
Water	57,039,089	100.00%	57,039,089
Water and Sanitation	20,930,667	100.00%	20,930,667
General Improvement	36,589,696	100.00%	36,589,696
Metropolitan	335,277,897	100.00%	335,277,897
<b>Total Special Districts</b>			<b>503,922,409</b>
<b>School Districts</b>			
Academy #20	133,146,697	100.00%	133,146,697
Big Sandy #100J	2,500,000	100.00%	2,500,000
Calhan #1	-	100.00%	-
Cheyenne Mountain #12	20,091,589	100.00%	20,091,589
Colorado Springs #11	154,000,240	100.00%	154,000,240
Edison #54	-	100.00%	-
Ellicott #22	5,078,191	100.00%	5,078,191
Falcon #49	111,325,000	100.00%	111,325,000
Fountain Fort Carson #8	7,900,000	100.00%	7,900,000
Fremont/Florence #39	13,119,905	100.00%	13,119,905
Harrison #2	46,890,000	100.00%	46,890,000
Lewis Palmer #38	71,045,000	100.00%	71,045,000
Manitou Springs School #14	4,685,000	100.00%	4,685,000
Miami/Yoder #60	2,376,883	100.00%	2,376,883
Peyton #23	2,906,871	100.00%	2,906,871
Widefield #3	11,245,000	100.00%	11,245,000
<b>Total School Districts</b>			<b>586,310,376</b>
<b>Total Overlapping</b>			<b>1,349,873,926</b>
<b>Total Direct and Overlapping</b>			<b>\$ 1,349,873,926</b>

Data Source: Individual Governmental Entities

The overlap percentage equates to total square miles of the overlapping entity that are within the boundaries of the Pikes Peak Library District



THIS PAGE LEFT BLANK INTENTIONALLY

**Schedule 14**

**Pikes Peak Library District  
Debt Limitation Information  
Last Ten Fiscal Years  
(Unaudited)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Assessed valuation	\$4,653,912,300	\$4,759,814,860	\$5,236,880,910	\$5,407,012,540	\$6,142,321,540
Debt limitation - 1.5% of total assessed value	\$ 69,808,685	\$ 71,397,223	\$ 78,553,214	\$ 81,105,188	\$ 92,134,823
Total debt (excluding compensated absences)	763,718	418,149	65,286	19,780	-
Less: Certificates of Participation (1)	(605,000)	(310,000)	-	-	-
Capital leases (1)	(158,718)	(108,149)	(65,286)	(19,780)	-
Total debt applicable to limitation	-	-	-	-	-
Legal debt margin	\$ 69,808,685	\$ 71,397,223	\$ 78,553,214	\$ 81,105,188	\$ 92,134,823

Notes:

(1) Certificates of Participation and capital leases are not included as debt for purposes of calculating legal debt margin (Colorado Revised Statute 22-42-104).

Exhibit I-14

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$6,208,041,670	\$6,454,866,500	\$6,462,164,700	\$5,968,035,500	\$6,042,452,470
\$ 93,120,625	\$ 96,822,998	\$ 96,932,471	\$ 89,520,533	\$ 90,636,787
-	123,071	65,401	-	-
-	-	-	-	-
-	(123,071)	(65,401)	-	-
-	-	-	-	-
\$ 93,120,625	\$ 96,822,998	\$ 96,932,471	\$ 89,520,533	\$ 90,636,787

Schedule 15

**Pikes Peak Library District  
Debt Service Information  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Debt Service Expenditures			
	Certificates of Participation		Capital Leases	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2004	\$ 280,000	\$ 47,606	\$ 64,815	\$ 15,261
2005	295,000	32,906	50,569	8,297
2006	310,000	17,050	42,863	5,323
2007	-	-	45,506	2,679
2008	-	-	19,780	298
2009	-	-	-	-
2010	-	-	50,685	6,085
2011	-	-	57,670	4,261
2012	-	-	65,401	1,672
2013	-	-	-	-

Total	Noncapital Governmental Fund Expenditures
\$ 407,682	\$ 16,589,410
386,772	17,160,532
375,236	18,532,737
48,185	19,596,099
20,078	20,704,072
-	20,664,836
56,770	21,936,718
61,931	22,062,312
67,073	22,732,454
-	23,553,821

**Pikes Peak Library District  
Demographic and Economic Information  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita	Unemployment Rate	Households		Median Age	School Enrollment
			Personal Income		Total	Average Size		
2004	495,265	18,879,052,000	32,531	5.8%	222,654	2.22	33.8	101,065
2005	506,992	20,147,935,000	34,190	5.4%	226,823	2.24	34.1	103,069
2006	516,366	21,479,738,000	35,667	4.7%	231,572	2.23	34.0	104,608
2007	527,600	22,803,097,000	37,480	4.2%	234,141	2.25	34.4	105,157
2008	535,537	23,758,135,000	38,336	5.6%	237,763	2.25	34.2	105,845
2009	547,061	24,047,682,000	37,151	8.9%	243,374	2.25	34.3	109,246
2010	554,355	24,986,786,000	37,915	10.5%	237,851	2.33	34.1	109,962
2011	575,789	25,420,872,000	37,909	8.9%	243,299	2.37	34.1	111,318
2012	585,158	26,374,299,000	40,893	8.8%	247,320	2.56	34.1	111,533
2013	598,549	N/A	N/A	8.0%	251,153	2.56	34.2	117,829

Data Sources: Colorado Department of Labor, U.S. Bureau of Economic Analysis, Colorado Department of Education, Colorado Department of Local Affairs, Colorado Workforce Center

**Pikes Peak Library District  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

<b>Employer</b>	<b>Fiscal Year 2013</b>		<b>Fiscal Year 2004</b>	
	<b>Employees</b>	<b>Percent of Total Employment</b>	<b>Employees</b>	<b>Percent of Total Employment</b>
Fort Carson	31,800	11.48%	15,159	5.63%
Peterson Air Force Base	11,693	4.22%	5,542	2.06%
United States Air Force Academy	9,793	3.54%	6,410	2.38%
Schriever Air Force Base	8,215	2.97%	-	0.00%
El Paso County School District #11	3,980	1.44%	4,490	1.67%
Memorial Health Systems	3,600	1.30%	3,566	1.32%
Centura Health System	2,833	1.02%	2,981	1.11%
Academy School District #20	2,750	0.99%	2,285	0.85%
El Paso County Government	2,601	0.94%	4,793	1.78%
City of Colorado Springs	2,455	0.89%	3,475	1.29%
	<u>79,720</u>	<u>28.79%</u>	<u>48,701</u>	<u>18.08%</u>
Total Employment - El Paso County, Colorado	<u>276,894</u>		<u>269,372</u>	

**Pikes Peak Library District  
District Employees By Function  
Last Ten Fiscal Years  
(Unaudited)**

	Full-time Equivalent Employees									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public Services</b>										
Administration	5.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Special Collections	9.50	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25
Adult Services										
East Library	15.10	15.45	15.55	15.55	16.00	16.00	16.00	16.30	15.80	15.80
Penrose Library	20.33	20.33	20.03	20.28	20.20	20.00	20.70	20.74	20.24	20.24
Children's										
East Library	7.80	7.80	8.00	8.00	8.00	9.00	9.00	9.02	8.02	7.02
Penrose Library	5.15	5.15	5.30	5.30	5.30	5.30	5.30	5.32	5.32	6.32
Community Libraries										
Administration	1.00	2.00	2.00	2.00	2.00	1.50	-	-	-	-
Briargate Library	-	10.60	10.13	10.50	11.88	11.88	12.63	13.63	14.50	15.00
Cheyenne Mountain Library	10.10	10.10	10.38	10.63	10.93	10.93	10.93	10.93	11.43	10.93
Fountain Library	4.18	4.18	10.63	10.63	10.63	10.63	10.63	10.25	9.25	9.00
High Prairie Library	-	-	-	-	-	-	7.13	8.00	8.00	8.25
Ruth Holley Library	10.48	10.60	10.88	11.75	12.25	12.25	12.25	12.25	12.50	12.50
Manitou Springs	-	-	-	-	-	-	-	-	-	4.00
Monument Library	9.49	9.11	9.78	10.15	10.15	10.15	10.21	10.42	10.57	10.57
Old Colorado City Library	5.98	5.98	6.50	6.60	8.73	8.73	8.93	9.28	8.88	8.88
Palmer Lake Library	1.86	1.94	2.13	1.93	1.93	1.93	1.93	1.99	1.99	1.79
Rockrimmon Library	9.72	9.72	10.50	10.88	11.25	11.25	11.25	11.23	10.85	10.88
Sand Creek Library	10.97	10.60	10.88	11.38	12.38	12.38	12.88	13.09	13.29	13.26
Ute Pass Library	1.43	1.43	1.80	1.80	1.83	1.80	2.15	2.30	1.58	1.58
Mobile Library Services	7.19	7.18	7.28	7.28	8.88	8.88	8.88	9.70	8.70	8.70
<b>Total Public Services</b>	<b>135.28</b>	<b>145.42</b>	<b>155.02</b>	<b>156.91</b>	<b>164.59</b>	<b>164.86</b>	<b>173.05</b>	<b>176.70</b>	<b>173.17</b>	<b>176.97</b>
<b>Administrative Services</b>										
Administrative Services	1.75	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Facilities										
East Library	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Penrose Library	6.00	3.00	5.50	5.50	6.75	6.75	6.75	7.00	7.00	5.75
Security	7.50	6.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
Human Resources	4.00	3.75	3.75	4.25	4.55	4.55	4.55	4.15	4.15	4.15
Training	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
LitSource	2.00	2.50	2.60	2.60	2.60	2.60	2.60	2.60	3.10	5.60
Circulation										
East Library	18.85	18.00	18.95	19.45	19.43	19.43	18.93	19.01	18.56	19.43
Penrose Library	10.10	10.10	10.60	10.60	11.50	11.50	11.50	11.59	11.59	11.59
Shelving										
East Library	12.25	13.35	14.10	13.90	13.93	14.15	14.95	15.16	13.68	14.62
Penrose Library	8.40	8.40	8.40	8.80	8.80	8.80	8.40	8.84	8.32	8.39
Switchboard	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Collection Management	17.38	18.13	18.38	18.38	19.00	19.00	19.50	19.80	19.80	21.05
<b>Total Administrative Services</b>	<b>93.23</b>	<b>90.48</b>	<b>96.53</b>	<b>96.73</b>	<b>99.81</b>	<b>100.03</b>	<b>100.43</b>	<b>101.40</b>	<b>99.45</b>	<b>103.83</b>
<b>Other Administrative Operations</b>										
Executive Director	2.00	2.00	2.00	2.00	2.00	2.00	2.50	3.00	3.00	3.00
Information Technology	10.00	10.00	11.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00
Community Relations Office	11.25	8.00	9.38	9.38	10.90	10.90	11.40	10.90	10.90	10.90
Finance Office	5.00	6.00	6.00	7.00	6.50	6.75	6.75	6.75	5.75	5.75
<b>Total Administration</b>	<b>28.25</b>	<b>26.00</b>	<b>28.38</b>	<b>30.38</b>	<b>31.40</b>	<b>31.65</b>	<b>33.65</b>	<b>33.65</b>	<b>32.65</b>	<b>32.65</b>
<b>Total Full Time Equivalents</b>	<b>256.76</b>	<b>261.90</b>	<b>279.93</b>	<b>284.02</b>	<b>295.80</b>	<b>296.54</b>	<b>307.13</b>	<b>311.75</b>	<b>305.27</b>	<b>313.45</b>

Data Source: District's Human Resources Office



THIS PAGE LEFT BLANK INTENTIONALLY

Schedule 19

**Pikes Peak Library District  
Library Materials Purchased and Circulated  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Number of Volumes Owned</b>	<b>Number of Audio Visual Items Owned</b>	<b>Total Items Owned</b>	<b>Acquisition Cost of Collections</b>
2004	897,826	115,763	1,013,589	\$ 30,391,278
2005	941,554	127,225	1,068,779	31,195,011
2006	962,131	147,970	1,110,101	32,454,231
2007	967,217	163,190	1,130,407	33,454,104
2008	959,325	173,115	1,132,440	34,139,308
2009	908,932	189,836	1,098,768	32,966,004
2010	908,706	223,575	1,132,281	33,922,252
2011	948,527	235,087	1,183,614	34,699,459
2012	885,857	263,277	1,149,134	33,668,609
2013	907,823	285,181	1,193,004	33,438,002

Exhibit I-19

	<b>Cost of New Acquisitions</b>	<b>Net Book Value of Collections</b>	<b>Number of Items in Circulation</b>	<b>Turnover Rate</b>
\$	2,017,925	\$ 17,281,590	975,075	6.30
	2,317,093	15,320,396	1,024,868	6.40
	2,690,196	15,443,661	1,067,098	7.10
	2,292,470	15,256,127	1,093,534	7.30
	2,455,637	14,778,633	1,093,758	8.10
	2,594,598	14,612,166	1,059,321	9.03
	3,517,700	15,285,873	1,092,281	9.65
	3,796,733	15,632,673	1,142,172	9.50
	2,763,306	14,813,804	1,106,019	9.47
	2,520,735	14,392,359	1,148,583	9.45

Schedule 20

**Pikes Peak Library District  
Circulation By Location  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	East Library Information Center	Penrose Public Library	Community Libraries							Old Colorado City	Palmer Lake
			Briargate	Cheyenne Mountain	Fountain	High Prairie	Manitou Springs	Monument			
2004	2,257,370	998,427	-	399,594	104,052	-	-	406,423	190,994	46,214	
2005	2,267,554	1,005,510	125,756	399,451	112,369	-	-	457,499	202,832	54,558	
2006	2,127,986	1,019,862	472,333	391,663	177,779	-	-	493,432	211,811	55,594	
2007	2,194,673	1,067,270	550,744	487,795	214,581	-	-	508,669	124,347	56,436	
2008	2,391,975	1,146,308	663,170	520,598	239,946	-	-	547,597	239,244	64,012	
2009	2,655,765	1,128,125	741,583	552,161	261,457	-	-	563,755	278,940	66,617	
2010	2,582,700	1,095,427	768,785	554,658	273,745	66,410	-	572,676	303,763	62,441	
2011	2,494,034	1,132,553	772,441	553,038	281,337	359,569	-	588,895	316,223	65,877	
2012	2,310,938	1,101,885	816,865	548,264	289,672	367,406	-	595,068	312,196	66,511	
2013	2,128,483	1,154,390	794,457	542,311	274,626	366,472	41,578	563,585	303,649	63,566	

Data Source: District's Information Technology Office

<b>Rockrimmon</b>	<b>Ruth Holly</b>	<b>Sand Creek</b>	<b>Ute Pass</b>	<b>Mobile Library Services</b>	<b>Library Express Dispenser</b>	<b>Cyber-Shelf</b>	<b>Nook eReaders</b>	<b>Other Categories</b>	<b>Inter-Library Loan</b>	<b>Total</b>
514,744	500,566	450,136	46,091	183,000	-	-	-	-	25,215	6,122,826
546,386	533,020	452,477	46,046	199,009	-	-	-	-	27,685	6,430,152
534,570	529,841	446,804	51,861	214,882	-	-	-	-	30,129	6,758,547
534,676	547,993	456,783	59,707	223,624	-	12,329	-	-	29,677	7,069,304
574,913	587,119	415,309	64,893	255,837	-	22,450	-	-	32,602	7,765,973
587,455	622,965	447,137	67,583	267,083	-	30,953	-	-	33,458	8,305,037
572,963	611,815	574,676	63,262	247,214	6,870	60,173	-	-	25,295	8,442,873
563,134	594,154	538,120	59,025	194,192	8,272	154,372	730	665	26,764	8,703,395
552,227	596,776	577,261	51,282	202,975	45,921	349,362	1,833	25,851	27,670	8,839,963
536,706	576,746	554,733	45,673	195,332	42,272	533,026	740	63,485	27,184	8,809,014

**Schedule 21**

**Pikes Peak Library District  
Service Location Information  
Last Ten Fiscal Years  
(Unaudited)**

Library	Address	Owned (O) Leased (L)	No. of Hours Open/Week FY 2011	No. of Hours	
				2004	2005
East Library and Information Center	5550 N. Union Colorado Springs, CO 80918	O	64	70,153	70,153
Penrose Public Library	20 N. Cascade Colorado Springs, CO 80903	O	64	78,831	78,831
Briargate Library	9475 Briar Village Pt. Colorado Springs, CO 80920	L	64	-	8,627
Cheyenne Mountain Library	1785 S. 8th Street, Suite 100 Colorado Springs, CO 80906	L	60	6,324	6,324
Fountain Library	230 S. Main Street Fountain, CO 80817	O	60	1,973	1,973
High Prairie Library	7035 Old Meridian Rd. Falcon, CO 80831	O	52	-	-
Library 21C	1175 Chapel Hills Drive Colorado Springs, CO 80920	O	N/A	-	-
Manitou Springs Library	710 Manitou Avenue Manitou Springs, CO 80829	L	52	-	-
Monument Hill Library	1706 Lake Woodmoor Drive Monument, CO 80132	L	64	7,536	7,536
Old Colorado City Library	2418 W. Pikes Peak Colorado Springs, CO 80904	O	60	4,909	4,909
Palmer Lake Library	66 Lower Glenway Palmer Lake, CO 80133	L	36	1,574	1,574
Rockrimmon Library	832 Village Center Drive Colorado Springs, CO 80919	L	60	8,668	8,668
Ruth Holley Library	685 N. Murray Colorado Springs, CO 80915	L	60	10,469	10,469
Sand Creek Library	1821 S. Academy Colorado Springs, CO 80916	O	64	14,060	14,060
Ute Pass Library	8010 Severy Cascade, CO 80809	L	30	2,123	2,123
Mobile Library Services - three vehicles		O	50	437	437
Offices	25 W. Kiowa Colorado Springs, CO 80903	O	N/A	11,988	11,988
			<u>840</u>	<u>219,045</u>	<u>227,672</u>

Data Source: District's Facilities Office

N/A - Not Available

Square Footage as of Fiscal Year-End							
2006	2007	2008	2009	2010	2011	2012	2013
70,153	70,153	70,153	70,153	70,153	70,153	70,153	70,153
78,831	78,831	78,831	78,831	78,831	78,831	78,831	78,831
8,627	8,627	8,627	8,627	8,627	8,627	8,627	8,627
8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900
9,582	9,582	9,582	9,582	9,582	9,582	9,582	9,582
-	-	-	-	6,008	6,008	6,008	6,008
-	-	-	-	-	-	112,883	112,883
-	-	-	-	-	-	-	2,391
7,536	7,536	7,536	7,536	7,536	7,536	7,536	7,536
4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909
1,574	1,574	1,574	1,574	1,574	1,574	1,574	1,574
8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668
10,469	10,469	10,469	10,469	10,469	10,469	10,469	10,469
14,060	14,060	14,060	14,060	14,060	14,060	14,060	14,060
2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123
437	437	437	455	455	455	455	455
11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988
237,857	237,857	237,857	237,875	243,883	243,883	356,766	359,157

THIS PAGE LEFT BLANK INTENTIONALLY