

## PIKES PEAK LIBRARY DISTRICT BOARD OF TRUSTEES JUNE 12, 2018, 4 PM LIBRARY 21C

- I. CALL TO ORDER
- II. ITEMS TOO LATE FOR THE AGENDA
- III. PUBLIC COMMENT (3 Minute Time Limit per Person)
- IV. CORRESPONDENCE AND COMMUNICATIONS
  - A. Minutes (p. 1)
  - B. Correspondence
    - 1. AARP (p.8)
    - 2. Ute Pass Elementary (p. 9)
    - 3. Patron Thank You Card (p. 10)
  - C. Events & Press Clippings (p. 11)
  - D. Presentations
    - 1. Introduction of New Staff
    - 2. IT Staff
- V. REPORTS
  - A. Friends of the Pikes Peak Library District Report (p. 13)
  - B. Pikes Peak Library District Foundation Report (p. 14)
  - C. Board Reports
    - 1. Governance Committee Report
    - 2. Internal Affairs Committee Report
    - 3. Public Affairs Committee Report
    - 4. Adopt-a-Trustee Reports
    - 5. Board President's Report
  - D. Financial Report (p. 15)
  - E. Public Services Report (p. 31)
  - F. Circulation Report (p. 33)
  - G. Chief Librarian's Report
- VI. BUSINESS ITEMS
  - A. Consent Items: Decision 18-6-1 (p. 35)

Consent items shall be acted upon as a whole, unless a specific item is called for discussion. Any item called for discussion shall be acted upon separately as"New Business".

- B. Unfinished Business
  - 1. Vendor for Voice Switch: Decision 18-6-2 (R. Peters) (p. 36)
- C. New Business
  - 1. CM/GC for the Penrose Campus Project: Decision 18-6-3 (G. Syling) (p. 38)
  - 2. Calhan Land Lease: Decision 18-6-4 (G. Syling) (p. 40)
  - 3. Audit of 2017 Financial Records: Decision 18-6-5 (M. Varnet) (p. 49)
  - 4. Review of Board Bylaws: Discussion (K. Clayton) (p. 227)
- VII. Executive Session to discuss personnel matters related to the annual performance of goals of the Chief Librarian & CEO as authorized by C.R.S. § 24-6-402(4)(f)
- VIII. ADJOURNMENT

# MINUTES PIKES PEAK LIBRARY DISTRICT BOARD OF TRUSTEES MEETING May 8, 2018 4 pm East Library

#### MEMBERS PRESENT

President Kathleen Owings, Vice President Wayne Vanderschuere, Secretary/Treasurer Keith Clayton, Trustee Cathy Grossman, Trustee Mina Liebert, Trustee Scott Taylor

#### **MEMBERS ABSENT**

Trustee Debbie English

#### PIKES PEAK LIBRARY DISTRICT STAFF and OTHERS PRESENT

Chief Librarian & CEO John Spears, Director of Library Services Tim Blevins, Children's Librarian Joy Fleishhacker, El Paso County Commissioner Longinos Gonzalez, Assistant to the Chief Librarian Sue Hammond, Chief HR & OD Officer Sally Jensen, Interlibrary Loan Supervisor Amanda Marez-Frutchey, Chief Information Officer Richard Peters, Collection Management Manager Jenny Pierce, Director of Branches Lynne Proctor, Regional Manager Abby Simpson, Chief Facilities Management Officer Gary Syling

#### REGULAR MEETING OF THE BOARD OF TRUSTEES

#### **CALL TO ORDER**

President Owings called the May 8, 2018 meeting of the Pikes Peak Library District Board of Trustees to order at 4:05 p.m.

#### ITEMS TOO LATE FOR THE AGENDA

There were no items to add to the agenda.

#### **PUBLIC COMMENT**

There was no public comment.

#### CORRESPONDENCE AND COMMUNICATIONS

#### **Minutes**

The minutes of the April 10, 2018 meeting of the Board of Trustees were presented for review.

**Motion:** Scott Taylor moved to approve the minutes of the April 10, 2018 meeting of the Board

of Trustees as presented.

**Second:** The motion was seconded by Keith Clayton. **Vote:** The motion was approved unanimously.

#### Correspondence

There was no correspondence to report.

#### **Events & Press Clippings**

Upcoming events and recent press clippings were included in the Board packet.

Chief Librarian Spears noted that Pikes Peak Library District was recently recognized by the *Gazette* in their "Best of the Springs" edition as the 'Best Teen Hangout' and the 'Best Tutoring Program'.

#### **Presentation**

Children's Librarian Joy Fleishhacker provided a tour of the Educational Resource Center. The Educational Resources Center at East Library provides hands-on resources for families with children of all ages. Math, science, social studies, language arts kits, microscopes, art and music resources and computer software are available for in-Library use. The Educational Resources Center is open Monday – Saturday during select hours.

#### **REPORTS**

#### Friends of the Pikes Peak Library District

The Friends of the Pikes Peak Library District report was included in the Board packet.

#### **Pikes Peak Library District Foundation**

The PPLD Foundation Report was included in the Board packet. Chief Librarian Spears provided an update on the search for a new Development Officer noting that the positon has closed and fourteen applications have been received.

Mr. Spears reported that at its May meeting the Foundation Board of Directors made a distribution of \$900,000 for multiple projects, including the Penrose Campus Project.

#### **Board Reports**

#### **Governance Committee**

Governance Committee Chair Keith Clayton reported that the Committee met on April 25, 2018. Items discussed included a debrief on the recent new Board member orientation, the Chief Librarian's 2018 goals, and the Governance Committee's 2018 goals.

#### **Internal Affairs Committee**

Internal Affairs Committee Chair Wayne Vanderschuere reported that the Internal Affairs Committee met on April 25, 2018. The Committee reviewed the PPLD Suspension Policy and plans for the selection of a vendor for PPLD's voice system redesign.

#### **Public Affairs Committee**

Public Affairs Committee Chair Cathy Grossman reported that the Committee met on April 25, 2018. The Committee discussed the recent *Gazette* editorial and ensuing letters to the editor as well as recent meetings that Chief Librarian Spears and Board President Owings had with Dale Stamp and with Tim Leigh. The Committee heard a report from Chief Librarian Spears on ideas from El Paso County Commissioner Peggy Littleton on ways to improve Library services and awareness.

#### Adopt-a-Trustee Reports

- Kathleen Owings visited Regional History & Genealogy
- Wayne Vanderschuere visited Ruth Holley Branch
- Keith Clayton visited Adult Education
- Scott Taylor visited High Prairie Branch

#### **Board President**

President Owings's Board activities for the past month include:

- With Chief Librarian Spears met with Tim Leigh
- Attended three Board committee meetings on April 25, 2018
- Attended a City of Colorado Springs Strategic Plan Update meeting for members of boards appointed by the City

#### **Financial Report**

The financial report for the period ending March 31, 2018 was included in the Board packet. Chief Librarian Spears reported that the budget is tracking well and there are no concerns.

#### **Public Services Report**

Director of Library Services Tim Blevins introduced Interlibrary Loan Supervisor Amanda Marez-Frutchey. Mr. Blevins thanked Ms. Marez-Frutchey for serving as interim Collection Management Division Head.

Mr. Blevins introduced Jenny Pierce who is the new Collection Management Division Head. Jenny has worked at PPLD for over 20 years. She will serve double-duty for a while, retaining duties of her most recent position as ILS Administrator until that position has been hired.

Director of Branches Lynne Proctor pointed out that local newspapers the *Cheyenne Edition* and the *Tribune* recently featured stories on PPLD volunteers.

Sand Creek Branch has become a Family Place Library.

#### **Circulation Report**

The Circulation Report was included in the Board packet. Chief Librarian Spears noted that circulation of print materials shows a trend of leveling out although circulation of other physical materials like DVDs and CD materials continues to decline. The increased availability of streaming materials may account for the continuing decline. We are keeping an eye on these trends as they impact collection decisions.

Chief Librarian Sears also reported that visitors to several PPLD branches are on the increase.

#### Chief Librarian's Report

Chief Librarian Spears began his May report with several announcements:

- PPLD has hired Michelle Ray to be its Chief Communications Officer. Ms. Ray has recently served as the Director of Communications at Hunger Free Colorado. She will begin the CCO position on May 21, 2018.
- PPLD's Adult Education "Celebrate Literacy" program is scheduled for May 24 at 6 pm at Library 21c.
- $\bullet~$  Penrose Library will celebrate its  $50^{th}$  anniversary with a full day of activities on July 15, 2018.

Chief Librarian Spears noted that there are several sources of information available to PPLD Board members. The PPLD Strategic Plan, the 2017 Report to the Community and the Annual Budget as well as the Board Member Manual are excellent sources. Most of these documents are available on the Board Intranet page.

Bookmarks celebrating the 2018 Shortlist for the Dublin Literary Award were distributed at the meeting. PPLD has been participating in this international literary award since its establishment in 1994. Libraries from across the world nominate the best literary fiction annually. The Dublin Literary Award is one of the many ways that PPLD participates in the library world at the global level.

Mr. Spears reported on OCLC's update to its 2008 publication <u>From Awareness to Funding: A Study of Library Support in America</u>. The 2008 publication provided the results of a national study of the awareness, attitudes, and underlying motivations among US voters for supporting library funding. The 2018 update to the study shows that overall support for libraries has declined in the ensuing 10 years.

Chief Librarian Spears provided a keynote presentation for the Colorado Adult Education Professional Association's 2018 Mini Conference at Library 21c on April 27, 2018. Mr. Spears shared that presentation at today's meeting. Some facts presented included:

- PPLD has had an adult education program for 41 years.
- The Adult Education Division consists of eight staff members who often become involved in the lives of their students many of whom are immigrants or have experienced life traumas that have interrupted their educational paths coaching them through past and present traumas and helping them to succeed in life in the United States while maintaining their cultural identities.
- PPLD's Adult Education program is funded by the PPLD Annual Budget and a Federal Adult Education and Family Literacy Act grant.
- In 2017 one hundred and seventeen volunteers provided 4,216 hours to PPLD's Adult Education Division.
- PPLD's Adult Education Division offers the only free GED program in El Paso County.
- Besides the GED program, PPLD's Adult Education Division offers an array of opportunities for adult learners:
  - o Path to Citizenship
  - o English as a Second Language Classes
  - o High School Equivalency Classes
  - o Career Online High
- Family Place Libraries at PPLD provide caregivers with the tools to help children develop early literacy skills.
- PPLD assists with one-on-one educational experiences like the Boots to Business program that helps veterans learn to create a plan to begin a small business.
- PPLD's makerspaces provide spaces and equipment where the community can experiment and create.
- PPLD offers thousands of online courses through learning platforms like Lynda.com and Mango Languages.
- PPLD has entered the realm of community-driven education through community-driven programs at Knights of Columbus Hall.
- Trends in adult education that are being offered by libraries include badging, connected learning, gamification and flipped learning.

#### **BUSINESS ITEMS**

#### **Decision 18-5-1: Consent Items**

Consent Items Presented:

1. New Hires

**Motion:** Keith Clayton moved to approve all items in the consent agenda as presented.

**Second:** Scott Taylor seconded the motion.

**Vote:** The motion was approved unanimously.

#### **Unfinished Business**

There was no unfinished business.

#### **New Business**

#### Decision 18-5-2: Amendment to Chief Librarian's Goals for 2018

An amendment to Chief Librarian John Spears's 2018 goals will allow Mr. Spears to focus on the development and implementation of a communications plan to increase awareness of PPLD's programs and services. Goal #3, "Evaluate current facilities and infrastructure plans and develop and implement as appropriate", will be amended to read, "Implement existing facilities and infrastructure plans."

**Motion:** Cathy Grossman moved that the Board of Trustees amend Chief Librarian John

Spears's 2018 goals as presented.

**Second:** Wayne Vanderschuere seconded the motion **Vote:** The motion was approved unanimously.

#### **Decision 18-5-3: Suspension Policy**

At its April 25, 2018 meeting the Board Internal Affairs Committee requested that statistics related to suspensions be provided. Chief Librarian Spears presented these stats:

- There were 89 suspensions in the first quarter of 2017
- There were 65 suspensions in the first quarter of 2018
- Over ½ of all suspensions occur at Penrose Library
- The 2<sup>nd</sup> most suspensions occur at Sand Creek Branch
- The 3<sup>rd</sup> most suspensions occur at East Library
- The number 1 reason for suspensions is disruptive behavior
- The number 2 reason for suspensions is theft of patron property by a patron
- The number 3 reason for suspensions is substance usage
- The number 4 reason for suspensions is theft of library property

Board policy in the Suspension Policy states that it is the goal of the District to provide a safe, secure and nurturing environment for patrons and staff. However, if patrons are suspended for not meeting expectations explained in the Suspension Policy, a secondary goal of the District is to work with those who are suspended to enable them to come back into the Library.

**Motion:** Wayne Vanderschuere moved to approve Board Policy as presented in the

Suspension Policy.

**Second:** Keith Clayton seconded the motion

**Vote:** The motion was approved unanimously.

#### **Discussion: Vendor for Voice Switch**

Chief Information Officer Rich Peters reported that an RFP for the voice switch received several proposals. None of the proposal received fulfilled all requirements and the RFP has been re-released.

#### **ADJOURNMENT**

There being no further business to conduct, President Owings adjourned the meeting at 5:48 p.m.

Cathy Grossman joined the meeting at 4:15 pm Abby Simpson joined the meeting at 4:30 pm Rich Peters joined the meeting at 4:30 pm Joy Fleishhacker left the meeting at 4:30 pm Longinos Gonzalez left the meeting at 4:50 pm



May 6, 2018

Ms Kathleen Owings President, Board of Trustees Pikes Peak Library District PO Box 1579 Colorado Springs, CO 80901-1579

#### Ms Owings:

Thank you for your assistance to the AARP Foundation Tax-Aide program. The program would not have seen the success it had this season without the support of the Pikes Peak Library District.

Tax-Aide is a volunteer-driven program run jointly with the IRS that offers free, individualized tax assistance and preparation to all taxpayers. While the focus for the program is on low- and moderate-income families, students, the elderly, and veterans, we serve any taxpayer who comes to our sites. All of our counselors are volunteers.

During the last tax season (February to mid-April 2018) your organization supported a site that served a total of **694** taxpayers. AARP Foundation Tax-Aide had a site at Library 21c. Please accept my appreciation for your assistance to my volunteers and the taxpayers they serve.

Thank you, again, for your service to the Tax-Aide program.

David W. Hutchison, Ph.D. Colorado State Coordinator AARP Foundation Tax-Aide

## Hte Pass Elementary School

#### **MANITOU SPRINGS DISTRICT 14**

At the Foot of Pikes Peak

MR. CHRIS BRIGGS-HALE, PRINCIPAL

May 7, 2018

John Spears, Chief Librarian Penrose Library 20 N. Cascade Ave Colo Spgs, CO 80903

Dear Mr Spears,

The parents and students of Ute Pass Elementary wish to extend their sincerest thanks to the Pikes Peak Library District for supporting The After School Program (TAP) and our annual Literacy Night at Ute Pass Elementary.

On Literacy Night, thanks to the support of PPLD and the Friends of Ute Pass Library, we were able to offer literacy activities for more than 50 children and their families. The participation of both organizations enabled every child to take home two or more free books. In addition, several families signed up for library cards.

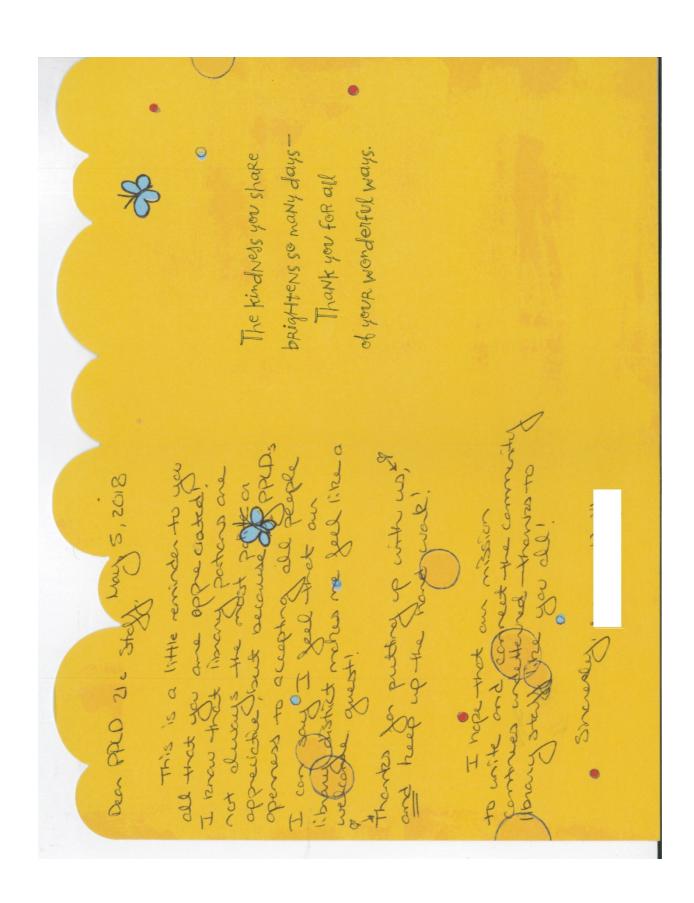
In addition, we want to extend a special thank you to Ute Pass Library for offering the Makers Club this semester at Ute Pass Elementary. The program was offered twice a month from February to May as part of our after-school program. Karin Swengel of Ute Pass Library created fun and innovative programs to encourage the imaginations of 15 students in grades K-2. We have had several compliments from parents and some have asked if Makers Club will be offered again next year. Again, a heartfelt thank you to Karin. She is kind, patient, and creative. The kids love her and the fabulous programs she provides. We extend our profound thanks to Margaret Morris at PPLD for funding this program and making it possible for Karin to teach our students.

The library's involvement in the school this year has been outstanding. We appreciate the willingness of the staff and volunteers to bring enriching activities and the summer reading program to our school. Thank you again for your staff's dedication and time. We hope we can continue to expand this wonderful partnership!

Chris Briggs-Hale

Sincerely

Principal, Ute Pass Elementary



#### Events & Press Clippings June 12, 2018

Click on links to read/see more. Find many more listings for programs and initiatives at *What's New* on ppld.org (https://ppld.org/whats-new/all)

#### **Manitou Springs Library Lawn Concerts**

Community Congregational Church in Manitou Springs, across from the library.

Tuesdays from 6 - 7:30 pm

June 5: Blue Frog (Blues Rock)

June 12: Balanced Rock (Original Rock)

June 19: Edie Carey (Folk-Pop Singer-Songwriter)

June 26: Archtop Eddy (20th Century Music)

July 3: Tenderfoot Bluegrass (Bluegrass)

July 10: The Storys (Folk and Classic Rock)

#### **All Pikes Peak Reads 2018**

Selected titles for All Pikes Peak Reads (APPR) 2018, which will run from September 10 - November 17.

The Newcomers: Finding Refuge, Friendship, and Hope in an American Classroom
Flying Lessons and Other Stories
Last Stop on Market Street

#### **Summer Adventure**

Children's and Teens Summer programs. The adventure runs June 1 - July 31. ppld.org/summer-adventure

#### Save the date: Penrose Library 50th Anniversary Celebration

Sunday, July 15 12:30-4 p.m.

Re-dedication ceremony for the Penrose Library

\_\_\_\_\_

#### **Press Clippings**

May 2018 Compliments (Compiled by Antonia Krupicka-Smith, Penrose Library Manager)

Colorado Springs library staff trained to give Narcan (KOAA News 5; May 30, 2018)

Free "Lunch at the Library" provided by District 11 all summer (KOAA News 5; May 30, 2018)

Meet Your Neighbor: Tiffany Paisley (Chevenne Edition; May 2, 2018)

A "Safe Place" to Reach More Youth (Get Real; Spring 2018)

#### **Recent PPLD TV Productions**

Summer Adventure 2018 Promo (Produced by Jamey Hastings; 3D yeti animation by Roland Clements)

#### **PPLD Podcasts**

All accessible through a variety of services at ppld.org/podcasts.

**People of the Peak** podcast strives to introduce your community to you. Join us as we interview some of the fascinating people that live in the Pikes Peak Region.

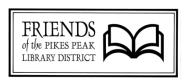
 Most recent episode: Claire Swinford, Urban Engagement Manager, Downtown Partnership of Colorado Springs (hosts Becca Cruz and Antonia Krupicka-Smith; produced by Dave Franklyn)

**Pikes Peak Pastcast** is an audio podcast of the presentations from the PPLD's annual history symposium events and other related content. The symposia, and affiliated Regional History Series of books and DVDs, chronicle the unique and often undocumented history of Colorado and the Rocky Mountain West.

Most recent episode: Donald McGilchrist — The Quest for the Best: General Palmer's
Pursuit of Technological Innovation; Steve Ruskin — Science as Enterprise and Industry:
The Monument Valley Park Geologic Section in Context (emcee Leah Davis Witherow)

Join your friendly PPLD Librarians Christine, Heidi, and Melissa for our **PPLD in the Stacks** podcast! Learn about Library resources to help you find your next great read and find out what fun events are coming up at the Library.

• Most recent episode: great reads for the summer, some upcoming Library events, and the upcoming Great American Read series by PBS (hosts Christine Dyar, Heidi Buljung, and Melissa Mitchell; produced by Dave Franklyn)



Mission: To support, promote, and advocate for the Pikes Peak Library District's dynamic and evolving role.

Vision: Expand and enhance the Pikes Peak Library District's ability to positively impact our community

#### **Online Book Sales Year to Date:**

April '18 \$2,278 YTD \$9,554

#### **Friends of PPLD Strategic Planning Retreat Results:**

Adopted the following vision & mission statement:

Vision: Expand and enhance the Pikes Peak Library District's ability to positively impact our community

Mission: To support, promote, and advocate for the Pikes Peak Library District's dynamic and evolving role

To engage our membership the following two committees were formed with specific timelines:

Communications & Membership

#### **Branch Libraries:**

Quarterly Meeting held May15, 2018; John was invited to speak on the State of the Library; Branches shared their upcoming summer events. All were gearing up for Summer Adventure Reading Program

**Latina Voices** is in the planning stages. Date for event is September 22, 2018 at Library 21c.



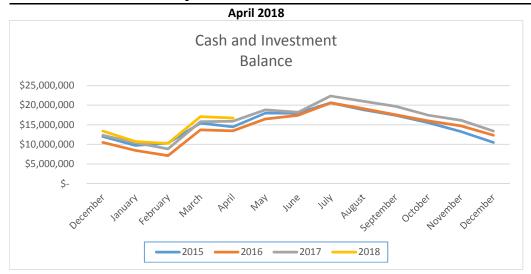
The PPLD Foundation Board of Directors approved the following Distribution Request at the May 1 Board meeting, transferring a record \$912,534 to PPLD in a single quarter. These funds, from designated donations, will reimburse PPLD for expenditures already incurred and planned budgeted expenditures as approved in the 2018 PPLD Budget.

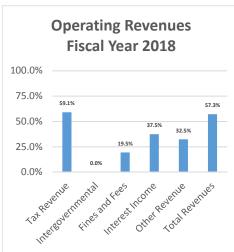
Fund Name	Amount	Purpose
Designated Funds		·
PPCC Partnership	\$ 1,500.00	Communications Department Marketing
Communications Dept. Mktg.	2,371.00	Communications Department Marketing
Career OnLine High School Scholarships Donations	5,000.00	Career OnLine HS Scholarships
Fountain Library Support Fund	4,000.00	Reimbursement of capital expenditures
Sand Creek Library Support Fund	3,000.00	Reimbursement of capital expenditures
1905 Carnegie Building Support Fund	10,000.00	Reimbursement of capital expenditures
Mini-Maker Faire Support Fund	5,609.00	Reimbursement of program expenditures
Adult Services Support Fund	10,048.00	Reimbursement of expenditures/planned expenditures during 2018
Senior Services Support Fund	1,345.00	Reimbursement of expenditures/planned expenditures during 2018
Teen Services Support Fund	14,879.00	Reimbursement of expenditures/planned expenditures during 2018
Summer Reading Club Support Fund	12,611.00	Reimbursement of expenditures/planned expenditures during 2018
Collection Development Support Fund	84,864.00	Reimbursement of expenditures/planned expenditures during 2018
Adult Education (LitSource) Support Fund	9,221.00	Reimbursement of expenditures/planned expenditures during 2018
Video Studio	5,692.00	Reimbursement of expenditures/planned expenditures during 2018
AED Purchase Fund	16,293.00	Reimbursement of expenditures/planned expenditures during 2018
Friends of the Pikes Peak Library District Support Fund	26,339.00	Reimbursement of expenditures/planned expenditures during 2018
Authors Program Support Fund	5,406.00	Reimbursement of expenditures/planned expenditures during 2018
Tri-Building Project Support Fund (Library 21c)	167,128.00	Reimbursement of expenditures/planned expenditures during 2018
Tri-Building East Library Support Fund	32,501.00	Reimbursement of expenditures/planned expenditures during 2018
Tri-Building Penrose Library Support Fund	136,211.00	Reimbursement of expenditures/planned expenditures during 2018
Tri-Building Project Support Fund (Penrose)	272,528.00	Reimbursement of expenditures/planned expenditures during 2018
KOC Renovation Support Fund	17,552.00	Reimbursement of expenditures/planned expenditures during 2018
Capital Reserve Support Fund	42,719.00	Reimbursement of expenditures/planned expenditures during 2018
Adult Reading Program Support Fund	717.00	Reimbursement of expenditures/planned expenditures during 2018
CLIDTOTAL	007 504 00	
SUBTOTAL Annual Fund	887,534.00	
Alliluai Fuliu	5,000,00	Career On-Line Highschool scholarships
	-,	Toward Marketing initiative opportunities
	-,	Toward 2018 PLA Intern Program
	5,000.00	TOWARD 2010 FLA IRLETTI Program
SUBTOTAL	25,000.00	
GRAND TOTAL	\$ 912,534.00	

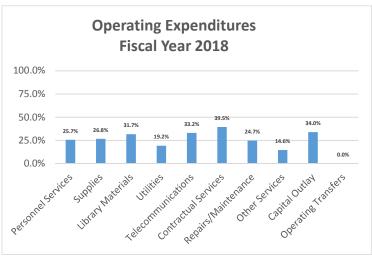
Jennifer Bain was elected Secretary of the Foundation Board of Directors to replace Patti Akkola, who resigned in March.

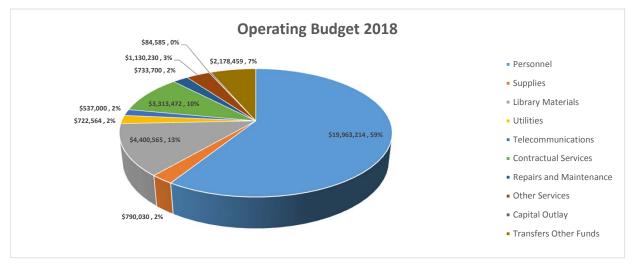
This year's Adult Education Celebration, held on May 24, welcomed more than 300 family and friends of graduating adult learners to enjoy the emotional commencement exercise. In addition to a \$750 Annual Fund donation supporting costs of the reception, several donations of food items were secured by staff, offering a substantial buffet for the event.

### **Pikes Peak Library District Financial Dashboard**









## **Pikes Peak Library District**

**April 2018 Financial Report** 

Presented to Board of Trustees June 12, 2018

# Pikes Peak Library District General Fund Summary For the Three-Month Period Ended March 31,

		Year-Te	o-Da	te				
General Fund		2018 2017				Change	% Chg.	Notes
Revenues								
Property Taxes	\$	16,945,636	\$	16,329,885	\$	615,751	3.8%	
Specific Ownership Taxes		1,036,670		1,077,128		(40,458)	-3.8%	
Fines and Fees		42,981		95,239		(52,258)	-54.9%	1
Interest Income		78,836		40,791		38,045	93.3%	2
Other Revenue		272,308		241,148		31,160	12.9%	
Total Revenues	\$	18,376,431	\$	17,784,191	\$	592,240	3.3%	

Beginning in October 2017, PPLD temporarily stopped collecting fines for all library materials. At its April Board meeting, the Board of Trustees approved to permanently stop assessing/collecting fines on substantially all materials that can be checked out to the public.

<sup>2</sup> Interest rates are higher in 2018 than they were during the same period of 2017.

Account Description	2018 Budget	YTD Actual	Variance	% Used
Tax Revenue				
Property Taxes - Current	\$ 27,082,219		\$ 10,093,015	62.7%
Property Taxes-Abatement	(110,000)	(50,397)	(59,603)	45.8%
Property Taxes - Omitted	4,000	1,210	2,790	30.3%
Property Taxes - Delinquent	15,000	4,910	10,090	32.7%
Penalty/Interest-Del Property	33,000	709	32,291	2.1%
Specific Ownership Taxes	3,400,000	1,036,670	2,363,330	30.5%
Local Gov In Lieu Of Tax	 10,500	-	10,500	0.0%
Total Tax Revenue	 30,434,719	17,982,306	12,452,413	59.1%
Intergovernmental				
Federal - eRate Funding	225,000	-	225,000	0.0%
State Grant - Library Materials	145,000	-	145,000	0.0%
Total Intergovernmental	370,000	-	370,000	0.0%
Fines and Fees				
Fines And Fees	220,800	42,981	177,819	19.5%
Tilles Alla Fees	 220,000	42,301	177,813	13.370
Interest Income				
Interest Earnings	 210,000	78,836	131,164	37.5%
Other Revenue				
Donations-PPLD Foundation	659,725	226,859	432,866	34.4%
Donations - Civic Organization	15,000	-	15,000	0.0%
Donations - Other Categories	20,000	176	19,824	0.9%
Copier Charges	36,600	14,910	21,690	40.7%
Patrn Mgmt System Printer	48,400	15,226	33,174	31.5%
Parking Lot Collections	34,000	9,756	24,244	28.7%
Merchandise Sales	4,800	1,442	3,358	30.0%
Miscellaneous	15,200	3,344	11,856	22.0%
Sales Of Assets - Gen Capital	4,200	595	3,605	14.2%
Total Other Revenue	 837,925	272,308	565,617	32.5%
Total General Fund Revenues	\$ 32,073,444	\$ 18,376,431	\$ 13,697,013	57.3%

# Pikes Peak Library District General Fund Summary For the Three-Month Period Ended March 31,

		Year-T	o-D	ate					
eneral Fund		2018		2017		Change	% Chg.	Notes	
Expenditures									
Personnel	\$	5,123,187	\$	5,040,250	\$	82,937	1.6%		
Supplies		209,874		157,753		52,121	33.0%	1	
Library Materials		1,393,875		1,532,904		(139,029)	-9.1%		
Utilities		139,328		144,497		(5,169)	-3.6%		
Telecommunication costs		178,022		137,398		40,624	29.6%		
Contractual Services		1,313,266		1,089,445		223,821	20.5%	2	
Repairs and Maintenance		181,513		151,465		30,048	19.8%		
Other Services		163,223		159,739		3,484	2.2%		
Capital Outlay		29,429		30,635		(1,206)	-3.9%		
Operating Transfers To Other Funds		-		-		-	0.0%		
Total Expenditures	\$	8,731,717	\$	8,444,086	\$	287,631	3.4%		

- GeneraL supplies, software supplies, office supplies and other operating supplies each are higher in 2018 due to regular operating purposes. Positions are being filled in 2018 that were identified in the compensation study and the 2018 budget meaning there is simply more activity in 2018.
- In April 2018, PPLD paid \$182,965 for its Integrated Library System, which included the fee to host the system off-site with the vendor (SIRSI). The fee in 2017 was about \$114,476. In additon, PPLD paid \$91,181 for support of its self cjeck machines and AMH equipment. This fee was paid later in 2017.

Pikes Peak Library District Statement of Expenditures General Fund Period 01/01/2018 - 04/30/2018

Account Description	20	)18 Budget		YTD Actual	Available Budget	% Used	
Personnel Services							
Regular Employees	\$	15,810,758	\$	3,778,226	\$ 12,032,532	23.9%	
Temporary Employees	·	51,934	•	4,142	47,792	8.0%	
Substitute Employees		217,911		108,170	109,741	49.6%	
Work-Study And Internship		30,439		460	29,979	1.5%	
Social Security Contributions		1,096,789		284,670	812,119	26.0%	
Retirement Contributions		831,126		236,571	594,555	28.5%	
Health Plan Contributions		1,650,000		602,451	1,047,549	36.5%	
<b>Unemployment Compensation</b>		45,000		22,185	22,815	49.3%	
Workers Compensation		85,000		52,765	32,235	62.1%	
Vision Plan Ins Contributions		55,000		16,371	38,629	29.8%	
Life A&D Ins Contributions		51,000		17,176	33,824	33.7%	
<b>Tuition Reimbursement</b>		40,000		-	40,000	0.0%	
<b>Total Personnel Services</b>		19,964,957		5,123,187	14,841,770	25.7%	
Supplies							
General Supplies		193,494		55,734	137,760	28.8%	
Microform Supplies		2,450		-	2,450	0.0%	
Software Purchases		252,000		73,234	178,766	29.1%	
Computer Supplies		36,000		12,630	23,370	35.1%	
Processing Supplies		95,000		10,636	84,364	11.2%	
Office Supplies		146,450		39,093	107,357	26.7%	
Other Supplies		58,936		18,547	40,389	31.5%	
Total Supplies		784,330		209,874	574,456	26.8%	
Library Materials							
Audio-Visual Materials		767,300		162,234	605,066	21.1%	
Books		1,385,979		369,276	1,016,703	26.6%	
E-Materials		1,392,100		461,922	930,178	33.2%	
Library Materials - Other		261,000		57,534	203,466	22.0%	
Microforms		5,000		-	5,000	0.0%	
Periodicals		110,250		89,908	20,342	81.5%	
Serials		25,000		14,388	10,612	57.6%	
Databases - On-Line Services		455,043		237,190	217,853	52.1%	
Memorial Materials		-		1,423	(1,423)	100.0%	
Total Library Materials		4,401,672		1,393,875	3,007,797	31.7%	
Utilities							
Gas		103,558		24,111	79,447	23.3%	
Electric		509,688		105,935	403,753	20.8%	
Water And Sewer		110,602		9,282	101,320	8.4%	
Total Utilities		723,848		139,328	584,520	19.2%	
Telecommunications							
Data Telecommunications		356,000		149,678	206,322	42.0%	

Pikes Peak Library District Statement of Expenditures General Fund Period 01/01/2018 - 04/30/2018

Account Description	2018 Budget	YTD Actual	Available Budget	% Used
Voice Telecommunications	100,000	14,933	85,067	14.9%
Cellular Telecommunicati	76,000	13,411	62,589	17.6%
Telecommunications Expansion	5,000	-	5,000	0.0%
Total Telecommunications	537,000	178,022	358,978	33.2%
Contractual Services				
Janitorial Services	282,000	91,893	190,107	32.6%
Carpet Cleaning Services	117,000	26,753	90,247	22.9%
Rental-Library Facilitie	556,434	183,494	372,940	33.0%
Common Area Mntn Costs	152,485	42,556	109,929	27.9%
Rental-Storage Area	16,800	5,400	11,400	32.1%
Audit	43,500	12,500	31,000	28.7%
Legal	50,000	9,881	40,119	19.8%
Consultant	204,500	35,584	168,916	17.4%
Cataloging	50,600	5,191	45,409	10.3%
Trash Removal	20,819	6,835	13,984	32.8%
Copier Services	51,000	24,349	26,651	47.7%
Courier Services	211,850	9,032	202,818	4.3%
Ins-Not Employee Benefit	185,000	161,171	23,829	87.1%
Collection Agency Fees	35,000	6,534	28,466	18.7%
Printing	101,200	10,402	90,798	10.3%
Programming	345,104	59,480	285,624	17.2%
Treasurer Fees	402,122	254,940	147,182	63.4%
Microfilming Services	19,600	7,635	11,965	39.0%
Computer Support Agreement	292,500	254,909	37,591	87.1%
Maintenance-Computer Equipment	104,000	91,181	12,819	87.7%
Software Licenses	19,000	1,295	17,705	6.8%
Employee Assistance Program	20,000	2,471	17,529	12.4%
Parking	42,375	9,780	32,595	23.1%
Total Contractual Services	3,322,890	1,313,266	2,009,624	39.5%
Repairs and Maintenance				
Grounds Maintenance	73,500	9,716	63,784	13.2%
Vehicle Operating Supplies	57,000	26,704	30,296	46.8%
Maintenance-Equipment	380,000	112,551	267,449	29.6%
Repairs-Equipment	54,350	5,266	49,084	9.7%
Repairs-Furniture	31,000	8,511	22,489	27.5%
Repairs-Buildings	137,850	18,765	119,085	13.6%
Total Repairs and Maintenance	733,700	181,513	552,187	24.7%
Total Repairs and Maintenance	733,700	101,313	332,107	24.770
Other Services				
Translation Services	2,500	-	2,500	0.0%
Advertising	3,250	-	3,250	0.0%
Bank And Trustee Fees	16,600	1,989	14,611	12.0%
Information Listing	15,000	11,220	3,780	74.8%

Pikes Peak Library District Statement of Expenditures General Fund Period 01/01/2018 - 04/30/2018

Account Description	2018 Budget	YTD Actual	Available Budget	% Used
Mileage/Travel Reimbursemant	71,509	10,757	60,752	15.0%
Employee Recruitment	42,500	3,435	39,065	8.1%
Employee Testing	500	-	500	0.0%
Dues/Membership/Bus Functions	64,619	15,713	48,906	24.3%
Merchandising	5,000	153	4,847	3.1%
Employee Recognition/Excellence	20,525	4,328	16,197	21.1%
Board Of Trustees	3,000	727	2,273	24.2%
Community Outreach	70,000	21,388	48,612	30.6%
Training	231,250	56,454	174,796	24.4%
Signage	8,000	1,387	6,613	17.3%
Bindery	5,000	1,658	3,342	33.2%
Summer Reading Club	41,806	5,923	35,883	14.2%
Patron Reimbursement	1,000	-	1,000	0.0%
Postage	92,500	15,998	76,502	17.3%
Volunteer Program	5,900	2,385	3,515	40.4%
Safety & Wellness	18,500	3,310	15,190	17.9%
Other Grant Designated Fund Exp	366,425	1,797	364,628	0.5%
Administrative Support	10,500	-	10,500	0.0%
Rental-Equipment	1,000	28	972	2.8%
Other Expenses	23,489	4,573	18,916	19.5%
<b>Total Other Services</b>	1,120,373	163,223	957,150	14.6%
Capital Outlay				
Buildings	47,200	16,247	30,953	34.4%
Equipment	8,000	13,182	(5,182)	164.8%
Furniture	14,600		14,600	0.0%
Capital Outlay-Other Expenditures	16,785	-	16,785	0.0%
Total Capital Outlay	86,585	29,429	57,156	34.0%
Operating Transfers to Other Funds				
Fund Transfers Out	2,178,459	-	2,178,459	0.0%
Total Expenditures	\$ 33,853,814 \$	8,731,717	\$ 25,122,097	25.8%

#### Pikes Peak Library District Special Revenue Funds Period 01/01/2018 - 04/30/2018

Fund Balance - January 1, 2018	\$ 231,582
Expenditures	13,965
Fund Balance - April 30, 2018	\$ 217,617
Fund Balance - By Fund - April 30, 2018	
Annual Fund	\$ 212
Cheyenne Mountain Library Fund	812
Fountain Branch Library Fund	11,561
High Prairie Library Fund	167,775
Sand Creek Library Fund	30,772
1905 Carnegie Library Facility Fund	4,374
Carnegie Garden Support Fund	998
Special Collections Support Fund	1,113
	\$ 217,617

Account Description	Account Description Original Approp Carryover Revised Budget		Ytd	Expended	Encumbrances		Available Budget				
Expenditures											
2018 Budget											
Roof Inspection And Repairs	\$	3,500	\$ -	\$	3,500	\$	-	\$	-	\$	3,500
Canvas Roll-Up Awning Mater		6,000	-		6,000		3,000		3,000		-
Replace Public Water Fountains		5,200	-		5,200		4,706		494		-
Replace Staff Lounge Blinds		5,500	-		5,500		5,358		-		142
Replace Storytime Room Divider		18,000	-		18,000		-		18,000		-
aminator		2,000	-		2,000		1,795		-		205
Additional Study Room Chairs		3,500	-		3,500		-		-		3,500
Reface Cabinets In Story Offic		15,000	-		15,000		-		-		15,000
Fractor Replacement		12,000	-		12,000		9,999		-		2,001
Sub-Total		70,700	-		70,700		24,858		21,494		24,348
Carryover From 2017											
Nater Treatment System		-	3,000		3,000		-		-		3,000
Roof Inspection And Repairs		-	3,385		3,385		-		-		3,385
Blinds For Esl Office		-	27		27		-		-		27
Blinds For Erc/Maker Space		-	959		959		-		-		959
Vindow Leak-2nd Floor		-	7,500		7,500		-		-		7,500
Additional Meeting Room Chairs		-	817		817		-		-		817
een Center-Interior Paint		-	757		757		-		-		757
a Update Security Equipment		-	5,000		5,000		-		-		5,000
Paint Shelves		-	945		945		-		-		945
Mural		-	183		183		-		-		183
Chair Replacement		-	443		443		-		-		443
t Equipment		-	2,071		2,071		-		-		2,071
Sub-Total		-	25,088		25,088		-		-		25,088
Total Expenditures		70,700	25,088		95,788		24,858		21,494		49,436
Excess Revenues over Expenditures	\$	(70,700)	\$ (25,088)	\$ (	95,788)	:	(24,858)	\$	(21,494)	\$	(49,436
Fund Balance - January 1, 2018							107,231				
Fund Balance - April 30, 2018						\$	82,373				

Account Description	Original Appro	op Carryover	Rev	vised Budget	Ytd Expended	Encumbrances	Available Budget	
Expenditures								
2018 Budget								
Roof Inspection And Repairs	\$ 3,5	00 \$	- \$	3,500	\$ -	\$ -	\$ 3,500	
Penrose entry	2,5	00	-	2,500	-	2,130	370	
Meeting Room - Lower Level	275,0	00	-	275,000	-	-	275,000	
Additional Power/Data In Readi	15,0	00	-	15,000	-	-	15,000	
Uv Film On Reading Room	13,0	00	-	13,000	-	-	13,000	
Carpet Repl - Reading Room	15,0	00	-	15,000	-	-	15,000	
Upgrade Two Interior Elevators	55,5	00	-	55,500	24,767	24,767	5,966	
Chiller Replacement	55,0	00	-	55,000	-	-	55,000	
27" Laminator	2,5	00	-	2,500	1,795	-	705	
Hvac Heating Loop & Glycol	17,0	00		17,000	-	-	17,000	
Reconfigure Children'S Desk	5,0	00		5,000	-	-	5,000	
Furniture Children'S Area	7,0	00	-	7,000	-	-	7,000	
End Caps & Canopies For Shelvi	20,0	00	-	20,000	-	-	20,000	
Koc Renovation	865,0	00	-	865,000	-	-	865,000	
Sub-Total	1,351,0	00	-	1,351,000	26,562	26,897	1,297,541	
Carryover From 2017								
Building Improvment - Penrose	-	5,2	280	5,280	-	-	5,280	
Roof Inspection And Repairs	-		280	2,280	-	-	2,280	
Replace Floors In Elevators			.08	108	_	_	108	
Window Caulking		4.0	)28	4,028	_	_	4,028	
Roof Maintenance	-	,	985	985	-	-	985	
Window Blinds For Ea		2	236	236	_	_	236	
Replace Existing Parking Meter	-	50,0	000	50,000	-	-	50,000	
Facade Repair			50	350	_	_	350	
Elevator Modernization - Cab	-	8,9	14	8,914	-	-	8,914	
Convert Pea Gravel Walk	-		000	2,000	-	-	2,000	
Wood Repairs & Scaffolding	-		130	3,430	-	-	3,430	
Shelving Signage			000	2,000	_	_	2,000	
Replace 4 Staff Chairs	-	,	.04	104	-	-	104	
Capital Outlay-Other Expenses	-	4	164	464	-	-	464	
Sub-Total		80,1		80,179	-	-	80,179	
Total Expenditures	1,351,0	00 80,1	.79	1,431,179	26,562	26,897	1,377,720	
Sources of Funds								
Fundraising	11,0	00	-	11,000	-	-	11,000	
Operating Transfer - General Fund	1,335,8	41	-	1,335,841	-	-	1,335,841	
Total Sources of Funds	1,346,8	41		1,346,841	-	-	1,346,841	
Excess Revenues over Expenditures	\$ (4,1	59) \$ (80,1	179) \$	(84,338)	\$ (26,562)	\$ (26,897)		
Fund Balance - January 1, 2018					84,338			
• •						_		
Fund Balance - April 30, 2018					\$ 57,776	•		

Account Description	Origi	nal Approp	 Carryover	Revised	Budget	Ytd	Expended	Encum	brances	Availa	ble Budget
Expenditures											
2018 Budget											
Concrete Walkway Ea To South	\$	19,500	\$ -	\$	19,500	\$	-	\$	-	\$	19,500
Courtyard Improvements		20,000	-		20,000		-		2,180		17,820
Roof Repairs		3,000	-		3,000		-		-		3,000
Ent & Make Ii Window Treatment		9,000	-		9,000		-		-		9,000
Roof Replacement (Fully Adhere		60,000	-		60,000		-		-		60,000
New Teen Service Desk		1,200	-		1,200		-		-		1,200
Cafe Table Public Area		19,500	-		19,500		-		18,949		551
Install Additional Can Lights		1,200	-		1,200		-		-		1,200
New Display Case With Lighting		3,500	-		3,500		-		3,461		39
Av Equipment Maintenance		12,000	-		12,000		411		2,500		9,089
Increase Stage Size		15,000	-		15,000		-		-		15,000
Studio Noise Mitigation		25,000	-		25,000		-		-		25,000
Venue Led Lighting		10,000	-		10,000		_		-		10,000
Production Music		1,600	-		1,600		1,600		_		· -
Public Equipment Eol Replacem		4,000	-		4,000		384		_		3,616
New Public Equipment Inventory		4,000	-		4,000		738		_		3,262
Sub-Total		208,500	-		208,500		3,133		27,090		178,277
Carryover From 2017											
Parking Repairs		_	7,446		7,446		_		_		7,446
Install Ceiling Fans In Childr		_	1,750		1,750		_		_		1,750
Sound Dampening Of Amh Space		_	3,000		3,000		_		_		3,000
Improv Teen Gaming Room		_	18,134		18,134		_		18,134		-,
Ada Fixtures		_	36		36		_		-		36
Audio Booth		_	2,000		2,000		_		_		2,000
Contingency		_	35,085		35,085		_		_		35,085
Staging		_	4,675		4,675		_		_		4,675
Audio/Lighting		_	4,000		4,000		_		_		4,000
Signage		_	5,000		5,000		_		_		5,000
Patron Registration			3,000		3,000						3,000
Portable Projectors		_	13,000		13,000		_				13,000
Audio Room - Mikes Hanging		_	1,500		1,500		_				1,500
Munis Record Management Syst		-	30,000		30,000		_		_		30,000
Sub-Total		-	128,626		128,626		-		18,134		110,492
Total Expenditures		208,500	128,626		337,126		3,133		45,224		288,769
Sources of Funds											
Donations		167,128			167,128		-	-			167,128
Excess Revenues over Expenditures	\$	(41,372)	\$ (128,626)	\$ (	169,998)	:	(3,133)			\$	(121,641)
Fund Balance - January 1, 2018			 				177,499				
Fund Balance - April 30, 2018						\$	174,366				

#### Pikes Peak Library District Capital Reserve Fund Period 01/01/2018 - 04/30/2018

Account Description	Original Approp		Carryover	Re	Revised Budget		xpended	Encumbrances	Available Budget	
Expenditures										
2018 Budget										
Upgrade Children's Area Lighting	\$	4,000	\$ -	\$	4,000	\$	-	\$ -	\$ 4,000	
DW- Concrete Replacement	1	2,000	-		12,000		-	-	12,000	
DW - Asphalt Repairs	1	5,000	-		15,000		-	-	15,000	
Upgrade Fire System Dialers	1	5,000	-		15,000		-	-	15,000	
Furniture Replacement	1	0,600	-		10,600		1,063	6,606	2,931	
Childr&Teen Area Furnit		7,000	-		7,000		-	-	7,000	
Eastern EPC structures	12	5,000	-		125,000		-	-	125,000	
Replace Generator For Bookmobile	1	2,500	-		12,500		-	-	12,500	
Contingency	5	0,000	-		50,000		15,163	-	34,837	
Contingency - Furniture Replac	2	5,000	-		25,000		-	-	25,000	
AMH bin project	2	0,000	-		20,000		-	-	20,000	
Copiers & Printers Repl	20	0,000	-		200,000		-	-	200,000	
Telephone project	15	0,000	-		150,000		-	-	150,000	
Equipment Initiatives Security	4	2,000	-		42,000		-	-	42,000	
Replace Evanced Room Booking	5	0,000	-		50,000		-	-	50,000	
Av Equip For Audio Visual Dw	5	0,000	-		50,000		-	-	50,000	
Contingency I/T	2	3,000	-		23,000		-	-	23,000	
Video Projector Repl & Addit		5,000	-		5,000		-	-	5,000	
Equipment Replacement Fund	1	3,586	-		13,586		-	-	13,586	
New Machinery	1	2,932	-		12,932		-	-	12,932	
Sub-Total	84	2,618	-		842,618		16,226	6,606	819,786	
Carryover From 2017										
Building Maint-Minor Renov Prj		-	25,000		25,000		-	-	25,000	
Ma - Building Maintenance/Mino		-	10,000		10,000		-	-	10,000	
Ma - Other Furn Or Equip Repl		-	1,000		1,000		-	-	1,000	

#### Pikes Peak Library District Capital Reserve Fund Period 01/01/2018 - 04/30/2018

Account Description	Original Approp	Carryover	Revised Budget	Ytd Expended	Encumbrances	Available Budget
Ho-Access Control	-	2,473	2,473	_	_	2,473
Mo-Access Control	-	12,000	12,000	7,928	-	4,072
Ro-Access Control	-	267	267	-	-	267
Sa-Access Control	-	1,100	1,100	_	-	1,100
Dw- Concrete Replacement	_	11,560	11,560	_	_	11,560
Dw - Asphalt Repairs	_	20,973	20,973	_	_	20,973
Mo-Painting	-	3,388	3,388	_	-	3,388
Staff Lounges Improvements	-	30,000	30,000	84	-	29,916
Adult Ed Improvements	-	30,000	30,000	_	28,907	1,093
Water Management System	-	25,000	25,000	-	15,000	10,000
Furniture Replacement	-	15,036	15,036	_	-	15,036
Standing Workstation-Garage	-	42	42	-	-	42
Ho-Study Table & Chairs	-	43	43	-	-	43
Mo-Storage Cabinets	-	634	634	-	-	634
Mo-Reupholster Mr Chairs	-	116	116	-	-	116
Pa-Storage Shed	-	2,800	2,800	-	-	2,800
Vehicles	-	49,954	49,954	41,329	-	8,625
Eastern EPC structures	-	75,000	75,000	-	-	75,000
Contingency	-	55,760	55,760	-	-	55,760
Servers-Replacements	-	25,000	25,000	-	-	25,000
Maintenance Hard&Soft	-	13,079	13,079	-	-	13,079
Replace Computers	-	161,000	161,000	77,335	-	83,665
Technology Refresh (Patrons)	-	68,795	68,795	-	-	68,795
Self-Check Stations	-	5,876	5,876	-	-	5,876
Barcode Scanners	-	15,102	15,102	-	-	15,102
Tipping Point Replacements	-	5,270	5,270	-	-	5,270
Firewall Replacement	-	45,000	45,000	-	-	45,000
Archival Manag System	-	12,000	12,000	-	-	12,000
Equip Init - Security	-	58,121	58,121	-	-	58,121
Phone System	-	29,768	29,768	-	-	29,768
Children'S Equipment	-	94,000	94,000	93,357	-	643

#### Pikes Peak Library District Capital Reserve Fund Period 01/01/2018 - 04/30/2018

Account Description	Original Approp	Carryover	Revised Budget	Ytd Expended	Encumbrances	Available Budget
Consist Callestians Favin		20,000	20.000			20,000
Special Collections Equip	-	29,000	29,000	-	-	29,000
Ea Library Tween Computers	-	4,000	4,000	-	-	4,000
Comp & Print Reservation	-	101,000	101,000	-	100,281	719
Telephone System Repl Project	-	100,000	100,000	-	-	100,000
Contingency I/T	-	85,050	85,050	-	-	85,050
Upgrades To Avid Liq 7.0	-	1,000	1,000	-	-	1,000
Studio Improvement	-	2,540	2,540	-	-	2,540
Studio Flooring	-	1,259	1,259	-	-	1,259
Equipment Replacement	-	26,000	26,000	-	-	26,000
Sub-Total		1,255,006	1,255,006	220,033	144,188	890,785
Total Expenditures	842,618	1,255,006	2,097,624	236,259	150,794	1,710,571
Sources of Funds						
Operating transfer - General Fund	\$ 842,618	\$ -	\$ 842,618	-		\$ 842,618
Excess Revenues over Expenditures	\$ -	\$ (1,255,006)	\$ (1,255,006)	\$ (236,259)	\$ (150,794)	\$ (867,953)
Fund Balance - January 1, 2018				1,254,357		
Fund Balance - April 30, 2018				\$ 1,018,098		

#### Pikes Peak Library District Receipts and Disbursements by Cash Account For the Month Ended April 30, 2018

	ColoTrust Investments	US Bank Checking	Total Cash
Cash April 1, 2018	\$ 16,665,780	\$ 444,632	\$ 17,110,412
Receipts April 2018			
Property Taxes	1,850,284	-	1,850,284
Daily Cash Receipts	-	27,415	27,415
Credit Card Receipts	-	6,969	6,969
Interest	26,840	-	26,840
Disbursements March 2018			
Payment of Bills week of 4/6/18	-	(96,997)	(96,997)
Payment of Bills week of 4/13/18	-	(375,937)	(375,937)
Payment of Bills week of 4/20/18	-	(143,005)	(143,005)
Payment of Bills week of 4/27/18	-	(279,096)	(279,096)
Payroll 4/6/2018	-	(580,576)	(580,576)
Payroll 4/20/2018	-	(598,571)	(598,571)
End of month payments	-	(197,148)	(197,148)
Transfer between funds	(2,400,000)	2,400,000	-
Cash April 30, 2018	\$ 16,142,904	\$ 607,686	\$ 16,750,590

#### Library Services June 12, 2018

Cara Ramsey hosted the Educational Resource Center's Seed Starter program at East Library for children ages 7-14. Twenty kids loved getting their hands dirty and having a chance to see the laser cutter in action as they etched seed labels on Popsicle sticks. One 8-year-old was so enamored with the laser cutter that he brought his mom in later to see it. They were both very excited to learn that as soon as he turned nine he would be old enough to attend more makerspace programs!

Karaoke brought in 87 Library Explorers during April—the largest turnout to date for a Library Explorers program at the East Library. Everyone had a great time choosing their song and performing either solo or with group support. Group favorites and sing-alongs included "Let it Go," "YMCA," and "We are the Champions."

Philip Krogmeier book talked like crazy this month and expects to keep it going through the rest of the school year. Philip also participated in School District 20's Game Con. Philip ran a 5<sup>th</sup> Edition Dungeons and Dragons game where he introduced eight teens to the classic D&D adventure, "Tomb of Horrors." Ninety percent of the characters died, which is not a bad success rate for a first time through Tomb of Horrors.

Collection Management welcomed their new leader, Jenny Pierce, as she started her first day on April 23<sup>rd</sup>. Staff met with many vendors and connected with other libraries throughout Colorado for meetings and conferences. Also, Collection Management and Interlibrary Loan completed the annual reports which showcased everything that happened in 2017.

Stacy Smith and eight moms and daughters in the East Mother Daughter Book Club enjoyed a great discussion of the book "When You Reach Me," by Rebecca Stead, an awesome story about time travel. Afterwards, the girls and Stacy made "bottle cap clocks" refrigerator magnets for their moms for Mother's Day gifts.

Penrose Perk was a big hit during April with representatives to talk with about 125 patrons about housing. Members of the City of Colorado Springs, Brothers Redevelopment, and the Apartment Association of Colorado Springs were available for questions.

Penrose Childrens' staff continue to visit Catholic Charities ESL classes to provide Early Literacy training and to present Early Literacy Story Times at schools and playgroups. Lots of great reading modeling for adults takes place at these outside programs and results in several new patrons coming to the library.

An Adult Education Career Online High School student shared, "I would like to pursue my high school education, because I feel it is very important to set an example for my children. I became a mother at the age of fifteen, although I had strong family support, I still felt it was my responsibly to provide for my child. I started working at a child care center to have the chance to be with my daughter. I completed my Certified Director Associate Certificate at Pikes Peak Community College, while I was in high school. At the age of nineteen, I had my second child and continued to work. There is one thing that is always in the back of my mind, I do not have a high school diploma. How am I supposed to push my children to achieve higher education, if I can not take my own advice? My children and my family inspire me to pursue the next chapter in my career and education."



#### Branch Report June, 12, 2018

#### Horses curious about the history wall at FO

**CH:** Michael Asmar and Taylor Gorman both attended the National Library Week proclamation at city hall. It was "nice to see the goodwill and positive feedback from the public and government officials," said Mike. Taylor added, "I liked seeing the minutiae of the city's political inner-workings."

**HI:** The interior walls at High Prairie were painted during the month of April. The warm, shades we had before have been replaced by softer tones. The new colors really showcase the wood portions of High Prairie's interior, and the branch looks clean and fresh!

**HO:** We had three of our PACs removed and power added to create more work space to accommodate patrons who have their own devices. This is a trend that has been increasing as more people are able to get inexpensive devices, but do not have access to the Internet.

**MA/UT:** UT Friends of the Library were a great help with the Literacy Night at Ute Pass Elementary School. Children and adults were able to hear about library services, sign up for new library cards, and checked out library books. They received free books from the FOLs.

**MLS:** Lisa Ward met with Activity Directors, Programming Staff and Managers of local businesses about the possibility of being included in the Mobile Library's summer schedule.

**MO/PA:** Our German Conversation Group is going as strong as ever, though we've still yet to find a volunteer willing to start up a second chapter.

**OL:** Our Facebook posts are really effective. This simple post from 4/13 showing the various displays and activities at OL has already reached 1,000 people!

**RO:** We are analyzing our Relax with Pawtastic Teen Therapy Dog for future programming. We have many happy visits between patrons and our therapy dog and, it has been a fun addition to teen yoga.

**SA:** Our Family Place Playgroups began this month. We have covered Early Literacy and Nutrition. Natural Grocers came with recipes, coupons, and even made smoothies for our families. Each caregiver was given a Bright by Three bag to help parents bring the practices of Every Child Ready to Read into their daily routines.



Dog Yoga

**FO:** The Homebuyers Class with Jim Hake had only 2 attend at FO, but Mr. Hake did a live broadcast of the class on his Facebook page and had 29 viewers. The viewers interacted with Mr. Hake and the in person class. This is an interesting concept for future programs like that do not require a person to be present for hands-on activities.

2018 Circulation by Facility													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD TOTAL
Penrose	55637	49928	55956	52744	52188	0	0	0	0	0	0	0	266453
Mobile Libraries Total	13901	12062	13957	13710	11690	0	0	0	0	0	0	0	65320
Cheyenne	30917	28753	33393	32142	31159	0	0	0	0	0	0	0	156364
Fountain	15729	13797	16565	15493	16115	0	0	0	0	0	0	0	77699
High Prairie	23625	22093	26503	22570	22658	0	0	0	0	0	0	0	117449
Holley	29729	27033	30440	29081	28513	0	0	0	0	0	0	0	144796
Manitou	3645	3358	3861	3199	3317	0	0	0	0	0	0	0	17380
Monument	31541	29281	33553	31404	32187	0	0	0	0	0	0	0	157966
Old Colorado City	17079	15944	17376	16153	16069	0	0	0	0	0	0	0	82621
Palmer Lake	3431	3335	3949	3115	3563	0	0	0	0	0	0	0	17393
Rockrimmon	30015	27917	30805	29662	31235	0	0	0	0	0	0	0	149634
Sand Creek	28798	26562	30112	28959	27825	0	0	0	0	0	0	0	142256
Ute Pass	2331	2404	2739	2610	2342	0	0	0	0	0	0	0	12426
Senior Van	2103	1868	1814	1943	1836	0	0	0	0	0	0	0	9564
Bookmobiles	11798	10194	12143	11767	9854	0	0	0	0	0	0	0	55756
East	106165	95633	107240	109113	113983	0	0	0	0	0	0	0	532134
Library 21c	78418	73553	83841	73274	73776	0	0	0	0	0	0	0	382862
Dispensers	0	0	0	0	0	0	0	0	0	0	0	0	0
Parenting	90	138	178	164	148	0	0	0	0	0	0	0	718
•													
Total Physical Materials	471051	431791	490468	463393	466768	0	0	0	0	0	0	0	2323471
·			_				-						

YTD CIRC Comparison	2018	2017	% Change
Penrose	266453	308639	-13.7%
Mobile Libraries Total	65320	67325	-3.0%
Cheyenne	156364	159331	-1.9%
Fountain	77699	77985	-0.4%
High Prairie	117449	123698	-5.1%
Holley	144796	151300	-4.3%
Manitou	17380	22306	-22.1%
Monument	157966	162262	-2.6%
Old Colorado City	82621	92731	-10.9%
Palmer Lake	17393	19106	-9.0%
Rockrimmon	149634	151629	-1.3%
Sand Creek	142256	155889	-8.7%
Ute Pass	12426	13445	-7.6%
Senior Van	9564	8920	7.2%
Bookmobiles	55756	58405	-4.5%
East	532134	550406	-3.3%
Library 21c	382862	394009	-2.8%
Dispensers	0	1446	
Parenting	718	565	27.1%
Total Physical Materials	2323471	2452072	-5.24%

Current Month Compairson			%
CIRCULATION	2018	2017	Change
Penrose	52188	60582	-13.9%
Mobile Libraries Total	11690	13323	-12.3%
Cheyenne	31159	33759	-7.7%
Fountain	16115	16053	0.4%
High Prarie	22658	24943	-9.2%
Holley	28513	31479	-9.4%
Manitou	3317	4598	-27.9%
Monument	32187	34001	-5.3%
Old Colorado City	16069	18810	-14.6%
Palmer Lake	3563	3858	-7.6%
Rockrimmon	31235	32047	-2.5%
Sand Creek	27825	31096	-10.5%
Ute Pass	2342	2606	-10.1%
Senior Van	1836	1704	7.7%
Bookmobiles	9854	11619	-15.2%
East	113983	111657	2.1%
Library 21c	73776	82107	-10.1%
Dispensers	0	212	-100.0%
Parenting	148	91	62.6%
Total Physical Materials	466768	501222	-6.87%

Circulation Report

By Facility

May 2018

New software for gate counter was overcounting in 2017

Current Month Comparison			
VISITORS	2018	2017	% Change
Penrose	46433	45962	1.0%
Mobile Libraries Total	3350	3336	0.4%
Cheyenne	17453	19234	-9.3%
Fountain	9233	9686	-4.7%
High Prairie	8897	9602	-7.3%
Holley	17322	18645	-7.1%
Manitou	4095	4499	-9.0%
Monument	16288	16862	-3.4%
Old Colorado City	12482	13161	-5.2%
Palmer Lake	1824	2056	-11.3%
Rockrimmon	16263	18997	-14.4%
Sand Creek	22960	22619	1.5%
Ute Pass	1727	1474	17.2%
Knights of Columbus Hall	35		
East	49221	49206	0.0%
Library 21c	47167	40668	16.0%
TOTAL	274750	276007	-0.5%
Special Collections	2406	3015	-20.2%

					2018 Circul	lation ITEN	I Summarv	,					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD TOTAL
Print	282740	262364	295271	280394	284984	0	0	0	0	0	0	0	1405753
DVD	144635	130072	150079	141449	140069	0	0	0	0	0	0	0	706304
CD Music	15390	13395	15351	14009	13385	0	0	0	0	0	0	0	71530
CD Book	17438	16193	18433	16689	17515	0	0	0	0	0	0	0	86268
Playaway	5120	4912	5911	5480	5720	0	0	0	0	0	0	0	27143
Kit	1657	1723	1843	1801	1615	0	0	0	0	0	0	0	8639
Game	4071	3132	3580	3571	3480	0	0	0	0	0	0	0	17834
Software	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL Physical Items	471051	431791	490468	463393	466768	0	0	0	0	0	0	0	2323471
ILL	2092	2112	2280	2462	2056	0	0	0	0	0	0	0	11002
CvberShelf-OverDrive	134584	122184	138406	131807	135822	0	0	0	0	0		_	662803
Zinio	3787	4023	3343	3112	2670	0	0	0	0	0	-	0	16935
eReader	27	23	25	38	22	0	0	0	0	0	-		135
OneClick Audio	491	440	450	442	481	0	0	0	0	0		0	2304
Hot Spots	74	74	76	68	75	0	0	0	0	0	·	0	367
Cameras & Equipment	46	69	72	73	65	0	0	0	0	0	0	0	325
	-											-	
													0
TOTAL STATE Circ	612106	560647	635048	601395	607959	0	0	0	0	0	0	0	3017155
One Play				42	1	0	0	0	0	0	0	0	43
Freegal Music	9425	7672	8130	7356	7037	0	0	0	0	0	0	0	
Freading	105	81	52	66	88	0	0	0	0	0	0	0	392
DVD Player	94	149	175	150	121	0	0	0	0	0	0	0	689
Hoopla	1851	1585	1870	1812	1697	0	0	0	0	0	0	0	8815
ComicsPlus	475	0	240	274	284	0	0	0	0	0	0	0	1273
Kanopy	122	291	278	284	251	0	0	0	0	0	0	0	1226
													0
CLC	10955	9852	10789	10398	10623	0	0	0	0	0		0	52617
Laptop Use	1434	1467	1592	1570	1487	0	0	0	0	0	0	0	7550
Active Users	258251	257716	257950	257274	256986	0	0	0	0	0	0	0	
Active Users	258251	25//16	257950	25/2/4	∠56986	U	U	U	U	0	0	0	

Monthly Circ by Format							
	2018	2017	Change				
Print	284984	296190	-4%				
DVD	140069	158498	-12%				
CD Music	13385	15058	-11%				
CD Book	17515	19656	-11%				
Playaway	5720	5545	3%				
Kit	1615	2102	-23%				
Game	3480	4173	-17%				
	0	0					
TOTAL Physical Items	466768	501222	-6.87%				
ILL	2056	2105	-2%				
CyberShelf-OverDrive	135822	123555	10%				
Zinio	2670	3558	-25%				
eReader	22	59	-63%				
OneClick Audio	481	521	-8%				
Hot Spots	75	70	7%				
Cameras & Equipment	65						
Total e-materials	139070	127763	9%				
TOTAL STATE Circ	607959	631090	-3.7%				
OnePlay	1	031090	-3.7 /0				
Freegal Music	7037	10938	-36%				
Freading	88	87	1%				
DVD Player	121	174	-30%				
Hoopla	1697	1467	16%				
ComicsPlus*	284	113	151%				
Kanopy	251		10170				
- tanopy	201						
CLC	10623	10872	-2%				
Laptop Use	1487	1777	-16%				
Active Users	256986	259453	-1%				

Data for ComicsPlus & OnePlay is 1 month behind

MTD Total	2018	2017	Change
January	612106	616749	-0.8%
February	560647	570433	-1.7%
March	635048	661785	-4%
April	601395	602424	-0.2%
May	607959	631090	-4%
June		662704	-100%
July		656366	-100%
August		641563	-100%
September		599252	-100%
October		608892	-100%
November		598463	-100%
December		559133	-100%

YTD Total	2018	2017	Change
January	612106	616749	-0.8%
February	1172753	1187182	-1.2%
March	1807801	1848967	-2%
April	2409196	2451391	-2%
May	3017155	3082481	-2%
June		3745185	-100%
July		4401551	-100%
August		5043114	-100%
September		5642366	-100%
October		6251258	-100%
November		6849721	-100%
December		7408854	-100%

Circulation Report

By Item Type

May 2018

**Consent Agenda: New Hires** 

The following individuals were hired by the Pikes Peak Library District for the positions indicated during the period of April 1, 2018 – April 30, 2018.

Collette Guida: Shelver, PE (20 hrs)

Susan Sheahan: Temp Summer Reading Volunteer Coordinator, PE (15-30 hrs) Elna McIntosh: Temp Summer Reading Volunteer Coordinator, 21c (15-30 hrs) Cynthia Lewis: Temp Summer Reading Volunteer Coordinator, EA (15-30 hrs)

Sarah Werling: Library Assistant, PE (20 hrs)

Amanda Irons: Substitute Shelver, 21c

Michelle Ray: Chief Communications Officer, 21c (40 hrs)

# Voice System Redesign Vendor Selection for Request for Proposal (RFP) 520-18-01

# **Background**

PPLD current voice system is End of Life (EOL). Current capability represents risk due to single point of failure that would result in isolating the district from incoming and outgoing phone calls. This risk coupled with increasing sustainment cost resulted in the decision to recommend replacing the existing system. This situation was discussed with the Internal Affairs Committee (IAC) on April 25, 2018 and the IAC directed the Chief Information Officer to proceed with an RFP process and to present the results to the Board of Trustees.

# **VoIP System Redesign Features and Benefits**

Risk Mitigation

- Removes single point of failure.
- Improve Availability
- Monitored bandwidth usage to prevent delays
- Improved Security Features
- Reduced Infrastructure cost
- 99.95% uptime

## **Selection Process**

Flair Data Systems and Sentinel were the two respondents to the proposal. Both submissions were compliant with the RFP requirements. We recommend Flair Data Systems based on the lower cost.

The following table depicts the cost projections from 2018 to 2022 for procuring hardware, installation and following-on maintenance for Flair Data Systems and Sentinel.

Voice System Redesign	2018	2019	2020	2021	2022
Flair Hardware, Software and	\$246,578.92				
Professional Service					
Flair Voice System License	Year 1	\$37,454.52	\$37,454.52	\$37,454.52	\$37,454.52
and Hardware Maintenance	included				
	above.				
Total	\$246,578.92	\$37,454.52	\$37,454.52	\$37,454.52	\$37,454.52
Sentinel Hardware, Software	\$440,714.19				
and Professional Services					
Voice System License and	Year 1	\$32,052.59	\$32,052.59	\$32,052.59	\$32,052.59
Hardware Maintenance	included				
	above.				
Total	\$440,714.19	\$32,052.59	\$32,052.59	\$32,052.59	\$32,052.59

The service costs listed above are simply projections. Our recommendation is to enter into a year-to-year service agreement.

There are sufficient funds in the 2018 budget to cover the cost of this project.

# Recommendation

Management recommends the Board of Trustees approve Flair Data Systems to provide the services stipulated in RFP 520-18-01 Voice System Redesign at the cost of \$246,578.92 for 2018.

# Penrose Library Campus Improvements – Construction Manager/General Contractor (CM/GC) Services

The Penrose Library Campus includes Penrose Library, the 1905 Carnegie Library and Knights of Columbus Hall. Building-specific improvements at the Penrose Library Campus will allow Pikes Peak Library District to provide better service and increased opportunities to the entire community. Improvements include the reorganization of Penrose Circulation/Adult Services and Children's Services service desks, the addition of offices for Security, a social worker and the Circulation Services Supervisor and the planning, design and construction of large, flexible meeting spaces on the lower level of Penrose Library.

Improvements to the 1905 Carnegie will be primarily aesthetic with limited electrical/data added to the reading room in order to return this space to its original purpose.

Knights of Columbus Hall will undergo improvements to allow an increase from the current occupancy of forty-nine on the main level to a new occupancy of three hundred. Improvements will include major mechanical, fire systems and ADA upgrades.

# Background

In March 2018, the Board of Trustees approved the contract for design service with Humphries Poli Architects (HPA) for the Penrose Library Campus Improvement project. Over the last three months, HPA has worked with PPLD staff in the program planning and schematic design stages for this project. Complete schematic design details are near completion.

In anticipation of moving from the schematic design phase into design development and construction documents, the need for expert consultation to provide constructability review and cost estimation in consideration of design progression will be critical in controlling costs and schedules. For this consultation and ultimately the construction services for the project, it is necessary to bring on another member of the project team and that being a Construction Manager/General Contractor (CM/GC).

On April 11, 2018, a Request for Proposal (RFP) for CM/GC services was released with a due date of May18, 2018. A mandatory pre-proposal conference was held on April 20, 2018 with a total of four general contracting firms attending, GH Phipps, Nunn Construction, GE Johnson and MS&S General Contractor.

# **Analysis**

Two (2) General Contracting firms submitted proposals, GE Johnson and Nunn Construction. GH Phipps declined due to current project load and MS&S General Contractors did not respond.

Both of the proposals that were submitted met all requirements of the RFP and both firms have considerable proven experience with similar projects. This experience, as well as past projects with PPLD, was considered during the review of proposals.

# **Fiscal Impact**

Company	Construction Services/other Costs	CM/GC Profit	Total
Nunn Construction	\$105,201	\$44,122	\$149,323
GE Johnson	\$137,663	\$32,281	\$169,944

# **Summary**

Based upon review of submitted proposals, Nunn Construction provided the best overall, complete quote for this project.

## Recommendation

Staff recommends that the Board of Trustees award the CM/GC services for the Penrose Library Campus Improvements Project to Nunn Construction at a total cost of \$149,323.

## Calhan Lease

In consideration of optional service delivery opportunities for patrons in Calhan and surrounding areas, Pikes Peak Library District (PPLD) and Calhan School District RJ-1 (District RJ-1) have discussed and agreed, pending approval by the PPLD Board of Trustees, the use of a portion of District RJ-1 land for the establishment of a PPLD Library facility in the town of Calhan.

# **Background**

In 2017 planning began for the replacement of the existing county mobile library services vehicle, L-702. The vehicle's replacement schedule, increasing age (purchased in 2008), and recent mechanical issues were considerations. Mobile Library Services staff, Facilities staff and members of the PPLD Leadership Team discussed options for providing library service to eastern El Paso County. These options included smaller vehicles, converted fifth-wheel travel trailers and even "Tiny Homes" constructed as "Tiny Libraries".

PPLD staff visited a modular building supplier in Calhan. This field trip broadened our options to larger, modular/manufactured homes that could also be customized to accommodate use as a library facility at a reasonable cost. The trip also fueled interest within the Calhan community of the possibility of a library facility being established within town limits.

Over the next several months while PPLD staff continued to research the feasibility of all facility options, unofficial talks were underway between Calhan town officials and members of the PPLD Leadership Team about possible library locations within the town of Calhan. El Paso County also approached PPLD with an offer for use of space in an existing building located on the County Fairgrounds property. This option, while considered, was determined not to be a viable possibility due to the amount of additional construction that would be required to make the space usable as well as the cost in doing so.

On December 19, 2017, John Spears and Gary Syling attended the Calhan School District Board meeting to present PPLD's vision of establishing library services on a more substantial basis within the town. This vision increased excitement within the community, and that excitement continues to grow.

In early February 2018 Calhan School District Superintendent Dave Slothower contacted PPLD with an offer of another location close to the Calhan School and adjacent to the El Paso County Fairgrounds. PPLD staff met with Superintendent Slothower to view the location.

On March 14, 2018 District RJ-1 Superintendent Dave Slothower, District RJ-1 Facilities Manager Jimmy Cochran and Monty Whitney of the Calhan Lyons Club met

with PPLD leadership. District RJ-1 offered three acres of an existing forty acre parcel owned by District RJ-1 to PPLD at a lease rate of one-dollar annually in perpetuity. This three acre portion is located near the intersection of 10<sup>th</sup> Street and Calhan Highway and within Calhan town limits. Electrical and phone are at the property line, water and sewer are nearby.

In exchange, PPLD agrees to assist District RJ-1 in the construction of fencing around the new bus parking lot that will border the PPLD property. Upon the approval of the PPLD site development plan by the Town of Calhan, PPLD will provide \$15,000 for the fence construction.

Lease negotiations occurred during April and May and the final draft was presented to, and approved by the Calhan School District Board on May 15, 2018.

## Recommendation

Management recommends that the Board approve the lease with Calhan School District RJ-1 as presented.

#### LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into effective as of <u>Tuesday</u>, <u>May 15</u>, <u>2018</u>, by and between the, Calhan School District RJ-1 ("the District") whose address is 800 Bulldog Drive, Calhan, Colorado 80808 (herein called "Lessor") and PIKES PEAK LIBRARY DISTRICT ("PPLD"), whose address is 20 North Cascade Avenue, Colorado Springs, Colorado 80903 (herein called "Lessee"). Lessee and Lessor are sometimes collectively referred to herein as the "Parties" and each as a "Party,"

Lessor currently owns and maintains a parcel of land located east along the North Calhan Highway/Yoder Street in Calhan, Colorado. The Lessor agrees to grant Lessee use of three (3) acres of said parcel. The leased area will be identified as 475 feet long by 275 wide, oriented on a north/south axis in the southeast corner of the Lessor-owned parcel ("the Land"), as more specifically described in the attached Exhibit "A" which is incorporated herein. Lessor shall retain a ten foot (10') right of way along the north and south boundaries of the Land for future access development. This Lease grants the Lessee: (i) the right to use the Land for the purpose of establishing a library facility for community use, (ii) the non-exclusive right to access the Land from North Calhan Highway/Yoder Street, (iii) and permission to perform site improvements to include but not be limited to a manufactured building placement, utility services and parking lot, (iv) and future permanent construction of facilities and parking if Lessee determines it to be in the best interest of Lessee and the community and funding is attainable subject to Lessor's approval as provided herein.

Lessee hereby agrees to lease from Lessor the Land, upon the following TERMS and CONDITIONS.

### 1. Term and Rent.

- (a) Lessor leases the above Land to Lessee for a term commencing on the Lease Commencement Date (as defined above) at an annual rental rate of One Dollar (\$1.00). Initial rental payment shall be that of Fifty-Dollars (\$50.00) payable upon the Lease Commencement Date, and automatically renewed in the year 2068 unless otherwise terminated as set forth herein. All rental payments shall be made to Lessor, at the address specified above.
- (b) Lessee shall compensate Lessor a total sum of fifteen Thousand dollars (\$15,000) to be utilized for fencing of the Lessor's school bus parking lot. Payment shall be made upon the Town of Calhan's approval of the Library's site plan. If the endeavor of establishing library facilities on the Land proves to be unfeasible or abandoned, Lessee shall be free of any financial obligation.
- (c) This Lease shall terminate in the event of circumstances noted herein (i) mutual agreement of the Parties, or (ii) upon the occurrence of exercise of eminent domain.
- 2. Use. Lessee shall use and occupy the Land solely for the purpose of operating a public library.

## 3. Condition, Care and Maintenance of the Land.

(a) Lessor hereby represents and warrants to Lessee that to the best of Lessor's actual knowledge, upon signing of this Lease and the Lease Commencement Date: (i) there are no

material unsafe conditions associated with the Land, (ii) there are no environmental hazards associated with the Land, (iii) the Land is in compliance with all applicable federal, state and local laws, rules, regulations, and ordinances.

- (b) Lessee shall have the right to undertake, at Lessee's sole expense, a full and complete inspection of the Land, including, without limitation, any environmental testing. If Lessee determines that the Land is not satisfactory to Lessee, in any material manner as reasonably determined by Lessee, Lessee shall have the right to terminate this Lease upon written notice to Lessor.
- (c) Notwithstanding the foregoing, Lessee shall, at its sole expense, be responsible for the ordinary and routine day-to-day maintenance of the Land to include but not limited to plant growth control and trash and shall maintain the Land in a clean and presentable condition at all times. Lessee shall comply with all city and Lessor requirements for maintaining the Land. Lessee shall not use noxious chemicals with respect to plant growth control.

## 4. Improvements.

- (a) Except as expressly otherwise provided herein, during the term of this Lease Lessee shall be responsible for, and shall pay the cost of: (i) any improvements or repairs required to the Land and shall consult with, and obtain approval from, Lessor prior to making any improvements or repairs. (ii) If there are to be improvements to the land, Lessee ensure said improvements do not negatively impact surrounding Lessor parcel. Any damage occurring during such improvements to Lessor parcel shall be the responsibility of Lessee. Any damage to Lessee parcel during such improvements shall be the responsibility of Lessor. (iii) The Parties shall use both commercially reasonable efforts to minimize any disruption to the operations of the other in connection with any improvements.
- (b) Notwithstanding the foregoing, minor landscape improvements or additions that will not impact or alter drainage from the Land, shall not require notification unless as a courtesy.
- 5. Ordinances and Statutes. Subject to the terms and conditions set forth in this Lease, the Parties shall comply with all statutes, ordinances and requirements of all municipal, county, state and federal authorities now in force or which may hereafter be in force, pertaining to the Land; provided, however, that any costs expended to comply with any and all such laws, statutes, ordinances and requirements shall be borne by Lessor; unless such costs are reasonably determined to be as a result of Lessee's use of the Land or an ordinary routine maintenance cost as set forth in paragraph 3(c), in which event Lessee shall be responsible for such costs.
- 6. Assignment and Subletting. Lessee shall not assign this Lease or sublet any portion of the Land without prior written consent of the Lessor. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, Lessor may terminate this Lease. Lessor shall not transfer ownership of the Land without prior written consent of the Lessee. Except as expressly otherwise provided, none of the rights or obligations of the Parties hereto shall be assigned by either Party without the written consent of the other.
- 7. Utilities. For the duration of the Lease term and any extensions thereto, all applications and connections for utility services on the Land shall be made in the name of Lessee only, and Lessee shall pay all utility expenses directly to the provider thereof, including those for sewer, water, gas, electricity, telephone services, and network fees/connection charges. Notwithstanding the foregoing, Lessor shall be solely responsible for the utility costs associated with the bus parking lot and any future development of Lessor parcel.

#### 8. Insurance and Damage to Premises.

- (a) Lessee, at its sole expense, shall at all times during the Lease maintain commercial general liability insurance including bodily injury in an amount not less than the limits of liability contained in the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as it may be amended from time to time. Lessee shall provide Lessor with a Certificate of Insurance showing compliance with this paragraph. The Certificate shall provide for a ten-day written notice to Lessor in the event of cancellation or a material change of coverage.
  - (b) Lessor shall maintain all risk property insurance for the Land.
- (c) To the maximum extent permitted by insurance policies which may be owned by Lessor or Lessee, Lessee and Lessor, for the benefit of each other, waive any and all rights of subrogation which might otherwise exist.
- 9. Eminent Domain. If the Land or any part thereof or any estate therein, or any other part of the Land materially affecting Lessee's use of the Land, shall be taken by eminent domain, this Lease shall terminate on the date when title vests pursuant to such taking. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by or funded by Lessee, and for reasonable moving expenses incurred as a result or the taking by eminent domain.
- 10. Taxes. It is not expected that any real property taxes or general and special assessments will be levied and assessed against the Land, because the Lessor and the Lessee are tax-exempt entities and the use of the Land furthers the purposes of both entities.

### 11. Miscellaneous.

- a. <u>Governing Law and Venue.</u> This Lease shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in El Paso County, Colorado.
- b. <u>No Waiver.</u> Delays in enforcement or the waiver of any one or more defaults or breaches of this Lease by Lessor shall not constitute a waiver of any of the other terms or obligation of this Lease.
- c. <u>Integration.</u> This Lease and any attached exhibits constitute the entire Lease between the parties, superseding all prior oral or written communications.
  - d. Third Parties. There are no intended third-party beneficiaries to this Lease.
- e. <u>Notice.</u> Any notice under this Lease shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class United States Mail to the party at the address set forth on the first page of this Lease (or such replacement address as may be provided with notice from time to time).
- f. <u>Severability</u>. If any provision of this Lease is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect, and a lawful replacement provision shall be substituted for the invalid provisions in

order to reflect, as nearly as is practical, the original intent of the Parties.

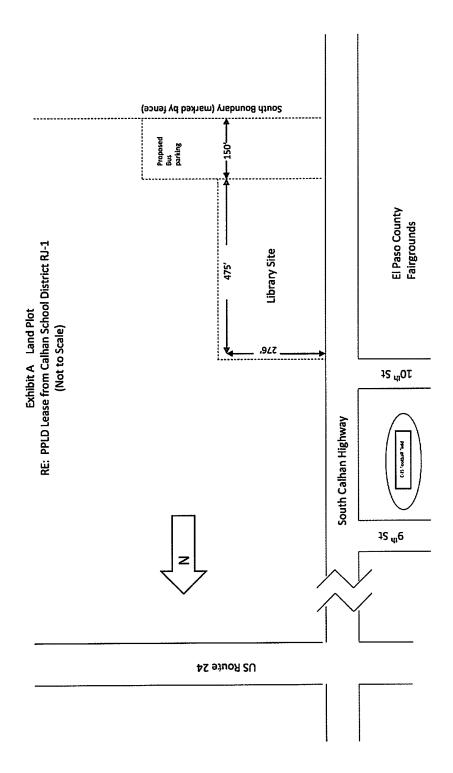
- g. <u>Modification</u>. This Lease may only be modified upon written agreement of the parties, as approved formally by their respective governing bodies.
- h. <u>Governmental Immunity.</u> Lessor, its officers, and its employees, are relying on, and do not waive or intend to waive by any provision of this Lease, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, may be amended, or otherwise available to Lessor and its officers or employees.
- i. <u>Lessor and Lessee Consent.</u> Unless expressly otherwise provided herein, any reference herein to Lessor or Lessee consent shall be interpreted as follows: (i) such consent shall not be unreasonably withheld or delayed, and (ii) such consent shall be presumed if the consenting Party does not give written notice to the requesting Party \withholding such consent within 30 days after receiving \written notice requesting such consent.
- j. <u>Rights and Remedies.</u> The rights and remedies of Lessor under this Lease are in addition to any other rights and remedies provided by law. The expiration of !his Lease shall in no way limit Lessor's legal or equitable remedies, or the period in which such remedies may be asserted.
- k. <u>Subject to Annual Appropriations</u>. Consistent with Article X, § 20 of the Colorado Constitution ("TABOR"), any financial obligations of Lessor or Lessee not performed during the current fiscal year are subject to annual appropriation for payment by such party's governing board, and thus any such obligations hereunder shall extend only to monies currently appropriated and shall not constitute a mandatory charge, requirement or liability beyond the current fiscal year. Accordingly, Lessee and Lessor acknowledge and agree that this Lease does not constitute a multi-year financial obligation of Lessee under TABOR. In the event such appropriation is not made, Lessee shall provide Lessor with at least ninety (90) days written notice of termination and this Lease shall terminate at the later of the end of the current fiscal year or 90 days after Lessor receives written notice of termination from Lessee.
- 1. <u>Counterparts.</u> This Lease may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument; and any signature page from any such counterpart or any electronic facsimile or electronic PDF thereof may be attached or appended to any other counterpart to complete a fully executed counterpart of this Lease and any telecopy or other facsimile transmission of any signature shall be deemed an original and shall bind such party.

/Signature Page Follows/

	LESSOR:
	Calhan School District RJ-1  By: Lassolder, President  Board of Education
	ATTEST:
	LESSEE:
	PIKES PEAK LIBRARY DISTRICT
	By:
	Its:
STATE OF COLORADO ) ) ss. COUNTY OF EL PASO )	
The foregoing instrument was subscribed	d, sworn to and acknowledged before me this 2 4th day of
May 2018, Amy Kasse	Ider as Preident of
Calhan School Board of Educa My commission expires: Nov. 5, 2019	NANCY A HELTON NOTARY PUBLIC STATE OF COLORADO NOTARY ID # 20154043412
, , , , , , , , , , , , , , , , , , , ,	Daney a. Hella Notary Public
STATE OF COLORADO )	
COUNTY OF EL PASO ) ss.	

The foregoing instrument was subscribed, sworn to and acknowledged before me this				
2018,	as	of		
	·			
My commission expires:				
	Notary Public			

1



June 12, 2018

# Completion of Financial Audit of PPLD's 2017 Financial Records

The Local Government Audit Law (Section 29-1-601 et seq., C.R.S.) requires Colorado local governments such as the Pikes Peak Library District (the District) to have an annual audit of their financial statements. The law states that the audit must be performed by an independent Certified Public Accountant, and be in accordance with Generally Accepted Accounting Standards.

PPLD's 2017 financial records were audited by BKD, LLP. The audit was completed in accordance with all applicable State statutes and in accordance with Generally Accepted Auditing Standards.

Included with this document is the "final draft" of PPLD's 2017 Comprehensive Annual Financial Report (CAFR). Also included with this document is a "final draft" of BKD, LLP's communication letter to the Board of Trustees, Internal Affairs Committee and Management. These are "final draft" documents as BKD, LLP will issue their final reports after the Board of Trustees accept the results of the 2017 audit.

BKD, LLP issued an "unqualified" opinion, meaning the financial records are materially correct as presented. Their opinion is included on pages 27 - 29 in the 2017 CAFR. A second report, "Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards" is located on pages 173 - 174 of the 2017 CAFR.

BKD, LLP will meet with the Internal Affairs Committee on June 12, 2017, prior to the regular Board of Trustees meeting scheduled on June 12, 2018, to present the results of the audit. The Internal Affairs Committee will present the results of the audit to the Board of Trustees at the aforementioned Board meeting. In short, there were no audit adjustments, no passed audit adjustments (adjustments that they consider as immaterial and do not need to be posted to the financial records), and there were no management letter comments or other significant items of deficiency.

## Recommendation

Management recommends acceptance of the results of the audit of PPLD's 2017 financial records as described above.

## DRAFT 06/07/2018

Board of Trustees, Internal Affairs Committee and Management Pikes Peak Library District Colorado Springs, Colorado

As part of our audit of the financial statements of Pikes Peak Library District (the District) as of and for the year ended December 31, 2017, we wish to communicate the following to you.

## AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in Government Auditing Standards Issued by the Comptroller General of the United States

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

# Qualitative Aspects of Significant Accounting Policies and Practices

## Significant Accounting Policies

The District's significant accounting policies are described in Note 1 of the audited financial statements.

# DRAFT 06/07/2018

Board of Trustees, Internal Affairs Committee and Management Pikes Peak Library District Page 2

## Alternative Accounting Treatments

• No matters are reportable

# Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Fair value of investments
- Allowance for uncollectible receivables
- Useful lives of capital assets
- Compensated absences accrual
- Pension expense

# Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Inter-fund activity
- Risk management
- TABOR amendment and revenue
- Claims and litigation
- General fund budgetary information

# **Audit Adjustments**

No matters are reportable

# Auditor's Judgments About the Quality of the District's Accounting Principles

No matters are reportable

# DRAFT 06/07/2018

Board of Trustees, Internal Affairs Committee and Management Pikes Peak Library District Page 3

# Significant Issues Discussed with Management

• No matters are reportable

# **Other Material Communications**

Listed below are other material communications between management and us related to the audit:

- Management representation letter (attached)
- We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies

\* \* \* \* \*

This communication is intended solely for the information and use of Management, the Internal Affairs Committee, the Board of Trustees and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

Page 52 of 237

# **Pikes Peak Library District**

Administrative Offices 20 N. Cascade Avenue Colorado Springs, Colorado 80903

Comprehensive Annual Financial Report For the year ended December 31, 2017

# **Board of Trustees**

(As of December 31, 2017)

Cathy Grossman	President
Keith Clayton, II	Vice President
Vacant	Secretary/Treasurer
Kenneth Beach	Trustee
Kathleen Owings	Trustee
Katherine Spicer	Trustee
Wavne Vanderschuere	Trustee

Chief Librarian and Chief Executive Officer

John Spears

Prepared by
Michael E. Varnet, CPA, CPFO
Chief Financial Officer

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# PIKES PEAK LIBRARY DISTRICT



P.O. Box 1579 • Colorado Springs, CO 80901-1579 • (719) 531-6333

June 23, 2018

Members of the Board of Trustees Pikes Peak Library District 20 N. Cascade Avenue Colorado Springs, Colorado 80903

## 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, 2017.

This is the twenty-seventh 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).

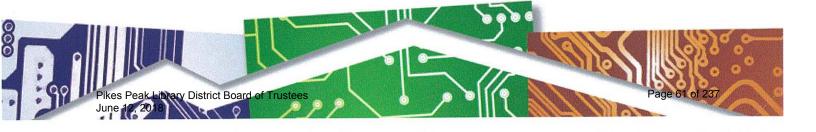
Please refer to pages 31 to 42 for the section of the CAFR called "Management's Discussion and Analysis." This section provides a discussion of the significant issues and analysis of the District's 2017 financial statements.

Last year's CAFR received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the twenty-sixth consecutive year. This award represents affirmation that the District has achieved excellence in financial reporting. The District will submit the 2017 CAFR for recognition again this year.

I want to take this opportunity to thank PPLD's Chief Financial Officer and the 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,

John Spears Chief Librarian and Chief Executive Officer



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# PIKES PEAK LIBRARY DISTRICT



P.O. Box 1579 • Colorado Springs, CO 80901-1579 • (719) 531-6333

June 23, 2018

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, 2017.

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, 2017. The independent auditor's report is located at the front of the financial section of this report.

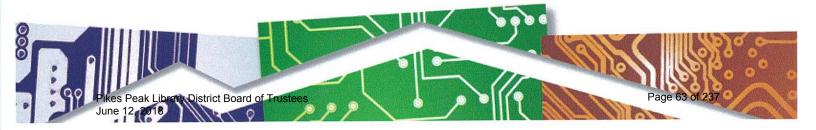
Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report, and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## 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 one component unit affiliation: 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 2,070 square miles. The District owns seven facilities – East Library, Fountain Library, High Prairie Library, Library 21c (opened to the public in June 2014), Old Colorado City Library, Penrose Library Complex, and Sand Creek Library – and leases the other seven facilities – 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.

The District's Administrative divisions include the Chief Librarian and Chief Executive Officer's Office, the Finance and Business Office, Support Services (human resources and facilities operations), Information Technology and Virtual Services (information technology and collection management operations), 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, circulation and shelving, literacy and security operations).

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**

PPLD is the second largest library district in Colorado. Established in 1903, PPLD serves 639,625 residents in El Paso County by providing 896 hours of library service a week across 2,070 square miles. PPLD's 14 facilities, online resources, and mobile library service provide access to materials, technology, spaces, and programs that are critical to the public, making it a vital force for individual and community transformation.

PPLD has an employee base of 460 full and part-time staff, and utilizes roughly 1,997 volunteers. PPLD serves all of El Paso County (with the exception of Security and Widefield), including all unincorporated areas, and the municipalities of Colorado Springs, Fountain, Manitou Springs, Monument, Palmer Lake, Falcon, Ellicott, and Calhan.

The District's Strategic Plan for the years 2017 – 2020 follows:

Providing resources and opportunities that impact individual lives and build community.

# Pikes Peak Library District Strategic Plan 2017-2020



STRATEGIC FOCUS	EFFORTS	OUTCOMES
COMMUNITY	Steward the alignment of the community's talents, abilities and relationships to enrich lives.  Facilitate enlightened dialogues to serve as a social connector.	PPLD is a people-focused public library that embraces new ways of working together to advance greater integration and cooperation in our community.
RESOURCES	Provide, maintain and improve a variety of flexible, sustainable and innovative resources.  Explore and develop opportunities with other organizations for collaborative resources both internal and external, throughout the District.	PPLD is the center of a thriving community.
INNOVATION/CREATIVITY	Focus on community interests and trends to create opportunities for individuals to collaborate, innovate, inspire one another and generate content.  Utilize innovation and creativity to highlight the history and culture of the Pikes Peak Region.	PPLD will support lifelong learning and foster a learning community that allows each individual to maximize their creative potential.
SERVICE	Design and implement services to anticipate and meet the needs of increasingly diverse communities with unique needs and expectations.  Remove barriers and take bold risks to design and deliver exemplary services that set a national standard of excellence for libraries.	The customer experience at PPLD will emphasize convenience, speed, ease and satisfaction.  PPLD collections and services will be responsive to community needs and relevant to residents' lives.
internal — Staff	Create and maintain an environment that allows employees to take maximum advantage of their abilities to grow personally and professionally in alignment with PPLD's mission.  Offer competitive compensation, benefits and work environment to attract and retain quality employees.  Develop and maintain an organizational structure that is responsive, agile and quality focused.	PPLD staff members are community-focused, confident and motivated.
ACCOUNTABILITY	Build institutional capacity to ensure the future of PPLD.  Promote efficient and effective use of financial resources entrusted to PPLD.  Foster community understanding of PPLD with a focus on initiatives tied to strategic efforts.	PPLD will be prudent in the utilization of its financial resources.  PPLD will have a strong brand as a trusted community resource, asset and partner.

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 2017

The year 2017 saw the multitude of initiatives and projects that were seeded in 2016 take root and grow for PPLD. The major project of the addition of a digital media center and "audio" makerspace in the Sand Creek Branch in southeastern Colorado Springs came to fruition in September of 2017, with a weeklong grand opening event. Pikes Peak Library District Foundation was able to secure a \$50,000 grant from Comcast, and cover an additional \$50,000 for the Sand Creek project. The remaining monies needed were made up by reallocating Library District funds.

PPLD established their Career Online High School initiative in 2017. This nationally accredited 18-month program allows students to earn a high school diploma, prepare for career entry or advancement by earning a career certificate and gain employment search skills and support tools. The first class of graduates received their certificates in the summer and another strong class was underway by Fall. The program is no cost to students, while PPLD gives support equaling approximately \$1,200 for each student.

The year 2017 saw PPLD complete its review of all standing policies. One of the products of this extensive review was the elimination of fines for overdue books and materials. First, children and juvenile overdue fines were eliminated and, by year's end, all fines were waived. During 2018, the District elected to make the elimination of fines permanent for most items. The PPLD Leadership Team, in concert with the Board of Trustees, revisited the District's Strategic Plan. After extensive dialogue and research, a new Plan was rolled out in the summer of 2017.

The year 2017 was also a successful year for launching a *Human Library* at PPLD. The first Human Library was held at Penrose Library in March. It was so successful that a second edition was held in September. There is planning for a third installment in March of 2018.

Nearly five thousand (5,000) people attended the fourth Annual Maker Faire at Library 21c in October of 2017. The event, with experiential learning opportunities filled Library 21c, intriguing the overflow crowd. Over 60 various community makers set-up interactives booths to the delight of the fair-goers. Plans are already underway for the fifth Annual Maker Faire in October of 2018.

For the third year running, PPLD once again surpassed 1 million digital circulations in 2017 through OverDrive, one of the digital distributors on PPLD's CyberShelf. This milestone again made PPLD the only library system in Colorado to reach this impressive milestone and was placed PPLD digital circulations in the top ten of national libraries.

## 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, 2017, the population of El Paso County is 698,353 (the District's legal service is 639,625 and is included in this total). Colorado Springs, the largest municipality within El Paso County (the County), is the 40th largest city in the nation. The County's population has increased by approximately 178,500 since 2000, with approximately half of the increase due to in-migration and the balance due to natural growth.

## <u>Age</u>

The projected median age for El Paso County is 34.4 at the end of 2017. The following are estimates of the population for El Paso County by certain age categories:

	2017		2016	
Under 15	142,475	20.4%	145,735	21.3%
15-24	112,412	16.1%	106,986	15.6%
25-44	188,375	27.0%	180,790	26.4%
45-64	170,320	24.4%	170,697	24.9%
65+	84,771	12.1%	81,123	11.7%
Total	698,353		685,331	

# **Industries**

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

	2017	2016
Government, including military	18.1%	18.1%
Professional and business	15.1%	15.6%
Wholesale and retail trade	15.7%	15.5%
Education, health care	13.8%	13.5%
Leisure and hospitality	12.9%	13.0%
Financial	6.4%	6.3%
Manufacturing	4.0%	4.2%
All other	14.0%	13.8%

# 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 chart depicts the estimated annual mean of wage levels for certain occupations.

Occupation	2017 Annual Wages	2016 Annual Wages
· · · · · · · · · · · · · · · · · · ·		
Accountants and Auditors	\$ 76,940	\$ 73,230
Bank Tellers	28,600	27,970
Bookkeeping, Accounting, and Auditing Clerks	36,180	35,080
Carpenters	41,930	41,340
Civil Engineers	92,330	82,730
Computer Programmers	99,000	89,610
Correctional Officers	68,980	56,710
Dental Hygienists	77,300	75,920
Electrical Engineers	105,870	106,350
Elementary School Teachers	47,290	46,110
Executive Secretaries	51,740	50,350
Financial Analysts	91,960	87,730
Graphic Designers	54,380	50,200
Order Clerks	26,950	32,540
Payroll Clerks	43,630	42,680
Physicians and Surgeons	235,520	248,440
Property Managers	68,250	77,320
Social Workers	65,650	63,360
Systems Analysts	93,710	94,340

## **Consumer Spending**

Retail sales for 2017 were about 4.3% higher than 2016. 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 2017 was 95.7, which is slightly lower than the nation as a whole. The following chart compares the cost of living index for Colorado Springs to other cities:

	2017	2016
Seattle, WA	149.0	145.1
Los Angeles, CA	148.0	142.3
Portland, OR	129.3	128.5
Denver, CO	112.0	110.4
Las Vegas, NV	102.5	104.3
Dallas, TX	102.1	100.4
National Average	100.0	100.0
Salt Lake City, UT	97.1	93.8
Colorado Springs, CO	95.7	94.0
Phoenix, AZ	95.0	97.0
Albuquerque, NM	94.9	94.9
Boise, ID	92.5	91.5

# **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 chart compares the average price of a new 2,400 sq. ft. home in Colorado Springs to other cities at the end of 2017.

	2017	2016
Los Angeles, CA	\$ 786,269	\$ 686,082
Seattle, WA	649,370	563,432
Portland, OR	507,368	466,921
Denver, CO	442,949	413,831
Las Vegas, NV	375,990	360,554
National Average	336,448	326,999
Phoenix, AZ	317,372	308,054
Salt Lake City, UT	317,989	306,902
Colorado Springs, CO	312,724	294,987
Dallas, TX	317,177	276,604
Boise, ID	297,092	267,833
Albuquerque, NM	314,655	313,411

At the end of 2016, apartment rental rates are equally reasonable when compared to approximately 950 square foot apartments with two bedrooms and one and a half or two full baths in other cities:

	2017 Month	2016 Month
Los Angeles, CA	\$ 2,633	\$ 2,510
Portland, OR	2,482	2,461
Seattle, WA	2,366	2,050
Denver, CO	1,414	1,469
Colorado Springs, CO	1,201	1,104
Dallas, TX	1,318	1,058
National Average	1,044	1,008
Las Vegas, NV	1,043	1,000
Phoenix, AZ	1,032	974
Salt Lake City, UT	1,010	954
Boise, ID	893	795
Albuquerque, NM	968	960

## **Tourism**

Tourism remains one of the main draws to the Colorado Springs area. More than 23 million visitors per year put nearly \$2.25 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 and west and Interstate 25 heading north and 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 12 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 82.5% 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:

	2017	2016
	Total	Total
	Enrollment	Enrollment
Pikes Peak Community College	15,299	13,572
University of Colorado at Colorado Springs	12,258	11,696
United States Air Force Academy	4,237	4,111

# **National Rankings**

- **Colorado** ranked #1 in the Economic Growth Potential category of Business Facilities' 13<sup>th</sup> Annual Rankings Report in 2017. Rankings are partly based on the amount of venture capital flowing into the state.
- Colorado Springs ranked #1 Mid-sized American City for Human Capital and Lifestyle in fDi Intelligence's American Cities of the Future 2017/18 report.
- In Forbes' 2017 Best States for Business report, Colorado ranked #1 for Labor Supply, #3 for Economic Climate, and #4 for Growth Prospects
- Colorado Springs ranked #2 on WalletHub's 2017 Best & Worst Places for Veterans to Live by WalletHub based on 17 key indicators of livability, affordability and veteranfriendliness.
- Colorado Springs ranked #5 on WalletHub's 2017 Best Big Cities to Live in list. The study ranked the 62 largest cities in the U.S. and judged them on 50 different factors, such as education, housing costs, affordability, quality of local health care and violent crime statistics.
- Colorado Springs ranked #6 in Trulia's Hottest Real Estate Markets to Watch in 2017.
   The list is based on five key metrics including high affordability, strong job growth, and low vacancy rates.
- Colorado Springs ranked #11 on U.S. News and World Report's 2017 Best Places to Live list. The magazine analyzed each city's job market, cost of living, quality of life, and desirability.

• Colorado Springs' millennial (those born between 1981 and 1997) population increased by 14.7% between 2010 and 2015, the highest increase in the nation, according to a study from the Brookings Institution's Metropolitan Policy Program.

#### **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 Chief Librarian and Chief Executive Officer has the authority to negotiate and sign regular operational contracts, and to approve expenditures up to \$100,000. The Chief Financial Officer can authorize purchase orders under \$50,000. Purchases in excess of \$100,000 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 to 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 Financial 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.

#### FINANCIAL POLICIES

The 2017 CAFR has been prepared in compliance with the District's Financial Guidelines without exception.

#### 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, 2016. This was the 26th 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 (or have been) employed by the District's Finance Office, and whose efforts and contributions made the preparation of the 2017 CAFR a success:

Dana Austin, Sarah Brooks, Dawn Ouradnik, John Sittig, Tatiana Zonte, Merry Zumwalt

Respectfully submitted,

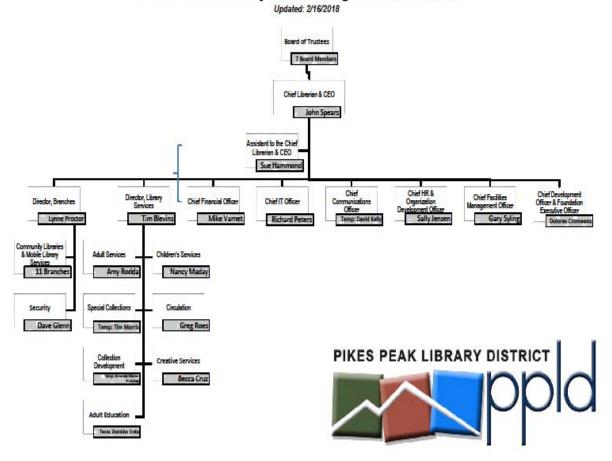
John Spears

**Executive Director** 

Michael E. Varnet, CPA, CPFO

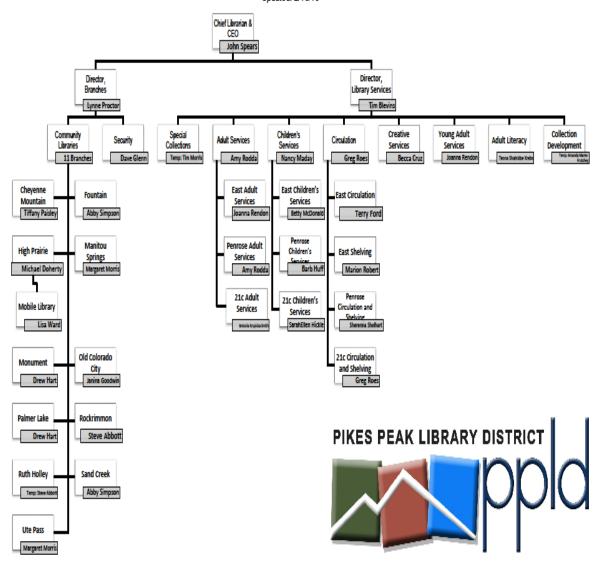
Chief Financial Office

# Pikes Peak Library District Organizational Chart Updated: 2/16/2018



# Pikes Peak Library District Public Services Organizational Chart

Updated: 2/16/18



### Chief Librarian and Chief Executive Officer's Leadership Team December 31, 2017

John Spears
Sean Anglum
Dolores CromeensChief Development Officer and Foundation Executive Office
Sally JensenChief Human Resources and Organizational Development Office
Janice McPherson
Lynne Proctor Director Branche
Gary Syling Chief Facilities Management Office
Rich Peters
Michael Varnet, CPA, CPFO
Sue HammondAssistant to the Chief Librarian and Chief Executive Office

### Pikes Peak Library District List of Managers As of December 31, 2017

Manager's Name Job Title

Abbott, Steve Librarian 2, Rockrimmon Library

Hickle, SarahEllen Librarian 2, Children's Services Library 21c

Blakely, Evelyn Community Library Supervisor, Old Colorado City Library

James Blevins Division Head, Special Collections

Vacant Community Library Manager, Ruth Holley/High Prairie Libraries

Cruz, Rebecca Manager, Creative Computer Commons

Tim Morris Manager, Special Collections

Terry Ford Supervisor, East Library Circulation Services

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

Hart, Andrew
Librarian 2, Monument/Palmer Lake Libraries
Foye, Laura
Community Library Supervisor, High Prairie Library
Horch, Kandiss
Community Library Supervisor, Monument Library
Huff, Barbara
Librarian 2, Penrose Library Children's Services

Krow, Cecile Supervisor, Cheyenne Mountain Library

Lanaux, Juanita ITVS Administrator, Support

London, Laura Community Library Supervisor, Rockrimmon Library

Maday, Nancy Division Head, Children's Services

Fletcher, Mark Community Library Supervisor, Fountain Library McDonald, Elisabeth Librarian 2, East Library Children's Services

Rodda, Amy Division Head, Adult Services

Morris, Margaret Community Library Manager, Manitou Springs, Ute Pass Library

Osborne, Randall Facilities Lead, Penrose Library Facilities

Krupicka-Smith, Antonia Librarian 2, Adult Services 21c

Porch, Karen Community Library Supervisor, Ruth Holley Library Paisley, Tiffany Community Library Manager, Cheyenne Mountain/ Abbott, Steve Community Library Manager, Rockrimmon Libraries

Robert, Marion Supervisor, East Library Shelving Services

Rendon, Joanna Manager, Adult Services

Marez-Frutchey, Amanda Librarian 2, Adult Services Interlibrary Loan Roes, Greg Supervisor, Penrose Library Circulation Services

Roes, Greg Manager, Circulation Services

Goodwin, Janina Community Library Manager, Old Colorado City/Ute Pass Libraries

Shainidze-Krebs, Teona Manager, Literacy

Simpson, Abigail Community Library Manager, Fountain/Sand Creek Libraries

Vacant Manager, Finance

Vacant Division Head, Collection Management Ward, Lisa Supervisor, Mobile Library Services



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, 2016

Executive Director/CEO

Christopher P. Merrill

### DRAFT 06/07/2018

### Independent Auditor's Report

Board of Trustees Pikes Peak Library District Colorado Springs, Colorado

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Pikes Peak Library District (the District), as of and for the year ended December 31, 2017, and the related notes to the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

#### DRAFT 06/07/2018

Board of Trustees Pikes Peak Library District

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, 2017, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matters

#### Required Supplementary Information

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

### Other 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 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 2017 combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 combining and individual fund statements and schedules are 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, 2016, which are not presented with the

#### DRAFT 06/07/2018

Board of Trustees Pikes Peak Library District

accompanying financial statements. In our report dated June 21, 2017, 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 2016 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, 2016, taken as a whole.

The Statistical Section 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.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated \_\_\_\_\_\_, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

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# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

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, 2017. 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 21 of this report.

### **Financial Highlights**

- The District's total assets and deferred outflows of resources was \$79,203,063 as of December 31, 2017. Included in this total is current assets of \$41,283,472 (primarily cash and investments of \$13,914,781 and property taxes receivable of \$26,589,594), noncurrent assets (capital assets) of \$36,862,309, and deferred outflow of resources (pension-related amounts) of \$1,057,282.
- The District's total liabilities and deferred inflows of resources was \$40,459,621 as of December 31, 2017. Included in this total is current liabilities of \$2,360,801 (accounts payable of \$1,210,439 and accrued compensation payable of \$1,150,362), noncurrent liabilities of \$10,790,009 (accrued compensation absences of \$1,242,222 and net pension liability of \$9,547,787), and deferred inflows of resources of \$27,308,811 (property taxes of \$26,589,594 and pension-related amounts of \$719,217).
- The District's assets exceed its liabilities by \$38,743,442 (net position) as of December 31, 2017.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$36,767,440 includes property and equipment, net of accumulated depreciation.
  - (2) Net position of \$1,004,708 is restricted by constraints imposed from outside the District, such as gifts, grantors, laws or regulations.
  - (3) Unrestricted net position of \$971,294 represents the portion available to maintain the District's continuing obligations to citizens and creditors. As discussed below, the District implemented GASB Statement No. 68 effective January 1, 2015. As of December 31, 2017, the District's proportionate share of the Net Pension Liability was \$9,547,787. This balance is included in the unrestricted net position.
- The District's total assets in its Governmental Funds was \$42,665,973 as of December 31, 2017 (primarily cash and investments of \$13,392,415 and property taxes receivable of \$26,589,594).
- The District's total liabilities of its Governmental Funds was \$3,700,888 as of December 31, 2017 (accounts payable of \$1,138,907, accrued compensation payable of \$617,981, and amounts due from other funds of \$1,944.000).
- The District's total deferred inflows of resources was \$26,677,240 (property taxes of \$26,589,594 and unavailable fund resources of \$87,646).

# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

- The District's General Fund reported total ending fund balance of \$10,432,837 as of December 31, 2017. This compares to the prior year ending fund balance of \$9,290,771, showing an increase of \$1,142,066 during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$7,848,739, or 28%, of total General Fund expenditures, including transfers for the year ended December 31, 2017.
- 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.

### **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 deferred outflows of resources, and liabilities and deferred inflows of resources, 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

# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

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 43 through 48 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.

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 49 through 52 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 53 through 55 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.

# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

The basic fiduciary fund financial statement can be found on page 56 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 57 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, the District's proportionate share of the net pension liability, and District contributions. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. The required supplementary information can be found on pages 88 through 93.

As discussed, the District reports one major fund 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 95.

### Financial Analysis of the District as a Whole

The District's net position at calendar year-end is \$38,743,442. The following table provides a summary of the District's net position as of December 31, 2017 and 2016:

	Summary of Net Position			
	201	17	201	6
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Assets				
Current and other assets	\$ 41,283,472	53%	\$ 39,749,233	51%
Capital assets	36,862,309	47%	37,486,467	49%
Total assets	78,145,781	100%	77,235,700	100%
Deferred Outflows of Resources	1,057,282	100%	1,426,744	100%
Liabilities				
Current liabilities	2,360,801	18%	1,982,471	16%
Noncurrent liabilities	10,790,009	82%	10,710,962	84%
Total liabilities	13,150,810	100%	12,693,433	100%
Deferred Inflows of Resources	27,308,811	100%	26,332,263	100%
Net Position				
Net investment in capital assets	36,767,440	95%	37,308,714	94%
Restricted	1,004,708	3%	956,559	2%
Unrestricted	971,294	3%	1,371,475	4%
Total net position	\$ 38,743,442	100%	\$ 39,636,748	100%

# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

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 \$14,693,878. As a result, the current ratio for the District overall is 6.2 to 1, which is comparable to the December 31, 2016 ratio of 7.1 to 1. This ratio is strong.

The District reported positive balances in net position. Net position decreased by (\$893,306) for governmental activities.

Approximately 95% of the District's net position is comprised of capital assets as of December 31, 2017. The District uses these capital assets to provide services to its citizens.

The following table provides a summary of the District's changes in governmental activities' net position for the years ended December 31, 2017 and 2016:

	Summary of Changes in Net Position						
		201	7		2016		
	Gov	ernmental	Percentage	Gov	/ernmental	Percentage	
	Α	ctivities	of Total	A	ctivities	of Total	
Revenues							
Program							
Charges for services, sales and fines	\$	274,186	1%	\$	494,493	2%	
Operating grants/donations		596,824	2%		377,871	1%	
Capital grants/donations		342,593	1%		269,621	1%	
General							
Taxes		29,310,125	95%		27,673,192	95%	
Other		370,425	1%		251,979	1%	
Total revenues		30,894,153	100%		29,067,156	100%	
Program expenses							
Public services		20,382,695	65%		13,251,004	45%	
Administrative services		3,914,245	13%		3,823,660	13%	
Chief Librarian and CEO's Office		474,077	1%		466,816	1%	
Finance Office		551,706	2%		522,810	2%	
Information Technology Office		1,868,122	6%		7,631,440	26%	
Communications Office		830,962	3%		764,629	3%	
Other administration		3,222,456	10%		3,116,763	10%	
Total expenses		31,244,263	100%		29,577,122	100%	
Special item - TABOR refund		(543,196)			(57,073)		
Change in net position		(893,306)			(567,039)		
Beginning net position		39,636,748			40,203,787		
Ending net position	\$	38,743,442		\$	39,636,748		

# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

#### **Governmental Revenues**

The District is heavily reliant on taxes to support governmental activities. Taxes provided 95% of the District's total revenues. Also, note that program revenues generated only 4% of governmental activities' revenues for the year ended December 31, 2017. This means that the government's taxpayers and the District's other general revenues fund provided 99% 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 73% of the District's expenses provide supporting services to the public service and information technology functions. In addition, approximately \$1.3 million of depreciation expense on the District's buildings is included in total expenses, and total depreciation expense was approximately \$3.5 million.

### Financial Analysis of the District's Funds

#### Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflows and outflows 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 \$12,287,845.

Fund balances as of December 31, 2017 and 2016 include:

2017	2016
\$ 345,662	\$ 400,222
1,004,708	956,559
2,710,995	3,243,444
377,741	675,852
7,848,739_	6,425,409
\$ 12,287,845	\$ 11,701,486
	\$ 345,662 1,004,708 2,710,995 377,741 7,848,739

### 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 increased by \$1,142,066 during 2017. The total fund balance of the General Fund as of December 31, 2017 was \$10,432,837. The total fund balance as of December 31, 2016 was \$9,290,771.

# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

The fund balance of the General Fund is broken down as follows as of December 31, 2017 and 2016:

	2017	2016
Nonspendable	\$ 339,785	\$ 386,130
Restricted	1,001,784	945,380
Committed	865,000	865,000
Assigned	377,529	668,852
Unassigned	7,848,739_	6,425,409
	\$ 10,432,837	\$ 9,290,771

Unassigned Fund Balance increased by \$1,423,330 from 2016 to 2017 primarily due to savings from unfilled staff positions during 2017. The District completed its compensation/staffing study during 2017, and certain staffing positions remained unfilled during 2017 until the study was completed.

### Nonmajor Governmental Funds

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

Special Revenue Fund – Total fund balance as of December 31, 2017 was \$231,582. This amount is \$44,818 less than the fund balance of \$276,400 as of December 31, 2016.

Capital Projects Funds – As of December 31, 2017, 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:

	2017	2016
North Facility Project Fund	\$ 177,499	\$ 777,665
East Library Renovation Fund	107,231	132,256
Penrose Library Renovation Fund	84,339	173,206
Capital Reserve Fund	1,254,357	1,051,188
	\$ 1,623,426	\$ 2,134,315

The fund balance for the North Facility Project Fund decreased by \$600,166 from 2016 to 2017 primarily because the District completed its project to replace and rebuild the parking lot at the L21c library facility at a cost of \$642,553.

# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

For 2017, capital outlay for those specific funds equaled the following:

North Facility Project Fund	\$ 685,166
East Library Renovation Fund	25,025
Penrose Library Renovation Fund	148,557
Capital Reserve Fund	473,482

### **Budgetary Highlights**

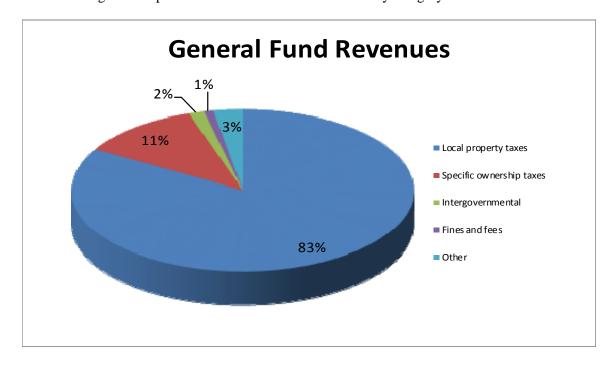
### General Fund

The original budget (expenditures and transfers out) was amended by \$1,082,057, principally to utilize prior year fund balances that were primarily either reserved for encumbrances or designated for specific capital projects. Such reserves and designations of fund balance were not included in the original 2017 budget.

### General Fund Revenues

Total General Fund actual revenues for fiscal year 2017 were \$30,907,008. This amount exceeded the 2017 budget, as amended, by \$229,619, which is approximately 0.7% of the total revenue budget.

The following chart depicts General Fund revenue for 2017 by category:

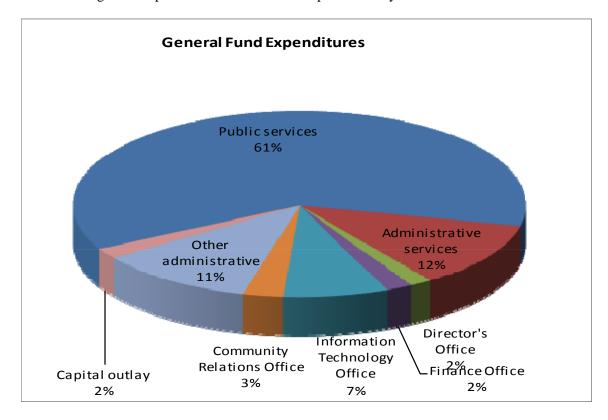


# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

### **General Fund Expenditures**

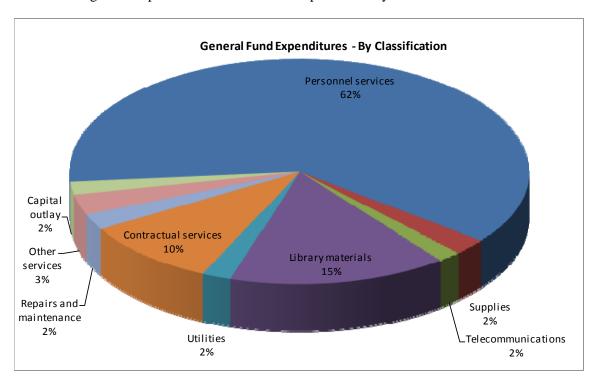
Total General Fund actual expenditures for fiscal year 2017 was \$28,447,045. This amount was less than the 2017 budget, as amended, by \$2,640,922, which is approximately 8.5% of the total budget.

The following chart depicts 2017 General Fund expenditures by function:



# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

The following chart depicts 2017 General Fund expenditures by classification:



The following is a summary of the departments or accounts that significantly contributed to the difference between the 2017 budget and actual expenditures:

<u>Public Services</u> – For 2017, this function was under budget by \$639,231. The primary cause is due to staff positions that were vacant at some point throughout 2017. The annual budget includes all authorized positions budgeted at the amount for full employment for the entire year. The time periods that such positions were vacant resulted in budget savings.

<u>Administrative Services</u> – For 2017, this function was under budget by \$364,536. In general, budget accounts under this category include estimates for contingencies for unknown items at the time the budget was prepared, such as repairs and maintenance. Actual expenditures may vary from year to year depending on identified needs throughout the year.

<u>Information Technology</u> – For 2017, this function was under budget by \$356,250. The primary reason for the budget savings is the amount spent on repairs and maintenance was less than budget by \$221,029.

Capital outlay – For 2017, this function was under budget by \$190,569.

# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

### **Capital Assets**

The District's capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2017 was \$36,862,309. See note III-D on page 78 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, 2017 and 2016:

	2017		2016		
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total	
Nondepreciable assets					
Land	\$ 5,317,363	6%	\$ 5,317,363	6%	
Collections of historical treasures	9,789,208	12%	9,873,804	12%	
Construction in progress	38,644	0%	183,098	0%	
Total nondepreciable					
assets	15,145,215		15,374,265		
Depreciable assets					
Land improvements	871,954	1%	210,678	0%	
Leasehold improvements	1,017,507	1%	1,017,507	2%	
Buildings	42,378,101	51%	41,810,188	50%	
Equipment, furniture and fixtures	6,087,291	7%	6,388,872	8%	
Vehicles	825,471	1%	815,125	1%	
Books and materials	17,381,081	21%	17,535,352	21%	
Total depreciable assets	68,561,405	100%	67,777,722	100%	
Less accumulated depreciation	(46,844,311)		(45,665,520)		
Book value - depreciable assets	21,717,094		22,112,202		
Percentage depreciated	68%		67%		
Book value - all capital assets	\$ 36,862,309		\$ 37,486,467		

At December 31, 2017, the depreciable capital assets for governmental activities were 68% depreciated. This compares consistently to the December 31, 2016 percentage of 67%.

# Management's Discussion and Analysis (Unaudited) (Continued) December 31, 2017

### **Economic Factors and Next Year's Budget and Mill Levy**

The following factors were considered when the 2018 budget was prepared:

- 1. The unemployment rate for El Paso County, Colorado was 3.5%, which is a decrease from a rate of 3.8% 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, 2017, unassigned fund balance in the General Fund totaled \$7,848,739. The District has appropriated \$925,410 of this balance for spending in the 2018 fiscal year budget.

For the fiscal year 2018 budget, the total mill levy is 3.812 mills (3.860 mills for general operating expenses, 0.023 mills for refunds and abatements, and a temporary mill levy credit of (0.071) for a refund to taxpayers for excess revenue collected during 2017 above the legal limit). The mill levy for fiscal year 2017 was 3.957 mills. The gross assessed valuation for all taxable property within the District's legal service area is \$7,080,595,440 and \$6,617,856,790 for 2018 and 2017, 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.

# Statement of Net Position December 31, 2017

	Primary Government Governmental Activities
Assets and Deferred Outflows of Resources	
Current Assets Cash and investments Property taxes receivable Other receivables	\$ 13,914,781 26,589,594 116,609
Due from discretely presented component unit Due from other governments Prepaid items	14,733 265,726 382,029
Total current assets	41,283,472
Noncurrent Assets Capital assets Nondepreciable property	15,145,215
Depreciable building, property and equipment, net	21,717,094
Total noncurrent assets	36,862,309
Total assets	78,145,781
Deferred Outflows of Resources Pension-related amounts	1,057,282
Total assets and deferred outflows of resources	79,203,063
Liabilities and Deferred Inflows of Resources Current Liabilities Accounts payable Accrued compensation payable	1,210,439 1,150,362
Total current liabilities	2,360,801
Noncurrent Liabilities  Noncurrent portion of long-term obligations  Net pension liability  Accrued compensated absences  Total noncurrent liabilities	9,547,787 1,242,222 10,790,009
Total liabilities	13,150,810
Deferred Inflows of Resources Property taxes Pension-related amounts	26,589,594 719,217
Total deferred inflows of resources	27,308,811
Total liabilities and deferred inflows of resources	40,459,621
Net Position  Net investment in capital assets Restricted for	36,767,440
Declared emergencies Gifts and grants	890,607 114,101 1,004,708
Unrestricted	971,294
Total net position	\$ 38,743,442

# Pikes Peak Library District Foundation, Inc.

# Statement of Financial Position December 31, 2017

Assets	
Cash and cash equivalents	\$ 468,810
Contributions receivable, net	34,463
Accounts receivable	49,582
Investments	 2,143,525
Total assets	\$ 2,696,380
Liabilities	
Accounts payable	\$ 8,445
Accounts payable, related party	 14,733
Total liabilities	 23,178
Net Assets	
Unrestricted	820,912
Temporarily restricted	1,812,758
Permanently restricted	 39,532
Total net assets	 2,673,202
Total liabilities and net assets	\$ 2,696,380

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# Statement of Activities Year Ended December 31, 2017

Functions/Programs	Expenses	\$	harges for Services, Sales and Fines
Primary Government			
Governmental activities			
Public Services	\$ 20,382,695	\$	274,186
Administrative Services	3,914,245		-
Chief Librarian and CEO's Office	474,077		-
Finance Office	551,706		-
Information Technology Office	1,868,122		-
Communications Office	830,962		-
Other administration	3,222,456	- —	-
Total governmental activities	\$ 31,244,263	\$	274,186

### **General revenues**

Property taxes levied for library purposes Specific ownership taxes Investment earnings Miscellaneous

### **Total general revenues**

### Special item

TABOR refund of property tax revenue in excess of limit

Total general revenues and special item

Change in net position

Net position, January 1

Net position, December 31

Program Revenues					Net (Expense) Revenue and Changes in Net Position			
Operating Grants and Contributions		Gi	Capital Grants and Contributions		Primary fovernment overnmental Activities			
\$	596,824 - - - - - - 596,824	\$	253,467 53,096 - - 36,030 - - 342,593	\$	(19,258,218) (3,861,149) (474,077) (551,706) (1,832,092) (830,962) (3,222,456) (30,030,660)			
					25,762,260 3,547,865 187,896 182,529 29,680,550 (543,196) 29,137,354 (893,306)			
					39,636,748			
				\$	38,743,442			

# Pikes Peak Library District Foundation, Inc.

# Statement of Activities Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support				
Contributions	\$ 178,427	\$ 560,970	\$ -	\$ 739,397
Contributed services	199,801	-	=	199,801
Gifts in kind	3,650	4,322	=	7,972
Investment return	92,390	95,365	3,878	191,633
Net assets released from restrictions	716,457	(716,457)		
Total revenues, gains				
and other support	1,190,725	(55,800)	3,878	1,138,803
Expenses				
Program services				
Support for PPLD	767,606			767,606
Total program services	767,606			767,606
Support services				
General and administrative	16,679	-	-	16,679
Fundraising	170,034			170,034
Total support services	186,713			186,713
Total expenses	954,319			954,319
Change in net assets	236,406	(55,800)	3,878	184,484
Net assets, beginning of year	584,506	1,868,558	35,654	2,488,718
Net assets, end of year	\$ 820,912	\$ 1,812,758	\$ 39,532	\$ 2,673,202

### Balance Sheet – Governmental Funds December 31, 2017

		General	Gov	Other vernmental Funds	Go	Total overnmental Funds
Assets						
Cash and cash equivalents	\$	13,392,415	\$	-	\$	13,392,415
Property taxes receivable	·	26,589,594	·	_	·	26,589,594
Other receivables		114,143		-		114,143
Due from discretely presented		,				,
component unit		14,733		-		14,733
Due from other governments		265,726		-		265,726
Due from other funds		-		1,944,000		1,944,000
Prepaid items		339,485		5,877		345,362
Total assets	\$	40,716,096	\$	1,949,877	\$	42,665,973
Liabilities						
Accounts payable	\$	1,044,038	\$	94,869	\$	1,138,907
Accrued compensation payable	Ψ	617,981	Ψ	-	Ψ	617,981
Due to other funds		1,944,000		_		1,944,000
Total liabilities		3,606,019		94,869		3,700,888
Defense Hellers of December						
Deferred Inflows of Resources						
Unavailable revenue - property taxes		26,589,594		-		26,589,594
Unavailable fund resources		87,646				87,646
Total deferred inflows						
of resources		26,677,240				26,677,240
Fund Balances						
Nonspendable:						
Prepaid expenditures		339,785		5,877		345,662
Restricted for:						
Declared emergencies		890,607		-		890,607
Gifts and grants		111,177		2,924		114,101
Committed to:						
Capital projects		865,000		1,845,995		2,710,995
Assigned to:						
Purchased contracts		186,847		-		186,847
Library materials		190,682		-		190,682
Gifts and grants		-		212		212
Unassigned		7,848,739		_		7,848,739
<b>Total fund balances</b>		10,432,837		1,855,008		12,287,845
Total liabilities, deferred						
inflows of resources,						
and fund balances	\$	40,716,096	\$	1,949,877	\$	42,665,973

# Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2017

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

Fund balances - total governmental funds (page 49)	\$ 12,287,845
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds  Cost of capital assets  Less: accumulated depreciation  Net capital assets  (46,844,	
Certain long-term pension related costs and adjustments are not	
to pay or not are payable currently and are therefore not reported in the funds.  Net pension-related amounts	(9,209,722)
Liabilities that are not due and payable in the current period and, therefore, are not reported in the funds  Accrued compensated absences	(1,774,603)
Certain revenue earned but not available, classified as deferred inflows in governmental funds is susceptible to full accrual on the entity-wide statements	87,646
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	489,967
Net position - governmental activities (page 47)	\$ 38,743,442

# Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

Year Ended December 31, 2017

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 29,310,125	\$ -	\$ 29,310,125
Intergovernmental	458,187	=	458,187
Fines and fees	274,186	-	274,186
Interest earnings	187,896	-	187,896
Donations	505,725	35,000	540,725
Miscellaneous	170,889		170,889
<b>Total revenues</b>	30,907,008	35,000	30,942,008
Expenditures			
Current			
Public Services	17,459,627	-	17,459,627
Administrative Services	3,301,930	-	3,301,930
Director's Office	458,862	-	458,862
Finance Office	533,083	-	533,083
Information Technology Office	2,141,060	-	2,141,060
Community Relations Office	802,203	-	802,203
Other administrative	3,222,456	-	3,222,456
Capital outlay	527,824	1,377,048	1,904,872
Total expenditures	28,447,045	1,377,048	29,824,093
Excess (deficiency) of revenues over (under) expenditures	2,459,963	(1,342,048)	1,117,915
Other financing sources (uses)			
Transfers in	-	786,341	786,341
Transfers out	(786,341)	, -	(786,341)
Proceeds from sale of capital assets	11,640		11,640
Total other financing sources (uses)	(774,701)	786,341	11,640
Special item			
TABOR refund of property tax revenue			
in excess of limit	(543,196)		(543,196)
Net change in fund balances	1,142,066	(555,707)	586,359
Fund balances, beginning of year	9,290,771	2,410,715	11,701,486
Fund balances, end of year	\$ 10,432,837	\$ 1,855,008	\$ 12,287,845

# Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2017

Amounts reported for governmental activities in the statement of activities (pages 46 and 47) are different because:

Net change in fund balances - total governmental funds (page 51)	\$ 586,359
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.	(59,495)
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  Capital outlay for building, furniture, land and vehicles  Amounts paid for books, audio visual materials and historical collections	(3,446,302) 1,374,225 2,140,189
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.	, ,
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.	(692,270)
Pension expense at the fund level reresents cash contributions to the defined benefit plan. For the activity level presentation, the amounts represents the actuarial cost of the benefits for the fiscal year Pension related amounts	(517,223)
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.	(138,623)
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.	(140,166)
Change in net position - governmental activities (page 47)	\$ (893,306)

### Statement of Net Position Proprietary Fund December 31, 2017

	Ac Ir S	ernmental tivities - nternal ervice Fund
Assets		
Current Assets		
Cash and cash equivalents	\$	522,366
Accounts receivable		2,466
Deposit		36,667
Total current assets		561,499
Liabilities		
Current Liabilities		
Claims payable		71,532
Net Position		
<b>Total Net Position - Unrestricted</b>	\$	489,967

# Statement of Revenues, Expenses and Changes in Net Position Proprietary Fund Year Ended December 31, 2017

	Governmental Activities - Internal Service Fund		
Operating revenues			
Employer contributions	\$	1,521,068	
Employee contributions		337,962	
Total operating revenues		1,859,030	
Operating expenses			
Claims incurred		1,240,751	
Administrative		758,477	
Total operating expenses		1,999,228	
Operating gain		(140,198)	
Nonoperating revenues Investment earnings		32	
Change in net position		(140,166)	
Total net position, beginning of year		630,133	
Total net position, end of year	\$	489,967	

# Statement of Cash Flows Proprietary Fund Year Ended December 31, 2017

	Governmental Activities - Internal Service Fund		
Cash flows from operating activities			
Employee and employer contributions	\$	1,856,564	
Payment of claims and administrative expenses		(2,002,815)	
Net cash used in operating activities		(146,251)	
Cash flows from investing activities			
Interest received		32	
Net decrease in cash and cash equivalents		(146,219)	
Cash and cash equivalents - January 1		668,585	
Cash and cash equivalents - December 31	\$	522,366	
Reconciliation of operating gain to net cash provided by operating activities			
Operating loss	\$	(140,198)	
Adjustments to reconcile operating loss to net cash provided by operating activities			
Change in accounts receivable		(2,466)	
Change in accounts payable		(7,458)	
Change in claims payable		3,871	
Total adjustments		(6,053)	
Net cash used in operating activities	\$	(146,251)	

### Statement of Fiduciary Assets and Liabilities Fiduciary Fund December 31, 2017

	gency Fund
Assets Cash and cash equivalents	\$ 59,544
Accounts receivables	 430
Total assets	\$ 59,974
Liabilities Accounts payable	\$ 59,974

# Notes to Financial Statements December 31, 2017

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# Notes to Financial Statements December 31, 2017

#### 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 discretely presented component unit, the Pikes Peak Library District Foundation, which 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.

**Related Organizations** – The District had no financial relationships of this type during the fiscal year ended December 31, 2017.

**Joint Ventures** – The District did not participate in any joint venture during the fiscal year ended December 31, 2017.

**Jointly Governed Organizations** – The District had no financial relationships of this type during the fiscal year ended December 31, 2017.

#### **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 1175 Chapel Hills Drive, Colorado Springs, Colorado 80920.

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.

# Notes to Financial Statements December 31, 2017

- The Foundation may not disburse funds for costs that have not been recommended by the District's Board of Trustees.
- Two members of the District's Board of Trustees 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 non-fiduciary 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 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 statement of activities presents the activities of the Foundation using not-for-profit accounting and financial reporting principles promulgated by the 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 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 generally accepted accounting principles (GAAP) reporting model that is different from 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

# Notes to Financial Statements December 31, 2017

expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services that report fees and other charges to users of the District's services; (2) operating grants and contributions that finance annual operating activities including restricted investment income; and (3) capital grants and contributions that 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 fund (the General Fund) is reported in a separate column 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 fund from which they will be liquidated. The District reports the difference between governmental fund assets, liabilities, and deferred inflows of resources as fund balance.

The following is the District's major governmental fund:

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.

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

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:

# Notes to Financial Statements December 31, 2017

*Internal Service Fund* – This fund accounts for the health insurance plan that is provided to eligible District employees (employees with a regularly scheduled workweek 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 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 *non-operating* 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 non-operating 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.

#### 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, all liabilities, and all deferred inflows of resources 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, current liabilities, and deferred inflows of resources 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

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# Notes to Financial Statements December 31, 2017

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 – Non-exchange Transactions – Non-exchange 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 basis, revenue from non-exchange 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 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 Outflows and Inflows of Resources – Deferred outflows related to pensions arise from differences between expected and actual experience with regard to economic and demographic factors, changes in assumptions or other inputs, projected and actual pension plan earnings, and changes in proportional share. These deferrals are amortized over a closed period. The amounts not recognized as a pension expense in the current year are reported as deferred outflows related to pensions.

Deferred inflows of resources is an acquisition of net position by the District that is applicable to a future reporting period, and deferred outflows 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.

# Notes to Financial Statements December 31, 2017

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

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.

In addition, deferred outflows related to pension liabilities are presented separately under this category, and they are more fully described under note IV-A.

*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, 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.

# Notes to Financial Statements December 31, 2017

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.

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, 2017. The Foundation is not considered a private foundation.

#### I-E. Assets, Deferred Outflows, Liabilities, Deferred Inflows 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;
- 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, 2017 was \$100,366.

# Notes to Financial Statements December 31, 2017

#### 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, 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 non-operating 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, 2017, 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 treasurers, infrastructure, books and audiovisual 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 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 acquisition 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:

# Notes to Financial Statements December 31, 2017

Description	Estimated
	••
Land improvements	20 years
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 20 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.

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".

# Notes to Financial Statements December 31, 2017

#### 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, and 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 and 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.

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.

# Notes to Financial Statements December 31, 2017

Unassigned Fund Balance – is unconstrained and comprised of residual uncategorized fund balance amounts. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative fund balance in those funds.

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.

#### 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 (none for 2017) and Capital Projects Funds. During October, the Executive Director submits to the Board of Trustees a proposed budget for the fiscal year 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 (including transfers out) for all governmental funds has been amended as follows:

# Notes to Financial Statements December 31, 2017

**Changes to Original Budget** 

	<u> </u>		
	Original Budget	Revised Budget	Budget Change
General Fund	\$ 30,792,251	\$ 31,874,308	\$ 1,082,057
Designated Purpose Fund	-	151,099	151,099
North Facility Project Fund	681,000	813,793	132,793
East Library Renovation Fund	36,450	50,001	13,551
Penrose Library Renovation Fund	164,200	228,737	64,537
Capital Reserve Fund	1,088,457	1,727,839	639,382

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.

#### 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 that 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 \$59,544, as of December 31, 2017 was \$809,151. The bank balances, excluding the cash held in the agency fund of \$59,544, were \$1,193,885, of which \$943,885 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 \$18,708 in cash on hand as of December 31, 2017.

#### III-A-2. Investments

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

# Notes to Financial Statements December 31, 2017

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."

*Interest Rate Risk* – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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.

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.

# Notes to Financial Statements December 31, 2017

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 either must 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.

#### Credit Risk

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

Instrument	Allowed	Per Issuer
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 \$13,086,923 are held in COLOTRUST, which was rated AAAm by Standard & Poor's at December 31, 2017. The District policy also encourages diversification of investments, limited to the Colorado Revised Statute CRS 24-75-701.

#### Cash and Investment Reconciliation

# Notes to Financial Statements December 31, 2017

	Cash and Cash Equivalents	Investments	Total
	Equivalents	mvestments	Total
Governmental activities - statement			
of net position	\$827,858	\$13,086,923	\$13,914,781
Agency Fund	59,544	-	59,544
Less cash on hand and petty cash	(18,708)		(18,708)
Total deposits and investments	\$868,694	\$13,086,923	\$13,955,617
Per note disclosure above			
Deposits			\$868,694
Investments			13,086,923
Primary government total			\$13,955,617

The Foundation's cash and investments are comprised of the following as of December 31, 2017:

	2017 Amount	Institutions	Insurance or Collateral	Credit Ratings of Underlying Securities *
Money market savings		ENT Federal		
account	\$468,810	Credit Union	\$250,000	N/A
Investments (stocks,		Members		
bonds, mutual		Trust		
funds)	2,013,979	Company	-	A/AAA
Investment level		Members		
money market		Trust		
account	129,546	Company	-	A1/P1
Total	\$2,612,335			

<sup>\*</sup> 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 \$2,362,335 of custodial credit risk as of December 31, 2017.

# Notes to Financial Statements December 31, 2017

#### Investment in a State Investment Pool

During the year, the District invested in Colotrust, a public fund investment pool. The fair value of the position of the pool is measured at net asset value and is designed to approximate the share value. The pool's governing body is comprised of individuals who are employees, officers, or elected officials of the participants in the fund or do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pool are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The pool offers same day access to the investment funds.

#### 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 2017 are certified to the County in December 2016 and are available for collection on the due date, January 1, 2017. 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.

#### 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.

# Notes to Financial Statements December 31, 2017

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

The following schedule reflects the District's interfund receivables and payables as of December 31, 2017.

	Payable Fund
Receivable Fund	General Fund
Designated Purpose Fund Penrose Library Renovation Fund East Library Renovation Fund North Facility Project Fund Capital Reserve Fund	\$ 231,582 84,339 107,231 197,799 1,323,049
Total	\$ 1,944,000

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:

	Tra	nsfers Out
Transfers In		General Fund
Penrose Library Renovation Fund North Facility Project Fund Capital Reserve Fund		59,690 50,000 676,651
	\$	786,341

#### 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.

# Notes to Financial Statements December 31, 2017

III-D. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

Covernmental activities   Capital assets not being depreciated   Land   S.5.317,363   S.   S.   S.   S.   S.   S.   S.   S		Balance				Balance December 31,	
Capital assets not being depreciated   S.5.317,363   S   S   S. 5.317,363   Collections of historical treasurers   9,873,804   S.22   (85,118)   G.   9,789,208   Construction in progress   183,098   38,644   G.   (183,098)   38,644   C.   (183,098)   38,644   C.   (183,098)   Construction in progress   183,098   38,644   G.   G.   (183,098)   G.   (18		January 1, 2017	Additions	Deletions	Transfers	•	
Land	Governmental activities		7.00.00.00	20.0			
Collections of historical treasurers         9,873,804         522         (85,118)         -         9,789,208           Construction in progress         183,098         38,644         -         (183,098)         38,644           Total capital assets not being depreciated         15,374,265         39,166         (85,118)         (183,098)         15,145,215           Capital assets, being depreciated         210,678         646,706         -         14,570         871,954           Leasehold improvements         1,017,507         -         -         -         42,378,101           Equipment, furniture and fixtures         6,388,872         110,616         (580,725)         168,528         6,087,291           Vehicles         815,125         10,346         -         -         825,471           Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Total capital assets being depreciated         67,777,722         3,475,248         2,874,663         183,098         68,561,405           Less accumulated depreciation for         Land improvements         (21,141)         (26,983)         -         -         (48,124)           Less chold improvements         (62,078)         (83,622)         <	Capital assets not being depreciated						
Construction in progress         183,098         38,644         -         (183,098)         38,644           Total capital assets not being depreciated         15,374,265         39,166         (85,118)         (183,098)         15,145,215           Capital assets, being depreciated         210,678         646,706         -         14,570         871,954           Leasehold improvements         1,017,507         -         -         -         1,017,507           Buildings         41,810,188         567,913         -         -         42,378,101           Equipment, furniture and fixtures         6,388,872         110,616         (580,725)         168,528         6,087,291           Vehicles         815,125         10,346         -         -         -         825,471           Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Total capital assets being depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Less accumulated depreciation for         Lad improvements         (1,013,566)         (985)         -         -         (48,124)           Leasehold improvements         (21,41)         (26,693)         -	Land	\$ 5,317,363	\$ -	\$ -	\$ -	\$ 5,317,363	
Total capital assets not being depreciated         15,374,265         39,166         (85,118)         (183,098)         15,145,215           Capital assets, being depreciated         Land improvements         210,678         646,706         -         14,570         871,954           Leasehold improvements         1,017,507         -         -         -         1,017,507           Buildings         41,810,188         567,913         -         -         42,378,101           Equipment, furniture and fixtures         6,388,872         110,616         (580,725)         168,528         6,087,291           Vehicles         815,125         10,346         -         -         825,471           Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Less accumulated depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Leas accumulated depreciation for         Laad improvements         (1,013,566)         (985)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (1,014,551)           Buildings         (26,096,898)         (1,334,769)         -	Collections of historical treasurers	9,873,804	522	(85,118)	-	9,789,208	
being depreciated         15,374,265         39,166         (85,118)         (183,098)         15,145,215           Capital assets, being depreciated         Land improvements         210,678         646,706         -         14,570         871,954           Leasehold improvements         1,017,507         -         -         -         1,017,507           Buildings         41,810,188         567,913         -         -         42,378,101           Equipment, furniture and fixtures         6,388,872         110,616         (580,725)         168,528         6,087,291           Vehicles         815,125         10,346         -         -         -         825,471           Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Total capital assets being depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Less accumulated depreciation for         Land improvements         (21,141)         (26,983)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (1,014,551)           Buildings         (26,096,898)         (1,334,769)         - <td>Construction in progress</td> <td>183,098</td> <td>38,644</td> <td></td> <td>(183,098)</td> <td>38,644</td>	Construction in progress	183,098	38,644		(183,098)	38,644	
Capital assets, being depreciated         210,678         646,706         -         14,570         871,954           Leasehold improvements         1,017,507         -         -         -         1,017,507           Buildings         41,810,188         567,913         -         -         42,378,101           Equipment, furniture and fixtures         6,388,872         110,616         (580,725)         168,528         6,087,291           Vehicles         815,125         10,346         -         -         825,471           Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Total capital assets being depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Less accumulated depreciation for           Land improvements         (21,141)         (26,983)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (1,014,551)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (620,780)         (44,210)         -	Total capital assets not						
Land improvements         210,678         646,706         -         14,570         871,954           Leasehold improvements         1,017,507         -         -         -         1,017,507           Buildings         41,810,188         567,913         -         -         42,378,101           Equipment, furniture and fixtures         6,388,872         110,616         (580,725)         168,528         6,087,291           Vehicles         815,125         10,346         -         -         825,471           Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Total capital assets being depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Leas accumulated depreciation for           Land improvements         (21,141)         (26,983)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (1,014,551)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (4,557,283)         (587,621)         579,833 <td< td=""><td>being depreciated</td><td>15,374,265</td><td>39,166</td><td>(85,118)</td><td>(183,098)</td><td>15,145,215</td></td<>	being depreciated	15,374,265	39,166	(85,118)	(183,098)	15,145,215	
Leasehold improvements         1,017,507         -         -         -         1,017,507           Buildings         41,810,188         567,913         -         -         42,378,101           Equipment, furniture and fixtures         6,388,872         110,616         (580,725)         168,528         6,087,291           Vehicles         815,125         10,346         -         -         825,471           Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Total capital assets being depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Less accumulated depreciation for         Land improvements         (21,141)         (26,983)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (1,014,551)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (4,557,283)         (587,621)         579,833         -         (4,565,071)           Vehicles         (620,780)         (44,210)         -         -         (664,990)      <	Capital assets, being depreciated						
Buildings	Land improvements	210,678	646,706	-	14,570	871,954	
Equipment, furniture and fixtures         6,388,872         110,616         (580,725)         168,528         6,087,291           Vehicles         815,125         10,346         -         -         825,471           Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Total capital assets being depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Less accumulated depreciation for         Land improvements         (21,141)         (26,983)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (27,431,667)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (4,557,283)         (587,621)         579,833         -         (4,565,071)           Vehicles         (620,780)         (44,210)         -         -         (664,990)           Books and audio visual materials         (13,355,852)         (1,451,734)         1,687,678         -         (13,119,908)           Total capital assets, being depreciated, net         22,112,202         28,946	Leasehold improvements	1,017,507	-	-	-	1,017,507	
Vehicles         815,125         10,346         -         825,471           Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Total capital assets being depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Less accumulated depreciation for         Land improvements         (21,141)         (26,983)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (1,014,551)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (4,557,283)         (587,621)         579,833         -         (4565,071)           Vehicles         (620,780)         (44,210)         -         -         (664,990)           Books and audio visual materials         (13,355,852)         (1,451,734)         1,687,678         -         (13,119,908)           Total accumulated depreciation         (45,665,520)         (3,446,302)         2,267,511         -         (46,844,311)           Total capital assets, being depreciated, net         22,112,202         28,946         (607,152		41,810,188	567,913	-	-	42,378,101	
Books and audio visual materials         17,535,352         2,139,667         (2,293,938)         -         17,381,081           Total capital assets being depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Less accumulated depreciation for         Land improvements         (21,141)         (26,983)         -         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         -         (17,431,667)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (4,557,283)         (587,621)         579,833         -         (4,565,071)           Vehicles         (620,780)         (44,210)         -         -         (664,990)           Books and audio visual materials         (13,355,852)         (1,451,734)         1,687,678         -         (13,119,908)           Total accumulated depreciation         (45,665,520)         (3,446,302)         2,267,511         -         (46,844,311)           Total capital assets, being depreciated, net         22,112,202         28,946         (607,152)         183,098         21,717,094 <th colspan<="" td=""><td>Equipment, furniture and fixtures</td><td>6,388,872</td><td>110,616</td><td>(580,725)</td><td>168,528</td><td>6,087,291</td></th>	<td>Equipment, furniture and fixtures</td> <td>6,388,872</td> <td>110,616</td> <td>(580,725)</td> <td>168,528</td> <td>6,087,291</td>	Equipment, furniture and fixtures	6,388,872	110,616	(580,725)	168,528	6,087,291
Total capital assets being depreciated         67,777,722         3,475,248         (2,874,663)         183,098         68,561,405           Less accumulated depreciation for Land improvements         (21,141)         (26,983)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (17,4551)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (4,557,283)         (587,621)         579,833         -         (4,565,071)           Vehicles         (620,780)         (44,210)         -         -         (664,990)           Books and audio visual materials         (13,355,852)         (1,451,734)         1,687,678         -         (13,119,908)           Total accumulated depreciation         (45,665,520)         (3,446,302)         2,267,511         -         (46,844,311)           Total capital assets, being depreciated, net         22,112,202         28,946         (607,152)         183,098         21,717,094           Governmental activities           capital assets, net         \$37,486,467         68,112         (692,270)         -         \$36,862,309		815,125		-	-	825,471	
Less accumulated depreciation for         Land improvements         (21,141)         (26,983)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (1,014,551)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (4,557,283)         (587,621)         579,833         -         (4,565,071)           Vehicles         (620,780)         (44,210)         -         -         (664,990)           Books and audio visual materials         (13,355,852)         (1,451,734)         1,687,678         -         (13,119,908)           Total accumulated depreciation         (45,665,520)         (3,446,302)         2,267,511         -         (46,844,311)           Total capital assets, being depreciated, net         22,112,202         28,946         (607,152)         183,098         21,717,094           Governmental activities capital assets, net         \$37,486,467         \$68,112         \$(692,270)         \$-         \$36,862,309	Books and audio visual materials	17,535,352	2,139,667	(2,293,938)		17,381,081	
Land improvements         (21,141)         (26,983)         -         -         (48,124)           Leasehold improvements         (1,013,566)         (985)         -         -         (1,014,551)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (4,557,283)         (587,621)         579,833         -         (4,565,071)           Vehicles         (620,780)         (44,210)         -         -         (664,990)           Books and audio visual materials         (13,355,852)         (1,451,734)         1,687,678         -         (13,119,908)           Total accumulated depreciation         (45,665,520)         (3,446,302)         2,267,511         -         (46,844,311)           Total capital assets, being depreciated, net         22,112,202         28,946         (607,152)         183,098         21,717,094           Governmental activities capital assets, net         \$37,486,467         \$68,112         \$(692,270)         \$-         \$36,862,309	Total capital assets being depreciated	67,777,722	3,475,248	(2,874,663)	183,098	68,561,405	
Leasehold improvements         (1,013,566)         (985)         -         -         (1,014,551)           Buildings         (26,096,898)         (1,334,769)         -         -         (27,431,667)           Equipment, furniture and fixtures         (4,557,283)         (587,621)         579,833         -         (4,565,071)           Vehicles         (620,780)         (44,210)         -         -         (664,990)           Books and audio visual materials         (13,355,852)         (1,451,734)         1,687,678         -         (13,119,908)           Total accumulated depreciation         (45,665,520)         (3,446,302)         2,267,511         -         (46,844,311)           Total capital assets, being depreciated, net         22,112,202         28,946         (607,152)         183,098         21,717,094           Governmental activities           capital assets, net         \$37,486,467         \$68,112         \$(692,270)         \$-         \$36,862,309	Less accumulated depreciation for						
Buildings       (26,096,898)       (1,334,769)       -       (27,431,667)         Equipment, furniture and fixtures       (4,557,283)       (587,621)       579,833       -       (4,565,071)         Vehicles       (620,780)       (44,210)       -       -       (664,990)         Books and audio visual materials       (13,355,852)       (1,451,734)       1,687,678       -       (13,119,908)         Total accumulated depreciation         Total capital assets, being depreciated, net       22,112,202       28,946       (607,152)       183,098       21,717,094         Governmental activities         capital assets, net       \$ 37,486,467       \$ 68,112       \$ (692,270)       \$ -       \$ 36,862,309	Land improvements	(21,141)	(26,983)	-	-	(48,124)	
Equipment, furniture and fixtures       (4,557,283)       (587,621)       579,833       - (4,565,071)         Vehicles       (620,780)       (44,210)       (664,990)         Books and audio visual materials       (13,355,852)       (1,451,734)       1,687,678       - (13,119,908)         Total accumulated depreciation       (45,665,520)       (3,446,302)       2,267,511       - (46,844,311)         Total capital assets, being depreciated, net       22,112,202       28,946       (607,152)       183,098       21,717,094         Governmental activities capital assets, net       \$ 37,486,467       \$ 68,112       \$ (692,270)       \$ - \$ 36,862,309         Governmental activities depreciation	Leasehold improvements	(1,013,566)	(985)	-	-	(1,014,551)	
Vehicles         (620,780)         (44,210)         -         (664,990)           Books and audio visual materials         (13,355,852)         (1,451,734)         1,687,678         -         (13,119,908)           Total accumulated depreciation         (45,665,520)         (3,446,302)         2,267,511         -         (46,844,311)           Total capital assets, being depreciated, net         22,112,202         28,946         (607,152)         183,098         21,717,094           Governmental activities capital assets, net         \$ 37,486,467         \$ 68,112         \$ (692,270)         \$ -         \$ 36,862,309           Governmental activities depreciation         \$ 37,486,467         \$ 68,112         \$ (692,270)         \$ -         \$ 36,862,309	Buildings	(26,096,898)	(1,334,769)	-	-	(27,431,667)	
Books and audio visual materials         (13,355,852)         (1,451,734)         1,687,678         -         (13,119,908)           Total accumulated depreciation         (45,665,520)         (3,446,302)         2,267,511         -         (46,844,311)           Total capital assets, being depreciated, net         22,112,202         28,946         (607,152)         183,098         21,717,094           Governmental activities capital assets, net         \$37,486,467         68,112         (692,270)         -         \$36,862,309           Governmental activities depreciation	Equipment, furniture and fixtures		(587,621)	579,833	-		
Total accumulated depreciation         (45,665,520)         (3,446,302)         2,267,511         -         (46,844,311)           Total capital assets, being depreciated, net         22,112,202         28,946         (607,152)         183,098         21,717,094           Governmental activities capital assets, net         \$ 37,486,467         \$ 68,112         \$ (692,270)         \$ -         \$ 36,862,309           Governmental activities depreciation	Vehicles			-	-		
Total capital assets, being depreciated, net  22,112,202 28,946 (607,152) 183,098 21,717,094  Governmental activities capital assets, net  \$37,486,467 \$ 68,112 \$ (692,270) \$ - \$36,862,309  Governmental activities depreciation	Books and audio visual materials	(13,355,852)	(1,451,734)	1,687,678		(13,119,908)	
depreciated, net         22,112,202         28,946         (607,152)         183,098         21,717,094           Governmental activities capital assets, net         \$ 37,486,467         \$ 68,112         \$ (692,270)         \$ -         \$ 36,862,309           Governmental activities depreciation	Total accumulated depreciation	(45,665,520)	(3,446,302)	2,267,511		(46,844,311)	
Governmental activities capital assets, net  \$ 37,486,467  \$ 68,112  \$ (692,270)  \$ - \$ 36,862,309  Governmental activities depreciation							
capital assets, net \$ 37,486,467 \$ 68,112 \$ (692,270) \$ - \$ 36,862,309 Governmental activities depreciation	depreciated, net	22,112,202	28,946	(607,152)	183,098	21,717,094	
Governmental activities depreciation							
	capital assets, net	\$ 37,486,467	\$ 68,112	\$ (692,270)	\$ -	\$ 36,862,309	
	_						
Public services \$ 1,475,678	Public services					\$ 1,475,678	
Administrative services 309,121	Administrative services					309,121	
Information Technology 1,661,503	Information Technology					1,661,503	
Total governmental activities depreciation expense \$ 3,446,302						\$ 3,446,302	

# Notes to Financial Statements December 31, 2017

#### 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, 2017 was as follows:

	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due Within One Year
Governmental activities EPCRP net pension liability Compensated absences	\$ 9,631,215 1,635,980	\$ - 1,695,438	\$ 83,428 1,556,815	\$ 9,547,787 1,774,603	\$ - 532,381
Total governmental activities long-term liabilities	\$ 11,267,195	\$ 1,695,438	\$ 1,640,243	\$ 11,322,390	\$ 532,381

Compensated absences are generally liquidated by the General Fund.

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

Assessed valuation	\$6,617,856,790
Debt limitation - 1.5% of total assessed value	\$ 99,267,852
Total debt (excluding compensated absences)	
Total debt applicable to limitation	
Legal debt margin	\$ 99,267,852

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 \$1,020,303 for the year ended December 31, 2017.

<sup>\*</sup> Reported in accrued compensation payable in the statement of net position.

# Notes to Financial Statements December 31, 2017

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

#### **Year Ending**

2018 2019 2020 2021 2022 Future years	\$ 990,663 966,760 642,122 316,507 239,512 1,220,198
Total	\$ 4,375,763

#### **Note IV: Other Information**

#### IV-A. Retirement Plan

Summary of Significant Accounting Policies – The District participates in the El Paso County Retirement Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Plan have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General — The Plan is a cost-sharing multiple employer defined benefit plan covering all permanent, full-time and job-share employees of the participating employers upon their date of employment. Employers, as defined in the plan document, include El Paso County, El Paso County Public Health, Pikes Peak Library District, 4<sup>th</sup> Judicial District Attorney and El Paso County Retirement Plan. All employees hired after September 1, 1967 are required to participate. Employees hired from 1974 through 1981 who were age 60 or older at their date of employment could elect to become a member as of January 1, 1982.

The participants of the Plan consisted of the following as of December 31, 2016 (the most recent actuarial valuation date):

Inactive plan members currently receiving benefits	1,564
Inactive plan members entitled to but not yet receiving benefits	306
Active plan members	<u>2,669</u>
Total	4.539

# Notes to Financial Statements December 31, 2017

The El Paso County Board of Retirement (the Board) manages and administers the Plan. The Board consists of five members, one of whom is the El Paso County Treasurer, two of whom are appointed by the El Paso County Board of Commissioners (the Board of Commissioners) and two of whom are employees of the participating employers elected by participants. The Board shall have all powers necessary to effect the management and administration of the Plan in accordance with its terms. The Board has the powers set forth in Part 1, Title 24, Article 54, of the Colorado Revised Statutes.

Plan Amendments — The Board has the right to alter, amend, or terminate the Plan or any part thereof in such manner as it may determine; provided that no such alteration or amendment shall provide that a retirement benefit payable to any retired member shall be less than that provided by his or her accumulated contributions or affect the right of any member to receive a refund of his accumulated contributions and provided further that no alteration, amendment or termination of the Plan or any part thereof shall permit any part of the Plan to revert to or be recoverable by any employer or be used for or diverted to purposes other than the exclusive benefit of members, retired members, terminated vested members or beneficiaries under the Plan, except such funds, if any, as may remain at termination of the Plan after satisfaction of all liabilities with respect to members, retired members, terminated vested members and beneficiaries under the Plan and are due solely to erroneous actuarial calculations.

The Plan is intended to comply with the requirements of the applicable provisions of Internal Revenue Service Code Section 401(a) as now in effect or hereafter amended, and any modification or amendment of the Plan may be made retroactive, as necessary or appropriate, to establish and maintain such compliance.

Contributions — Contribution requirements are established and may be amended by the Board. Through December 31, 2009, participants contributed 6% of their monthly compensation to the Plan. The Plan was amended during 2009 to increase the participant monthly contribution rate to 6.5% effective January 1, 2010, 7.0% effective January 1, 2011 and 7.5% effective January 1, 2012. The Plan was further amended in 2013 to increase the participant monthly contribution rate to 8.0% effective January 1, 2014. The participating employers make monthly contributions at least equal to the contributions made by the participants. Interest is credited on employee contributions at the rate of 3% per annum, compounded monthly. Employee and employer basic contributions amounted to 16% of covered payroll for both 2017 and 2016.

Contributions are tax-deferred to the participants for federal income tax purposes. If participants have at least five or eight years of credited service (see Retirement Benefits below), they are eligible to receive a future monthly retirement benefit. Any refund of contributions paid waives all future rights to any benefits. However, eligible participants who return to employment with a participating employer within 48 months and were

# Notes to Financial Statements December 31, 2017

previously refunded their contributions may reinstate withdrawn service if they repay the Plan the amount received when employment was terminated, plus interest, within twelve months of rehire.

Active participants who have completed five years of service if hired before January 1, 2013 and eight years of service if hired on or after January 1, 2013 may purchase up to five years of service credit for any period of full-time, nonvested previous employment with any public or private employer. One month of service credit may be purchased for each full month of full-time, nonvested, noncovered employment. The cost to purchase one month of service credit for noncovered employment is the "actuarial equivalent cost", as determined by the actuary for the Plan.

Participants may elect to pay for purchases of service credit in a lump sum or on an installment basis. Effective July 2016, service credit purchases may also be made by rollover contributions from an eligible retirement plan. Payments may be made on a monthly, quarterly or annual basis with interest due at the actuarial equivalent interest rate for periodic benefits. The period over which installment payments may be made cannot exceed a period equal to the total amount of credited service to be purchased. Purchased service is recognized when paid.

Contributions to the plan by the District were \$766,774 for 2017.

Administrative Expenses — The Plan's administrative expenses are paid from the assets of the Plan accumulated from contributions and investment earnings. In 2016, the Board of County Commissioners voted to reimburse the Plan's administrative costs annually up to a maximum of \$600,000 commencing in 2017. The Plan received \$450,000 in 2017 for reimbursement of administrative costs, which is included in Other Income in the accompanying financial statements.

**Termination Benefits** — Participants vest in accumulated contributions as follows:

- (a) If hired before January 1, 2013 and credited with less than five years of service or hired on or after January 1, 2013 and credited with less than eight years of service: Refund of the participant's accumulated contributions.
- (b) If hired before January 1, 2013 and credited with five or more years of service or hired on or after January 1, 2013 and credited with eight or more years of service:
- (i) The participant may elect to receive a deferred retirement benefit that shall be equal to the participant's accrued benefit as of the date of termination and payable on the participant's normal retirement date. The participant may elect to receive a reduced retirement benefit beginning on the first day of any month subsequent to the participant's attainment of age 55. The reduction shall be 3% for each year by which payments

# Notes to Financial Statements December 31, 2017

commence prior to the first of the month following the participant's normal retirement date.

(ii) In lieu of (i), a participant may elect a current refund of accumulated contributions made by the participant.

**Retirement Benefits** — Participants hired before January 1, 2010 are eligible for normal retirement on the first of the month coincident with attainment of age 62. Participants hired after December 31, 2009 are eligible for normal retirement after attainment of age 62, but not before the completion of 60 months of continuous service. Participants hired after December 31, 2012 are eligible for normal retirement after attainment of age 62, but not before the completion of 96 months of continuous service.

If hired before January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.22% times the final average monthly compensation, times years of credited service earned through December 31, 2012 and 2.00% times the final average monthly compensation, times years of credited service earned after December 31, 2012. If hired on or after January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.00% times final average monthly compensation times years of credited service.

The normal retirement benefit will not be greater than 75% of the participant's final average monthly compensation if hired before January 1, 2013 and not greater than 60% of final average monthly compensation if hired on or after January 1, 2013. Final average compensation is the highest monthly average of considered compensation during the 36 consecutive calendar months of credited service out of the last 120 calendar months of credited service.

A participant is eligible for an early retirement benefit at age 55, provided the member has completed five or eight years of credited service. If the participant is hired before January 1, 2013, five years is required. If hired on or after January 1, 2013, eight years is required. The monthly pension is based on the vested portion of the normal retirement benefit, reduced by 3% for each year the early retirement date precedes the normal retirement date.

A participant is eligible for special early retirement benefits if the sum of the participant's age and credited service equals 75 or more. Employees hired on or after January 1, 2016 must be a minimum age of 50 to be eligible under this provision. The monthly benefit is equal to the normal retirement benefit and is not reduced for early commencement.

The annuity for delayed retirement is computed by the normal retirement formula considering credited service and compensation to actual retirement.

# Notes to Financial Statements December 31, 2017

**Disability Benefits** — A participant is eligible for disability benefits if the participant's employment is terminated due to total and permanent disability as determined by eligibility for and receipt of disability benefits continuously until the normal retirement date under (1) the employer's long-term disability plan, or (2) Title II of the Federal Social Security Act. The annuity, payable at age 62, shall be calculated as for normal retirement considering the credited service that would have accrued had the participant been employed until the normal retirement date and the final average compensation during the calendar year preceding the year of the member's disability retirement.

**Payment of Benefits** — The monthly benefit, computed as set forth above, shall be paid in equal monthly payments commencing one month after the actual retirement date continuing at monthly intervals for the retired participant's lifetime thereafter. If the retired participant's death occurs prior to the payment of 120 monthly payments, the remainder of the 120 payments shall be paid to the participant's beneficiary.

**Death Benefits Prior to Retirement** — Death benefits prior to retirement are as follows:

In the event that an active participant or vested participant dies prior to their normal retirement date, the participant's surviving beneficiary will be entitled to either two times the participant's accumulated contributions payable immediately or a monthly benefit equal to 60% of the monthly retirement benefit earned by the member prior to the date of death. Payment of the monthly benefit to the beneficiary will begin on the first of the month following the death or the date the member would have attained age 55, if later. If the participant met the rule of 75 while working and had not applied for retirement nor ceased employment as of date of death, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

Between normal and delayed retirement — In the event that a participant dies after their normal retirement date but prior to their actual retirement, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

**Death Benefits After Retirement** — Death benefits after retirement consist of a lump-sum benefit of \$3,000 payable upon the death of a retired participant.

# Notes to Financial Statements December 31, 2017

**Plan Termination** — Although not presently contemplated, the Board has the right to terminate the Plan at any time, subject to limitations. In the event of termination, after payment of expenses, accumulated contributions would be returned to the participants, and the remaining assets distributed on a pro rata method to the participants based on accrued benefits. Participating employers would not receive any Plan assets.

# Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the District reported a liability of \$9,547,787 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contribution to the El Paso County Retirement Plan for the calendar year 2017 relative to the total contributions of participating employers to the EPCRP. The net pension liability is the difference between the total pension liability and fiduciary net position as of December 31, 2017.

As of December 31, 2017, the District's proportion was 6.42%, which was a increase of 0.44% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2017, the District recognized pension expense of \$1,283,998. As of December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows		Deferred Inflows		
Difference between expected and actual experience	\$	362,268	\$	-	
Net difference between projected and actual earnings on pension plan investments		-		359,618	
Changes in proportion		695,014		359,599	
Total	\$	1,057,282	\$	719,217	

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

# Notes to Financial Statements December 31, 2017

Year Ended December 31,	<u> </u>	Amount		
2018 2019 2020 2021 2022	\$	307,115 295,383 (162,434) (101,999)		
Total	\$	338,065		

The Plan determined that the average expected remaining service lives for active and inactive members at January 1, 2017 was 4.80 years.

**Actuarial Assumptions** — The total pension liability was determined by an actuarial valuation as of January 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of December 31, 2017:

Inflation 3.50%

Salary increases Graded by service, from 7.76% to 3.75%

Investment rate of return 8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.5% and a real rate of return of 4.5%.

Mortality rates were based on the RP-2000 sex-distinct mortality table projected generationally using Projection Scale AA, with a one year setback used for females. Mortality rates used for disabled members is based on the RP-2000 Disabled Mortality Table.

The actuarial assumptions used in the January 1, 2017 actuarial valuation were based on the results of an actuarial experience study for the period from January 1, 2008 to December 31, 2012, resulting in changes in actuarial assumptions adopted by the Board to better reflect expected future experience. The Plan expects to complete a new actuarial experience study during 2018, which may result in changes in actuarial assumptions.

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table (note that the rates shown below exclude the inflation component):

# Notes to Financial Statements December 31, 2017

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	40%	7.50%
Private equity	5%	11.45%
Fixed income	25%	1.85%
Real estate	20%	6.73%
Hedge funds of funds	10%	4.73%
S	100%	

**Discount Rate** — The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy adopted by the Board. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate — The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 8.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1-percentage-point higher (9.0%) than the current rate:

		Current	
	1% Decrease (7.0%)	Discount Rate (8.0%)	1% Increase (9.0%)
District's proportionate share of the net pension liability	\$ 13,469,986	\$ 9,547,787	\$ 6,242,687

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports found at <a href="https://www.epcretirement.org">www.epcretirement.org</a>.

**Additional Information** - Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the Plan's financial statements. This information is available by contacting the Executive Director of the Plan at: El Paso County Retirement Plan, 2880 International Circle, Suite N030, Colorado Springs, CO 80910.

#### 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 2017, excluding catch-up provisions, was the lesser of \$18,000 or 33-1/3 percent of the participant's includable compensation. The District does not have fiduciary accountability for the

# Notes to Financial Statements December 31, 2017

Plan and does not hold the Plan's assets in a trustee capacity. 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, 2017 and 2016:

	] B	Claims Payable Beginning of Year		Claims Incurred		Claims Paid	Claims Payable End of Year
Fiscal Year 2017	\$	67,661	\$	1,240,751	\$	(1,236,880)	\$ 71,532
Fiscal Year 2016	\$	112,438	\$	1,039,201	\$	(1,083,978)	\$ 67,661

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:

# Notes to Financial Statements December 31, 2017

- 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".
- 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 complies with all aspects of TABOR.

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

Various claim(s) pending against the District as of December 31, 2017. Although the outcome of such claim(s) cannot be predicted with certainty, the District believes that adequate insurance coverage exists and that the final settlements of such matters will not materially affect the financial statements of the District.

#### IV-D. Commitments

Total encumbrances outstanding as of December 31, 2017 by fund are as follows:

Fund	Balance		
General Fund	\$	338,255	
Designated Purpose Fund		13,700	
Capital Reserve Fund		222,944	
North Facility Fund		18,134	

**Required Supplementary Information** 

# Schedule of the District's Proportionate Share Of the Net Pension Liability (Required Supplementary Information) El Paso County Retirement Plan

	12/31/2017	12/31/2016	12/31/2015
Proportionate share of total pension liability	34,179,173	30,304,461	30,891,857
Proportionate share of fiduciary net position	(24,631,386)	(20,673,246)	(20,867,698)
Proportionate share of net pension liability	9,547,787	9,631,215	10,024,159
District's proportion of the net pension liability	6.42%	5.98%	6.45%
District's covered payroll	\$ 9,584,675	\$ 8,456,687	\$ 8,572,275
District's proportionate share of the net pension liability as a percentage of its covered payroll	99.62%	113.89%	116.94%
Plan fiduciary net position as a percentage of the total net pension liability	72.07%	68.22%	67.55%

**Note** - Information determined under the provisions of GASB 68 is not available prior to 2015. In future years, additional years will be added until 10 years of historical data are presented. Information provided in this schedule has been determined as of the District's measurement date (December 31) of the net pension liability in accordance with GASB Statement No. 68.

# Schedule of District's Contributions (Required Supplementary Information) El Paso County Retirement Plan

	12/31/2017		12/31/2016		12/31/2015	
Contractually required contributions	\$	766,774	\$	676,535	\$	685,782
Actual contributions		(766,774)		(676,535)		(685,782)
Contributions deficiency (excess)				-		
District's covered payroll	\$	9,584,675	\$	8,456,687	\$	8,572,275
Contributions as a percentage of covered payroll		8.0%		8.0%		8.0%

**Note** - there were no changes to benefit assumptions for the year ended December 31, 2017, the plan measurement date.

**Note** - Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data is presented. Information presented in this schedule has been determined as of the District's most recent fiscal year-end (December 31) in accordance with GASB Statement No. 68.

# Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund

Year Ended December 31, 2017

	Budgeted	Amounts	Actual	Variance with Final Budget Positive (Negative)	
	Original	Final	Amounts		
Revenues					
Taxes					
Local property taxes					
Current	\$ 25,749,236	\$ 25,749,236	\$ 25,709,842	\$ (39,394)	
Delinquent	15,000	15,000	14,007	(993)	
Omitted	3,150	3,150	5,224	2,074	
Specific ownership taxes	2,825,000	3,125,000	3,547,865	422,865	
Interest on taxes	30,000	30,000	33,187	3,187	
Total taxes	28,622,386	28,922,386	29,310,125	387,739	
Intergovernmental	370,000	378,000	458,187	80,187	
Fines and fees	331,500	331,500	274,186	(57,314)	
Interest earnings	100,000	100,000	187,896	87,896	
Donations/fundraising	836,753	828,753	505,725	(323,028)	
Miscellaneous					
Copy sales	55,000	55,000	94,826	39,826	
Parking lot collections	34,000	34,000	31,880	(2,120)	
Other	27,750	27,750	44,183	16,433	
<b>Total miscellaneous</b>	116,750	116,750	170,889	54,139	
<b>Total revenues</b>	30,377,389	30,677,389	30,907,008	229,619	
Expenditures					
Current					
Public Service					
Personnel services	11,627,257	12,647,858	12,470,281	177,577	
Supplies	361,235	400,476	314,647	85,829	
Library materials	4,208,413	4,284,058	4,054,819	229,239	
Contractual services	517,354	558,364	465,943	92,421	
Other services	200,054	208,102	153,937	54,165	
<b>Total Public Service</b>	16,914,313	18,098,858	17,459,627	639,231	

# Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund

## Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Administrative Services				
Personnel services	917,311	984,026	932,391	51,635
Supplies	78,350	79,261	60,620	18,641
Utilities	680,848	680,848	583,442	97,406
Contractual services	1,245,476	1,309,463	1,270,937	38,526
Repairs and maintenance	421,300	422,993	334,056	88,937
Other services	199,875	189,875	120,484	69,391
<b>Total Administrative Services</b>	3,543,160	3,666,466	3,301,930	364,536
Chief Librarian and CEO Office				
Personnel services	403,062	252,219	250,170	2,049
Supplies	3,500	3,000	179	2,821
Contractual services	19,000	-	-	-
Other services	48,700	238,353	208,513	29,840
<b>Total Director's Office</b>	474,262	493,572	458,862	34,710
Finance Office				
Personnel services	398,389	428,624	411,504	17,120
Supplies	8,000	8,000	6,168	1,832
Contractual services	155,450	155,450	101,472	53,978
Other services	18,700	18,700	13,939	4,761
<b>Total Finance Office</b>	580,539	610,774	533,083	77,691
Information Technology Office				
Personnel services	898,621	981,345	984,983	(3,638)
Supplies	348,604	323,198	253,706	69,492
Telecommunications	334,680	506,680	465,959	40,721
Contractual services	295,000	99,828	74,575	25,253
Repairs and maintenance	475,480	532,960	311,931	221,029
Other services	52,000	53,299	49,906	3,393
<b>Total Information</b>				
Technology Office	2,404,385	2,497,310	2,141,060	356,250
<b>Communications Office</b>				
Personnel services	633,092	656,532	586,075	70,457
Supplies	17,100	39,300	9,913	29,387
Contractual services	131,000	121,000	104,359	16,641
Repairs and maintenance	7,500	7,500	3,035	4,465
Other services	107,800	107,800	98,821	8,979
<b>Total Community Engagement</b>				
Outreach Office	896,492	932,132	802,203	129,929

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund

Year Ended December 31, 2017

	Budgeted	Amounts		Variance with Final Budget
	Original Final		Actual Amounts	Positive (Negative)
Other administrative				
Personnel services	3,353,802	2,617,445	1,963,881	653,564
Supplies	2,500	21,074	19,201	1,873
Library materials	147,291	227,764	309,914	(82,150)
Contractual services	703,656	703,810	682,484	21,326
Other services	615,361	500,369	246,976	253,393
Total other administrative	4,822,610	4,070,462	3,222,456	848,006
Capital outlay	420,149	718,393	527,824	190,569
<b>Total expenditures</b>	30,055,910	31,087,967	28,447,045	2,640,922
Excess of revenues				
over expenditures	321,479	(410,578)	2,459,963	2,870,541
Other financing sources (uses)				
Proceeds from sale of capital assets	25,000	25,000	11,640	(13,360)
Transfers out	(736,341)	(786,341)	(786,341)	
Total other financing				
sources (uses)	(711,341)	(761,341)	(774,701)	(13,360)
Special item				
TABOR refund of property tax revenue				
in excess of limit	_	_	(543,196)	(543,196)
Net change in fund balance	(389,862)	(1,171,919)	1,142,066	2,313,985
Fund balance, beginning of year	9,290,771	9,290,771	9,290,771	
Fund balance, end of year	\$ 8,900,909	\$ 8,118,852	\$ 10,432,837	\$ 2,313,985

#### Notes to Required Supplementary Information Year Ended December 31, 2017

#### 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.

#### Note II: Pension Plan Schedules

Proportion, proportionate share and covered-employee payroll amounts are as of the immediate plan year for consistency with the plan's proportionate calculations. Years will be added to these schedules as they become available.

**Supplementary Information** 

#### **MAJOR FUND**

#### **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.

#### Comparative Balance Sheets General Fund December 31, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 13,392,415	\$ 12,362,552
Receivables, net of allowance for uncollectibles		
Property taxes	26,589,594	25,844,235
Accounts	114,143	153,611
Due from discretely presented component unit	14,733	12,688
Due from other governments	265,726	261,357
Prepaid items	339,485	386,130
Total assets	\$ 40,716,096	\$ 39,020,573
Liabilities		
Accounts payable	\$ 1,044,038	\$ 641,852
Accrued compensation payable	617,981	529,114
Due to other funds	1,944,000	2,567,460
Total liabilities	3,606,019	3,738,426
Deferred Inflows of Resources		
Unavailable revenue - property taxes	26,589,594	25,844,235
Unavailable fund resources	87,646	147,141
Total deferred inflows of resources	26,677,240	25,991,376
Fund Balances		
Nonspendable:		
Prepaid expenditures	339,785	386,130
Restricted for:	,	,
Declared	890,607	855,665
Gifts and grants	111,177	89,715
Committed for:		
Capital projects	865,000	865,000
Assigned to:		
Purchased contracts	186,847	153,297
Library materials	190,682	515,555
Unassigned	7,848,739	6,425,409
Total fund balances	10,432,837	9,290,771
Total liabilities, deferred inflows		
of resources, and fund balances	\$ 40,716,096	\$ 39,020,573

## Comparative Statements of Revenues, Expenditures and Changes in Fund Balance

#### **General Fund**

#### Years Ended December 31, 2017 and 2016

Taxes		2017	2016
Local property taxes	Revenues		
Current         \$ 25,709,842         \$ 24,730,868           Delinquent         14,007         10,720           Omitted         5,224         9,505           Specific ownership taxes         3,547,865         2,892,197           Interest on taxes         33,187         29,902           Total taxes         29,310,125         27,673,192           Intergovernmental         458,187         398,039           Fines and fees         274,186         494,493           Interest carnings         187,896         96,038           Donations/fundraising         505,725         308,716           Miscellaneous         94,826         71,887           Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         53,3083         51	Taxes		
Delinquent Omitted         14,007         10,720           Omitted         5,224         9,505           Specific ownership taxes         3,547,865         2,892,197           Interest on taxes         33,187         29,902           Total taxes         29,310,125         27,673,192           Intergovernmental         458,187         398,039           Fines and fees         274,186         494,493           Interest earnings         187,896         96,038           Donations/fundraising         505,725         308,716           Miscellaneous         94,826         71,887           Parking lot collections         31,880         34,332           Other         41,83         32,375           Total miscellaneous         170,889         138,594           Expenditures         30,907,008         29,109,072           Expenditures         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office <th< td=""><td></td><td></td><td></td></th<>			
Omitted         5,224         9,505           Specific ownership taxes         3,547,865         2,892,197           Interest on taxes         33,187         29,902           Total taxes         29,310,125         27,673,192           Intergovernmental         458,187         398,039           Fines and fees         274,186         494,493           Interest earnings         187,896         60,038           Donations/fundraising         505,725         308,716           Miscellaneous         94,826         71,887           Copy sales         94,826         71,887           Parking lot collections         31,880         33,337           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         80,2	Current	\$ 25,709,842	\$ 24,730,868
Specific ownership taxes         3,547,865         2,892,197           Interest on taxes         33,187         29,902           Total taxes         29,310,125         27,673,192           Intergovernmental         458,187         398,039           Fines and fees         274,186         494,493           Interest earnings         187,896         96,038           Donations/fundraising         505,725         308,716           Miscellaneous         31,880         34,332           Copy sales         94,826         71,887           Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         170,889         138,594           Current         41,193         32,543,06           Public services         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         2,141,060         6,833,133           Community Relations Office         2,141,060 <td>Delinquent</td> <td>14,007</td> <td>10,720</td>	Delinquent	14,007	10,720
Interest on taxes         33,187         29,902           Total taxes         29,310,125         27,673,192           Intergovernmental         458,187         398,039           Fines and fees         274,186         494,939           Interest earnings         187,896         60,638           Donations/fundraising         505,725         308,716           Miscellaneous         94,826         71,887           Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,3083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         80,203         748,267           Other administrative         3,22,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures	Omitted	5,224	9,505
Interest on taxes         33,187         29,902           Total taxes         29,310,125         27,673,192           Intergovernmental         458,187         398,039           Fines and fees         274,186         494,933           Interest earnings         187,896         96,038           Donations/fundraising         505,725         308,716           Miscellaneous         94,826         71,887           Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Public services         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         2,450         3,116,763           Capital outla	Specific ownership taxes	3,547,865	2,892,197
Intergovernmental   458,187   398,039   Fines and fees   274,186   494,493   Interest earnings   187,896   96,038   Donations/fundraising   505,725   308,716   Miscellaneous		33,187	29,902
Fines and fees         274,186         494,493           Interest earnings         187,896         96,038           Donations/fundraising         505,725         308,716           Miscellaneous         30,97,225         308,716           Copy sales         94,826         71,887           Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         20,007,008         29,109,072           Expenditures         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293	Total taxes	29,310,125	27,673,192
Fines and fees         274,186         494,493           Interest earnings         187,896         96,038           Donations/fundraising         505,725         308,716           Miscellaneous         30,97,225         308,716           Copy sales         94,826         71,887           Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         20,007,008         29,109,072           Expenditures         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293	Intergovernmental	458.187	398.039
Interest earnings         187,896         96,038           Donations/fundraising         505,725         308,716           Miscellaneous         71,887           Copy sales         94,826         71,887           Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         (774,701)         (1,241,743)           Sp			
Donations/fundraising         505,725         308,716           Miscellaneous         34,826         71,887           Copy sales         94,826         71,887           Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         7         11,293,011           Administrative services         3,301,930         3,254,306           Pivalic services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         (774,701)         (1,241,743)			
Miscellaneous         94,826         71,887           Copy sales         94,826         73,332           Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures           Current           Public services         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         2,141,060         6,833,133           Community Relations Office         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         (774,701)         (1,241,743)           Total other financing sources (uses			
Parking lot collections         31,880         34,332           Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         20,109,072           Current         117,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         2,459,963         2,754,293           Other financing sources (uses)         2,459,963         2,754,293           Other financing sources (uses)         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477		,	
Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         2           Current         117,459,627         11,293,011           Public services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         11,640         17,345           Transfers out         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         (543,196)         (57,073)           TABOR refund of property tax revenue in excess of limit         (543,196)         (57,0	Copy sales	94,826	71,887
Other         44,183         32,375           Total miscellaneous         170,889         138,594           Total revenues         30,907,008         29,109,072           Expenditures         2           Current         117,459,627         11,293,011           Public services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         11,640         17,345           Transfers out         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         (543,196)         (57,073)           TABOR refund of property tax revenue in excess of limit         (543,196)         (57,0		31,880	
Total revenues         30,907,008         29,109,072           Expenditures         Current           Public services         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         11,640         17,345           Transfers out         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,	The state of the s	44,183	32,375
Current	Total miscellaneous	170,889	138,594
Current	Total revenues	30,907,008	29,109,072
Public services         17,459,627         11,293,011           Administrative services         3,301,930         3,254,306           Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         11,640         17,345           Transfers out         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294			
Administrative services       3,301,930       3,254,306         Director's Office       458,862       459,139         Finance Office       533,083       513,871         Information Technology Office       2,141,060       6,833,133         Community Relations Office       802,203       748,267         Other administrative       3,222,456       3,116,763         Capital outlay       527,824       136,289         Total expenditures       28,447,045       26,354,779         Excess of revenues over expenditures       2,459,963       2,754,293         Other financing sources (uses)       11,640       17,345         Transfers out       (786,341)       (1,259,088)         Total other financing sources (uses)       (774,701)       (1,241,743)         Special item         TABOR refund of property tax revenue in excess of limit       (543,196)       (57,073)         Net change in fund balance       1,142,066       1,455,477         Fund balance, beginning of year       9,290,771       7,835,294	Current		
Director's Office         458,862         459,139           Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         11,640         17,345           Transfers out         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	Public services	17,459,627	11,293,011
Finance Office         533,083         513,871           Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         11,640         17,345           Transfers out         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	Administrative services	3,301,930	3,254,306
Information Technology Office         2,141,060         6,833,133           Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         11,640         17,345           Transfers out         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	Director's Office	458,862	459,139
Community Relations Office         802,203         748,267           Other administrative         3,222,456         3,116,763           Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         11,640         17,345           Transfers out         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	Finance Office	533,083	513,871
Other administrative       3,222,456       3,116,763         Capital outlay       527,824       136,289         Total expenditures       28,447,045       26,354,779         Excess of revenues over expenditures       2,459,963       2,754,293         Other financing sources (uses)       11,640       17,345         Transfers out       (786,341)       (1,259,088)         Total other financing sources (uses)       (774,701)       (1,241,743)         Special item       TABOR refund of property tax revenue in excess of limit       (543,196)       (57,073)         Net change in fund balance       1,142,066       1,455,477         Fund balance, beginning of year       9,290,771       7,835,294	Information Technology Office	2,141,060	6,833,133
Capital outlay         527,824         136,289           Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         31,640         17,345         17,345         17,345         17,345         17,345         17,345         17,345         17,345         17,259,088         10,259,088         10,259,088         10,259,088         10,259,088         10,241,743	Community Relations Office	802,203	748,267
Total expenditures         28,447,045         26,354,779           Excess of revenues over expenditures         2,459,963         2,754,293           Other financing sources (uses)         Total offer financing sources (uses)         11,640         17,345           Transfers out         (786,341)         (1,259,088)           Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	Other administrative	3,222,456	3,116,763
Excess of revenues over expenditures       2,459,963       2,754,293         Other financing sources (uses)       11,640       17,345         Proceeds from sale of capital assets       (786,341)       (1,259,088)         Transfers out       (774,701)       (1,241,743)         Special item         TABOR refund of property tax revenue in excess of limit       (543,196)       (57,073)         Net change in fund balance       1,142,066       1,455,477         Fund balance, beginning of year       9,290,771       7,835,294	Capital outlay	527,824	136,289
Other financing sources (uses)         Proceeds from sale of capital assets       11,640       17,345         Transfers out       (786,341)       (1,259,088)         Total other financing sources (uses)       (774,701)       (1,241,743)         Special item         TABOR refund of property tax revenue in excess of limit       (543,196)       (57,073)         Net change in fund balance       1,142,066       1,455,477         Fund balance, beginning of year       9,290,771       7,835,294	<b>Total expenditures</b>	28,447,045	26,354,779
Proceeds from sale of capital assets       11,640       17,345         Transfers out       (786,341)       (1,259,088)         Total other financing sources (uses)       (774,701)       (1,241,743)         Special item         TABOR refund of property tax revenue in excess of limit       (543,196)       (57,073)         Net change in fund balance       1,142,066       1,455,477         Fund balance, beginning of year       9,290,771       7,835,294	Excess of revenues over expenditures	2,459,963	2,754,293
Proceeds from sale of capital assets       11,640       17,345         Transfers out       (786,341)       (1,259,088)         Total other financing sources (uses)       (774,701)       (1,241,743)         Special item         TABOR refund of property tax revenue in excess of limit       (543,196)       (57,073)         Net change in fund balance       1,142,066       1,455,477         Fund balance, beginning of year       9,290,771       7,835,294	Other financing sources (uses)		
Total other financing sources (uses)         (774,701)         (1,241,743)           Special item         TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	Proceeds from sale of capital assets	11,640	17,345
Special item           TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	Transfers out	(786,341)	(1,259,088)
TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	<b>Total other financing sources (uses)</b>	(774,701)	(1,241,743)
TABOR refund of property tax revenue in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	Special item		
in excess of limit         (543,196)         (57,073)           Net change in fund balance         1,142,066         1,455,477           Fund balance, beginning of year         9,290,771         7,835,294	-		
Fund balance, beginning of year 9,290,771 7,835,294	* * *	(543,196)	(57,073)
	Net change in fund balance	1,142,066	1,455,477
<b>Fund balance, end of year</b> \$ 10,432,837 \$ 9,290,771	Fund balance, beginning of year	9,290,771	7,835,294
	Fund balance, end of year	\$ 10,432,837	\$ 9,290,771

#### Schedule of Expenditures by Natural Classification-Budget and Actual General Fund Year Ended December 31, 2017

	Budgeted	l Amounts		Variance with Final Budget		
	Original	Original Final		Positive (Negative)		
Expenditures						
Current						
Personnel services	\$ 18,231,536	\$ 18,568,048	\$ 17,599,286	\$ 968,762		
Supplies	819,289	874,309	664,432	209,877		
Telecommunications	334,680	506,680	465,959	40,721		
Library materials	4,355,704	4,511,975	4,368,968	143,007		
Utilities	680,848	680,848	583,442	97,406		
Contractual services	3,147,351	3,039,328	2,753,994	285,334		
Repairs and maintenance	904,280	963,453	649,023	314,430		
Other services	1,162,073	1,224,931	834,116	390,815		
Capital outlay	420,149	718,395	527,825	190,570		
Total expenditures	\$ 30,055,910	\$ 31,087,967	\$ 28,447,045	\$ 2,640,922		

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#### NONMAJOR GOVERNMENTAL FUNDS

#### SPECIAL REVENUE FUND

A Special Revenue Fund is used to account for 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:

#### **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.

#### **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.

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## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2017

		Special Revenue Fund Designated Purpose Fund				Capital
				North Facility Project Fund		East Library novation Fund
Assets						
Due from other funds Prepaid items	\$	231,582	\$	197,799	\$	107,231
Total Assets	\$	231,582	\$	197,799	\$	107,231
Liabilities						
Accounts payable	\$		\$	20,300	\$	-
Fund Balance						
Nonspendable						
Prepaid expenditures		-		-		-
Restricted for:						
Gifts and grants		2,924		-		-
Committed to:						
Capital projects		228,446		177,499		107,231
Assigned to:		212				
Gifts and grants		212				
Total fund balance		231,582		177,499		107,231
Total liabilities and		224 #05	Φ.	405 500	•	405.001
fund balance	\$	231,582	\$	197,799	\$	107,231

	Proj	ect Funds					
Penrose Library Renovation Fund			Capital Reserve Fund		Total Nonmajor Governmental Funds		
	\$	84,339	\$	1,323,049 5,877	\$	1,944,000 5,877	
	\$	84,339	\$	1,328,926	\$	1,949,877	
	\$		\$	74,569	\$	94,869	
		-		5,877		5,877	
		-		-		2,924	
		84,339		1,248,480		1,845,995	
						212	
		84,339		1,254,357		1,855,008	
	\$	84,339	\$	1,328,926	\$	1,949,877	

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds Year Ended December 31, 2017

	Special Revenue Fund		Capital
	Designated Purpose Fund	North Facility Project Fund	East Library Renovation Fund
Revenues			
Donations	\$ -	\$ 35,000	\$ -
Expenditures			
Capital outlay	44,818	685,166	25,025
Deficiency of revenues over expenditures	(44,818)	(650,166)	(25,025)
Other financing sources			
Transfers in		50,000	
Net change in fund balances	(44,818)	(600,166)	(25,025)
Fund balances, beginning of year	276,400	777,665	132,256
Fund balances, end of year	\$ 231,582	\$ 177,499	\$ 107,231

Proje	ct Funds						
Penrose Library Renovation Fund		Capital Reserve Fund			Total Nonmajor Governmental Funds		
\$	-	\$		-	\$	35,000	
	148,557		473,48	32		1,377,048	
	(148,557)		(473,48	82)		(1,342,048)	
	59,690		676,65	51		786,341	
	(88,867)		203,16	59		(555,707)	
	173,206		1,051,18	88		2,410,715	
\$	84,339	\$	1,254,35		\$	1,855,008	

#### Comparative Balance Sheets Designated Purpose Fund December 31, 2017 and 2016

	2017		2016		
Assets  Due from other funds	\$	231,582	\$	278,800	
Liabilities					
Accounts payable	\$		\$	2,400	
Fund Balance					
Restricted for:		2.024		11 170	
Gifts and grants Committed to:		2,924		11,179	
Capital projects		228,446		258,221	
Assigned to:					
Gifts and grants		212		7,000	
Total fund balance		231,582		276,400	
Total liabilities and fund balance	\$	231,582	\$	278,800	

# Comparative Statements of Revenues, Expenditures and Changes in Fund Balance Designated Purpose Fund Years Ended December 31, 2017 and 2016

	2017		2016
Expenditures			
Current - public services	\$ -	\$	25,087
Capital outlay	 44,818		31,345
Total expenditures	 44,818		56,432
Deficiency of revenues over expenditures	 (44,818)		(56,432)
Fund balance, beginning of year	 276,400		332,832
Fund balance, end of year	\$ 231,582	\$	276,400

# Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Designated Purpose Fund Year Ended December 31, 2017

	Budgeted Amounts					Variance with Final Budget		
	Original		Final		Actual Amounts		Positive (Negative)	
Expenditures Capital outlay	\$	<u>-</u>	\$	151,099	\$	44,818	\$	106,281
Net change in fund balance		-		(151,099)		(44,818)		(106,281)
Fund balance, beginning of year		276,400		276,400		276,400		
Fund balance, end of year	\$	276,400	\$	125,301	\$	231,582	\$	(106,281)

Comparative Balance Sheets North Facility Project Fund December 31, 2017 and 2016

	2017	2016
Assets Due from other funds	\$ 197,799	\$ 777,665
Liabilities Accounts payable	\$ 20,300	\$ -
Fund Balance Committed to: Capital projects	177,499	777,665
Total liabilities and fund balance	\$ 197,799	\$ 777,665

# Comparative Statements of Revenue, Expenditures and Changes in Fund Balance North Facility Project Fund Years Ended December 31, 2017 and 2016

	2017	2016		
Revenues				
Donations	\$ 35,000	\$ -		
Expenditures				
Capital outlay	685,166	189,947		
Deficiency of revenues over expenditures	(650,166)	(189,947)		
Other financing sources (uses)				
Transfers in	50,000	92,150		
Net change in fund balance	(600,166)	(97,797)		
Fund balance, beginning of year	777,665	875,462		
Fund balance, end of year	\$ 177,499	\$ 777,665		

#### Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual North Facility Project Fund Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Donations	30,000	30,000	\$ 35,000	5,000
Expenditures				
Capital outlay	681,000	813,793	685,166	128,627
Deficiency of revenues under expenditures	(651,000)	(783,793)	(650,166)	133,627
Other financing sources Transfers in		50,000	50,000	
Net change in fund balance	(651,000)	(733,793)	(600,166)	133,627
Fund balance, beginning of year	777,665	777,665	777,665	
Fund balance, end of year	\$ 126,665	\$ 43,872	\$ 177,499	\$ 133,627

#### Comparative Balance Sheets East Library Renovation Fund December 31, 2017 and 2016

	2017		2016		
Assets					
Accounts receivable	\$	-	\$	4,037	
Due from other funds		107,231		128,894	
Total assets	\$	107,231	\$	132,931	
Liabilities Accounts payable	\$		\$	675	
Fund Balance Committed to:					
Capital projects		107,231		132,256	
Total liabilities and fund balance	\$	107,231	\$	132,931	

# Comparative Statements of Revenues, Expenditures and Changes in Fund Balance East Library Renovation Fund Years Ended December 31, 2017 and 2016

	2017	2016
Expenditures Capital outlay	\$ 25,025	\$ 71,889
Deficiency of revenues over expenditures	(25,025)	(71,889)
Other financing sources Transfers in		27,500
Net change in fund balance	(25,025)	(44,389)
Fund balance, beginning of year	132,256	176,645
Fund balance, end of year	\$ 107,231	\$ 132,256

# Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual East Library Renovation Fund Year Ended December 31, 2017

	Budgeted Amounts			nts	Actual		Variance with Final Budget Positive	
	0	riginal		Final	_	mounts	_	egative)
Expenditures							-	
Capital outlay	\$	36,450	\$	50,001	\$	25,025	\$	24,976
Deficiency of revenues under expenditures		(36,450)		(50,001)		(25,025)		24,976
Net change in fund balance		(36,450)		(50,001)		(25,025)		24,976
Fund balance, beginning of year		132,256		132,256		132,256		
Fund balance, end of year	\$	95,806	\$	82,255	\$	107,231	\$	24,976

#### Comparative Balance Sheets Penrose Library Renovation Fund December 31, 2017 and 2016

	 2017		2016	
ASSETS				
Accounts receivable	\$ -	\$	5,279	
Due from other funds	 84,339		167,927	
Total assets	\$ 84,339	\$	173,206	
FUND BALANCE Committed to:				
Capital projects	\$ 84,339	\$	173,206	

# Comparative Statements of Revenues, Expenditures and Changes in Fund Balance Penrose Library Renovation Fund Years Ended December 31, 2017 and 2016

	2017	2016
Expenditures		
Capital outlay	\$ 148,557	\$ 69,433
Deficiency of revenues over expenditures	(148,557)	(69,433)
Other financing sources		
Transfers in	59,690	87,000
Net change in fund balance	(88,867)	17,567
Fund balance, beginning of year	173,206	155,639
Fund balance, end of year	\$ 84,339	\$ 173,206

# Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Penrose Library Renovation Fund Year Ended December 31, 2017

	Budgeted Amounts		Actual		Variance with Final Budget Positive		
	C	Original	Final		mounts	_	egative)
Expenditures						-	
Capital outlay	\$	164,200	\$ 228,737	\$	148,557	\$	80,180
Deficiency of revenues under expenditures		(164,200)	(228,737)		(148,557)		80,180
Other financing sources Transfers in		59,690	 59,690		59,690		
Net change in fund balance		(104,510)	(169,047)		(88,867)		80,180
Fund balance, beginning of year		173,206	173,206		173,206		
Fund balance, end of year	\$	68,696	\$ 4,159	\$	84,339	\$	80,180

#### Comparative Balance Sheets Capital Reserve Fund December 31, 2017 and 2016

	2017	2016
Assets		
Due from other funds	\$ 1,323,049	\$ 1,214,174
Prepaid items	5,877	14,092
Total assets	\$ 1,328,926	\$ 1,228,266
Liabilities		
Accounts payable	\$ 74,569	\$ 177,078
Fund Balance		
Nonspendable:		
Prepaid expenditures	5,877	14,092
Committed to:		
Capital projects	1,248,480	1,037,096
Total fund balance	1,254,357	1,051,188
Total liabilities and fund balance	\$ 1,328,926	\$ 1,228,266

## Comparative Statements of Revenues, Expenditures and Changes in Fund Balance Capital Reserve Fund

#### Years Ended December 31, 2017 and 2016

	2017	2016
Expenditures		
Capital outlay	473,482	503,676
Deficiency of revenues over expenditures	(473,482)	(503,676)
Other financing sources (uses) Transfers in	676,651	1,052,438
Net change in fund balance	203,169	548,762
Fund balance, beginning of year	1,051,188	502,426
Fund balance, end of year	\$ 1,254,357	\$ 1,051,188

# Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Capital Reserve Fund Year Ended December 31, 2017

	Budgeted Amounts				Variance with Final Budget			
	(	Original		Final	,	Actual Amounts		Positive Negative)
Expenditures Capital outlay	\$	1,088,457	\$	1,727,839	\$	473,482	\$	1,254,357
	Ψ	1,000,137	Ψ	1,727,037	Ψ	173,102	Ψ	1,23 1,337
Deficiency of revenues under expenditures		(1,088,457)		(1,727,839)		(473,482)		1,254,357
Other financing sources Transfers in		676,651		676,651		676,651		-
<b>Total financing sources</b>		676,651		676,651		676,651		
Net change in fund balance		(411,806)		(1,051,188)		203,169		1,254,357
Fund balance, beginning of year		1,051,188		1,051,188		1,051,188		
Fund balance, end of year	\$	639,382	\$	-	\$	1,254,357	\$	1,254,357

#### 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.

# Internal Service Fund Comparative Statements of Net Position Employee Health Plan Fund December 31, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 522	2,366 \$ 668,585
Accounts receivable		2,466 -
Deposit	36	5,667 36,667
Total current assets	561	1,499 705,252
Liabilities Current Liabilities		
	7:	1.520
Claims payable	/ ]	1,532 67,661
Accounts payable		
Total current liabilities	71	1,532 75,119
Net Position		
<b>Total Net Position - Unrestricted</b>	\$ 489	9,967 \$ 630,133

#### **Internal Service Fund**

## Comparative Statements of Revenue, Expenses and Changes in Net Position Employee Health Plan Fund

Years Ended December 31, 2017 and 2016

	2017	2016		
Operating revenues				
Employer contributions	\$ 1,521,068	\$ 1,538,345		
Employee contributions	337,962	345,736		
Total operating revenues	1,859,030	1,884,081		
Operating expenses				
Claims incurred	1,240,751	1,039,201		
Administrative	758,477	731,542		
Total operating expenses	1,999,228	1,770,743		
Operating gain (loss)	(140,198)	113,338		
Nonoperating revenues				
Investment earnings	32	12		
Change in net position	(140,166)	113,350		
Total net position, beginning	630,133	516,783		
Total net position, ending	\$ 489,967	\$ 630,133		

# Internal Service Fund Comparative Statements of Cash Flows Employee Health Plan Fund Years Ended December 31, 2017 and 2016

	2017	2016		
Cash flows from operating activities				
Employee and employer contributions	\$ 1,856,564	\$ 1,884,081		
Payment of claims and administrative expenses	(2,002,815)	(1,873,896)		
Net cash provided by (used in) operating activities	(146,251)	10,185		
Cash flows from investing activities Interest received	32	12		
Net increase (decrease) in cash and cash equivalents	(146,219)	10,197		
Cash and cash equivalents, January 1	668,585	658,388		
Cash and cash equivalents, December 31	\$ 522,366	\$ 668,585		
Reconciliation of operating loss to net cash				
provided by operating activities				
Operating income (loss)	\$ (140,198)	\$ 113,338		
Adjustments to reconcile operating loss to net				
cash provided by (used in) operating activities	(0.455)			
Change in accounts receivable	(2,466)	(50.276)		
Change in accounts payable	(7,458)	(58,376)		
Change in claims payable	3,871	(44,777)		
Total adjustments	(6,053)	(103,153)		
Net cash provided by (used in) operating activities	\$ (146,251)	\$ 10,185		

#### **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.

#### Comparative Statements of Fiduciary Assets and Liabilities Flexible Spending Accounts – Agency Fund December 31, 2017 and 2016

	2017		2016	
Assets  Cash and cash equivalents  Accounts receivable	\$	59,544 430	\$	53,906
Total assets	\$	59,974	\$	53,906
Liabilities Accounts payable	_\$	59,974	\$	53,906

#### Statement of Changes in Fiduciary Assets and Liabilities Flexible Spending Accounts – Agency Fund Year Ended December 31, 2017

**Flexible Spending Accounts** 

	Balance January 1, 2017		Additions Deletions			Balance December 31, 2017		
Assets  Cash and cash equivalents Other receivables	\$	53,906	\$	107,318 430	\$	101,680	\$	59,544 430
Total assets	\$	53,906	\$	107,748	\$	101,680	\$	59,974
Liabilities Accounts payable	\$	53,906	\$	107,748	\$	101,680	\$	59,974

#### 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.

I	Page
Financial Trends	131
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	144
These schedules contain information to help the reader assess the District's most significant revenue source, the property tax.	
Debt Capacity	156
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	163
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	165
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.	

Exhibit I-1

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

#### **Governmental Activities**

Fiscal Year	Ne	et Investment In Capital Assets	Restricted	ι	Jnrestricted	Total
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
2014		37,633,108	994,338		9,249,165	47,876,611
2015		38,922,766	998,444		282,577	40,203,787
2016		37,308,714	956,559		1,371,475	39,636,748
2017		36,767,440	1,004,708		971,294	38,743,442

Exhibit I-2

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

Expenses							
<b>Governmental Activities</b>							

								• • • •	minoritar / toti v				
		S	Support and				Chief			In	formation		
Fiscal Year	Public Services		Outreach Services	Α	Administrative Services		brarian & EO Office		Finance Office		Technology Office		
2008	\$ 8,271,488	\$	4,081,256	\$	3,476,979	\$	219,409	\$	426,739	\$	1,359,962		
2009	10,043,347		4,962,156		3,337,749		224,311		514,702		1,343,640		
2010	10,029,059		5,111,509		3,304,300		239,948		449,031		1,383,900		
2011	8,132,184		-		10,916,543		339,211		451,191		1,472,077		
2012	8,115,178		-		10,846,365		366,455		404,789		1,634,549		
2013	7,883,922		-		12,021,277		373,535		403,231		1,531,283		
2014	8,422,792		-		11,964,223		386,564		435,422		1,716,479		
2015	11,479,186		-		4,117,367		400,652		436,539		7,814,245		
2016	13,251,004		-		3,823,660		466,816		522,810		7,631,440		
2017	20,382,695		-		3,914,245		474,077		551,706		1,868,122		

# Program Revenues Governmental Activities Operating Grants and Contributions

		Ch	narç	ges for Servic	es		Operating Grants and Contributions							
Fiscal Year	Support and Public Outreach Services Services Total							Public Services	Α	dministrative Services	Information Technology			
2008	\$	370,841	\$	147,394	\$	518,235	\$	224,384	\$	89,183	-			
2009		379,233		153,934		533,167		194,605		78,991	-			
2010		526,805		-		526,805		163,885		-	-			
2011		521,577		-		521,577		181,675		-	-			
2012		529,077		-		529,077		99,400		34,536	-			
2013		523,316		-		523,316		141,009		213,927	-			
2014		530,364		-		530,364		136,227		-	142,433			
2015		538,214		-		538,214		258,925		-	15,769			
2016		494,493		-		494,493		233,889		-	143,982			
2017		274,186		_		274,186		596,824		_	-			

	Total
	Net Expenses
	Total
Fiscal	Primary
Year	Government
2008	\$ (21,547,989)
2009	(21,641,226)
2010	(23,331,594)
2011	(23,217,741)
2012	(24,222,713)
2013	(24,826,204)
2014	(25,208,590)
2015	(27,268,439)
2016	(28,435,137)
2017	(30,030,660)

Commun Offi		Ad	Other ministration	Interest Expense	Total Primary Government				
\$	762,408 821,686 797,124 731,409 676,199 721,944 709,136 766,469 764,629 830,962	\$	1,741,607 1,973,592 2,153,292 2,235,421 2,073,758 2,571,087 2,489,209 2,652,230 3,116,763 3,222,456	\$ 2,680 298 - 6,085 4,261 1,672 -	\$	20,342,528 23,221,481 23,468,163 24,284,121 24,121,554 25,507,951 26,123,824 27,666,688 29,577,122 31,244,263			

**Capital Grants and Contributions** 

Total	Public Services	C	pport and Outreach Services	Α	dministrative Services	formation chnology	Total	Total Primary overnment
\$ 313,567	\$ 146,295	\$	265,121	\$	-	\$ -	\$ 411,416	\$ 1,243,218
273,596	79,354		787,375		-	-	866,729	1,673,492
163,885	1,093,374		-		42,873	-	1,136,247	1,826,937
181,675	168,993		-		80,282	-	249,275	952,527
133,936	98,131		-		142,669	-	240,800	903,813
354,936	166,769		-		240,217	-	406,986	1,285,238
278,660	229,665		-		88,553	170,380	488,598	1,297,622
274,694	836,583		-		258,308	550,299	1,645,191	2,458,099
377,871	142,378		-		41,939	85,304	269,621	1,141,985
596,824	253,467		-		53,096	36,030	342,593	1,213,603

Exhibit I-3

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

#### **Governmental Activities**

Fiscal Year	Pro	operty Taxes	Owr	Specific nership Taxes	Investment Earnings	M	liscellaneous	Total
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	26,629,363
2014		23,823,607		2,546,327	18,692		180,297	26,568,923
2015		24,137,929		2,765,049	26,550		201,916	27,131,444
2016		24,780,995		2,892,197	96,038		155,941	27,925,171
2017		25,762,260		3,547,865	187,896		182,529	29,680,550

### **Total Changes** in Net Position

		Total									
Fiscal		Primary									
Year	Government										
2008	\$	2,373,678									
2009		2,677,688									
2010		2,015,175									
2011		1,870,405									
2012		1,468,244									
2013		1,790,775									
2014		199,857									
2015		(136,995)									
2016		(567,039)									
2017		(893,306)									

Fiscal Y and P Reven	OR Refund ear Spending roperty Tax ue in Excess of Limit		Total Primary Government
\$	(102,809)	\$	23,028,368
Ψ	(102,007)	Ψ	24,351,941
	-		24,472,359
	-		25,039,432
	-		26,072,382
	-		26,629,363
	-		26,568,923
	-		27,131,444
	(57,073)		27,868,098
	(543,196)		29,137,354

Exhibit I-4

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

#### **General Fund**

Fiscal Year	Reserved	Non- erved Unreserved spendable Restricted Committed Assigned				Unassigned	Total	
			•					
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
2014	-	-	475,065	918,560	-	679,883	3,632,798	5,706,306
2015			510,377	944,548	900,000	583,947	4,896,422	7,835,294
2016	-	-	386,130	945,380	865,000	668,852	6,425,409	9,290,771
2017	-	-	339,785	1,001,784	865,000	377,529	7,848,739	10,432,837

#### Other Governmental Funds

**Unreserved - Fund Type Fiscal** Special Capital Non-Year Reserved Revenue **Projects** Total spendable Restricted **Committed Assigned** Total 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 6,930,814 272 7,020,356 2012 103,501 4,647,272 7,624 4,758,397 2013 2,902 78,221 7,399,563 7,624 7,488,310 2014 75,778 5,394,260 7,624 5,477,662 2015 4,990 53,896 1,976,494 7,624 2,043,004 2016 14,092 11,179 2,378,444 7,000 2,410,715 2017 2,924 1,855,008 5,877 1,845,995 212

Note: In 2011 GASB 54 was implemented with new fund balance classifications.

Note - For fiscal years 2011 - 2014, the North Facility Project Fund was presented as a Major Fund. For 2015, this Fund is no longer considered a Major Fund. Fund balances for 2011 - 2014 have been reclassified and are now presented as part of Other Governmental Funds.

Exhibit I-5

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

## Other Financing Sources (Uses)

Fiscal Year		Revenues		Expenditures		Capital Lease Financing		Proceeds from Sale of Capital Assets	Proceeds from Insurance Reimbursement
2008	\$	25,417,133	\$	23,205,387	\$	_	9	51,596	\$ -
2009	Ψ	26,299,296	Ψ	25,818,473	Ψ	-	4	50,724	Ψ -
2010		25,942,307		24,092,049		173,756		48,207	-
2011		26,892,292		27,827,510		, <u>-</u>		49,652	-
2012		27,824,442		26,370,151		-		40,924	-
2013		27,803,063		30,383,156		-		83,277	12,985
2014		29,432,914		30,383,156		-		50,403	- -
2015		29,432,914		30,785,347				28,060	18,703
2016		29,109,072		27,246,156		-		17,345	-
2017		30,942,008		29,824,093		-		11,640	-

Fiscal Y and P Reven	OR Refund Tear Spending Troperty Tax Tue In Excess Of Limit		Net Change in Fund Balance	Ratio of Debt Service Expenditures to Noncapital Expenditures		
Φ.	(4.02.000)	Φ.	2.1.50.722	0.000/		
\$	(102,809)	\$	2,160,533	0.00%		
	-		531,547	0.26%		
	-		2,072,221	0.28%		
	-		(885,566)	0.30%		
	-		1,495,215	0.27%		
	-		(2,483,831)	0.00%		
	-		(899,839)	0.00%		
	-		(1,305,670)	0.00%		
	(57,073)		1,823,188	0.00%		
	(543,196)		586,359	0.00%		

Exhibit I-6

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

27,673,192

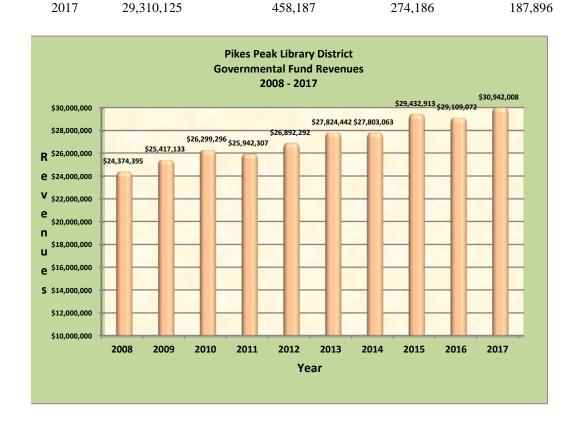
2016

Fiscal Year	Taxes	In	tergovernmental	F	ines and Fees	Inte	rest Earnings
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	26,343,399		160,887		523,316		21,912
2014	26,369,934		291,251		530,364		18,692
2015	26,902,978		305,794		538,214		26,550

398,039

494,493

96,038

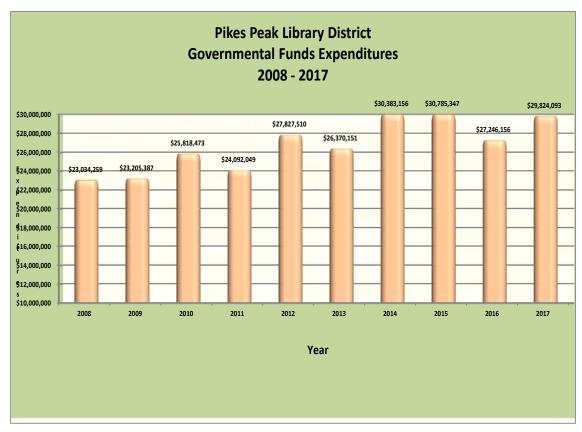


Misc	cellaneous	Total
\$	574,283	\$ 24,374,395
	462,831	25,417,133
	343,327	26,299,296
	422,563	25,942,307
	387,801	26,892,292
	774,928	27,824,442
	592,822	27,803,063
	1,659,378	29,432,913
	447,310	29,109,072
	711,614	30,942,008

Exhibit I-7

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

							Current	
Fiscal Year	Personnel Services	9	Supplies	Library Materials	Utilities	Te	lecommunications	Contractual Services
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
2014	15,032,543		605,206	4,324,974	587,082		362,758	2,720,845
2015	15,904,077		732,640	4,279,833	571,033		409,626	2,587,094
2016	16,007,317		690,060	4,482,638	539,735		339,276	2,769,599
2017	17,599,286		664,432	4,368,968	583,442		465,959	2,753,994



Re	Repairs and		Other		Other			Capital		Debt S		Total		
Maintenance		Services			Total		Outlay		Principal	Interest		Expenditures		
\$	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		23,553,822		2,816,329		-	-		26,370,151		
	612,068		734,423		24,979,899		5,403,257		-	-		30,383,156		
	578,877		753,353		25,816,533		4,968,814		-	-		30,785,347		
	672,300		742,652		26,243,577		1,002,579		-	-		27,246,156		
	649,023		834,117		27,919,221		1,904,872		-	-		29,824,093		

Exhibit I-8

Pikes Peak Library District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

		Residential			All Other	Pro	perty	
Assessment Year	Collection Year	Assessed Value		Estimated Actual value	Assessed Value			Estimated Actual Value
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
2013	2014	3,323,732,184		41,755,429,448		2,705,167,116		9,328,162,469
2014	2015	3,383,673,117		42,508,456,238		2,733,459,583		9,425,722,702
2015	2016	3,772,618,178		47,394,700,732		2,845,238,612		9,811,167,627
2016	2017	3,785,355,234		47,554,713,989		2,832,501,556		9,767,246,746

#### Notes:

(1) The following are the assessment rates for collection years 2008 through 2017:

Collection Year	Residential	All Other Categories
2008-2017	7.96%	29.00%

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

Total Assessed Value	Total Mill Levy	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 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%
6,028,899,300	4.000	51,083,591,917	11.8%
6,117,132,700	4.000	51,934,178,939	11.8%
6,516,617,460	3.857	57,205,868,359	11.6%
6,617,856,790	3.957	57,321,960,736	11.5%

Exhibit I-9

Pikes Peak Library District

Property Tax Rates - Direct and Overlapping

Last Ten Fiscal Years
(Unaudited)
(Per \$1,000 of assessed value)

		C	Collection Yea	r		
Taxing Authority	2008	2009	2010	2011	2012	
Diment						
Direct	2 225	2.540	2.469	2.556	2 000	
Pikes Peak Library District	3.325	3.540	3.468	3.556	3.999	
<b>Overlapping Governments</b>						
El Paso County	7.514	7.583	7.531	7.717	7.597	
Cities and Towns						
Calhan	17.563	17.563	17.563	17.563	17.563	
Colorado Springs	4.944	4.944	4.279	4.279	4.279	
Fountain	10.239	10.239	10.239	10.239	10.239	
Green Mountain Falls	15.558	14.588	13.588	14.588	14.588	
Manitou Springs	-	-	-	-	-	
Monument	6.289	6.289	6.289	6.289	6.289	
Palmer Lake	15.340	16.180	15.989	16.459	16.459	
Ramah	19.827	19.827	19.827	19.827	19.827	
Fire Districts						
Big Sandy	8.000	8.000	8.000	8.000	8.000	
Black Forest	6.600	6.444	6.322	6.275	10.406	
Black Forest (OPS)	1.635	1.479	1.357	1.310	1.191	
Broadmoor	4.500	4.500	4.500	4.500	4.500	
Calhan	7.558	7.461	6.313	7.094	6.500	
Cascade	6.333	6.748	6.940	7.373	7.968	
Cimarron Hills	11.110	11.082	11.110	11.110	12.150	
Donald Wescott	7.000	7.000	7.000	7.000	7.000	
Edison	9	9.000	9.000	9.000	9.000	
Elbert	4.575	4.575	4.575	4.575	4.575	
Ellicott	4.354	9.116	9.374	9.329	9.999	
Falcon	5.712	5.712	5.712	5.712	8.612	
Green Mountain Falls/Chipita Park	7.775	6.829	6.905	7.325	8.048	
Hanover	4.720	4.720	4.720	4.720	4.720	
Peyton	6.137	6.135	6.109	6.253	6.253	
Security	6.675	6.706	6.687	6.693	6.681	
Stratmoor Hills	12.423	12.423	12.423	12.423	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/Monument	8.500	8.500	8.500	8.500	8.500	
Woodmoor Monument	8.500	-	-	-	-	
Woodman Valley	9.050	9.050	9.050	9.050	9.050	

2013	2014	2015	2016	2017
4.000	4.000	4.000	3.857	3.957
7.663	7.714	7.791	7.869	7.919
17.563	17.563	17.563	17.563	17.563
4.279 10.239	4.279 10.239	4.279 10.239	4.279 10.239	4.279 10.239
17.588	17.588	17.588	17.588	17.588
12.060 6.289	12.060 6.289	12.050 6.289	12.246 6.255	13.001 6.289
16.459	16.459	16.459	11.238	21.238
19.827	19.827	19.827	19.827	19.827
8.000	8.000	8.000	8.000	8.000
10.379	10.382	10.356	10.237	10.178
1.164	1.167	1.141	1.022	0.963
4.500	4.500	4.500	4.500	4.500
6.536	6.523	6.552	6.061	5.971
8.443	9.168	9.410	9.774	10.245
14.390	14.390	15.290	15.286	15.286
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	8.500	8.500
10.168	10.290	10.220	9.760	9.850
8.612	8.612	8.612	8.612	8.612
8.542	8.788	9.293	9.812	9.763
4.720	4.720	4.720	7.000	7.366
6.458	6.130	6.130	6.130	6.130
10.001	10.001	10.002	10.002	10.002
12.423	12.002	12.686	12.768	12.811
13.200	13.200	13.200	13.200	13.200
3.000	3.000	3.000	3.000	3.000
11.500	11.500	11.500	11.500	11.500
9.050	9.050	9.050	9.050	9.050

Exhibit I-9

Pikes Peak Library District

Property Tax Rates - Direct and Overlapping (Continued)

Last Ten Fiscal Years
(Unaudited)
(Per \$1,000 of assessed value)

	Collection Year								
Taxing Authority	2008	2009	2010	2011	2012				
Water Districts									
Cheyenne Creek	0.800	0.800	0.800	0.500	0.500				
Forest View	5.000	5.000	5.000	5.000	5.000				
Park Forest	14.437	14.437	14.437	14.437	14.437				
Red Rock Valley Estates	12.325	12.409	13.123	13.894	16.803				
Stratmoor Hills	2.391	2.128	2.224	2.000	2.000				
S.E. Colo. Water Conserv.	0.915	0.943	0.940	0.947	0.947				
Security	5.946	5.822	5.961	5.960	5.952				
Turkey Canyon Ranch	7.858	8.523	8.622	9.058	11.005				
Upper Arkansas Water Conserv.	-	-	-	0.454	0.495				
Upper Big Sandy	0.534	0.532	0.532	0.532	0.532				
Upper Black Squirrel	0.682	0.682	0.682	1.082	1.082				
Sanitation Districts									
Fountain	4.500	4.501	4.500	4.654	5.334				
Security	0.898	0.889	0.896	0.900	0.899				
Stratmoor Hills	0.650	0.579	0.621	0.549	0.549				
Sanitation and Water Districts									
Academy	24.817	25.517	23.637	21.450	24.950				
Donala (Area A)	16.296	16.296	16.296	16.296	16.296				
Donala (Area B)	8.148	8.148	8.148	8.148	8.148				
Garden Valley	4.065	4.001	7.000	10.000	8.617				
Garden Valley #2	-	-	7	7.000	5.500				
Westmoor	31.423	33.070	29.055	30.986	35.508				
Woodmoor	7.250	7.000	6.950	6.950	-				

Exhibit I-9

2013	2014	2015	2016	2017
0.500	0.500	0.500	0.500	1.000
5.000	5.000	5.000	5.000	5.000
14.437	14.437	14.437	14.437	14.437
17.709	17.872	18.575	16.444	17.725
2.088	2.055	1.974	2.086	2.105
0.944	0.944	0.094	0.941	0.940
5.947	5.980	5.955	5.654	5.695
9.500	9.500	9.500	9.500	9.500
0.478	0.478	0.478	0.471	0.478
0.532	0.532	0.532	0.532	0.532
1.082	1.082	1.082	1.057	1.063
5.534	5.755	6.101	6.040	6.248
0.898	0.903	0.899	0.856	0.862
0.573	0.578	0.578	0.587	0.591
24.755	2.937	2.937	2.937	2.937
21.296	21.296	21.296	21.296	21.296
10.648	10.648	10.648	10.648	10.648
8.167	9.920	9.055	9.695	10.296
5.805	5.613	5.736	5.816	5.196
37.471	34.956	41.288	34.943	36.836
-	-	-	-	-

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

**Collection Year** 

Taxing Authority	2008	2009	2010	2011	2012
School Districts					
Air Force Academy #20	60.216	60.216	60.216	60.216	60.216
Big Sandy #100J	25.481	25.499	25.509	25.468	42.067
Calhan #RJ-1	33.800	33.645	30.031	30.049	30.049
Cheyenne Mountain #12	44.741	44.794	43.765	49.764	49.764
Colorado Springs #11	44.045	42.331	42.183	44.004	44.004
Edison #54	38.814	38.801	37.525	36.104	36.104
Ellicott #22	46.947	46.009	45.633	41.148	41.148
Falcon #49	45.795	45.674	45.572	45.842	45.842
Fremont/Florence #39	28.934	29.548	29.695	33.907	33.907
Fountain/Ft. Carson #8	19.715	24.301	29.695	24.723	24.723
Hanover #28	25.442	25.459	23.436	27.551	27.551
Harrison #2	42.473	41.409	41.434	41.147	41.147
Lewis-Palmer #38	49.586	46.077	48.074	52.343	52.343
Manitou Springs #14	-	_	-	-	-
Miami/Yoder #60	40.906	41.281	41.366	42.853	42.853
Peyton #23	35.000	34.000	33.969	34.041	34.041
Miscellaneous Districts	2,094.822	2,115.266	2,710.623	2,554.140	2,554.140

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

2013	2014	2015	2016	2017
60.216	60.216	60.216	60.216	60.216
42.128	40.787	40.379	38.860	38.782
29.117	27.096	27.193	27.091	27.003
50.000	50.000	53.000	53.000	53.000
43.445	44.264	43.165	40.803	40.878
37.044	37.861	37.340	40.834	36.502
41.147	37.124	37.126	37.001	37.046
45.585	45.617	45.796	44.635	44.417
28.774	28.776	29.251	28.908	29.300
24.703	24.726	24.775	25.195	24.748
27.463	31.103	27.759	35.112	34.679
41.344	41.344	36.997	36.414	36.278
51.756	50.091	49.677	45.501	46.404
47.354	47.649	47.555	52.000	52.000
43.194	42.710	41.926	28.504	28.303
34.097	30.985	30.919	30.419	30.469
				_
2,703.102	2,975.466	3,083.266	3,391.527	3,075.868

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

Exhibit I-10

(Unaudited)		Fiscal Y	ear 2017	Fiscal Year 2008			
Principal Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation		Assessed Valuation	Percent of Total Assessed Valuation	
CELLCO Partnership	Investments	\$ 89,757,560	1.36%	\$	-	-	
Qwest Corporation	Telecommunications	67,021,700	1.01%		78,043,650	1.27%	
Broadmoor Hotel, Inc.	Hotel	33,798,090	0.51%		28,982,740	0.47%	
Wal-Mart Businesses	Merchandise/Retail	28,348,330	0.43%		32,434,900	0.53%	
Mountain View Electric	Utilities	27,465,560	0.42%		16,525,500	-	
CV Patriot Springs, LLC	Investments	24,657,630	0.37%		-	-	
dpiX, LLC	Technology	24,133,290	0.36%		-	0.00%	
Wal-Mart Datacenter	Technology	14,137,690	0.21%		-	-	
Palmer Center LTD	Hotel, Office Center	13,688,640	0.21%		-	0.00%	
Keysight Technologies	Technology	12,938,440	0.20%		-	-	
Atmel Corp.	Investments	-	-		22,194,120	0.36%	
Black Hills Fountain Valley Power LLC	Utilities	-	-		25,485,800	0.41%	
Front Range Power	Utilities	-	-		26,178,500	0.43%	
MCI Telecommunications Corp.	Telecommunicatons	-	-		19,591,300	0.32%	
Intel Corp.	Technology	-	-		15,951,460	0.26%	
MMP Citadel LLP	Retail Mall	-			15,499,600	0.25%	
Total Top 10 Principal Taxpayers		\$ 335,946,930	5.08%	\$	280,887,570	4.30%	
<b>Total Assessed Valuation</b>		\$ 6,617,856,790	100.00%	\$	6,142,321,540	100.00%	

Data Source: El Paso County Assessor's Office

Exhibit I-11

Pikes Peak Library District

Property Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited)

Assessment Year	Collection Year	Current Tax Levy		Current Tax Collections		Percent of Current Tax Collected		Delinquent Tax Collections
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
2013	2014	23,978,299		23,691,576		98.8%		72,755
2014	2015	24,290,297		24,092,442		99.2%		12,160
2015	2016	24,926,355		24,730,868		99.2%		10,720
2016	2017	25,942,634		25,709,842		99.1%		14,007

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

 Penalties and Interest Omitted Delinquent Property Tax Tax Collections Collections		Total Tax Collection	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy	
\$ 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%
56,389		2,887	23,823,607	99.4%	55,656	0.2%
29,628		3,699	24,137,929	99.4%	54,997	0.2%
29,902		9,505	24,780,995	99.4%	62,246	0.2%
33,187		5,224	25,762,260	99.3%	71,429	0.3%

Exhibit I-12

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

		Capital Leases								
Year Ended December 31,	Population		Gross Debt	Funds Available in Debt Service Fund		Net Debt				
2008	535,537	\$	-	\$ -	\$	-				
2009	547,061		-	-		-				
2010	554,355		123,071	-		123,071				
2011	575,789		65,401	-		65,401				
2012	585,158		-	-		-				
2013	598,549		-	-		-				
2014	607,457		-	-		-				
2015	616,089		-	-		-				
2016	623,805		-	-		-				
2017	639,625		-	-		-				

Net Debt Per Capita	Personal Income	Debt as a Percentage of Personal Income	Assessed Value Used for Current Year Collections	Ratio of Net Bonded Debt to Assessed Value
-	\$ 23,758,135,000	0.000%	\$ 6,142,321,540	0.000%
-	24,047,682,000	0.000%	6,208,041,670	0.000%
0.22	24,986,786,000	0.000%	6,454,866,500	0.000%
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%
-	27,980,799,000	0.000%	6,042,452,470	0.000%
-	27,831,398,000	0.000%	6,028,899,300	0.000%
-	29,262,206,000	0.000%	6,117,132,700	0.000%
-	30,565,961,000	0.000%	6,516,617,460	0.000%
-	not available	0.000%	6,617,856,790	0.000%

Exhibit I-13

Pikes Peak Library District
Direct and Overlapping Governmental Activities Debt
As of December 31, 2017
(Unaudited)

Tax District	Governmental Activities Debt	Percentage Applicable to Pikes Peak Library District	Amount Applicable to Pikes Peak Library District		
Direct:	<b>.</b>	100,000/	Φ		
Pikes Peak Library District	\$ -	100.00%	\$ -		
Overlapping:					
Cities and Towns	2	100.000	2		
Calhan	36,987	100.00%	36,987		
Colorado Springs	49,366,000	100.00%	49,366,000		
Monument Manitou Springs	466,485 3,055,433	100.00% 100.00%	466,485 3,055,433		
Maintou Springs	3,033,433	100.0070	3,033,433		
<b>Total Cities and Towns</b>			52,924,905		
El Paso County	148,596,782	94.18%	139,948,449		
Special Districts					
Fire protection	3,898,237	100.00%	3,898,237		
Miscellaneous	57,975,000	100.00%	57,975,000		
Water	8,319,721	100.00%	8,319,721		
Water and Sanitation	3,554,256	100.00%	3,554,256		
General Improvement	41,220,119	100.00%	41,220,119		
Metropolitan	406,124,267	100.00%	406,124,267		
<b>Total Special Districts</b>			521,091,600		
School Districts					
Academy #20	287,812,320	100.00%	287,812,320		
Big Sandy #100J	2,376,452	100.00%	2,376,452		
Cheyenne Mountain #12	133,380,405	100.00%	133,380,405		
Colorado Springs #11	1,155,600,982	100.00%	1,155,600,982		
Edison #54	1,862,720	100.00%	1,862,720		
Falcon #49	7,520,172	100.00%	7,520,172		
Fountain Fort Carson #8	2,834,402	100.00%	2,834,402		
Fremont/Florence #39	7,915,975	100.00%	7,915,975		
Hanover #28	5,657,878	100.00%	5,657,878		
Harrison #2	36,070,000	100.00%	36,070,000		
Lewis Palmer #38	67,349,192	100.00%	67,349,192		
Manitou Springs School #14	2,805,000	100.00%	2,805,000		
Miami/Yoder #60	1,245,000	100.00%	1,245,000		
Peyton #23 Widefield #3	25,575,436 6,900,000	100.00% 100.00%	25,575,436 6,900,000		
	0,700,000	100.0070			
Total Occupanies			1,744,905,934		
Total Overlapping			2,458,870,888		
<b>Total Direct and Overlapping</b>			\$ 2,458,870,888		

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.

Exhibit I-14

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

		2008	2009	2010	2011	2012
Assessed valuation	\$	6,142,321,540	\$ 6,208,041,670	\$ 6,454,866,500	\$ 6,462,164,700	\$ 5,968,035,500
Debt limitation - 1.5% of total assessed value		92,134,823	\$ 93,120,625	\$ 96,822,998	\$ 96,932,471	\$ 89,520,533
Total debt (excluding compensated absences)		-	-	123,071	65,401	-
Less: Certificates of Participation (1)		-	-	-	-	-
Capital leases (1)		-	-	(123,071)	(65,401)	-
Total debt applicable to limitation		-	-	-	-	<u>-</u>
Legal debt margin	\$	92,134,823	\$ 93,120,625	\$ 96,822,998	\$ 96,932,471	\$ 89,520,533

#### Notes:

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

2013	2014	2015 201			2016	16 2017			
\$ 6,042,452,470	\$ 6,028,899,300	\$	6,117,132,700	\$	6,516,617,460	\$	6,617,856,790		
\$ 90,636,787	\$ 90,433,490	\$	91,756,991	\$	99,267,852	\$	99,267,852		
-	-		-		-		_		
-	_		_		-		-		
-	-		-		-		-		
-	-		-		-		-		
\$ 90,636,787	\$ 90,433,490	\$	91,756,991	\$	99,267,852	\$	99,267,852		

Exhibit I-15

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

		Debt Serv Capital		Expenditures			Noncapital Governmental			
Fiscal Year	Principal Payments		Interest Payments		1	Total	Fund Expenditures		Governmental Fund Expenditures	
2008	\$	19,780	\$	298	\$	20,078	\$	20,704,072	0.10%	
2009		-		-		-		20,664,836	0.00%	
2010		50,685		6,085		56,770		21,936,718	0.26%	
2011		57,670		4,261		61,931		22,062,312	0.28%	
2012		65,401		1,672		67,073		22,732,454	0.30%	
2013		-		-		-		23,553,822	0.00%	
2014		-		-		-		24,979,899	0.00%	
2015		-		-		-		25,816,533	0.00%	
2016		-		-		-		26,243,577	0.00%	
2017		-		-		-		27,919,221	0.00%	

Ratio of Debt

Exhibit I-16

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

			Per Capita	_	Househ	olds		
Fiscal Year	Population	Personal Income	Personal Income	Unemployment Rate	Total	Average Size	Median Age	School Enrollment
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	2.37	34.1	111,533
2013	598,549	27,980,799,000	41,250	7.2%	251,153	2.38	34.2	117,829
2014	607,457	27,831,398,000	41,945	6.2%	255,364	2.38	34.3	118,699
2015	616,089	29,262,206,000	43,385	4.6%	259,082	2.38	34.0	120,314
2016	623,805	30,565,961,000	44,409	3.8%	263,383	2.37	34.4	121,752
2017	639,625	not available	not available	3.5%	267,300	2.39	34.4	122,445

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

Exhibit I-17

Pikes Peak Library District

Principal Employers

Current Year and Nine Years Ago
(Unaudited)

	Fiscal Y	ear 2017	Fiscal Year 2008		
Employer	Employees	Percent of Total Employment	Employees	Percent of Total Employment	
Fort Carson	30,661	9.70%	21,400	7.09%	
United States Air Force Academy	11,715	3.71%	6,522	2.16%	
Peterson Air Force Base	9,915	3.14%	11,678	3.87%	
Schriever Air Force Base	6,978	2.21%	6,000	1.99%	
Verizon	4,000	1.27%	-	-	
Memorial/University of Colorado Health Systems	3,951	1.25%	4,700	1.56%	
El Paso County School District #11	3,800	1.20%	3,793	1.26%	
Centura Health System	3,208	1.02%	-	-	
Academy School District #20	2,950	0.93%	2,986	0.99%	
El Paso County	2,733	0.86%	-	-	
Direct Checks Unlimited	-	-	8,720	2.89%	
Penrose St. Francis Health System	-	-	2,800	0.93%	
Wells Fargo Bank	-	-	-	0.00%	
The Broadmoor			2,000	0.66%	
Total	79,911	25.29%	70,599	23.38%	
Total Employment - El Paso County, Colorado	315,977	•	301,927	-	

Exhibit I-18

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

				Full-tim	e Equiva	lent Em	plovees			
	2008	2009	2010	2011	2012	2012	2014	2015	2016	2017
Public Services										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.00	1.00	2.00
Special Collections	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.50	9.50
Adult Services										
East Library	16.00	16.00	16.00	16.30	16.30	15.80	15.80	16.80	16.80	17.32
Penrose Library	20.20	20.00	20.70	20.74	20.74	20.24	20.24	20.24	21.22	21.22
Library 21c	-	-	-	-	-	-	8.25	8.25	8.25	8.25
Library 21c - Computer Commons	-	-	-	-	-	-	9.00	9.50	9.50	9.50
Children's										
East Library	8.00	9.00	9.00	9.02	9.02	8.02	6.82	6.82	8.27	8.27
Penrose Library	5.30	5.30	5.30	5.32	5.32	5.32	6.12	6.12	6.12	6.12
Library 21c	-	-	-	-	-	-	6.88	7.88	7.88	8.88
Community Libraries										
Administration	2.00	1.50	-	-	-	-	-	-	-	-
Briargate Library	11.88	11.88	12.63	13.63	13.63	14.50	-	-	-	-
Cheyenne Mountain Library	10.93	10.93	10.93	10.93	10.93	11.43	10.93	10.93	10.93	10.55
Fountain Library	10.63	10.63	10.63	10.25	10.25	9.25	7.75	7.88	7.88	6.63
High Prairie Library	-	-	7.13	8.00	8.00	8.00	8.25	8.25	8.25	8.25
Ruth Holley Library	12.25	12.25	12.25	12.25	12.25	12.50	12.50	12.13	12.13	10.50
Manitou Springs	-	-	-	-	-	-	4.00	4.25	4.25	4.25
Monument Library	10.15	10.15	10.21	10.42	10.42	10.55	10.55	10.55	10.49	10.49
Old Colorado City Library	8.73	8.73	8.93	9.28	9.28	8.88	8.88	8.63	8.90	8.90
Palmer Lake Library	1.93	1.93	1.93	1.99	2.01	1.99	1.79	1.79	2.03	2.03
Rockrimmon Library	11.25	11.25	11.25	11.23	11.23	10.85	10.65	10.65	10.65	10.08
Sand Creek Library	12.38	12.38	12.88	13.09	13.09	13.29	14.23	15.73	15.95	16.20
Ute Pass Library	1.83	1.80	2.15	2.30	2.30	1.80	1.80	1.28	1.28	1.28
Adult Education	2.60	2.60	2.60	2.60	2.60	3.10	3.45	4.20	3.85	6.50
Circulation	20.42	20.42	10.02	20.01	10.01	10.56	20.22	20.62	20.62	10.04
East Library	20.43	20.43	19.93	20.01	19.01	19.56	20.22	20.62	20.62	18.84
Penrose Library	11.50	11.50	11.50	11.59	11.59	11.59	11.62	11.74	11.74	11.84
Library 21c Shelving	-	-	-	-	-	-	6.50	6.50	6.50	6.50
East Library	13.93	14.15	14.95	15.16	15.16	13.68	13.70	13.70	13.64	12.07
Penrose Library	8.80	8.80	8.40	8.84	8.84	8.32	7.99	7.99	7.99	6.12
Library 21c	-	-	-	-	0.04	-	5.18	5.55	5.18	5.25
Security	7.25	7.25	7.25	7.25	7.25	7.25	11.00	13.00	14.50	15.00
Collection Management	19.00	19.00	19.50	19.80	19.80	19.80	19.30	19.65	19.00	18.40
Mobile Library Services	8.88	8.88	8.88	9.70	9.70	8.70	8.70	8.70	8.95	9.15
Total Public Services	248.10	248.59	257.18	261.95	260.97	256.67	284.35	289.58	293.25	289.89
	210.10	210.57	237.10	201.75	200.57	230.07	201.55	207.50	273.23	207.07
Administrative Services										
Administration	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	6.75	6.75	6.75	7.00	7.00	7.00	6.75	6.75	6.00	6.00
Library 21c	-	-	-	-	-	-	2.00	2.00	3.00	3.00
Human Resources	5.55	5.55	5.55	5.15	4.15	5.15	5.15	5.15	5.15	5.15
Total Administrative Services	16.30	16.30	16.30	16.15	15.15	16.15	17.90	16.90	17.15	17.15
Information Technology										
Information Technology	12.00	12.00	13.00	13.00	13.00	13.00	14.00	14.10	14.10	14.10
Other Administrative Operations										
Chief Librarian and Chief Executive Officer Office	2.00	2.00	2.50	3.00	2.50	3.00	2.00	2.00	2.00	2.00
Communications Office	10.90	10.90	11.40	10.90	10.65	10.90	11.75	12.25	12.25	12.25
Development Office	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Finance Office	6.50	6.75	6.75	6.75	6.75	5.75	5.75	6.75	6.75	6.75
Total Other Administration Operations	21.90	22.15	23.15	23.15	22.40	22.15	22.00	23.50	23.50	23.50
Total Full Time Equivalents	298.30	299.04	309.63	314.25	311.52	307.97	338.25	344.08	348.00	344.64
<b>*</b> *** *** ***************************										

Data Source: District's Human Resources Office

Exhibit I-19

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

Fiscal Year	Number of Volumes Owned	Number of Audio Visual Items Owned	Total Items Owned	Acquisition Cost of Collections
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
2014	918,701	316,647	1,235,348	34,256,218
2015	718,638	279,776	998,414	28,479,378
2016	689,980	353,667	1,043,647	27,162,050
2017	700,758	346,176	1,046,934	26,923,183

Data Source: District's Collection Management Department

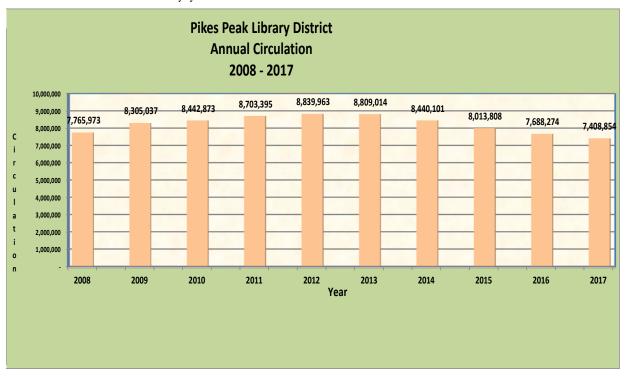
Cost of New Acquisitions	Net Book Value of Collections	Number of Items in Circulation	Turnover Rate
2,455,637	14,778,633	1,093,758	7.10
2,594,598	14,612,166	1,059,321	8.32
3,517,700	15,285,873	1,092,281	7.73
3,796,733	15,632,673	1,142,172	7.62
2,763,306	14,813,804	1,106,019	7.99
2,520,735	14,392,359	1,148,583	7.67
2,663,493	14,599,576	1,189,875	7.09
2,731,728	14,211,399	951,064	8.43
2,313,177	13,806,198	995,151	7.73
2,140,189	13,803,275	996,826	7.43
, ,	, ,	,	

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

Exhibit I-20

**Community Libraries Penrose** Old **East Library Fiscal** Information **Public** Library Cheyenne High Manitou Colorado **Palmer** Center Library 21c Briargate Mountain **Fountain Prairie Springs Monument** Lake Year City 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 768,785 554,658 2,582,700 1,095,427 273,745 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 2014 464,794 503,092 58,095 1,983,752 1,049,901 283,986 249,356 341,333 48,404 502,640 294,604 2015 1,621,753 900,407 894,810 474,082 211,731 326,736 47,067 451,594 284,910 50,653 2016 307,167 1,533,028 776,925 888,192 437,569 199,196 46,452 415,012 246,141 43,152 2017 1,303,118 714,133 986,551 386,538 191,400 289,874 47,318 390,805 214,947 44,718

Data Source: District's information library system



Rockrimmon	Ruth Holley	Sand Creek	Ute Pass	Mobile Library Services	Library Express Dispenser	Cyber- Shelf	Nook eReaders	Other Categories	Inter- Library Loan	Total
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
474,322	518,641	514,578	39,549	188,500	48,784	792,432	492	57,224	25,622	8,440,101
431,335	457,623	463,715	33,806	179,297	28,993	1,068,783	70	60,608	25,835	8,013,808
385,294	395,346	417,248	31,724	166,186	20,958	1,295,052	325	55,209	28,098	7,688,274
368,714	367,831	370,525	31,623	157,979	2,363	1,459,032	467	54,764	26,154	7,408,854

Exhibit I-21

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

(Unaudited)			No. of Hours		
Library	Address	Owned (O) Leased (L)	Open/Week FY 2017	2008	2009
Briargate Library	9475 Briar Village Pt. Colorado Springs, CO 80920	L	-	8,627	8,627
Cheyenne Mountain Library	1785 S. 8th Street, Suite 100 Colorado Springs, CO 80906	L	64	8,900	8,900
East Library and Information Center	5550 N. Union Colorado Springs, CO 80918	O	68	70,153	70,153
Fountain Library	230 S. Main Street Fountain, CO 80817	O	64	9,582	9,582
High Prairie Library	7035 Old Meridian Rd. Falcon, CO 80831	O	56	-	-
Library 21C	1175 Chapel Hills Drive Colorado Springs, CO 80920	O	68	-	-
Manitou Springs Library	701 Manitou Avenue Manitou Springs, CO 80829	L	52	-	-
Monument Hill Library	1706 Lake Woodmoor Drive Monument, CO 80132	L	68	7,536	7,536
Old Colorado City Library	2418 W. Pikes Peak Colorado Springs, CO 80904	O	64	4,909	4,909
Palmer Lake Library	66 Lower Glenway Palmer Lake, CO 80133	L	36	1,574	1,574
Penrose Public Library	20 N. Cascade Colorado Springs, CO 80903	О	68	78,831	78,831
Rockrimmon Library	832 Village Center Drive Colorado Springs, CO 80919	L	64	8,668	8,668
Ruth Holley Library	685 N. Murray Colorado Springs, CO 80915	L	64	10,469	10,469
Sand Creek Library	1821 S. Academy Colorado Springs, CO 80916	O	68	14,060	14,060
Ute Pass Library	8010 Severy Cascade, CO 80809	L	30	2,123	2,123
Mobile Library Services - three vehicles		О	62	437	455
Offices	25 W. Kiowa Colorado Springs, CO 80903	O	N/A	11,988	11,988
			896	237,857	237,875

Data Source: District's Facilities Office

Square Footage as of Fiscal Year-End

2010	2011	of Fiscal Ye	2013	2014	2015	2016	2017
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
70,153	70,153	70,153	70,153	70,153	70,153	70,153	70,153
9,582	9,582	9,582	9,582	9,582	9,582	9,582	9,582
6,008	6,008	6,008	6,008	6,008	6,008	6,008	6,008
-	-	115,058	115,058	115,058	115,058	115,058	115,058
-	-	-	2,391	2,391	2,391	2,391	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
78,831	78,831	78,831	78,831	78,831	78,831	78,831	78,831
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
455	455	455	455	455	455	455	455
11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988
243,883	243,883	358,941	361,332	361,332	352,705	352,705	352,705

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## DRAFT 06/07/2018

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Board of Trustees Pikes Peak Library District Colorado Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Pikes Peak Library District (the District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated \_\_\_\_\_\_\_. The financial statements of the Pikes Peak Library District Foundation Inc., the discretely presented component unit of the District, were not audited in accordance with Government Auditing Standards.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

## Board of Trustees Pikes Peak Library District

## DRAFT 06/07/2018

Board of Trustees Pikes Peak Library District

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Colorado	Springs,	Colorado

# BYLAWS BOARD OF TRUSTEES PIKES PEAK LIBRARY DISTRICT

Amended June 28, 2016

Colorado law requires the Board of Trustees of the Pikes Peak Library District to adopt bylaws as a legal document guiding the Board in its policy-making role. The structure chosen becomes the basis for rational and consistent Board action and provides continuity as the Board changes. Operational guidelines for the Board are established collectively as a group; individual responsibilities may be assigned to each Trustee. The Bylaws should be reviewed annually with revisions and additions made as necessary.

## ARTICLE I: Name; Service Area; Board Status

The name of this organization is the Pikes Peak Library District ("PPLD"), which serves El Paso County, Colorado, excluding the Widefield School District (the "service area"). The management and control of the PPLD is vested in the Board of Trustees (the "Board"). Individual members of the Board are referred to as "Trustees" or "Board Members".

# ARTICLE II: Board of Trustees: Membership and Duties

- The Board is comprised of seven (7) members, each of whom must be residents of the service area of PPLD as required by Colorado Revised Statutes ("C.R.S.") Section 24-90-108(1). Trustees are recommended by a joint committee composed of select members of the Colorado Springs City Council and members of the El Paso County Commissioners. The "Appointing Authority" is jointly the El Paso County Commissioners and Colorado Springs City Council. In accordance with C.R.S. Section 24-90-108(2), the recommended Trustee selection shall be either ratified or rejected by each of these two bodies of the Appointing Authority. In accordance with C.R.S. Section 24-90-108(2), failure of the Appointing Authority to take action to either ratify or reject the joint committee's recommendation within sixty (60) days of such recommendation shall result in a deemed ratification and appointment of the joint committee's recommendations. The Board's Governance Committee shall facilitate the process of advertising any vacancy and soliciting applications, shall recommend top candidates, and shall provide feedback to the Appointing Authority and/or the joint committee. It is the responsibility of the Board to keep the Appointing Authority apprised of pending vacancies on the Board.
- 2. If the Appointing Authority has not filled an available Board position at the expiration of the current Trustee's term, unless the Board takes express action to terminate the Trustee's service after expiration of the term, the Trustee

shall remain on the Board until such time as a successor to the expired position is appointed.

- 3. The Library Board term is five (5) years. Vacancies, whether due to resignation, death, or removal, are filled in the manner by which members are regularly named and are filled for the remainder of the unexpired term.
- 4. In order to encourage greater participation on the Board from community members, members may serve for no more than two terms, even if those are only partial terms.
  - 5. Trustees must be adults, aged eighteen (18) or older.
- 6. A Trustee shall not receive a salary or other compensation for services as a Trustee, but necessary travel and subsistence expenses actually incurred may be paid by PPLD upon submission of receipts in accordance with PPLD's standard procedures for expense reimbursement.
- 7. Trustees are expected to attend meetings over the course of a calendar year. It is understood that professional and personal obligations may interfere with a Trustee's ability to attend all meetings. A Trustee shall inform the President or Executive Director if s/he is unable to attend a meeting.
- 8. A Trustee can be removed only by the Appointing Authority as provided in C.R.S. Section 24-90-108(5), and only upon a showing of good cause. "Good cause" shall include, but is not limited to, a Trustee's inadequate performance in his or her duties to PPLD and/or inadequate attendance at Board meetings and other PPLD functions, as well as any conduct, omission, or outside activity by a Trustee, which might or does, in any manner conflict with the PPLD's interests. In addition to the foregoing, a Trustee's absence (not including authorized attendance by remote participation as described in these Bylaws) at three (3) or more regular Board Meetings in a calendar year shall constitute Good cause under this Section. The Board may make a recommendation to the Appointing Authority regarding removal of a Trustee upon the affirmative vote of at least eighty percent (80%) of all Trustees then serving (not just those attending a meeting) other than the Trustee subject to the removal.
- 9. The Board shall have all those powers provided by statute, including C.R.S. Section 24-90-109 and, in addition, shall have those powers necessary or incidental to the specific powers granted by statute, and nothing herein shall be construed as limiting the powers of the Board. The Board is responsible for setting policy, which is responsive and appropriate for the operation of the PPLD. For the purpose of these Bylaws, a "policy" or "policies" is defined as an adopted course or principle of action. It is also defined as guidelines for prudent conduct. Among its other powers and duties as provided by law, the Board is responsible for reviewing, holding a public hearing for, and

adopting the annual PPLD budget in accordance with law; for acquiring, holding and conveying land, property, and buildings; and for engaging necessary services for the timely completion of an annual audit. In addition, the Board is responsible for appointing an Executive Director to lead and manage the day-to-day operations of the PPLD. The Board is responsible for setting the compensation and benefits, and defining the responsibilities and privileges of the Executive Director. The Board will evaluate the performance of the Executive Director at least annually.

## **ARTICLE III:** Officers and Duties; Executive Director

- 1. The officers of the Board shall be a president, vice-president, and secretary-treasurer; referred to herein as "President", "Vice-President" and "Secretary-Treasurer". The Board may name such other officers, as it deems necessary.
- 2. Officers are elected annually (generally at the regular meeting of the Board in December for the following year) from the current membership of the Board and shall take office in January to serve for one (1) year. No member may serve in one office longer than three (3) consecutive years and no more than five (5) years of a Trustee's combined two consecutive terms. A vacancy in any office, however occurring, may be filled by the Board for the unexpired portion of the term.
- 3. The President shall preside at all meetings of the Board, call meetings to order and adjourn them, appoint members to committees, and perform such other duties as are associated with the office of President.
- 4. The Vice-President shall assume the President's duties in the absence of the President.
- 5. The Secretary-Treasurer shall serve as the custodian of records for the Board and shall be responsible to perform such other duties as are assigned by the President or the Board. The Secretary-Treasurer also shall serve as a member of the Board of the Pikes Peak Library District Building Authority.
- 6. Any officer may be removed from such position by the affirmative vote of not less than two-thirds (2/3) of all Trustees then serving (not just those attending a meeting), other than the officer then being removed, whenever in its judgment removal is in the best interest of the PPLD.
- 7. The Executive Director ("Executive Director") is the only employee over whom the Board has direct supervisory responsibility and control. The Executive Director reports to the Board and serves as the chief executive officer of the PPLD. Among the other powers, duties and responsibilities of the

Executive Director, the Executive Director shall lawfully carry out the policies adopted by the Board; employ, direct, and supervise staff members to carry out the mission and policy established by the Board; prepare required reports; recommend policies; and promote effective library service.

## **ARTICLE IV:** Meetings

- 1. Regular meetings of the Board shall be held at least six (6) times per year.
- 2. The Board may cancel a regular meeting (and may reduce the number of regular meetings below six (6) per year) if there is insufficient business or for other justifiable reasons.
- 3. In January of each year, an organizational meeting (which shall be one of the Board's regular meetings) will be scheduled to take care of any annual resolutions, and other decision items, necessary at the beginning of each year. These items include, but are not limited to, reviewing the Bylaws; setting the Board regular meeting schedule and posting locations for the year, establishing a policy for disposition of property; and approving fiscal year contracts.
- 4. Special meetings may be held at any time when called by the President or at the request of two (2) members of the Board. If practical, all members should be notified at least twenty-four (24) hours in advance of a special meeting. The purpose of special meetings is to clarify and expand Trustees' knowledge of matters which may require Board action. Unless waived or consented to unanimously by all Trustees, Board action at a special meeting shall be limited to action germane to the agenda items described in the advance notice given to Trustees of the special meeting.
- 5. In addition to notice to Trustees as described herein, public notice shall be given for all meetings of the Board in accordance with the requirements of Colorado's Open Meetings Law as revised. All requirements of Colorado's Open Meetings Law as then applicable to the PPLD will be followed in the conduct of the Board's meetings, minutes will be taken and become part of the Board's record and an agenda will be published for each regular and special meeting.
- 6. An opportunity for public participation shall be provided at each regular meeting of the Board during a portion of the agenda set aside for this purpose. Each member of the public wishing to participate shall introduce him or herself and shall speak when recognized by the presiding officer. All speakers will be asked to state their name and address. The Board President may establish reasonable rules for public participation, including without limitation limits on the time provided for public participation based on the time set aside for

public comment and the number of persons wishing to participate. In some instances, it may not be possible for all to speak.

- 7. A quorum of the Board consists of a majority of the members then serving (e.g. four out of seven members, four out of six members or three out of five members).
- 8. Unless otherwise stated in these Bylaws or required by statute, an affirmative vote of the majority of all members of the Board present at a meeting at which a quorum is present shall be necessary to approve any action before the Board. The President may vote upon, move or second a proposal before the Board. Voting by proxy is not allowed.
- 9. Executive sessions may be held as part of any regular or special Board meeting, or any committee meeting that has been properly called according to requirements of the Colorado Open Meeting Laws. An executive session is conducted confidentially without the public present. Members are bound to maintain the confidentiality of the discussions and documents that are part of any executive session. Executive sessions shall be conducted in accordance with the provisions of the Colorado Open Meetings Law as then applicable to the PPLD. Executive session discussions, except for privileged attorney-client communications, will be electronically recorded by the Board, and the recordings destroyed after ninety (90) calendar days, unless required to be retained under applicable federal or state law or where retention is specifically approved by the Board. No portion of the recording shall be subject to public inspection except in accordance with applicable law. No minutes will be taken of executive session discussions, except that the minutes of the Board meeting will include the time the executive session was convened and the time open session resumed, and the topics of discussion at the executive session. There shall be no decisions of the Board made during executive session unless specifically permitted by law.
- 10. Meeting attendance in person is preferred. However, at times, in cases of personal illness or other emergencies, participation of a Trustee in a Board meeting remotely by telephone or other remote voice mechanism is allowed, with these guidelines: a) no more than two (2) Trustees may participate in a Board meeting remotely at any one meeting, and b) each Trustee may only participate in a meeting remotely a maximum of two (2) times in any given calendar year unless a special exception is otherwise approved by the majority vote of the remainder of the Board for a specific calendar year or period. The special exception shall automatically terminate upon the end of the approved period and, if necessary, the same process shall be followed for a new exception to be approved. Trustees are reminded that failure to attend Board Meetings constitutes Good cause for removal as provided in Article 2 Section 8.

## **ARTICLE V:** Committees

- 1. Standing committees are those that are needed on an ongoing basis. The PPLD's standing committees shall include a Governance Committee, Internal Affairs Committee, and Public Affairs Committee. The Board President will make committee appointments annually at the Board's January organizational meeting after selection of the Board's officers. Each committee shall have such responsibilities and perform such duties as shall be set forth from time to time in such committee's charter, as shall be adopted and approved by the Board from time to time. Without limiting the generality of the foregoing, each committee shall have the following responsibilities and perform the following duties:
- a) The Governance Committee shall on an annual basis review the Bylaws, review the ethics policy and conflict of interest statement, nominate officers, facilitate the trustee recruitment and selection process, facilitate an annual review of the Executive Director including performance and compensation, review the Board schedule, and facilitate a Board self-evaluation process.
- b) The Internal Affairs Committee shall review all internal and operational issues including those related to finance, human resources, and facilities. They shall review the annual and long-range budget with the Chief Financial Officer and the Executive Director prior to submitting to the full Board annually; and, on an annual basis, contract with an independent auditor and review the process, timeline for, and results of such auditor's independent audit. The Internal Affairs Committee shall monitor the long-range capital improvements plan, including planning and facilitating discussions for capital acquisitions and improvements.
- c) The Public Affairs Committee shall monitor all external issues including fundraising, public relations, and marketing. Advocacy and ballot initiatives shall be reviewed by this Committee.

Additional standing committees may be established and authorized by the Board.

- 2. When special expertise is needed, a non-Trustee may be appointed to a Board committee in an advisory role. However, a non-Trustee may not serve as Chair of the Committee.
- 3. Special committees may be authorized and appointed by the President for limited purposes and shall serve only until completion of the assignment. Such committees shall have the responsibilities and duties as set forth in writing by the Board at the time the committee is authorized and appointed.

- 4. Appropriate advance notice of committee meetings shall be given in accordance with the requirements of the Colorado Open Meetings Law as then applicable to PPLD and such committee.
- 5. Minutes of all committee meetings will be kept and copies shall be delivered to the members of the Board and the Executive Director at the next regularly scheduled Board meeting. Unless otherwise expressly authorized by the Board, each standing committee shall conduct its meetings in accordance with the requirements of the Colorado Open Meetings Law, regardless of whether such requirements apply to the committee.
- 6. Committees shall be advisory bodies, making reports and recommendations to the Board. They shall not have the authority to take action for or on behalf of the Board, unless authorization to complete a specific action has been discussed and approved, in advance, by the Board in writing. If the Board authorizes a committee to take specific action, unless otherwise expressly directed by the Board, in taking such action the committee shall observe the quorum, notice and procedural requirements set forth in these bylaws and in Robert's Rules of Order (see Article VII). Further, the final action taken by the committee shall be reported to the Board at the Board's next meeting.

## **ARTICLE VI:** *Indemnification*

- 1. <u>Indemnification</u>. PPLD shall indemnify its Trustees, officers, and employees, together with their successors and assigns, against any and all claims, judgments, costs, attorney fees and other reasonable expenses to the extent permitted by the Colorado Constitution and other laws of Colorado and as set forth below.
- 2. <u>Background and Purposes.</u> PPLD recognizes the need to encourage elected officials, appointed officers and employees to effectively and efficiently perform their duties and to protect such individuals in the performance of their duties. To this end, the Board desires to provide such individuals assurances by way of indemnification against claims and causes of action which might arise in the performance of their duties for PPLD. Colorado law (C.R.S. 24-10-110) requires indemnification of such individuals in certain specific circumstances. In addition, PPLD desires to authorize indemnification against other claims not expressly addressed by this law, to the extent permitted by applicable law.
- 3. <u>Indemnification Provided</u>. PPLD shall indemnify any Party to a Proceeding against Liability incurred in or as a result of the Proceeding as follows:
- a) to the extent such indemnification is required by applicable law, including without limitation C.R.S. 24-10-110; and

- b) in the case of any other claim against a Party to a Proceeding to the fullest extent allowed by law, unless the Board takes affirmative action by two-thirds (2/3) of all Trustees then serving that indemnification is not appropriate under the circumstances.
- 4. <u>Limitations on and Exceptions to Indemnification</u>. Notwithstanding the foregoing, unless otherwise expressly required by applicable law, no indemnification shall apply to the extent that the Liability results from any of the following: (i) the Party's actions other than in the Party's Official Capacity, (ii) the Party's actions are willful and wanton or not in good faith, (iii) the Party did not reasonably believe that the Party's actions or inactions: (A) in the case of conduct in an Official Capacity with PPLD, were in PPLD's best interests; and (B) in all other cases, were at least not opposed to PPLD's best interests; and (C) in the case of any criminal Proceeding, were unlawful, (iv) in connection with a Proceeding by or in the right of PPLD in which the Party was adjudged liable to PPLD; (v) in connection with any other Proceeding, in which the Trustee was adjudged liable on the basis that he or she derived an improper personal benefit, or (vi) a Party's actions or inactions in circumstances in which indemnification is unlawful.
- 5. <u>Definitions</u>. For purposes of this Article VI of these Bylaws, the following terms shall have the meanings set forth below:
- a) "Official Capacity" when used with respect to a Party (as defined below) means acts taken by the Party within the scope and performance of his or her duties as a Trustee, officer, employee, volunteer or other agent of PPLD. "Official Capacity" does not include service for any other entity, including service for any member of the Appointing Authority.
- b) "Party" means any person who was, is, or is threatened to be made, a named defendant or respondent in a Proceeding (as defined below) by reason of the fact that such person is or was a Trustee, PPLD officer, PPLD employee, PPLD volunteer or other PPLD agent.
- c) "Proceeding" means any threatened, pending or completed action, suit or proceeding, or any appeal therein, whether civil, criminal, administrative, arbitrative or investigative (including an action initiated by PPLD) and whether formal or informal, involving or related to action taken by a Party in her or his Official Capacity.
- d) "<u>Liability</u>" means the obligation incurred with respect to a Proceeding to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable Expenses.
- e) "<u>Expenses</u>" means and includes all reasonable expenses incurred by the Party in connection with a Proceeding, including without limitation court costs including expert fees, attorneys' fees, appellate costs and necessary

bonds relative thereto.

- 6. <u>Indemnification of Costs</u>. Where indemnification applies, PPLD shall also pay or indemnify such Party against all Expenses, fines, punitive damages, judgments and amounts paid in settlement or satisfaction of judgments actually and reasonably incurred by him or her in connection with such action, suit or Proceeding.
- 7. Advancement of Expenses. Unless otherwise determined by the action of two-thirds (2/3) of all Trustees then serving, PPLD shall pay for or reimburse the reasonable Expenses incurred by a Party to a Proceeding in advance of final disposition of the Proceeding if: (i) the Party furnishes to PPLD a written affirmation of the Party's good faith belief that he or she has met the requirements for indemnification as set forth above, (ii) the Party furnishes to PPLD a written undertaking, executed personally or on the Party's behalf, to repay the advance if it is ultimately determined that he or she did not meet such requirements; and (iii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article. The undertaking required by clause (ii) of this section shall be an unlimited general obligation of the Party but need not be secured and may be accepted without reference to financial ability to make repayment.
- Notification and Defense of Claim. Promptly after receipt by a Party of notice of the commencement of any Proceeding, the Party shall, if an indemnification claim in respect thereof is to be made against PPLD, notify PPLD in writing of the commencement thereof; provided, however, that delay in so notifying PPLD shall not constitute a waiver or release by the Party of any rights to indemnification. With respect to any such Proceeding: (i) PPLD shall be entitled to participate therein at its own expense; (ii) any counsel representing the Party to be indemnified in connection with the defense or settlement thereof shall be counsel selected by PPLD; and (iii) PPLD shall have the right, at its option, to assume and control the defense or settlement thereof. The designation of defense counsel by the Board shall not preclude such defense being conducted under a reservation or rights of indemnity by PPLD. If PPLD assumes the defense of the Proceeding, the Party shall have the right to employ its own counsel, but the fees and Expenses of such counsel incurred after notice from PPLD of its assumption of the defense of such Proceeding shall be at the expense of the Party. A monetary claim for which indemnification is requested may not be compromised or settled without the prior written consent of PPLD.
- 9. <u>Subrogation.</u> In the event of any payment under this Article, PPLD shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnified Party, who shall execute all papers and do everything that may be necessary to assure such rights of subrogation to PPLD. PPLD shall not be liable under this Article to make any payment in connection with any Proceeding against or involving a Party to the extent the Party has otherwise actually received payment (under any insurance policy, agreement or otherwise) of the amounts otherwise indemnifiable hereunder. A Party shall repay to PPLD the

amount of any payment PPLD makes to the Party under this Article in connection with any Proceeding against or involving the Party, to the extent the Party has otherwise actually received payment (under any insurance policy, agreement or otherwise) of such amount.

10. Applicability. The rights of indemnification shall apply to all acts of any Party committed during any term or terms of office or employment of such Party. The rights to indemnification and advancement of Expenses provided in this Article shall be applicable to acts or omissions that occurred prior to the adoption of this Article, shall continue as to any Party during the period such Party serves in any one or more of the capacities covered by this Article, shall continue thereafter so long as the Party may be subject to any possible Proceeding by reason of the fact that he or she served in any one or more of the capacities covered by this Article, and shall inure to the benefit of the successors of the Party.

# **ARTICLE VII:** Parliamentary Authority

Robert's Rules of Order, latest revision, shall govern the proceedings of the Board and of its committees to the extent applicable and not inconsistent with the express provisions of these Bylaws.

## **ARTICLE VIII:** Amendments

- 1. Amendments to these Bylaws of the Board may be adopted by a vote of two-thirds (2/3) of the Trustees then serving, subsequent to notification of the proposed change to the Trustees at least five calendar days in advance of the meeting.
- 2. Any rule or policy of the Board, except those contained in these Bylaws, may be suspended temporarily in connection with business at hand, but such suspension, to be valid, must receive an affirmative vote of not less than two-thirds (2/3) of the Trustees then serving (not just those present at a meeting).
- 3. The Board of Trustees has developed and reviews a conflict of interest policy regularly. Trustees as well as outside committee members must complete a questionnaire and sign a conflict of interest statement annually.

# **Pikes Peak Library District**

# **Bylaws Certificate**

The undersigned certifies that s/he is the Secretary/Treasurer of the Board of Trustees of Pikes Peak Library District, a Colorado statutory public corporation, and that, as such, the undersigned is authorized to execute this certificate on behalf of said corporation, and further certifies that attached hereto is a complete and correct copy of the bylaws of Pikes Peak Library District effective as of June 28, 2016.

Signature Date: June 28, 2016

Print Name: John Wilson

Title: Secretary/Treasurer