

Pikes Peak Library District

Comprehensive Annual Financial Report

Year ending December 31, 2015

Administrative Offices

20 N. Cascade Ave. ♦ Colorado Springs, CO 80903

Pikes Peak Library District

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

Comprehensive Annual Financial Report
For the year ended December 31, 2015

Board of Trustees

(As of December 31, 2015)

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

Executive Director

Sydne Dean

John Spears (effective January 25, 2016)

Prepared by

Michael E. Varnet, CPA, CPFO

Chief Finance and Business Officer

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Introductory Section



Library 21c
1175 Chapel Hills Drive, Colorado Springs, CO

(719) 531-6333



Penrose Library ♦ Administrative Offices
20 N. Cascade Ave., Colorado Springs, CO

(719) 531-6333



June 23, 2016

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, 2015.

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

Please refer to pages 33 to 44 for the section of the CAFR called "Management's Discussion and Analysis." This section provides a discussion of the significant issues and analysis of the District's 2015 financial statements.

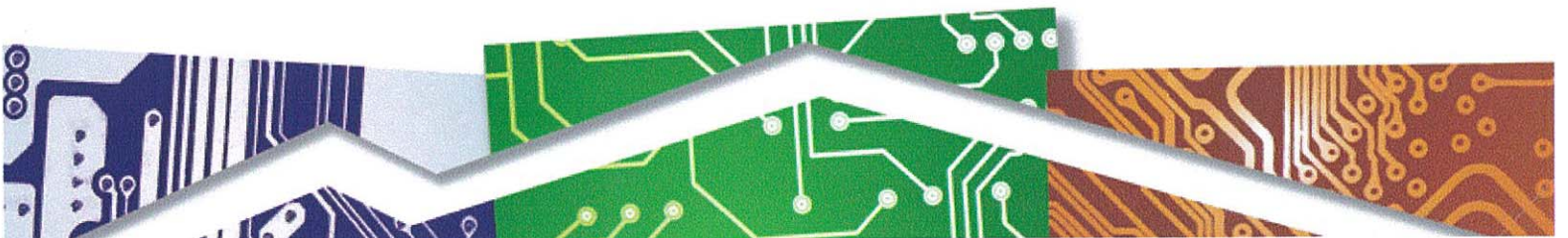
Last year's CAFR received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the twenty-fourth consecutive year. This award represents affirmation that the District has achieved excellence in financial reporting. The District will submit the 2015 CAFR for recognition again this year.

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

A handwritten signature in blue ink, appearing to read 'John Spears', is written over a white background.

John Spears
Executive Director



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June 23, 2016

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, 2015.

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, 2015. The independent auditor’s report is located at the front of the financial section of this report.

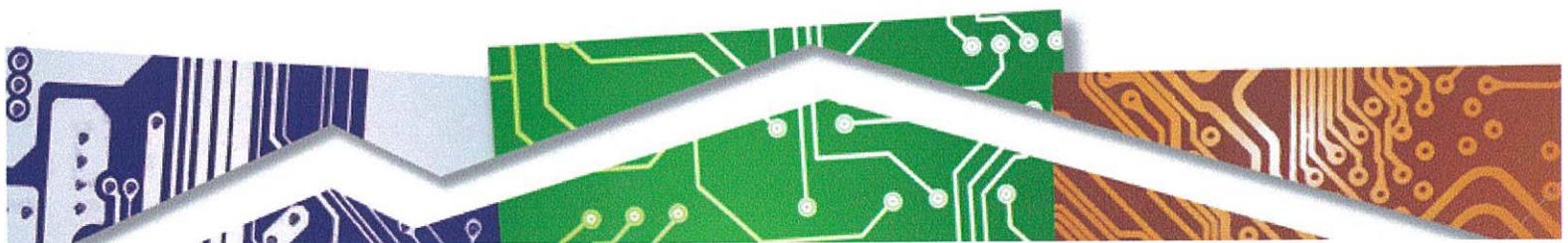
Management’s Discussion and Analysis (MD&A) immediately follows the Independent Auditor’s Report, and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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 affiliations: 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 Executive Director'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 15th 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

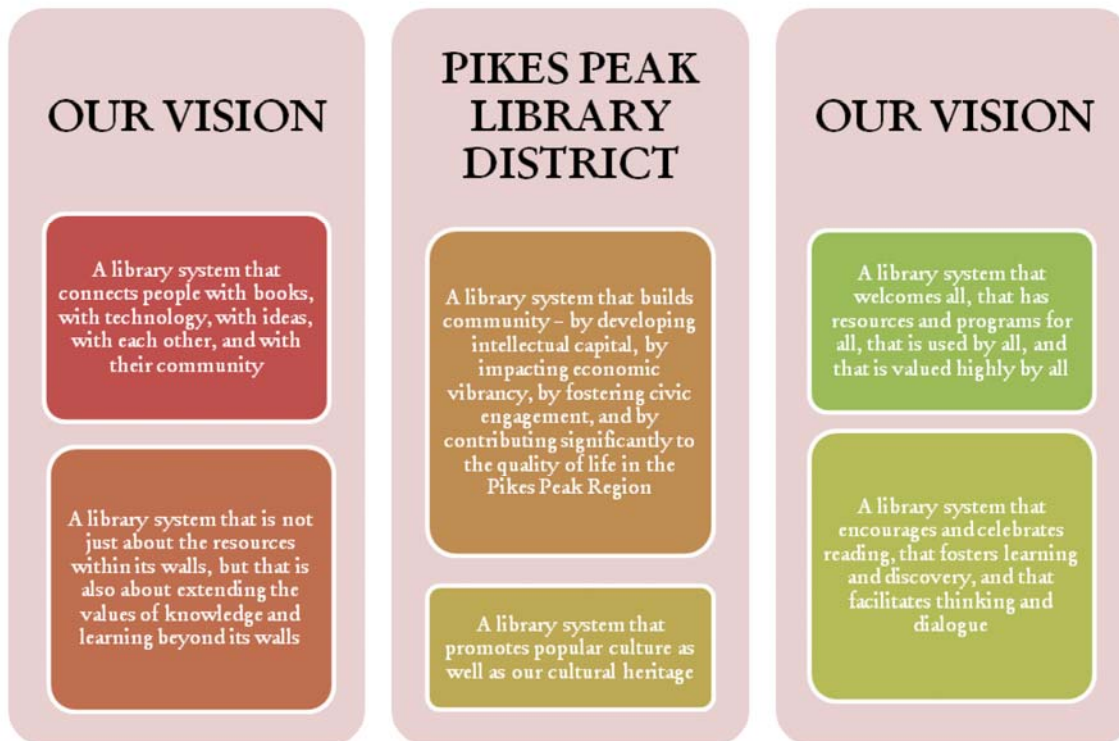
PPLD is the second largest library district in Colorado. Established in 1903, PPLD serves 616,089 residents in El Paso County by providing 896 hours of library service a week across 2,070 square miles. PPLD's 14 facilities, online resources, and mobile library service provide access to materials, technology, 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 477 full and part-time staff, and utilizes roughly 1,981 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.

OUR MISSION



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



OUR VISION



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

MAJOR INITIATIVES IN 2015

With the 2014 opening of Library 21c, energy in the district turned to Phase II of the Tri-Building Project in 2015. This phase was the migration of 21st century library service to Penrose and East libraries. Phase II turned former administrative space in Penrose and East libraries into public space, adding a makerspace, computer lab and enhanced meeting rooms to the upstairs area of East Library, while adding a teen center, new study and meeting rooms, a newly designed front entrance with open interior space and easy wayfinding. Penrose also saw a facelift and new design to the exterior front courtyard and the unveiling of the Judy Noyes Memorial Children's Garden. This critical redesign improves safety and security for the downtown Colorado Springs location. The Pikes Peak Library District Foundation's tireless work to secure funding for Phase II made these crucial steps forward at Penrose and East Libraries a reality.

Significant programs in 2015 included award-winning authors Hampton Sides, Clive Thompson, Gene Luen Yang, Frank Schaeffer, and Gary Schoeinger; along with more than a dozen distinguished authors presented in conjunction with the Colorado College Journalist in Residence Program. In October, PPLD partnered with Colorado Springs Science Center on the second annual Maker Faire in conjunction with Make Magazine. Over fifty eight hundred (5,800) people attended the event, with experiential learning opportunities filling Library 21c, delighting, and intriguing the overflow crowd.

The search for a new Executive Director for the library district concluded near the end of 2015 with the announcement of Mr. John Spears as the successor to previous director Sydne Dean. Mr. Spears most recently comes from the helm of the Salt Lake City Public Library, where he was instrumental in expanding that library's outreach to the city's homeless population. Mr. Spears took his leadership position at PPLD in late January 2016.

Pikes Peak Library District surpassed 1 million digital circulations in 2015 through OverDrive, one of the digital distributors on PPLD's CyberShelf. This made PPLD the first library system in Colorado to reach this impressive milestone and was placed PPLD digital circulations in the top ten of national libraries.

PPLD initiated and deepened partnerships in 2015, including another robust collaboration with Colorado Springs Science Center including the week-long Science Festival at UCCS. In addition, there were community presentations by Dragon Theatre Productions community theater, educational missions with Challenger Learning Center, many programs with Pikes Peak Women organization, student writing workshops at PPCC, a continuation of the Youth Banking Initiative with Ent Federal Credit Union, and a series of community talks and panel dialogs with Colorado College and the Greenberg Center for Learning and Tolerance. 2015 also saw a dramatic upswing in the number of patrons serviced and instructed through the district's Center for Public Media at Library 21c.

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, 2015, the population of El Paso County is 671,871 (the District's legal service is 616,089 and is included in this total). Colorado Springs, the largest municipality within El Paso County (the County), is the 41st largest city in the nation. The County's population has increased by approximately 146,000 since 2000, with approximately half of the increase due to in-migration and the balance due to natural growth.

Age

The projected median age for El Paso County is 34.3 at the end of 2015. The following are estimates of the population for El Paso County by certain age categories:

	<u>2015</u>		<u>2014</u>	
Under 15	143,367	21.3%	142,332	21.4%
15-24	104,384	15.5%	102,290	15.4%
25-44	178,112	26.5%	176,224	26.5%
45-64	167,995	25.0%	167,351	25.1%
65+	78,013	11.7%	77,694	11.6%
Total	<u>671,871</u>		<u>665,891</u>	

Industries

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

	<u>2015</u>	<u>2014</u>
Government, including military	18.5%	18.8%
Professional and business	15.3%	15.7%
Wholesale and retail trade	15.5%	15.2%
Leisure and hospitality	13.1%	12.7%
Education, health care	13.2%	12.9%
Financial	6.2%	6.5%
Manufacturing	4.4%	4.5%
All other	13.8%	13.7%

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	2015 Annual Wages	2014 Annual Wages
Accountants and Auditors	\$ 65,850	\$ 65,700
Bank Tellers	29,020	29,030
Bookkeeping, Accounting, and Auditing Clerks	35,300	34,230
Carpenters	41,510	44,460
Civil Engineers	84,270	82,280
Computer Programmers	78,060	77,540
Correctional Officers	48,470	52,470
Dental Hygienists	73,820	71,910
Electrical Engineers	103,680	105,570
Elementary School Teachers	45,210	45,910
Executive Secretaries	47,600	46,570
Financial Analysts	88,120	84,750
Graphic Designers	48,460	44,530
Order Clerks	29,960	28,990
Payroll Clerks	41,250	43,290
Physicians and Surgeons	228,830	218,730
Property Managers	77,190	73,690
Social Workers	63,810	62,960
Systems Analysts	90,040	96,840

Consumer Spending

Retail sales for 2015 were about 1.4% higher than 2014. 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 2015 was 95.3, 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:

	2015	2014
Los Angeles, CA	140.3	135.1
Seattle, WA	140.3	126.9
Portland, OR	129.5	125.1
Denver, CO	109.6	107.5
Las Vegas, NV	108.2	106.0
National Average	100.0	100.0
Salt Lake City, UT	96.4	94.4
Dallas, TX	96.1	95.8
Phoenix, AZ	95.9	96.2
Colorado Springs, CO	95.3	97.4
Boise, ID	90.8	94.7

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 2015.

	2015	2014
Los Angeles, CA	\$ 617,169	\$ 574,972
Seattle, WA	548,187	472,833
Portland, OR	439,773	404,703
Denver, CO	398,144	377,658
Las Vegas, NV	339,398	334,773
National Average	313,530	303,776
Colorado Springs, CO	296,055	285,348
Salt Lake City, UT	295,695	278,495
Phoenix, AZ	292,558	283,722
Boise, ID	258,125	266,916
Dallas, TX	220,002	214,204

At the end of 2015, 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:

	2015	2014
	Per Month	Per Month
Los Angeles, CA	\$ 2,420	\$ 2,289
Portland, OR	2,211	2,196
Seattle, WA	1,980	1,821
Denver, CO	1,306	1,158
Colorado Springs, CO	1,029	963
National Average	951	917
Las Vegas, NV	889	911
Salt Lake City, UT	894	865
Phoenix, AZ	880	827
Dallas, TX	865	825
Boise, ID	700	730

Tourism

Tourism remains one of the main draws to the Colorado Springs area. More than five million visitors per year put nearly \$1.35 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 16 gates and a 13,500-foot runway, which allows modern aircraft to reach any city in North America. The airport is capable of handling all jet aircraft including wide body planes. Denver International Airport is just 75 miles to the north (about 1 hour and 30 minutes by car on Interstate 25 and E-470).

Legislation

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

Education

El Paso County has 17 school districts, as well as private elementary/high schools, charter schools, and the state-sponsored Colorado School for the Deaf and the Blind. The 81.3% 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:

	2015	2014
	Total	Total
	Enrollment	Enrollment
Pikes Peak Community College	13,947	14,634
University of Colorado at Colorado Springs	11,761	10,618
United States Air Force Academy	3,952	3,993

National Rankings

- Colorado Springs **ranked 18th** Best Metro Area for STEM Professionals by WalletHub. The ranking included such metrics as job openings per capita for STEM graduates, annual median wage growth for STEM jobs, and the projected number of STEM jobs needed in 2018.
- Colorado Springs **ranked 25th** on NerdWallet's list of "America's Most Innovative Tech Hubs." The ranking was calculated by number of patents per 1,000 residents; financial support for innovation; and economies of agglomeration.
- Colorado Springs **ranked 4th** Best City for Commuters by selfstorage.com. The survey was based on gas prices, round-trip commuting time, how that time has changed recently, the percentage of people not driving to work, and the percentage of people who work nontraditional hours.
- Colorado Springs **ranked 16th** on BetterDoctor.com's Fit City Index. Factors for the ranking included residents who report physical activity or exercise in the past 30 days, residents who are at a healthy weight, and access to high-quality parks and outdoor spaces.
- Colorado Springs **ranked 11th** Most Affordable City by Forbes. The survey assessed housing affordability, cost of living index, and the consumer price index.
- Colorado Springs **ranked 9th** Most Inspiring City for Young Adults by WorldWideLearn. The ranking was calculated using percentage of the population in college or graduate school; percentage of the population aged 18-34; art dealers; performing arts companies in the metropolitan area; museums; fine arts schools in the metropolitan area; and business classified in the "creative industries."
- Colorado Springs **ranked 9th** best City for Families according to WalletHub. WalletHub compared the 150 most populated U.S. cities based on 30 key metrics that take into account

essential family dynamics such as the relative cost of housing, the quality of local school and health care systems, and the opportunities for fun and recreation.

- Colorado Springs **ranked 2nd** Best Place for Veterans to live by Military Times in the large city category. The Military Times evaluated each location's veteran and military culture and services, economic indicators — both vet-specific and not — and livability factors, such as crime, traffic and school quality.
- Colorado Springs **ranked 8th** Best City to be a Driver by WalletHub. The ranking evaluated the costs of car ownership and commuting (in terms of time, money and safety); the environment for leisure drivers; average gas prices; average annual traffic delays; rates of car theft; and car clubs per capita.

OTHER ITEMS

Internal Controls

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

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

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

Segregation of duties is a guiding principle in the Finance Office. For example, the staff members who count the cash and prepare deposit slips are not authorized to record deposits in the accounting system. Only a few staff members are given the combination 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 Finance and Business Officer approves all purchase orders, payments of services, and journal entries. The accounting system is carefully set up to allow rights for certain functions to the appropriate staff members only. A staff member who does not have cash receipt or cash disbursement responsibility processes bank reconciliations, but such reconciliations must be reviewed and approved by the Chief Finance and Business Officer.

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

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

FINANCIAL POLICIES

The 2015 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, 2014. This was the 24th 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 2015 CAFR a success:

Dana Austin
Carol Holt
Dawn Ouradnik
John Sittig
Arnie Wehofer
Tatiana Zonte
Merry Zumwalt

Respectfully submitted,



John Spears
Executive Director

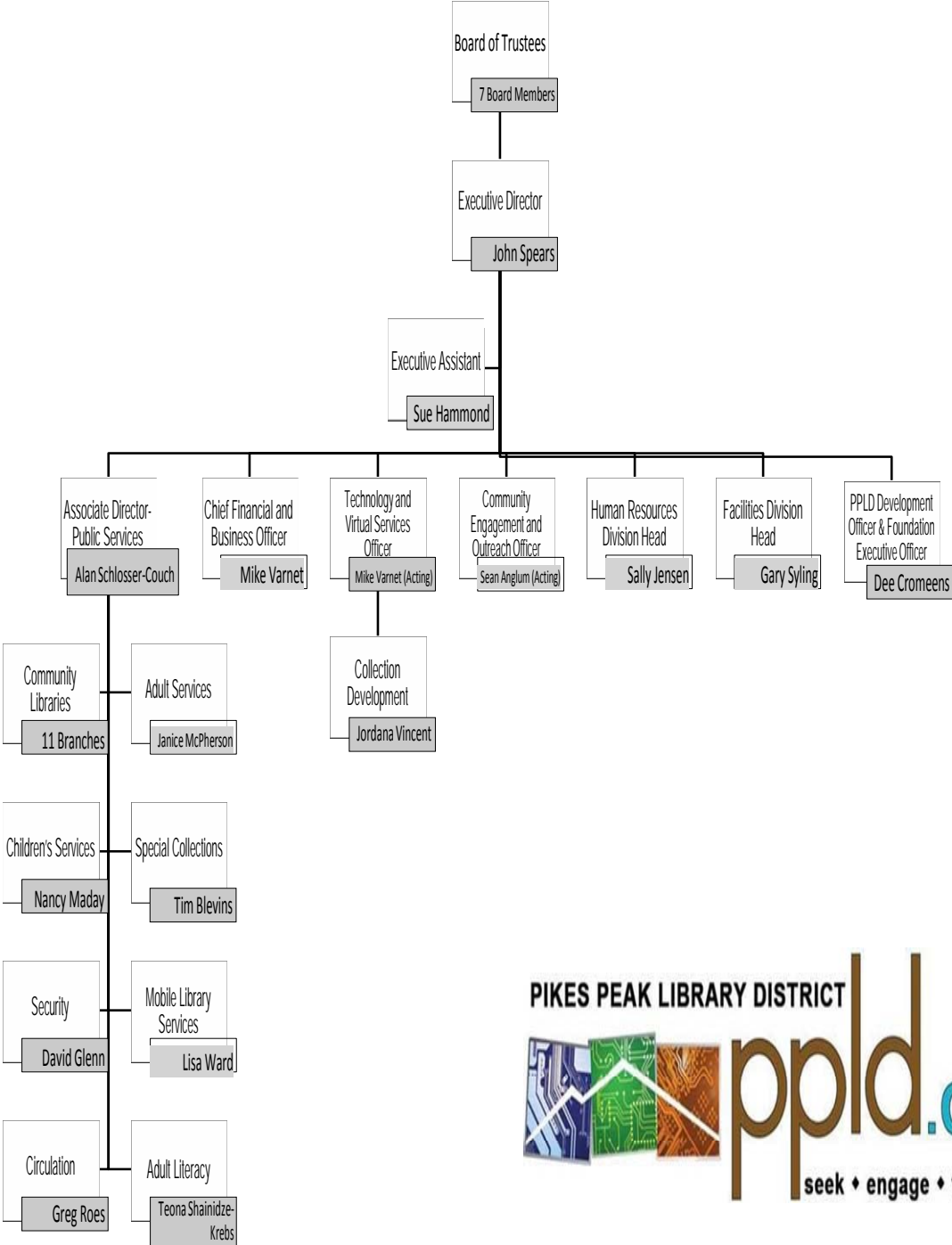


Michael E. Varnet, CPA, CPFO
Chief Finance and Business Officer

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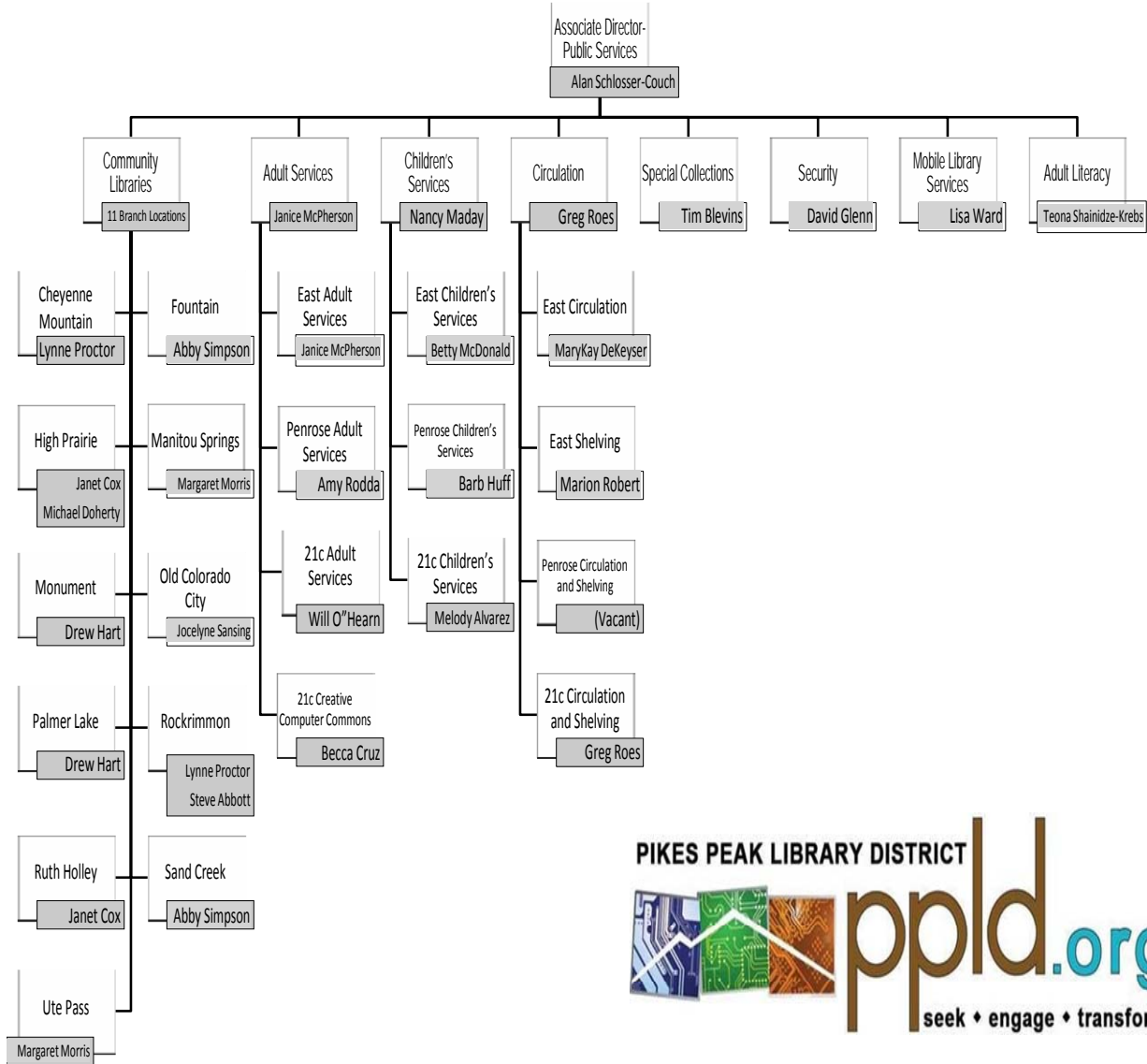
Pikes Peak Library District Organizational Chart

Updated: 2/16/2016



Pikes Peak Library District Public Services Organizational Chart

Updated: 2/16/2016



**Executive Director’s Leadership Team
December 31, 2015**

Sydne Dean Executive Director
Sean Anglum Interim Community Engagement and Outreach Officer
Dolores Cromeens.....PPLD Foundation and Development Officer
Sally Jensen.....Human Resources Officer
Alan Schlosser Couch..... Associate Director, Public Services
Gary Syling Facilities Officer
Michael Varnet, CPA, CPFO Interim Information Technology and Virtual Services Officer
Michael Varnet, CPA, CPFO..... Chief Finance and Business Officer
Sue Hammond..... Executive Staff Assistant

**Pikes Peak Library District
List of Managers
As of December 31, 2015**

<u>Manager's Name</u>	<u>Job Title</u>
(Vacant)	Manager, Finance
Abbott, Steve	Librarian 2, Rockrimmon Library
Alvarez, Melody	Librarian 2, Children's Services Library 21c
Blakely, Evelyn	Community Library Supervisor, Old Colorado City Library
Blevins, James	Division Head, Special Collections
Cox, Janet	Community Library Manager, Ruth Holley/High Prairie Libraries
Cruz, Rebecca	Manager, Creative Computer Commons
Daily, Dennis	Manager, Special Collections
DeKeyser, Mary Kay	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
Hernandez, Miriam	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
Madison, Jaeson	Community Library Supervisor, Fountain Library
McDonald, Elisabeth	Librarian 2, East Library Children's Services
McPherson, Janice	Division Head, Adult Services
Morris, Margaret	Community Library Manager, Manitou Springs, Ute Pass Library
Nelson, James	Facilities Lead, Penrose Library Facilities
O'Hearn, William	Librarian 2, Adult Services 21c
Porch, Karen	Community Library Supervisor, Ruth Holley Library
Proctor, Lynne	Community Library Manager, Cheyenne Mountain/Rockrimmon Libraries
Robert, Marion	Supervisor, East Library Shelving Services
Rodda, Amy	Manager, Adult Services
Roeder, Kaitlyn	Librarian 2, Adult Services Interlibrary Loan
Roes, Greg	Supervisor, Penrose Library Circulation Services
Roes, Gregory	Manager, Circulation Services
Sansing, Jocelyne	Community Library Manager, Old Colorado City/Ute Pass Libraries
Shainidze-Krebs, Teona	Manager, Literacy
Simpson, Abigail	Community Library Manager, Fountain/Sand Creek Libraries
Vincent, Jordana	Division Head, Collection Management
Ward, Lisa	Supervisor, Mobile Library Services



Government Finance Officers Association

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Pikes Peak Library District
Colorado

For its Comprehensive Annual Financial
Report

For the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

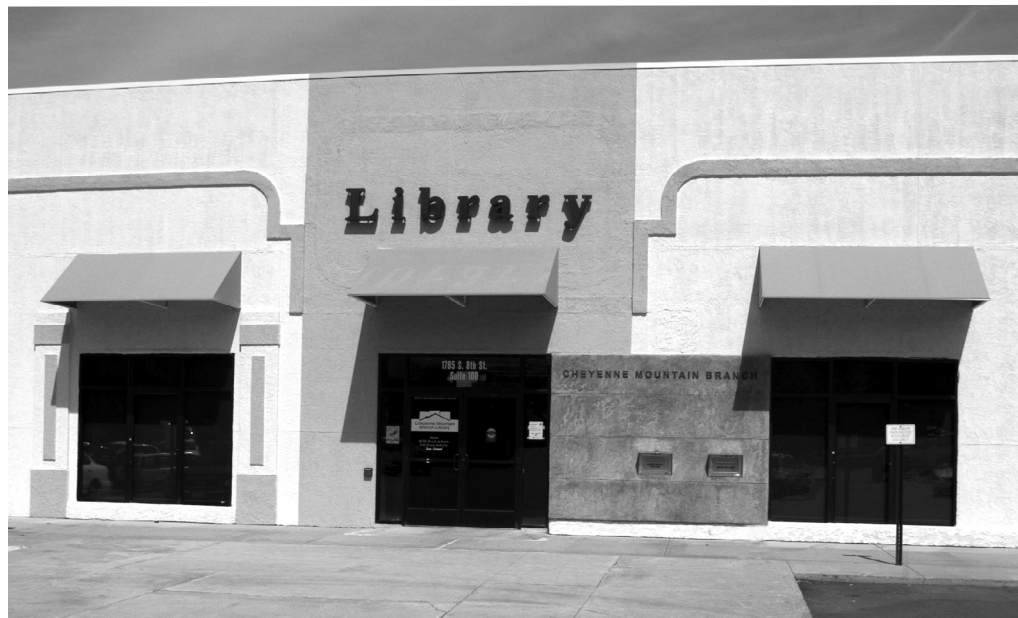
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Financial Section



East Library
5550 N. Union Blvd., Colorado Springs, CO

(719) 531-6333



Cheyenne Mountain Library
1785 S. 8th St., Colorado Springs, CO

(719) 633-6278

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, 2015, 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.

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, 2015, 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.

Emphasis of Matter

As discussed in Note IV-E to the financial statements, in fiscal year 2015 the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, as amended by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 2015 information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

Board of Trustees
Pikes Peak Library District

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 2015 information is fairly stated in all material respects in relation to the basic financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements as of and for the year ended December 31, 2014, which are not presented with the accompanying financial statements. In our report dated June 25, 2015, 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 2014 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, 2014, taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2016, 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.

BKD, LLP

Colorado Springs, Colorado
June 23, 2016

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Management's Discussion & Analysis



Fountain Library
230 S. Main St., Fountain, CO

(719) 382-5347

Management's
Discussion & Analysis



High Prairie Library
7035 Old Meridian Rd., Falcon, CO

(719) 260-3650

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

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, 2015. 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 assets exceed its liabilities by \$40,203,787 (net position) as of December 31, 2015.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$38,922,766 includes property and equipment, net of accumulated depreciation.
 - (2) Net position of \$998,444 is restricted by constraints imposed from outside the District, such as debt covenants, grantors, laws or regulations.
 - (3) Unrestricted net position of \$282,577 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, 2015, the District's proportionate share of the Net Pension Liability was \$10,024,159. This balance is included in the unrestricted net position.
- The District's General Fund reported total ending fund balance of \$7,835,294 this year. This compares to the prior year ending fund balance of \$5,706,306, showing an increase of \$2,128,988 during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$4,896,422, or 18.9%, of total General Fund expenditures, including transfers for the year ended December 31, 2015.
- Overall, the District continues to maintain a moderately strong financial position.

The District implemented Governmental Accounting Standards Board (GASB) Statement 68 effective January 1, 2015. This statement requires all entities contributing to the El Paso County Retirement Plan (the Plan) to record their proportionate share of the net pension liability (NPL) on the Statement of Net Position. As a result, the net position as of January 1, 2015 was restated from \$47,876,611 to \$40,340,782 to record the District's share of the NPL of \$7,535,829. More information in the GASB Statement 68 can be found in the notes to the financial statements. The 2014 financial information has not been restated for the adoption of GASB 68.

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

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

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 or a significant portion of their costs through user fees and charges. Governmental activities include general library operations. The District has no business-type activities.

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

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

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

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 51 through 54 of this report.

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

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

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

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

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's detailed budget presentations for its General Fund, 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 90 through 95.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

As discussed, the District reports two major funds and several nonmajor funds in the basic financial statements. The individual governmental fund comparative statements are presented in a subsequent section of this report beginning on page 99.

Financial Analysis of the District as a Whole

The District's net position at calendar year-end is \$40,203,787. The following table provides a summary of the District's net position as of December 31, 2015 and 2014:

	Summary of Net Position			
	2015		* 2014	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Assets				
Current and other assets	\$ 37,127,077	49%	\$ 37,733,779	50%
Capital assets	39,388,971	51%	37,829,681	50%
Total assets	<u>76,516,048</u>	<u>100%</u>	<u>75,563,460</u>	<u>100%</u>
Deferred Outflows of Resources	<u>1,917,307</u>	<u>100%</u>	<u>-</u>	<u>100%</u>
Liabilities				
Current liabilities	2,289,803	17%	2,380,620	67%
Noncurrent liabilities	11,132,838	83%	1,168,764	33%
Total liabilities	<u>13,422,641</u>	<u>100%</u>	<u>3,549,384</u>	<u>100%</u>
Deferred Inflows of Resources	<u>24,806,927</u>	<u>100%</u>	<u>24,137,465</u>	<u>100%</u>
Net Position				
Net investment in capital assets	38,922,766	98%	37,633,108	79%
Restricted	998,444	2%	994,338	2%
Unrestricted	282,577	0%	9,249,165	19%
Total net position	<u>\$ 40,203,787</u>	<u>100%</u>	<u>\$ 47,876,611</u>	<u>100%</u>

* 2014 information is not updated for the adoption of GASB 68.

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 \$12,320,150. As a result, the current ratio for the District overall is 5.4 to 1, which is comparable to the December 31, 2014 ratio of 5.7 to 1. This ratio is strong.

The District reported positive balances in net position. Net position decreased by (\$136,995) for governmental activities, excluding the effect of the adoption of GASB 68.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

Approximately 98% of the District's net position is comprised of capital assets as of December 31, 2015. 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, 2015 and 2014:

	Summary of Changes in Net Position			
	2015		2014	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues				
Program				
Charges for services, sales and fines	\$ 538,214	2%	\$ 530,364	2%
Operating grants/donations	274,694	1%	278,660	1%
Capital grants/donations	1,645,190	5%	488,598	2%
General				
Taxes	26,902,978	91%	26,369,934	94%
Other	228,466	1%	198,989	1%
Total revenues	<u>29,589,542</u>	<u>100%</u>	<u>27,866,545</u>	<u>100%</u>
Program expenses				
Public services	13,250,047	45%	11,479,186	41%
Administrative services	3,785,191	13%	4,117,367	15%
Director's Office	398,398	1%	400,652	1%
Finance Office	476,755	2%	436,539	2%
Information Technology Office	7,855,225	26%	7,814,245	28%
Community Engagement Outreach Office	853,076	3%	766,469	3%
Other administration	3,107,845	10%	2,652,230	9%
Total expenses	<u>29,726,537</u>	<u>100%</u>	<u>27,666,688</u>	<u>100%</u>
Change in net position	(136,995)		199,857	
Beginning net position	47,876,611		47,676,754	
Change in accounting principle - adoption of GASB 68	<u>(7,535,829)</u>		<u>-</u>	
Beginning net position, as restated	<u>40,340,782</u>		<u>47,676,754</u>	
Ending net position	<u>\$ 40,203,787</u>		<u>\$ 47,876,611</u>	

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

Governmental Revenues

The District is heavily reliant on taxes to support governmental activities. Taxes provided 91% of the District's total revenues. Also, note that program revenues generated only 8% of governmental activities' revenues for the year ended December 31, 2015. This means that the government's taxpayers and the District's other general revenues fund provided 92% 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 71% 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 \$4.1 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 \$9,878,298.

Fund balances as of December 31, 2015 and 2014 include:

	<u>2015</u>	<u>2014</u>
Nonspendable	\$ 515,367	\$ 475,065
Restricted	998,444	994,338
Committed	2,876,494	5,394,260
Assigned	591,571	687,507
Unassigned	<u>4,896,422</u>	<u>3,632,798</u>
	<u>\$ 9,878,298</u>	<u>\$ 11,183,968</u>

Major Governmental Funds

General Fund

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's balance increased by \$2,128,988 during 2015, in part due to the transfer of funds from the North Facility Project Fund and the Penrose Library Renovation Fund. The total fund balance of the General Fund as of December 31, 2015 was \$7,835,294. The total fund balance as of December 31, 2014 was \$5,706,306.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

The fund balance of the General Fund is broken down as follows as of December 31, 2015 and 2014:

	2015	2014
Nonspendable	\$ 510,377	\$ 475,065
Restricted	944,548	918,560
Committed	900,000	-
Assigned	583,947	679,883
Unassigned	4,896,422	3,632,798
	<u>\$ 7,835,294</u>	<u>\$ 5,706,306</u>

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, 2015 was \$332,832. This amount is \$93,576 less than the fund balance of \$426,408 as of December 31, 2014.

Capital Projects Funds – As of December 31, 2015, 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:

	2015	2014
North Facility Project Fund	\$ 875,462	\$ 1,201,422
East Library Renovation Fund	176,645	1,843,547
Penrose Library Renovation Fund	155,639	1,534,870
Capital Reserve Fund	502,426	471,415

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

For 2015, capital outlay for those specific funds equaled the following:

North Facility Project Fund	\$ 409,900
East Library Renovation Fund	1,879,222
Penrose Library Renovation Fund	1,402,381
Capital Reserve Fund	1,063,124

Budgetary Highlights

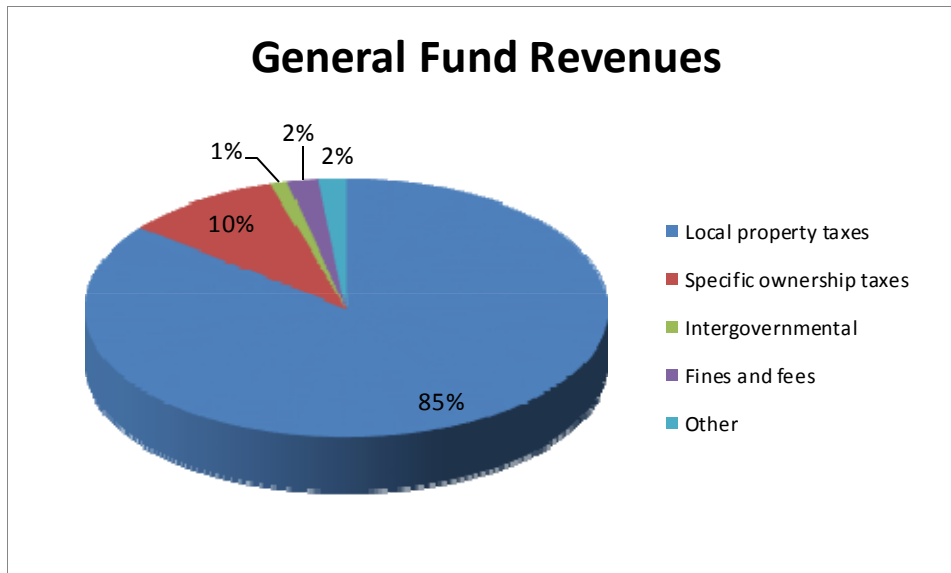
General Fund

The original budget (expenditures and transfers out) was amended by \$451,574, 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 2015 budget.

General Fund Revenues

Total General Fund actual revenues for fiscal year 2015 were \$28,228,464. This amount was higher than the 2015 budget, as amended, by \$142,644, which is approximately 0.5% of the total revenue budget.

The following chart depicts General Fund revenue for 2015 by category:

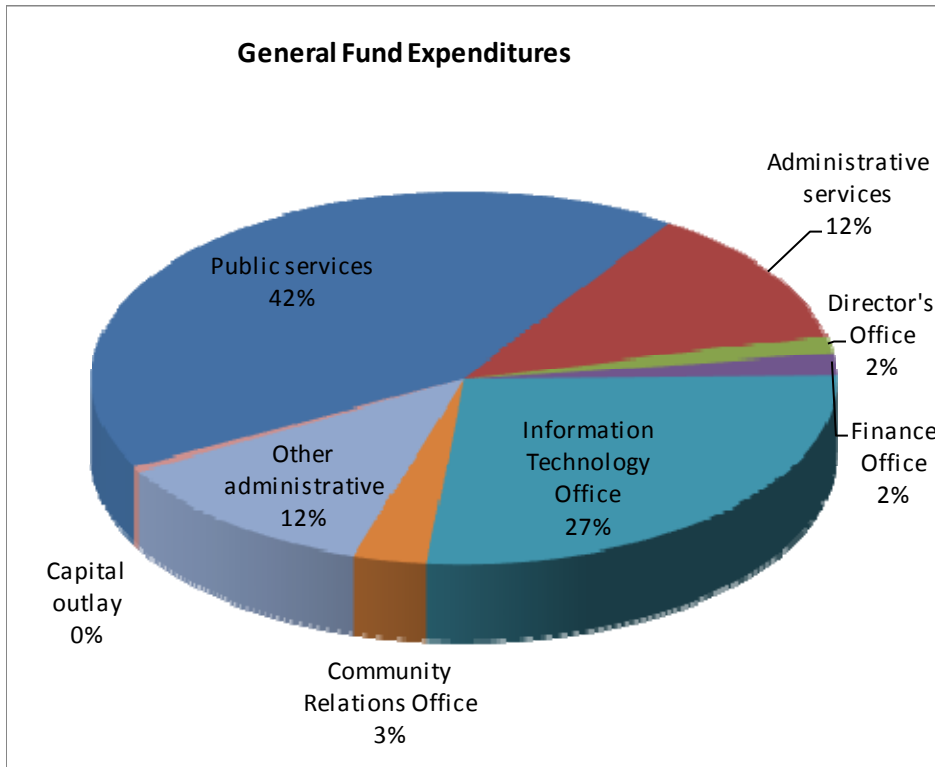


Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

General Fund Expenditures

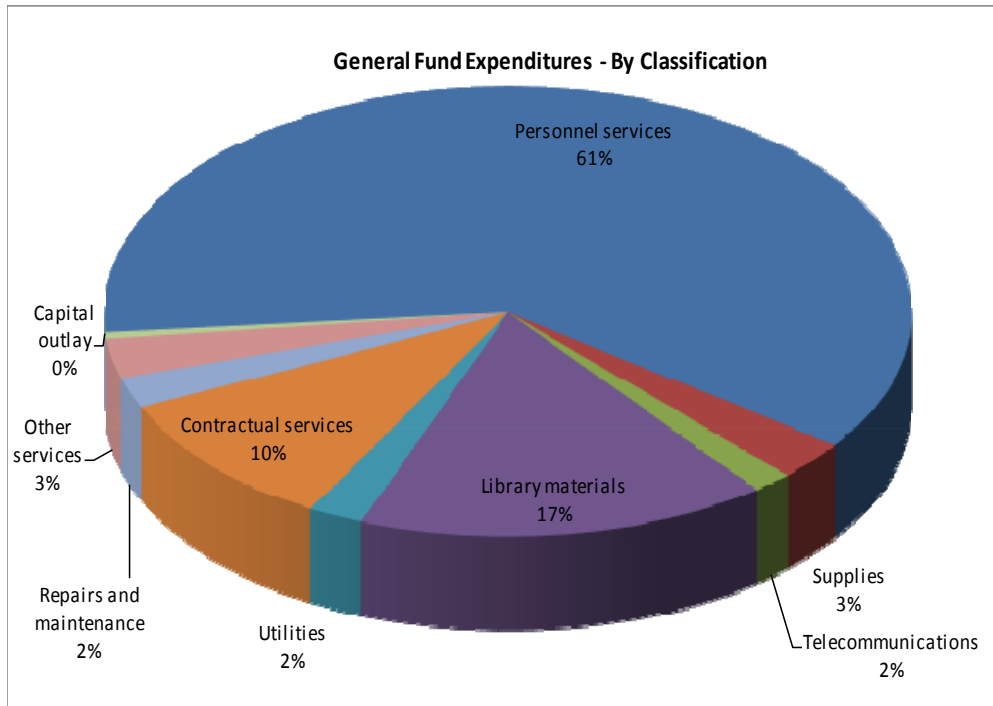
Total General Fund actual expenditures for fiscal year 2015 was \$25,912,404. This amount was less than the 2015 budget, as amended, by \$1,397,542, which is approximately 5.1% of the total budget.

The following chart depicts 2015 General Fund expenditures by function:



Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

The following chart depicts 2015 General Fund expenditures by classification:



The following is a summary of the departments or accounts that significantly contributed to the difference between the 2015 budget and actual expenditures:

Public Services – For 2015, this function was under budget by \$628,650. The primary cause is due to staff positions that were vacant at some point throughout 2015. 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.

Administrative Services – For 2015, this function was under budget by \$330,422. 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.

Information Technology – For 2015, this function was under budget by \$222,147. The primary reason for the budget savings is the amount spent on computer and other supplies was less than budget by \$116,868. Supplies are purchased when needs arise, and the magnitude of such needs may vary from year to year.

Capital Assets

The District's capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2015 was \$39,388,971. 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.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

The following table provides a summary of capital assets as of December 31, 2015 and 2014:

	<u>\$ 40,203,787</u>		<u>\$ 47,876,611</u>	
	Capital Assets			
	2015		2014	
	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	9,851,138	12%	9,728,609	11%
Construction in progress	42,210	0%	116,492	0%
Total nondepreciable assets	<u>15,210,711</u>		<u>15,162,464</u>	
Depreciable assets				
Land improvements	157,877	0%	144,377	0%
Leasehold improvements	1,017,507	1%	1,221,221	2%
Buildings	41,753,304	50%	38,744,478	44%
Equipment, furniture and fixtures	6,402,310	8%	6,419,939	7%
Bookmobiles and vans	815,125	1%	787,756	1%
Books and materials	18,875,346	22%	24,774,715	29%
Total depreciable assets	<u>69,021,469</u>	<u>100%</u>	<u>72,092,486</u>	<u>100%</u>
Less accumulated depreciation	<u>(44,843,209)</u>		<u>(49,425,269)</u>	
Book value - depreciable assets	<u>24,178,260</u>		<u>22,667,217</u>	
Percentage depreciated	<u>65%</u>		<u>69%</u>	
Book value - all capital assets	<u>\$ 39,388,971</u>		<u>\$ 37,829,681</u>	

At December 31, 2015, the depreciable capital assets for governmental activities were 65% depreciated. This compares consistently to the December 31, 2014 percentage of 69%. The change is attributable primarily to discarding over 200,000 library material items during 2015, most of which were old and fully depreciated.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2015

Economic Factors and Next Year's Budget and Mill Levy

The following factors were considered when the 2015 budget was prepared:

1. The unemployment rate for El Paso County, Colorado was 4.6%, which is a decrease from a rate of 6.2% 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, 2015, unassigned fund balance in the General Fund totaled \$4,896,422. The District has not appropriated any of this balance for spending in the 2015 fiscal year budget.

For the fiscal year 2016 budget, the total mill levy is 3.857 mills (3.828 mills for general operating expenses, (0.003) mills for a temporary tax credit, and 0.032 mills for refunds and abatements). The mill levy for fiscal year 2015 was 4.000 mills. The gross assessed valuation for all taxable property within the District's legal service area is \$6,516,617,460 and \$6,117,132,700 for 2016 and 2015, respectively.

Requests for Information

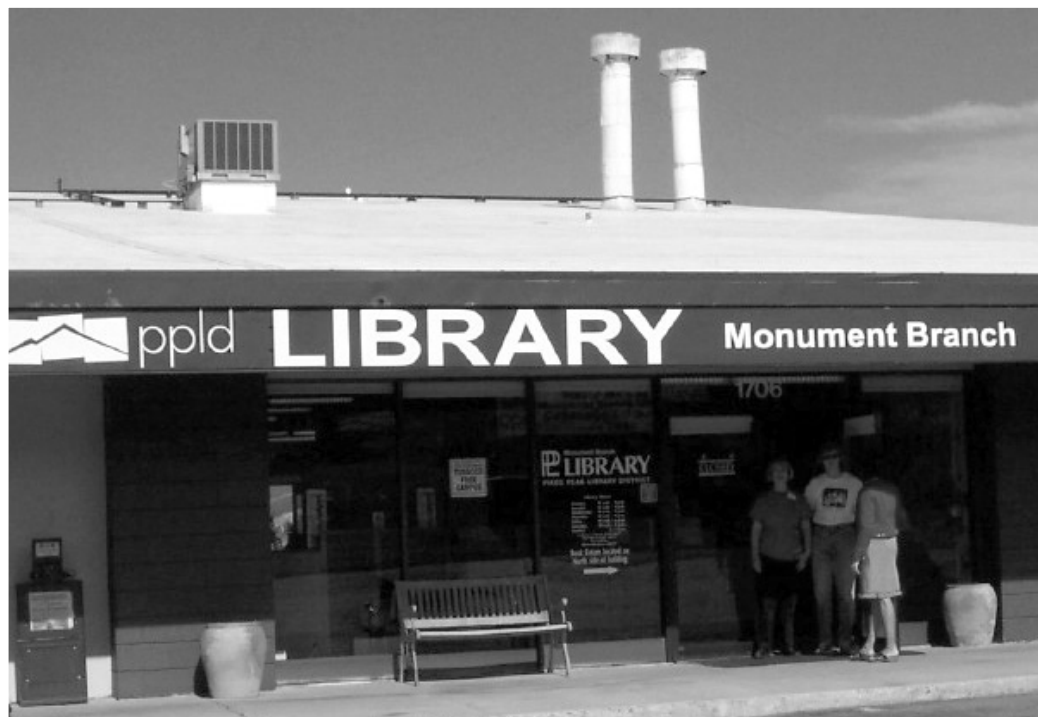
This Financial Report is designed to provide a general overview of the District's finances, compliance with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report, or would like to request additional information,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

Basic Financial Statements



Manitou Springs Library
701 Manitou Ave., Manitou Springs, CO 80829

(719) 685-5206



Monument Library
1706 Lake Woodmoor Dr., Monument, CO

(719) 488-2370

Pikes Peak Library District
Statement of Net Position
December 31, 2015

	Primary Government Governmental Activities
Assets and Deferred Outflows of Resources	
Current Assets	
Cash and investments	\$ 11,186,867
Property taxes receivable	24,806,927
Other receivables	314,546
Due from discretely presented component unit	20,280
Due from other governments	246,423
Prepaid items	552,034
Total current assets	37,127,077
Noncurrent Assets	
Capital assets	
Nondepreciable property	15,210,711
Depreciable building, property and equipment, net	24,178,260
Total noncurrent assets	39,388,971
Deferred Outflows of Resources	
Pension-related amounts	1,917,307
Total assets and deferred outflows of resources	78,433,355
Liabilities and Deferred Inflows of Resources	
Current Liabilities	
Accounts payable	1,146,383
Accrued compensation payable	1,143,420
Total current liabilities	2,289,803
Noncurrent Liabilities	
Noncurrent portion of long-term obligations	
Net pension liability	10,024,159
Accrued compensated absences	1,108,679
Total noncurrent liabilities	11,132,838
Total liabilities	13,422,641
Deferred Inflows of Resources	
Property taxes	24,806,927
Total liabilities and deferred inflows of resources	38,229,568
Net Position	
Net investment in capital assets	38,922,766
Restricted for	
Declared emergencies	832,230
Gifts and grants	166,214
Total restricted	998,444
Unrestricted	282,577
Total net position	\$ 40,203,787

Pikes Peak Library District Foundation, Inc.
Statement of Financial Position
December 31, 2015

Assets

Cash and cash equivalents	\$ 790,364
Contributions receivable, net	84,913
Accounts receivable	39,534
Investments	<u>1,325,896</u>
Total assets	<u><u>\$ 2,240,707</u></u>

Liabilities

Accounts payable	\$ 18,248
Accounts payable, related party	<u>20,280</u>
Total liabilities	<u>38,528</u>

Net Assets

Unrestricted	550,016
Temporarily restricted	1,618,580
Permanently restricted	<u>33,583</u>
Total net assets	<u>2,202,179</u>
Total liabilities and net assets	<u><u>\$ 2,240,707</u></u>

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Pikes Peak Library District
Statement of Activities
Year Ended December 31, 2015

Functions/Programs	Expenses	Charges for Services, Sales and Fines
Primary Government		
Governmental activities		
Public Services	\$ 13,250,047	\$ 538,214
Administrative Services	3,785,191	-
Director's Office	398,398	-
Finance Office	476,755	-
Information Technology Office	7,855,225	-
Community Engagement and Outreach Office	853,076	-
Other administration	3,107,845	-
Total governmental activities	\$ 29,726,537	\$ 538,214
General revenues		
Property taxes levied for library purposes		
Specific ownership taxes		
Investment earnings		
Miscellaneous		
Total general revenues		
Change in net position		
Net position, January 1, as previously reported		
Change in accounting principle - adoption of GASB 68		
Net position, January 1, as restated		
Net position, December 31		

Program Revenues		Revenue and Changes in Net Position
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
\$ 258,925	\$ 836,583	\$ (11,616,325)
-	258,308	(3,526,883)
-	-	(398,398)
-	-	(476,755)
15,769	550,299	(7,289,157)
-	-	(853,076)
-	-	(3,107,845)
<u>\$ 274,694</u>	<u>\$ 1,645,190</u>	<u>(27,268,439)</u>
		24,137,929
		2,765,049
		26,550
		201,916
		<u>27,131,444</u>
		<u>(136,995)</u>
		47,876,611
		<u>(7,535,829)</u>
		<u>40,340,782</u>
		<u>\$ 40,203,787</u>

Pikes Peak Library District Foundation, Inc.

Statement of Activities

Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support				
Contributions	\$ 190,527	\$ 2,409,250	\$ 195	\$ 2,599,972
Investment return	(11,151)	(6,737)	(1,042)	(18,930)
Net assets released from restrictions	2,979,094	(2,979,094)	-	-
Total revenues, gains and other support	<u>3,158,470</u>	<u>(576,581)</u>	<u>(847)</u>	<u>2,581,042</u>
Expenses				
Program services				
Support for PPLD	3,016,573	-	-	3,016,573
Total program services	<u>3,016,573</u>	<u>-</u>	<u>-</u>	<u>3,016,573</u>
Support services				
General and administrative	21,956	-	-	21,956
Fundraising	163,833	-	-	163,833
Total support services	<u>185,789</u>	<u>-</u>	<u>-</u>	<u>185,789</u>
Total expenses	<u>3,202,362</u>	<u>-</u>	<u>-</u>	<u>3,202,362</u>
Change in net assets	(43,892)	(576,581)	(847)	(621,320)
Net assets, beginning of year	<u>593,908</u>	<u>2,195,161</u>	<u>34,430</u>	<u>2,823,499</u>
Net assets, end of year	<u>\$ 550,016</u>	<u>\$ 1,618,580</u>	<u>\$ 33,583</u>	<u>\$ 2,202,179</u>

Pikes Peak Library District
Balance Sheet – Governmental Funds
December 31, 2015

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 10,528,479	\$ -	\$ 10,528,479
Property taxes receivable	24,806,927	-	24,806,927
Other receivables	288,746	25,800	314,546
Due from discretely presented component unit	20,280	-	20,280
Due from other governments	246,423	-	246,423
Due from other funds	-	2,487,702	2,487,702
Prepaid items	510,377	4,990	515,367
Total assets	\$ 36,401,232	\$ 2,518,492	\$ 38,919,724
Liabilities			
Accounts payable	\$ 492,623	\$ 475,488	\$ 968,111
Accrued compensation payable	572,282	-	572,282
Due to other funds	2,487,702	-	2,487,702
Total liabilities	3,552,607	475,488	4,028,095
Deferred Inflows of Resources			
Unavailable revenue - property taxes	24,806,927	-	24,806,927
Unavailable fund resources	206,404	-	206,404
Total deferred inflows of resources	25,013,331	-	25,013,331
Fund Balances			
Nonspendable:			
Prepaid expenditures	510,377	4,990	515,367
Restricted for:			
Declared emergencies	832,230	-	832,230
Gifts and grants	112,318	53,896	166,214
Committed to:			
Capital projects	900,000	1,976,494	2,876,494
Assigned to:			
Purchased contracts	93,757	-	93,757
Library materials	490,190	-	490,190
Gifts and grants	-	7,624	7,624
Unassigned	4,896,422	-	4,896,422
Total fund balances	7,835,294	2,043,004	9,878,298
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,401,232	\$ 2,518,492	\$ 38,919,724

Pikes Peak Library District
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
December 31, 2015

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

Fund balances - total governmental funds (page 51)		\$ 9,878,298
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Cost of capital assets	\$ 84,232,180	
Less: accumulated depreciation	(44,843,209)	
Net capital assets		39,388,971
Certain long-term pension related costs and adjustments are not to pay or are payable currently and are therefore not reported in the funds.		
Net pension-related amounts		(8,106,852)
Liabilities that are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued compensated absences		(1,679,817)
Certain revenue earned but not available, classified as deferred inflows in governmental funds is susceptible to full accrual on the entity-wide statements		
		206,404
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		
		516,783
Net position - governmental activities (page 45)		\$ 40,203,787

Pikes Peak Library District
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2015

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 26,902,978	\$ -	\$ 26,902,978
Intergovernmental	305,794	-	305,794
Fines and fees	538,214	-	538,214
Interest earnings	26,550	-	26,550
Donations	325,575	1,178,650	1,504,225
Miscellaneous	129,353	25,800	155,153
Total revenues	28,228,464	1,204,450	29,432,914
Expenditures			
Current			
Public Services	10,920,862	24,829	10,945,691
Administrative Services	3,117,393	-	3,117,393
Director's Office	388,998	-	388,998
Finance Office	466,230	-	466,230
Information Technology Office	6,956,635	-	6,956,635
Community Relations Office	833,742	-	833,742
Other administrative	3,107,844	-	3,107,844
Capital outlay	120,700	4,848,114	4,968,814
Total expenditures	25,912,404	4,872,943	30,785,347
Excess (deficiency) of revenues over (under) expenditures	2,316,060	(3,668,493)	(1,352,433)
Other financing sources (uses)			
Proceeds from insurance reimbursements	-	18,703	18,703
Transfers in	919,300	1,208,652	2,127,952
Transfers out	(1,133,652)	(994,300)	(2,127,952)
Proceeds from sale of capital assets	27,280	780	28,060
Total other financing sources (uses)	(187,072)	233,835	46,763
Net change in fund balances	2,128,988	(3,434,658)	(1,305,670)
Fund balances, beginning of year	5,706,306	5,477,662	11,183,968
Fund balances, end of year	\$ 7,835,294	\$ 2,043,004	\$ 9,878,298

Pikes Peak Library District
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2015

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

Net change in fund balances - total governmental funds (page 53) \$ (1,305,670)

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. 109,866

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Depreciation expense (4,126,695)
 Capital outlay for building, furniture, land and vehicles 3,979,009
 Amounts paid for books, audio visual materials and historical collections 2,731,728

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Operating leases with rental escalation clauses that are reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 43,706

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. (1,024,752)

Pension expense at the fund level represents 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 (571,023)

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. 91,039

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. (64,203)

Change in net position - governmental activities (page 49) \$ (136,995)

Pikes Peak Library District
Statement of Net Position
Proprietary Fund
December 31, 2015

	Governmental Activities - Internal Service Fund
Assets	
Current Assets	
Cash and cash equivalents	\$ 658,388
Deposit	<u>36,667</u>
Total current assets	<u>695,055</u>
 Liabilities	
Current Liabilities	
Claims payable	112,438
Accounts payable	<u>65,834</u>
Total current liabilities	<u>178,272</u>
 Net Position	
Total Net Position - Unrestricted	<u><u>\$ 516,783</u></u>

Pikes Peak Library District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended December 31, 2015

	Governmental Activities - Internal Service Fund
Operating revenues	
Employer contributions	\$ 1,329,547
Employee contributions	292,380
	1,621,927
Total operating revenues	1,621,927
Operating expenses	
Claims incurred	999,085
Administrative	687,057
	1,686,142
Total operating expenses	1,686,142
Operating loss	(64,215)
Nonoperating revenues	
Investment earnings	12
	12
Change in net position	(64,203)
Total net position, beginning of year	580,986
Total net position, end of year	\$ 516,783

Pikes Peak Library District
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2015

	Governmental Activities - Internal Service Fund
Cash flows from operating activities	
Employee and employer contributions	\$ 1,621,927
Payment of claims and administrative expenses	<u>(1,632,376)</u>
Net cash used in operating activities	<u>(10,449)</u>
Cash flows from investing activities	
Interest received	<u>12</u>
Net decrease in cash and cash equivalents	(10,437)
Cash and cash equivalents - January 1	<u>668,825</u>
Cash and cash equivalents - December 31	<u><u>\$ 658,388</u></u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	<u>\$ (64,215)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities	
Increase in accounts payable	64,931
Decrease in claims payable	<u>(11,165)</u>
Total adjustments	<u>53,766</u>
Net cash used in operating activities	<u><u>\$ (10,449)</u></u>

Pikes Peak Library District
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
December 31, 2015

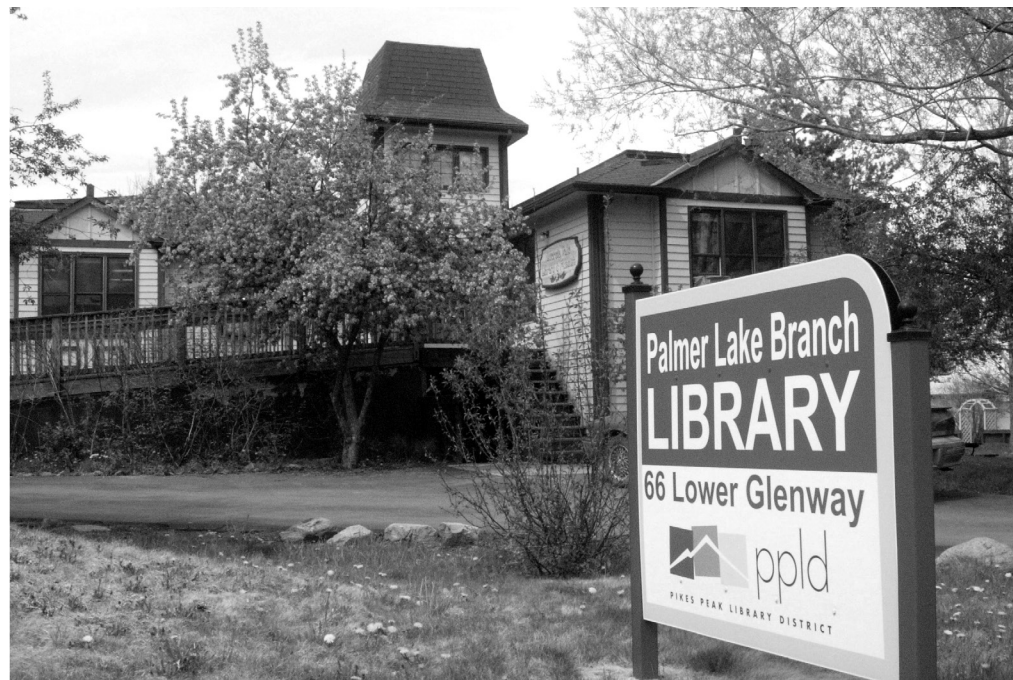
	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 22,369
Accounts receivables	<u>27,896</u>
Total assets	<u><u>\$ 50,265</u></u>
Liabilities	
Accounts payable	<u><u>\$ 50,265</u></u>

Notes to Basic Financial Statements



Old Colorado City Library
2418 W. Pikes Peak Ave., Colorado Springs, CO

(719) 634-1698



Palmer Lake Library
66 Lower Glenway St., Palmer Lake, CO

(719) 481-2587

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

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Pikes Peak Library District

Notes to Financial Statements

December 31, 2015

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, 2015.

Joint Ventures – The District did not participate in any joint venture during the fiscal year ended December 31, 2015.

Jointly Governed Organizations – The District had no financial relationships of this type during the fiscal year ended December 31, 2015

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.

Pikes Peak Library District

Notes to Financial Statements

December 31, 2015

- 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 than the District's reporting model, the District has elected to present the Foundation's financial statements separately from those of the District as provided for under GASB standards.

The District's statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the

Pikes Peak Library District

Notes to Financial Statements

December 31, 2015

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:

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

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.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

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 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

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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 to be susceptible to accrual: property taxes, specific ownership taxes, interest and federal and state grants.

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

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

Deferred 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.

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.

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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.

In addition to receiving cash contributions, the Foundation receives in-kind contributions from various donors. It is the policy of the Foundation to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the year ended December 31, 2015, a total of \$1,539,599 was received in in-kind contributions.

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation had no unrelated business taxable income for the year ended December 31, 2015. The Foundation is not considered a private foundation.

The Foundation files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Foundation is no longer subject to U.S. federal examinations by tax authorities for years before 2012.

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.

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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, 2015 was \$119,428.

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, 2015, 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

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equal amount of fund balance is classified as nonspendable, as this amount is not available for general appropriation.

I-E-6. Capital Assets

Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, books and audio visual materials and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. These assets generally result from expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements.

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

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

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

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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".

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

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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.

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.

I-F. Implementation of Accounting Pronouncement

The Governmental Accounting Standards Board issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27* (GASB 68), which revises and establishes new financial reporting requirements for governments that provide their employees with defined pension benefits. The District provides its employees with pension benefits through the El Paso County Retirement Plan (EPCRP).

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Employers participating in multiple-employer cost-sharing plans, such as EPCRP, must record their proportionate share of EPCRP's unfunded pension liability, as defined in GASB 68. The District has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by EPCRP and the El Paso County legislature. The requirement of GASB 68 to record a portion of EPCRP's unfunded liability negatively affects the District's unrestricted net position. GASB 68 is effective for the District's 2015 fiscal year. The provisions of GASB 68 have been fully implemented, and are fully described under notes IV-A and IV-E. Information regarding EPCRP's current funding status can be found in their Comprehensive Annual Financial Report.

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 2015) 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:

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Changes to Original Budget

	Original Budget	Revised Budget	Budget Change
General Fund	\$ 27,992,024	\$ 28,443,598	\$ 451,574
Designated Purpose Fund	144,638	201,678	57,040
North Facility Project Fund	27,200	1,428,622	1,401,422
Capital Reserve Fund	1,076,132	1,566,250	490,118
East Library Renovation Fund	22,320	1,970,867	1,948,547
Penrose Library Renovation Fund	23,000	2,307,870	2,284,870

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 \$22,369, as of December 31, 2015 was \$1,190,656. The bank balances, excluding the cash held in the agency fund of \$22,369, were \$1,465,109, of which \$1,215,109 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 \$19,470 in cash on hand as of December 31, 2015.

III-A-2. Investments

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

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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.

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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 \$9,976,741 are held in COLOTRUST, which was rated AAAM by Standard & Poor's at December 31, 2015. The District policy also encourages diversification of investments, limited to the Colorado Revised Statute CRS 24-75-701.

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Cash and Investment Reconciliation

	Cash and Cash Equivalents	Investments	Total
Governmental activities - statement of net position	\$ 1,210,126	\$ 9,976,741	\$ 11,186,867
Agency Fund	22,369	-	22,369
Less cash on hand and petty cash	(19,470)	-	(19,470)
	<u>\$ 1,213,025</u>	<u>\$ 9,976,741</u>	<u>\$ 11,189,766</u>
Total deposits and investments			
Per note disclosure above			
Deposits			\$ 1,213,025
Investments			9,976,741
			<u>\$ 11,189,766</u>
Primary government total			<u>\$ 11,189,766</u>

The Foundation's cash and investments are comprised of the following as of December 31, 2015:

	2015 Amount	Institutions	Insurance or Collateral	Credit Ratings of Underlying Securities *
Money market savings account	\$ 790,364	ENT Federal Credit Union	\$ 250,000	N/A
Investments (stocks, bonds, mutual funds)	1,259,636	Members Trust Company	-	A/AAA
Investment level money market account	66,260	Members Trust Company	-	A1/P1
	<u>\$ 2,116,260</u>			
Total	<u>\$ 2,116,260</u>			

* As applicable

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a

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government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Foundation’s cash and investments are exposed to \$1,866,263 of custodial credit risk as of December 31, 2015.

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 2015 are certified to the County in December 2014 and are available for collection on the due date, January 1, 2015. 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.

III-C. Interfund Receivables, Payables, and Transfers

The following schedule reflects the District’s interfund receivables and payables as of December 31, 2015.

Receivable Fund	Payable Fund
	General Fund
Designated Purpose Fund	\$ 342,115
Penrose Library Renovation Fund	349,854
East Library Renovation Fund	387,510
North Facility Project Fund	875,462
Capital Reserve Fund	532,761
 Total	 \$ 2,487,702

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.

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Interfund transfers:

Transfers In	Transfers Out			Total
	General Fund	Penrose Library Fund	North Facility Project Fund	
General Fund	\$ -	\$ 750,000	\$ 169,300	\$ 919,300
East Library Renovation Fund	42,320	75,000	-	117,320
Penrose Library Renovation Fund	23,000	-	-	23,000
North Facility Project Fund	27,200	-	-	27,200
Capital Reserve Fund	1,041,132	-	-	1,041,132
	<u>\$ 1,133,652</u>	<u>\$ 825,000</u>	<u>\$ 169,300</u>	<u>\$ 2,127,952</u>

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

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III-D. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance January 1, 2015	Additions	Deletions	Transfers	Balance December 31, 2015
Governmental activities					
Capital assets not being depreciated					
Land	\$ 5,317,363	\$ -	\$ -	\$ -	\$ 5,317,363
Collections of historical treasurers	9,728,609	168,953	(46,424)	-	9,851,138
Construction in progress	116,492	42,210	-	(116,492)	42,210
Total capital assets not being depreciated	<u>15,162,464</u>	<u>211,163</u>	<u>(46,424)</u>	<u>(116,492)</u>	<u>15,210,711</u>
Capital assets, being depreciated					
Land improvements	144,377	13,500	-	-	157,877
Leasehold improvements	1,221,221	-	(203,714)	-	1,017,507
Buildings	38,744,478	2,892,334	-	116,492	41,753,304
Equipment, furniture and fixtures	6,419,939	979,475	(997,104)	-	6,402,310
Vehicles	787,756	51,490	(24,121)	-	815,125
Books and audio visual materials	24,774,715	2,562,775	(8,462,144)	-	18,875,346
Total capital assets being depreciated	<u>72,092,486</u>	<u>6,499,574</u>	<u>(9,687,083)</u>	<u>116,492</u>	<u>69,021,469</u>
Less accumulated depreciation for					
Land improvements	(3,693)	(8,033)	-	-	(11,726)
Leasehold improvements	(1,119,679)	(87,744)	203,714	-	(1,003,709)
Buildings	(23,428,992)	(1,317,010)	-	-	(24,746,002)
Equipment, furniture and fixtures	(4,674,926)	(543,894)	977,731	-	(4,241,089)
Vehicles	(541,337)	(55,487)	24,121	-	(572,703)
Books and audio visual materials	(19,656,642)	(2,114,527)	7,503,189	-	(14,267,980)
Total accumulated depreciation	<u>(49,425,269)</u>	<u>(4,126,695)</u>	<u>8,708,755</u>	<u>-</u>	<u>(44,843,209)</u>
Total capital assets, being depreciated, net	<u>22,667,217</u>	<u>2,372,879</u>	<u>(978,328)</u>	<u>116,492</u>	<u>24,178,260</u>
Governmental activities capital assets, net	<u>\$ 37,829,681</u>	<u>\$ 2,584,042</u>	<u>\$ (1,024,752)</u>	<u>\$ -</u>	<u>\$ 39,388,971</u>
Governmental activities depreciation expense					
Public services					\$ 1,023,192
Administrative services					315,927
Information Technology					<u>2,787,576</u>
Total governmental activities depreciation expense					<u>\$ 4,126,695</u>

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

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, 2015 was as follows:

	Balance January 1, 2015 *	Additions	Reductions	Balance December 31, 2015	Due Within One Year
Governmental activities					
EPCRP net pension liability	\$ 7,535,829	\$ 3,174,112	\$ 685,782	\$ 10,024,159	\$ -
Compensated absences	1,770,855	1,435,480	1,526,518	1,679,817	571,138
Total governmental activities					
long-term liabilities	<u>\$ 9,306,684</u>	<u>\$ 4,609,592</u>	<u>\$ 2,212,300</u>	<u>\$ 11,703,976</u>	<u>\$ 571,138</u>

* As restated.

Compensated absences are generally liquidated by the General Fund.

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

III-E-2. Computation of Legal Debt Margin

Assessed valuation	<u>\$ 6,117,132,700</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 91,756,991</u>
Total debt (excluding compensated absences)	-
Less capital lease	<u>-</u>
Total debt applicable to limitation	<u>-</u>
Legal debt margin	<u>\$ 91,756,991</u>

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

III-F. Operating Agreements

The District has entered into several agreements for building leases, equipment and services. All agreements are renewable on a year-to-year basis. Should the Board of Trustees fail to appropriate funds for the subsequent budget year, the agreements can be terminated. The total cost for such agreements was \$1,282,020 for the year ended December 31, 2015.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

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

Year Ending

2016	\$ 997,850
2017	847,376
2018	631,246
2019	627,520
2020	297,441
Future years	<u>1,075,955</u>
Total	<u>\$ 4,477,388</u>

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 Information about the Pension Plan— 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, 4th 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 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.

Pikes Peak Library District

Notes to Financial Statements

December 31, 2015

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% and 15% of covered payroll for 2015 and 2014, respectively.

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 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, non-vested previous employment with any public or private employer. One month of service credit may be purchased for each full month of full-time, non-vested, non-covered employment. The cost to purchase one month of service credit for non-covered 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. 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 \$685,782 for 2015.

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 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.

Pikes Peak Library District

Notes to Financial Statements

December 31, 2015

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.

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:

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

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.

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.

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

At December 31, 2015, the District reported a liability of \$10,024,159 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. 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 2015 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, 2015.

As of December 31, 2015, the District's proportion was 6.45%, which was an increase of 0.41% from its proportion measured as of December 31, 2014.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

For the year ended December 31, 2015, the District recognized pension expense of \$1,256,785. As of December 31, 2015, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows
Difference between expected and actual experience	\$ 53,439
Net difference between projected and actual earnings on pension plan investments	1,459,567
Changes in proportion	404,301
Total	\$ 1,917,307

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

Year Ended December 31,	Amount
2016	\$ 482,261
2017	482,261
2018	482,261
2019	470,524
2020	-
Total	\$ 1,917,307

The plan determined that the average expected remaining service lives for active and inactive members at December 31, 2015 was 4.90 years.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of January 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of December 31, 2015:

Inflation 3.50%

Salary increases Graded by service, from 3.5% to 7.76%

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.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

The actuarial assumptions used in the January 1, 2015 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 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 as of December 31, 2015 are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	55%	8.33%
Private equity	5%	11.39%
Fixed income	15%	0.91%
Real estate	20%	6.79%
Hedge funds of funds	5%	4.84%
	<u>100%</u>	

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:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
District's proportionate share of the net pension liability	\$ 13,606,842	\$ 10,024,159	\$ 7,008,476

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports found at www.epcretirement.org.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

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 2014, excluding catch-up provisions for participants age 55 or over, was the lesser of \$17,500 or 33-1/3 percent of the participant’s includable compensation. The District does not have fiduciary accountability for the Plan and does not hold the Plan’s assets in a trustee capacity. 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, 2015 and 2014:

	Claims Payable Beginning of Year	Claims Incurred	Claims Paid	Claims Payable End of Year
Fiscal Year 2015	\$ 123,603	\$ 999,085	\$ (1,010,250)	\$ 112,438
Fiscal Year 2014	\$ 123,833	\$ 898,631	\$ (898,861)	\$ 123,603

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

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

IV-C-2. Grants

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

IV-C-3. TABOR Amendment

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

- Each district shall reserve for use in declared emergencies 3% or more of its fiscal year spending (as defined by TABOR) excluding bonded debt service, and this amount is set aside as part of reserved fund balance, called "declared emergencies".
- If revenue from sources not excluded from fiscal year spending exceeds the limits prescribed by TABOR in dollars for that fiscal year, the excess shall be refunded in the next fiscal year unless voters approve a revenue change as an offset.
- Revenue collected, kept, or spent illegally since four full fiscal years before an individual or class action enforcement suit is filed shall be refunded with 10% annual simple interest from the initial conduct.
- With minor exceptions, advance voter approval is required for any new tax, tax rate increase, or mill levy above that for the prior year or creation of any multiple-fiscal year direct or indirect district debt or other financial obligation without certain cash reserve amounts or a non-appropriation clause contained within the legal documents.
- Management believes it is in compliance with all aspects of TABOR.

IV-C-4. Claims and Litigation

Various suit(s) and claim(s) are pending against the District as of December 31, 2015. Although the outcome of such suit(s) and claim(s) cannot be predicted with certainty, the District believes that adequate insurance coverage exists and that the final settlements of these matters will not materially affect the financial statements of the District.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2015

IV-D. Commitments

Total encumbrances outstanding as of December 31, 2015, by fund are as follows:

<u>Fund</u>	<u>Balance</u>
General Fund	\$ 283,755
Special Revenue Fund	11,041
East Library Renovation Fund	57,757
Penrose Library Renovation Fund	33,283
Capital Reserve Fund	41,278

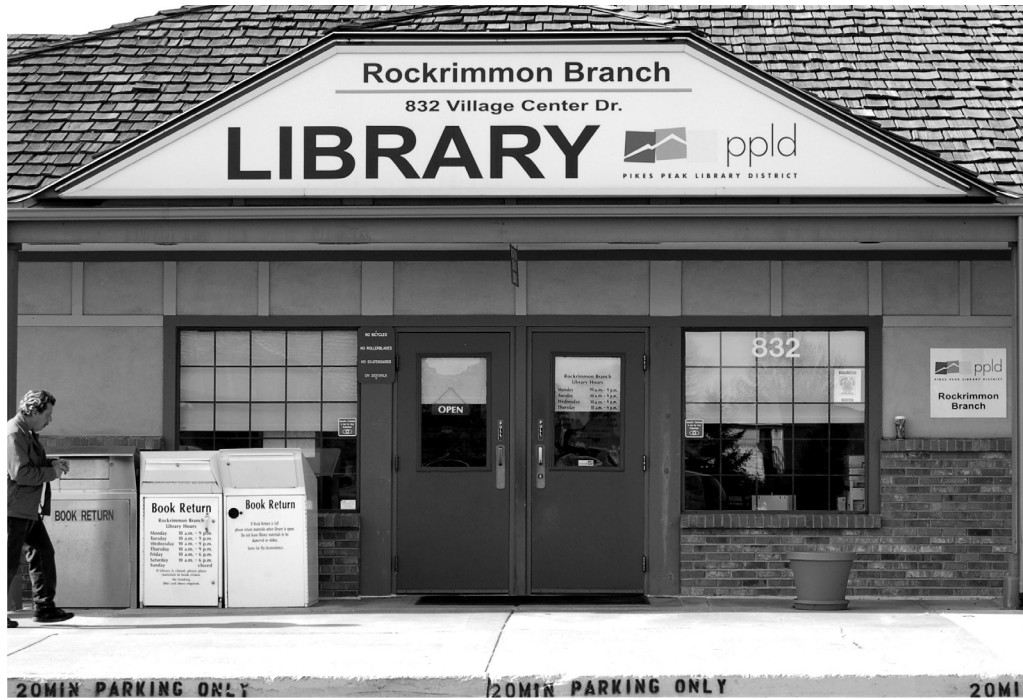
IV-E. Adoption of GASB 68

Effective January 1, 2015, the District adopted GASB Statement Number 68 – *Accounting and Reporting for Pensions – an amendment of GASB Statement No. 27*. The statement places a long-term obligation, as well as related deferred outflows and inflows, on the Statement of Net Position related to future pension obligations. The District has restated the beginning net position of the governmental activities for the balance that was applicable as of January 1, 2015.

The restatement is as follows:

Beginning Net Position, as previously stated	\$47,876,611
Net pension liability at January 1, 2015	<u>(7,535,829)</u>
Beginning net position, as restated	<u><u>\$40,340,782</u></u>

Supplemental Information



Rockrimmon Library
832 Village Center Dr., Colorado Springs, CO

(719) 593-8000



Ruth Holley Library
685 N. Murray Blvd., Colorado Springs, CO

(719) 597-5377

Required Supplementary Information

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

	12/31/2015
Proportionate share of total pension liability	30,891,857
Proportionate share of fiduciary net position	(20,867,698)
Proportionate share of net pension liability	10,024,159
District's proportion of the net pension liability	6.45%
District's covered-employer payroll	\$ 8,572,275
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	116.94%
Plan fiduciary net position as a percentage of the total net pension liability	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.

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

	12/31/2015
Contractually required contributions	\$ 685,782
Actual contributions	(685,782)
Contributions deficiency (excess)	-
District's covered-employee payroll	\$ 8,572,275
Contributions as a percentage of covered payroll	8.0%

Note - there were no changes to benefit assumptions for the year ended December 31, 2015, 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.

Pikes Peak Library District
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
General Fund
Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes				
Local property taxes				
Current	\$ 24,046,852	\$ 24,046,852	\$ 24,092,442	\$ 45,590
Delinquent	35,000	35,000	12,160	(22,840)
Omitted	5,000	5,000	3,699	(1,301)
Specific ownership taxes	2,625,000	2,700,000	2,765,049	65,049
Interest on taxes	45,000	45,000	29,628	(15,372)
Total taxes	<u>26,756,852</u>	<u>26,831,852</u>	<u>26,902,978</u>	<u>71,126</u>
Intergovernmental	290,000	299,000	305,794	6,794
Fines and fees	500,000	500,000	538,214	38,214
Interest earnings	25,000	25,000	26,550	1,550
Donations/fundraising	188,140	298,468	325,575	27,107
Miscellaneous				
Copy sales	50,000	50,000	58,118	8,118
Parking lot collections	31,000	31,000	32,846	1,846
Other	50,500	50,500	38,389	(12,111)
Total miscellaneous	<u>131,500</u>	<u>131,500</u>	<u>129,353</u>	<u>(2,147)</u>
Total revenues	<u>27,891,492</u>	<u>28,085,820</u>	<u>28,228,464</u>	<u>142,644</u>
Expenditures				
Current				
Public Service				
Personnel services	10,210,989	10,452,700	10,062,756	389,944
Supplies	217,408	270,550	190,755	79,795
Library materials	-	294,734	210,218	84,516
Contractual services	409,537	399,097	363,946	35,151
Other services	132,556	132,431	93,187	39,244
Total Public Service	<u>10,970,490</u>	<u>11,549,512</u>	<u>10,920,862</u>	<u>628,650</u>

Pikes Peak Library District
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
General Fund
Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Administrative Services				
Personnel services	865,453	881,895	874,286	7,609
Supplies	85,600	85,600	58,950	26,650
Utilities	621,855	626,577	571,033	55,544
Contractual services	1,249,265	1,244,838	1,171,506	73,332
Repairs and maintenance	411,700	415,465	315,072	100,393
Other services	153,440	193,440	126,546	66,894
Total Administrative Services	3,387,313	3,447,815	3,117,393	330,422
Director's Office				
Personnel services	204,011	200,885	207,176	(6,291)
Supplies	4,000	4,000	2,022	1,978
Other services	193,674	193,674	179,800	13,874
Total Director's Office	401,685	398,559	388,998	9,561
Finance Office				
Personnel services	326,534	370,207	330,759	39,448
Supplies	8,000	6,652	5,960	692
Contractual services	102,500	102,500	99,334	3,166
Other services	12,600	33,624	30,177	3,447
Total Finance Office	449,634	512,983	466,230	46,753
Information Technology Office				
Personnel services	1,746,273	1,697,350	1,723,994	(26,644)
Supplies	443,440	459,420	342,552	116,868
Library materials	3,964,906	3,948,772	3,957,245	(8,473)
Telecommunications	360,594	360,594	409,626	(49,032)
Contractual services	315,850	327,387	230,985	96,402
Repairs and maintenance	346,459	346,459	263,396	83,063
Other services	38,800	38,800	28,837	9,963
Total Information Technology Office	7,216,322	7,178,782	6,956,635	222,147
Community Engagement Outreach Office				
Personnel services	594,413	620,257	604,293	15,964
Supplies	99,126	102,775	114,387	(11,612)
Contractual services	38,000	21,905	18,918	2,987
Repairs and maintenance	1,000	1,000	649	351
Other services	93,600	115,300	95,495	19,805
Total Community Engagement Outreach Office	826,139	861,237	833,742	27,495

Pikes Peak Library District
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
General Fund
Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Other administrative				
Personnel services	2,496,539	2,133,380	2,099,273	34,107
Supplies	6,000	30,660	19,554	11,106
Library materials	146,399	139,994	112,371	27,623
Contractual services	727,736	733,710	702,163	31,547
Other services	166,957	174,506	174,483	23
Total other administrative	<u>3,543,631</u>	<u>3,212,250</u>	<u>3,107,844</u>	<u>104,406</u>
Capital outlay	<u>83,158</u>	<u>148,808</u>	<u>120,700</u>	<u>28,108</u>
Total expenditures	<u>26,878,372</u>	<u>27,309,946</u>	<u>25,912,404</u>	<u>1,397,542</u>
Excess of revenues over expenditures	<u>1,013,120</u>	<u>775,874</u>	<u>2,316,060</u>	<u>1,540,186</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	46,000	46,000	27,280	(18,720)
Transfers in	-	919,300	919,300	-
Transfers out	(1,113,652)	(1,133,652)	(1,133,652)	-
Total other financing sources (uses)	<u>(1,067,652)</u>	<u>(168,352)</u>	<u>(187,072)</u>	<u>(18,720)</u>
Net change in fund balance	<u>(54,532)</u>	<u>607,522</u>	<u>2,128,988</u>	<u>1,521,466</u>
Fund balance, beginning of year	<u>5,706,306</u>	<u>5,706,306</u>	<u>5,706,306</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,651,774</u>	<u>\$ 6,313,828</u>	<u>\$ 7,835,294</u>	<u>\$ 1,521,466</u>

Pikes Peak Library District
Notes to Required Supplementary Information
Year Ended December 31, 2015

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.

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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.

Pikes Peak Library District
Comparative Balance Sheets
General Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 10,528,479	\$ 12,039,819
Receivables, net of allowance for uncollectibles		
Property taxes	24,806,927	24,137,465
Accounts	288,746	124,456
Due from discretely presented component unit	20,280	7,522
Due from other governments	246,423	213,960
Prepaid items	510,377	475,065
Total assets	\$ 36,401,232	\$ 36,998,287
Liabilities		
Accounts payable	\$ 492,623	\$ 694,145
Accrued compensation payable	572,282	607,215
Unearned revenue	-	112,308
Due to other funds	2,487,702	5,644,310
Total liabilities	3,552,607	7,057,978
Deferred Inflows of Resources		
Unavailable revenue - property taxes	24,806,927	24,137,465
Unavailable fund resources	206,404	96,538
Total deferred inflows of resources	25,013,331	24,234,003
Fund Balances		
Nonspendable:		
Prepaid expenditures	510,377	475,065
Restricted for:		
Declared emergencies	832,230	815,440
Gifts and grants	112,318	103,120
Committed for:		
Capital projects	900,000	-
Assigned to:		
Purchased contracts	93,757	100,762
Library materials	490,190	579,121
Unassigned	4,896,422	3,632,798
Total fund balances	7,835,294	5,706,306
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,401,232	\$ 36,998,287

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
General Fund
Years Ended December 31, 2015 and 2014

	2015	2014
Revenues		
Taxes		
Local property taxes		
Current	\$ 24,092,442	\$ 23,691,576
Delinquent	12,160	72,755
Omitted	3,699	2,887
Specific ownership taxes	2,765,049	2,546,327
Interest on taxes	29,628	56,389
Total taxes	26,902,978	26,369,934
Intergovernmental	305,794	291,251
Fines and fees	538,214	530,364
Interest earnings	26,550	18,692
Donations/fundraising	325,575	193,628
Miscellaneous		
Copy sales	58,118	55,526
Parking lot collections	32,846	35,096
Other	38,389	39,272
Total miscellaneous	129,353	129,894
Total revenues	28,228,464	27,533,763
Expenditures		
Current		
Public services	10,920,862	10,082,713
Administrative services	3,117,393	3,579,898
Director's Office	388,998	400,830
Finance Office	466,230	436,711
Information Technology Office	6,956,635	6,987,355
Community Relations Office	833,742	766,781
Other administrative	3,107,844	2,723,087
Capital outlay	120,700	31,569
Total expenditures	25,912,404	25,008,944
Excess of revenues over expenditures	2,316,060	2,524,819
Other financing sources (uses)		
Proceeds from sale of capital assets	27,280	44,370
Transfers in	919,300	-
Transfers out	(1,133,652)	(3,088,231)
Total other financing sources (uses)	(187,072)	(3,043,861)
Net change in fund balance	2,128,988	(519,042)
Fund balance, beginning of year	5,706,306	6,225,348
Fund balance, end of year	\$ 7,835,294	\$ 5,706,306

Pikes Peak Library District
Schedule of Expenditures by Natural Classification-
Budget and Actual
General Fund
Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Personnel services	\$ 16,444,214	\$ 16,356,674	\$ 15,904,077	\$ 452,597
Supplies	863,574	959,656	732,640	227,016
Telecommunications	360,594	360,694	409,626	(48,932)
Library materials	4,111,305	4,383,500	4,279,833	103,667
Utilities	621,855	626,577	571,033	55,544
Contractual services	2,847,388	2,834,838	2,587,094	247,744
Repairs and maintenance	754,659	758,424	578,877	179,547
Other services	791,625	880,775	728,524	152,251
Capital outlay	83,158	148,808	120,700	28,108
Total expenditures	\$ 26,878,372	\$ 27,309,946	\$ 25,912,404	\$ 1,397,542

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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 three 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.

Pikes Peak Library District
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Fund	Capital	
	Designated Purpose Fund	North Facility Project Fund	East Library Renovation Fund
Assets			
Accounts receivable	\$ -	\$ -	\$ -
Due from other funds	342,115	875,462	387,510
Prepaid items	-	-	-
	-	-	-
Total Assets	\$ 342,115	\$ 875,462	\$ 387,510
Liabilities			
Accounts payable	\$ 9,283	\$ -	\$ 210,865
	9,283	-	210,865
Fund Balance			
Nonspendable			
Prepaid expenditures	-	-	-
Restricted for:			
Gifts and grants	53,896	-	-
Committed to:			
Capital projects	271,312	875,462	176,645
Assigned to:			
Gifts and grants	7,624	-	-
	7,624	-	-
Total fund balance	332,832	875,462	176,645
Total liabilities and fund balance	\$ 342,115	\$ 875,462	\$ 387,510

Project Funds		
Penrose Library Renovation Fund	Capital Reserve Fund	Total Nonmajor Governmental Funds
\$ -	\$ 25,800	\$ 25,800
349,854	532,761	2,487,702
-	4,990	4,990
<u>\$ 349,854</u>	<u>\$ 563,551</u>	<u>\$ 2,518,492</u>
<u>\$ 194,215</u>	<u>\$ 61,125</u>	<u>\$ 475,488</u>
-	4,990	4,990
-	-	53,896
155,639	497,436	1,976,494
-	-	7,624
<u>155,639</u>	<u>502,426</u>	<u>2,043,004</u>
<u>\$ 349,854</u>	<u>\$ 563,551</u>	<u>\$ 2,518,492</u>

Pikes Peak Library District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2015

	Special Revenue Fund	Capital	
	Designated Purpose Fund	North Facility Project Fund	East Library Renovation Fund
Revenues			
Donations	\$ -	\$ 250,000	\$ 95,000
Other	-	-	-
Total revenues	<u>-</u>	<u>250,000</u>	<u>95,000</u>
Expenditures			
Current			
Public services	89	24,740	-
Capital outlay	93,487	409,900	1,879,222
Total expenditures	<u>93,576</u>	<u>434,640</u>	<u>1,879,222</u>
Deficiency of revenues over expenditures	<u>(93,576)</u>	<u>(184,640)</u>	<u>(1,784,222)</u>
Other financing sources			
Proceeds from insurance reimbursement	-	-	-
Proceeds from sales of assets	-	780	-
Transfers in	-	27,200	117,320
Transfers out	-	(169,300)	-
Total financing sources (uses)	<u>-</u>	<u>(141,320)</u>	<u>117,320</u>
Net change in fund balances	(93,576)	(325,960)	(1,666,902)
Fund balances, beginning of year	<u>426,408</u>	<u>1,201,422</u>	<u>1,843,547</u>
Fund balances, end of year	<u>\$ 332,832</u>	<u>\$ 875,462</u>	<u>\$ 176,645</u>

Project Funds		
Penrose Library Renovation Fund	Capital Reserve Fund	Total Nonmajor Governmental Funds
\$ 825,150	\$ 8,500	\$ 1,178,650
-	25,800	25,800
<u>825,150</u>	<u>34,300</u>	<u>1,204,450</u>
-	-	24,829
<u>1,402,381</u>	<u>1,063,124</u>	<u>4,848,114</u>
<u>1,402,381</u>	<u>1,063,124</u>	<u>4,872,943</u>
<u>(577,231)</u>	<u>(1,028,824)</u>	<u>(3,668,493)</u>
-	18,703	18,703
-	-	780
23,000	1,041,132	1,208,652
<u>(825,000)</u>	<u>-</u>	<u>(994,300)</u>
<u>(802,000)</u>	<u>1,059,835</u>	<u>233,835</u>
<u>(1,379,231)</u>	<u>31,011</u>	<u>(3,434,658)</u>
<u>1,534,870</u>	<u>471,415</u>	<u>5,477,662</u>
<u>\$ 155,639</u>	<u>\$ 502,426</u>	<u>\$ 2,043,004</u>

Pikes Peak Library District
Comparative Balance Sheets
Designated Purpose Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Due from other funds	\$ 342,115	\$ 426,483
Liabilities		
Accounts payable	\$ 9,283	\$ 75
Fund Balance		
Restricted for:		
Gifts and grants	53,896	75,778
Committed to:		
Capital projects	271,312	343,006
Assigned to:		
Gifts and grants	7,624	7,624
Total fund balance	332,832	426,408
Total liabilities and fund balance	\$ 342,115	\$ 426,483

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Designated Purpose Fund
Years Ended December 31, 2015 and 2014

	2015	2014
Expenditures		
Current - public services	\$ 89	\$ 2,524
Capital outlay	93,487	47,734
Total expenditures	93,576	50,258
Deficiency of revenues over expenditures	(93,576)	(50,258)
Fund balance, beginning of year	426,408	476,666
Fund balance, end of year	\$ 332,832	\$ 426,408

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Designated Purpose Fund
Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current - public services	\$ 24,313	\$ 24,313	\$ 89	\$ 24,224
Capital outlay	120,325	177,365	93,487	83,878
	144,638	201,678	93,576	108,102
Total expenditures				
	(144,638)	(201,678)	(93,576)	108,102
Net change in fund balance				
Fund balance, beginning of year	427,811	369,585	426,408	56,823
Fund balance, end of year	\$ 283,173	\$ 167,907	\$ 332,832	\$ 164,925

Pikes Peak Library District
Comparative Balance Sheets
North Facility Project Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Due from discretely presented component unit	\$ -	\$ 30,000
Due from other funds	875,462	1,186,538
Total assets	\$ 875,462	\$ 1,216,538
Liabilities		
Accounts payable	\$ -	\$ 15,116
Fund Balance		
Committed to:		
Capital projects	875,462	1,201,422
Total liabilities and fund balance	\$ 875,462	\$ 1,216,538

Pikes Peak Library District
Comparative Statements of Revenue, Expenditures
and Changes in Fund Balance
North Facility Project Fund
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues		
Donations	\$ 250,000	\$ 269,300
Expenditures		
Other services	24,740	-
Capital outlay	409,900	4,693,990
Total Expenditures	<u>434,640</u>	<u>4,693,990</u>
Deficiency of revenues over expenditures	<u>(184,640)</u>	<u>(4,424,690)</u>
Other financing sources		
Transfers in	27,200	300,047
Transfers out	(169,300)	-
Proceeds from sales of assets	780	6,033
Total other financing sources	<u>(141,320)</u>	<u>306,080</u>
Net change in fund balance	<u>(325,960)</u>	<u>(4,118,610)</u>
Fund balance, beginning of year	<u>1,201,422</u>	<u>5,320,032</u>
Fund balance, end of year	<u><u>\$ 875,462</u></u>	<u><u>\$ 1,201,422</u></u>

Pikes Peak Library District
Schedule of Revenue, Expenditures
and Changes in Fund Balance – Budget and Actual
North Facility Project Fund
Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Donations	\$ -	\$ 200,000	\$ 250,000	\$ 50,000
Expenditures				
Other services	-	28,000	24,740	3,260
Capital outlay	27,200	1,231,322	409,900	821,422
Total expenditures	<u>27,200</u>	<u>1,259,322</u>	<u>434,640</u>	<u>824,682</u>
Deficiency of revenues under expenditures	<u>(27,200)</u>	<u>(1,059,322)</u>	<u>(184,640)</u>	<u>874,682</u>
Other financing sources (uses)				
Transfers in	27,200	27,200	27,200	-
Transfers out	-	(169,300)	(169,300)	-
Proceeds from sales of assets	-	-	780	780
Total other financing sources (uses)	<u>27,200</u>	<u>(142,100)</u>	<u>(141,320)</u>	<u>780</u>
Net change in fund balance	-	(1,201,422)	(325,960)	875,462
Fund balance, beginning of year	<u>1,201,422</u>	<u>1,201,422</u>	<u>1,201,422</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1,201,422</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 875,462</u></u>	<u><u>\$ 875,462</u></u>

Pikes Peak Library District
Comparative Balance Sheets
East Library Renovation Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Due from other funds	\$ 387,510	\$ 1,883,414
Liabilities		
Accounts payable	\$ 210,865	\$ 39,867
Fund Balance		
Committed to:		
Capital projects	176,645	1,843,547
Total liabilities and fund balance	\$ 387,510	\$ 1,883,414

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
East Library Renovation Fund
Years Ended December 31, 2015 and 2014

	2015	2014
Revenues		
Donations	\$ 95,000	\$ -
Expenditures		
Capital outlay	1,879,222	39,867
Deficiency of revenues over expenditures	(1,784,222)	(39,867)
Other financing sources		
Transfers in	117,320	1,272,261
Net change in fund balance	(1,666,902)	1,232,394
Fund balance, beginning of year	1,843,547	611,153
Fund balance, end of year	\$ 176,645	\$ 1,843,547

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
East Library Renovation Fund
Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Donations	\$ -	\$ 10,000	\$ 95,000	\$ 85,000
Expenditures				
Capital outlay	22,320	1,970,867	1,879,222	91,645
Deficiency of revenues under expenditures	(22,320)	(1,960,867)	(1,784,222)	176,645
Other financing sources				
Transfers in	22,320	117,320	117,320	-
Net change in fund balance	-	(1,843,547)	(1,666,902)	176,645
Fund balance, beginning of year	1,843,547	1,843,547	1,843,547	-
Fund balance, end of year	\$ 1,843,547	\$ -	\$ 176,645	\$ 176,645

Pikes Peak Library District
Comparative Balance Sheets
Penrose Library Renovation Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Due from other governments	\$ 349,854	\$ 1,595,295
Liabilities		
Accounts payable	\$ 194,215	\$ 60,425
Fund Balance		
Committed to:		
Capital projects	155,639	1,534,870
Total liabilities and fund balance	\$ 349,854	\$ 1,595,295

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Penrose Library Renovation Fund
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues		
Donations	\$ 825,150	\$ -
Expenditures		
Capital outlay	1,402,381	67,406
Deficiency of revenues over expenditures	<u>(577,231)</u>	<u>(67,406)</u>
Other financing sources		
Transfers in	23,000	1,242,016
Transfers out	<u>(825,000)</u>	<u>-</u>
Total financing sources (uses)	<u>(802,000)</u>	<u>1,242,016</u>
Net change in fund balance	(1,379,231)	1,174,610
Fund balance, beginning of year	<u>1,534,870</u>	<u>360,260</u>
Fund balance, end of year	<u><u>\$ 155,639</u></u>	<u><u>\$ 1,534,870</u></u>

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Penrose Library Renovation Fund
Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Donations	\$ -	\$ 750,000	\$ 825,150	\$ 75,150
Expenditures				
Capital outlay	23,000	1,482,870	1,402,381	80,489
Deficiency of revenues under expenditures	<u>(23,000)</u>	<u>(732,870)</u>	<u>(577,231)</u>	<u>155,639</u>
Other financing sources (uses)				
Transfers in	23,000	23,000	23,000	-
Transfers out	-	(825,000)	(825,000)	-
Total financing sources (uses)	<u>23,000</u>	<u>(802,000)</u>	<u>(802,000)</u>	<u>-</u>
Net change in fund balance	-	(1,534,870)	(1,379,231)	155,639
Fund balance, beginning of year	<u>1,534,870</u>	<u>1,534,870</u>	<u>1,534,870</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,534,870</u>	<u>\$ -</u>	<u>\$ 155,639</u>	<u>\$ 155,639</u>

Pikes Peak Library District
Comparative Balance Sheets
Capital Reserve Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Accounts receivable	\$ 25,800	\$ -
Due from other funds	532,761	552,580
Prepaid items	4,990	-
Total assets	\$ 563,551	\$ 552,580
Liabilities		
Accounts payable	\$ 61,125	\$ 81,165
Fund Balance		
Nonspendable:		
Prepaid expenditures	4,990	-
Committed to:		
Capital projects	497,436	471,415
Total fund balance	502,426	471,415
Total liabilities and fund balance	\$ 563,551	\$ 552,580

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Capital Reserve Fund
Years Ended December 31, 2015 and 2014

	2015	2014
Revenues		
Donations	\$ 8,500	\$ -
Other	25,800	-
	34,300	-
Total revenues	34,300	-
Expenditures		
Capital outlay	1,063,124	522,691
	(1,028,824)	(522,691)
Deficiency of revenues over expenditures	(1,028,824)	(522,691)
Other financing sources (uses)		
Proceeds from insurance reimbursement	18,703	-
Transfers in	1,041,132	528,954
Transfers out	-	(255,047)
	1,059,835	273,907
Total financing sources (uses)	1,059,835	273,907
Net change in fund balance	31,011	(248,784)
Fund balance, beginning of year	471,415	720,199
Fund balance, end of year	\$ 502,426	\$ 471,415

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Capital Reserve Fund
Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Donations	\$ 35,000	\$ 35,000	\$ 8,500	\$ (26,500)
Other	-	-	25,800	25,800
Total revenues	35,000	35,000	34,300	(700)
Expenditures				
Capital outlay	1,076,132	1,566,250	1,063,124	503,126
Deficiency of revenues under expenditures	(1,041,132)	(1,531,250)	(1,028,824)	502,426
Other financing sources				
Proceeds from insurance reimbursement	-	18,703	18,703	-
Transfers in	1,041,132	1,041,132	1,041,132	-
Total financing sources (uses)	1,041,132	1,059,835	1,059,835	-
Net change in fund balance	-	(471,415)	31,011	502,426
Fund balance, beginning of year	471,415	471,415	471,415	-
Fund balance, end of year	\$ 471,415	\$ -	\$ 502,426	\$ 502,426

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INTERNAL SERVICE FUND

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

The District has one Internal Service Fund.

Employee Health Plan Fund

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

Pikes Peak Library District
Internal Service Fund
Comparative Statements of Net Position
Employee Health Plan Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 658,388	\$ 668,825
Deposit	36,667	36,667
Total current assets	695,055	705,492
 Liabilities		
Current Liabilities		
Claims payable	112,438	123,603
Accounts payable	65,834	903
Total current liabilities	178,272	124,506
 Net Position		
Total Net Position - Unrestricted	\$ 516,783	\$ 580,986

Pikes Peak Library District
Internal Service Fund
Comparative Statements of Revenue, Expenses
and Changes in Net Position
Employee Health Plan Fund
Years Ended December 31, 2015 and 2014

	2015	2014
Operating revenues		
Employer contributions	\$ 1,329,547	\$ 1,217,771
Employee contributions	292,380	256,012
Total operating revenues	<u>1,621,927</u>	<u>1,473,783</u>
Operating expenses		
Claims incurred	999,085	898,631
Administrative	687,057	586,658
Total operating expenses	<u>1,686,142</u>	<u>1,485,289</u>
Operating loss	<u>(64,215)</u>	<u>(11,506)</u>
Nonoperating revenues		
Investment earnings	12	12
Change in net position	(64,203)	(11,494)
Total net position, beginning	<u>580,986</u>	<u>592,480</u>
Total net position, ending	<u><u>\$ 516,783</u></u>	<u><u>\$ 580,986</u></u>

Pikes Peak Library District
Internal Service Fund
Comparative Statements of Cash Flows
Employee Health Plan Fund
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Employee and employer contributions	\$ 1,621,927	\$ 1,473,783
Payment of claims and administrative expenses	<u>(1,632,376)</u>	<u>(1,484,616)</u>
Net cash provided by (used in) operating activities	(10,449)	(10,833)
Cash flows from investing activities		
Interest received	<u>12</u>	<u>12</u>
Net decrease in cash and cash equivalents	(10,437)	(10,821)
Cash and cash equivalents, January 1	<u>668,825</u>	<u>679,646</u>
Cash and cash equivalents, December 31	<u>\$ 658,388</u>	<u>\$ 668,825</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (64,215)	\$ (11,506)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Increase in accounts payable	64,931	903
Decrease in claims payable	<u>(11,165)</u>	<u>(230)</u>
Total adjustments	<u>53,766</u>	<u>673</u>
Net cash provided by (used in) operating activities	<u>\$ (10,449)</u>	<u>\$ (10,833)</u>
Noncash investing, capital and financing activities		
None		

AGENCY FUND

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

The District has one agency fund.

Flexible Spending Accounts

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

Pikes Peak Library District
Comparative Statements of Fiduciary Assets and Liabilities
Flexible Spending Accounts – Agency Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 22,369	\$ 61,342
Accounts receivable	27,896	-
Total assets	\$ 50,265	\$ 61,342
Liabilities		
Accounts payable	\$ 50,265	\$ 61,342

Pikes Peak Library District
Statement of Changes in Fiduciary Assets and Liabilities
Flexible Spending Accounts – Agency Fund
Year Ended December 31, 2015

	Flexible Spending Accounts			Balance December 31, 2015
	Balance January 1, 2015	Additions	Deletions	
Assets				
Cash and cash equivalents	\$ 61,342	\$ 90,809	\$ 129,782	\$ 22,369
Other receivables	-	27,896	-	27,896
Total assets	<u>\$ 61,342</u>	<u>\$ 118,705</u>	<u>\$ 129,782</u>	<u>\$ 50,265</u>
Liabilities				
Accounts payable	<u>\$ 61,342</u>	<u>\$ 118,705</u>	<u>\$ 129,782</u>	<u>\$ 50,265</u>

Statistical Section



Sand Creek Library
1821 S. Academy Blvd., Colorado Springs, CO

(719) 597-7070



Ute Pass Library
8010 Severy Rd., Cascade, CO

(719) 684-9342

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.

Contents	Page
Financial Trends	133
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	146
These schedules contain information to help the reader assess the District's most significant revenue source, the property tax.	
Debt Capacity	158
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	166
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	168
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.	

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Exhibit I-1

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

Governmental Activities

Fiscal Year	Invested in Capital Assets, Net of			Total
	Related Debt	Restricted	Unrestricted	
2006	\$ 29,688,346	\$ 650,401	\$ 3,747,915	\$ 34,086,662
2007	31,044,662	690,363	5,189,755	36,924,780
2008	30,800,858	714,126	6,459,901	37,974,885
2009	31,464,402	754,282	8,313,471	40,532,155
2010	32,881,474	771,319	8,894,537	42,547,330
2011	32,872,879	858,203	10,686,653	44,417,735
2012	34,818,102	837,421	10,230,456	45,885,979
2013	33,839,914	1,005,719	12,831,121	47,676,754
2014	37,633,108	994,338	9,249,165	47,876,611
2015	38,922,766	998,444	282,577	40,203,787

Exhibit I-2

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

Fiscal Year	Expenses					
	Governmental Activities					
	Public Services	Support and Outreach Services	Administrative Services	Director's Office	Finance Office	Information Technology Office
2006	\$ 10,641,943	\$ 4,796,671	\$ 2,817,382	\$ 181,162	\$ 406,645	\$ 1,113,515
2007	8,271,488	4,081,256	3,476,979	219,409	426,739	1,359,962
2008	10,043,347	4,962,156	3,337,749	224,311	514,702	1,343,640
2009	10,029,059	5,111,509	3,304,300	239,948	449,031	1,383,900
2010	8,132,184	-	10,916,543	339,211	451,191	1,472,077
2011	8,115,178	-	10,846,365	366,455	404,789	1,634,549
2012	7,883,922	-	12,021,277	373,535	403,231	1,531,283
2013	8,422,792	-	11,964,223	386,564	435,422	1,716,479
2014	11,479,186	-	4,117,367	400,652	436,539	7,814,245
2015	13,250,047	-	3,785,191	398,398	476,755	7,855,225

Fiscal Year	Program Revenues					
	Charges for Services			Operating Grants and Contributions		
	Public Services	Support and Outreach Services	Total	Public Services	Administrative Services	Information Technology
2006	\$ 339,909	\$ 130,184	\$ 470,093	\$ 151,071	\$ 57,859	\$ -
2007	351,762	135,005	486,767	167,117	64,138	-
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

Fiscal Year	Total Net Expenses
	Total Primary Government
2006	\$ (21,209,838)
2007	(19,156,542)
2008	(21,978,263)
2009	(21,794,671)
2010	(22,457,184)
2011	(23,169,027)
2012	(24,604,138)
2013	(24,838,587)
2014	(26,369,066)
2015	(27,268,439)

	Community Engagement Outreach Office	Other Administration	Interest Expense	Total Primary Government
\$	717,133	\$ 1,684,150	\$ 22,373	\$ 22,380,974
	762,408	1,741,607	2,680	20,342,528
	821,686	1,973,592	298	23,221,481
	797,124	2,153,292	-	23,468,163
	731,409	2,235,421	6,085	24,284,121
	676,199	2,073,758	4,261	24,121,554
	721,944	2,571,087	1,672	25,507,951
	709,136	2,489,209	-	26,123,825
	766,469	2,652,230	-	27,666,688
	853,076	3,107,845	-	29,726,537

Capital Grants and Contributions

	Total	Public Services	Support and Outreach Services	Administrative Services	Information Technology	Total	Total Primary Government
\$	208,930	\$ 355,831	\$ 136,282	\$ -	\$ -	\$ 492,113	1,171,136
	231,255	27,807	440,157	-	-	467,964	1,185,986
	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	1,645,190	2,458,098

Exhibit I-3

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

						Governmental Activities	
						General Revenues	
Fiscal Year	Property Taxes	Specific Ownership Taxes	Investment Earnings	Miscellaneous	Total		
2006	\$ 17,436,541	\$ 2,347,386	\$ 418,492	\$ 128,696	\$ 20,331,115		
2007	18,899,082	2,571,483	493,172	185,898	22,149,635		
2008	20,382,917	2,325,426	282,118	140,716	23,131,177		
2009	21,881,357	2,247,518	50,888	172,178	24,351,941		
2010	22,199,204	2,072,875	30,838	169,442	24,472,359		
2011	22,783,130	2,013,321	15,988	226,993	25,039,432		
2012	23,588,482	2,267,050	34,635	182,215	26,072,382		
2013	23,930,258	2,413,142	21,912	264,051	26,629,363		
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		
Total Changes in Net Position							
Fiscal Year	Total						
Year	Primary Government						
2006	\$ (878,723)						
2007	2,838,118						
2008	1,050,105						
2009	2,557,270						
2010	2,015,175						
2011	1,870,405						
2012	1,468,244						
2013	1,790,775						
2014	199,857						
2015	(136,995)						

TABOR Refund		
Fiscal Year Spending and Property Tax Revenue in Excess of Limit		Total Primary Government
\$	-	\$ 20,331,115
	(154,975)	21,994,660
	(102,809)	23,028,368
	-	24,351,941
	-	24,472,359
	-	25,039,432
	-	26,072,382
	-	26,629,363
	-	26,568,923
	-	27,131,444

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Exhibit I-4

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

General Fund

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

Other Governmental Funds

Fiscal Year	Reserved	Unreserved - Fund Type			Non-spendable	Restricted	Committed	Assigned	Total
		Special Revenue	Capital Projects	Total					
2006	\$ 2,024	\$ 428,587	\$ -	\$ 428,587	\$ -	\$ -	\$ -	\$ -	\$ 430,611
2007	348,926	353,743	686,498	1,040,241	-	-	-	-	1,389,167
2008	1,373,307	344,470	628,498	972,968	-	-	-	-	2,346,275
2009	132,884	322,133	2,718,990	3,041,123	-	-	-	-	3,174,007
2010	503,381	311,181	1,987,508	2,298,689	-	-	-	-	2,802,070
2011	-	-	-	-	-	89,270	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

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)**

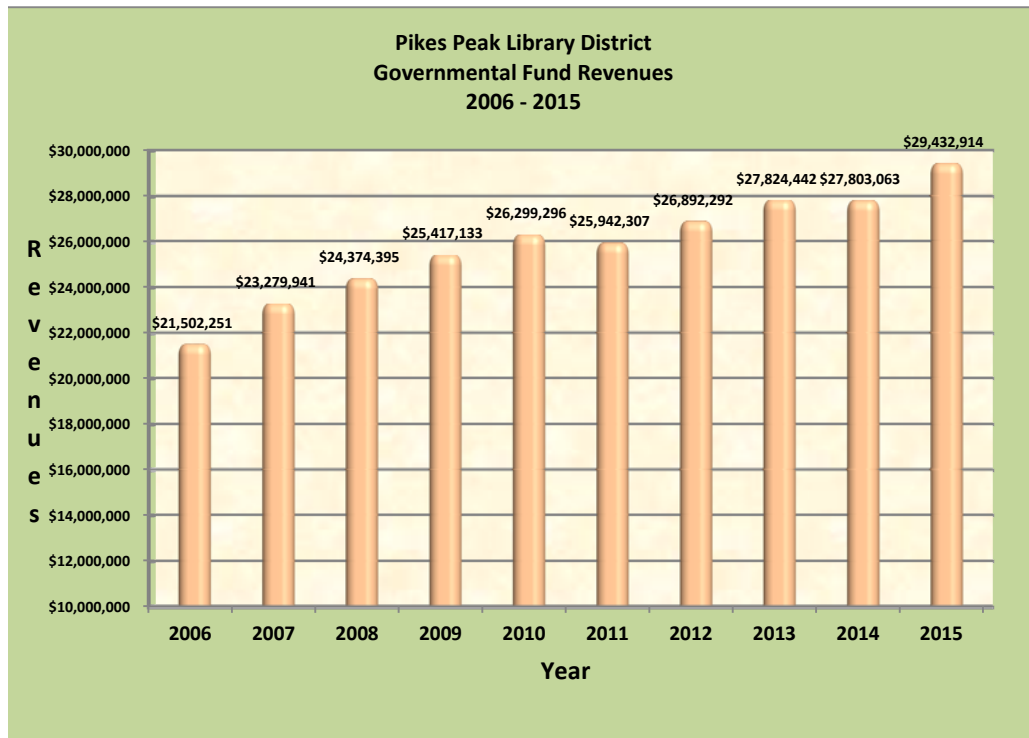
Fiscal Year	Revenues	Expenditures	Other Financing Sources (Uses)		
			Capital Lease Financing	Proceeds from Sale of Capital Assets	Proceeds from Insurance Reimbursement
2006	\$ 21,502,251	\$ 20,943,653	\$ -	\$ 56,774	\$ -
2007	23,279,941	21,478,806	-	55,680	-
2008	24,374,395	23,034,259	-	51,596	-
2009	25,417,133	23,205,387	-	50,724	-
2010	26,299,296	25,818,473	173,756	48,207	-
2011	25,942,307	24,092,049	-	49,652	-
2012	26,892,292	27,827,510	-	40,924	-
2013	27,824,442	26,370,151	-	83,277	12,985
2014	27,803,063	30,383,156	-	50,403	-
2015	29,432,914	30,785,347	-	28,060	18,703

TABOR Refund Fiscal Year Spending and Property Tax Revenue In Excess of Limit	Net Change in Fund Balance	Ratio of Debt Service Expenditures to Noncapital Expenditures
\$ -	\$ 615,372	1.98%
(154,975)	1,701,840	0.25%
(102,809)	1,288,923	0.08%
-	2,262,470	0.00%
-	702,786	0.26%
-	1,899,910	0.30%
-	(894,294)	0.27%
-	1,550,553	0.00%
-	(2,529,690)	0.00%
-	(1,305,670)	0.00%

Exhibit I-6

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

Fiscal Year	Taxes	Intergovernmental	Fines and Fees	Interest Earnings
2006	\$ 19,783,927	\$ 32,492	\$ 470,093	\$ 418,492
2007	21,470,565	302,805	486,767	493,172
2008	22,708,343	291,416	518,235	282,118
2009	24,128,875	241,372	533,167	50,888
2010	24,272,079	1,126,247	526,805	30,838
2011	24,796,451	185,728	521,577	15,988
2012	25,855,532	85,247	529,077	34,635
2013	26,343,399	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

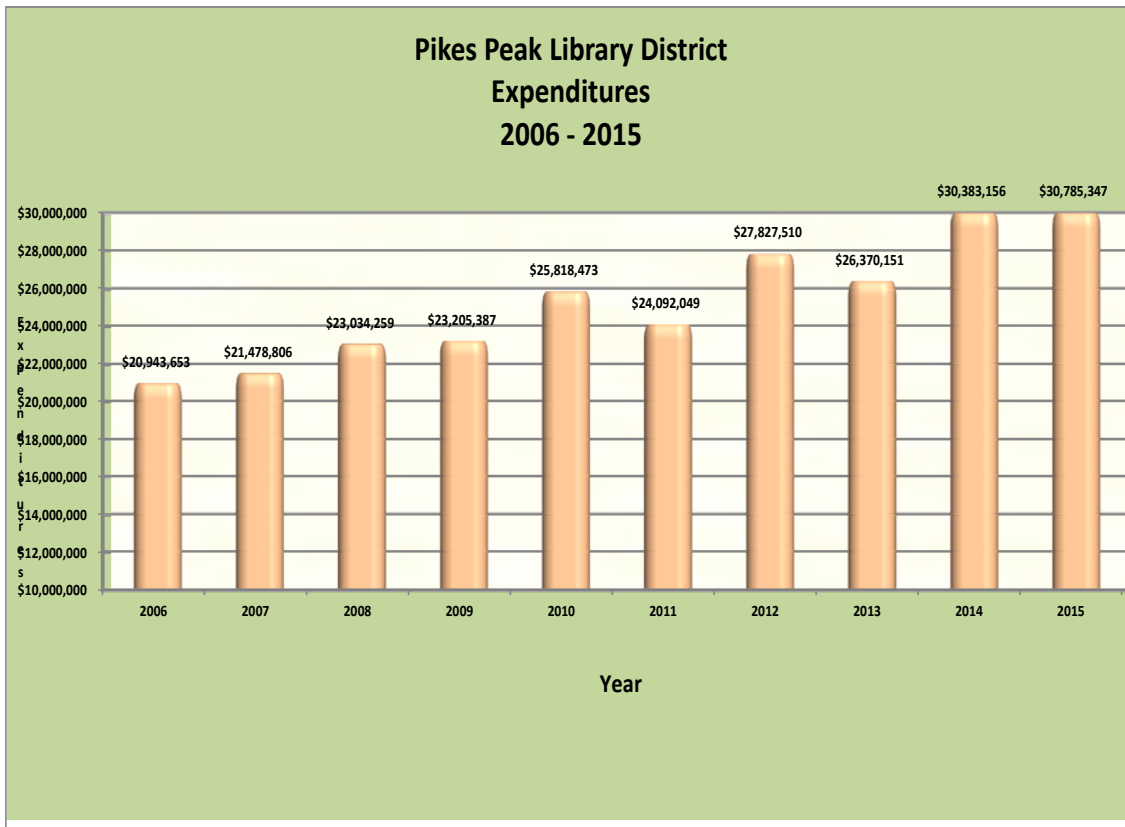


Miscellaneous	Total
\$ 797,247	\$ 21,502,251
526,632	23,279,941
574,283	24,374,395
462,831	25,417,133
343,327	26,299,296
422,563	25,942,307
387,801	26,892,292
774,928	27,824,442
592,822	27,803,063
1,659,378	29,432,914

Exhibit I-7

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

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



	Repairs and Maintenance		Other Services	Total	Capital Outlay	Debt Service		Total Expenditures					
	Principal	Interest											
\$	264,728	\$	974,081	\$	18,532,737	\$	2,035,680	\$	352,863	\$	22,373	\$	20,943,653
	321,387		970,787		19,596,099		1,834,521		45,506		2,680		21,478,806
	336,980		1,159,216		20,704,072		2,314,125		15,764		298		23,034,259
	264,760		1,059,682		20,664,836		2,540,551		-		-		23,205,387
	417,822		773,001		21,936,718		3,824,985		50,685		6,085		25,818,473
	457,546		729,920		22,062,312		1,967,806		57,670		4,261		24,092,049
	385,416		715,462		22,732,454		5,027,983		65,401		1,672		27,827,510
	454,927		760,146		23,553,822		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

Exhibit I-8

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

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

Notes:

(1) The following are the assessment rates for collection years 2005 through 2015:

Collection Year	Residential	All Other Categories
2006 - 2015	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
\$	5,236,880,910	3.296	\$ 43,055,328,109	12.2%
	5,407,012,540	3.515	44,863,119,538	12.1%
	6,142,321,540	3.325	51,132,086,138	12.0%
	6,208,041,670	3.540	51,945,119,031	12.0%
	6,454,866,500	3.468	54,139,832,052	11.9%
	6,462,164,700	3.556	54,424,863,955	11.9%
	5,968,035,500	3.999	50,486,291,757	11.8%
	6,042,452,470	4.000	51,330,607,557	11.8%
	6,028,899,300	4.000	51,083,591,917	11.8%
	6,117,132,700	4.000	51,934,178,939	11.8%

Exhibit I-9

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

Taxing Authority	Collection Year				
	2006	2007	2008	2009	2010
Direct					
Pikes Peak Library District	3.296	3.515	3.325	3.540	3.468
Overlapping Governments					
El Paso County	7.673	7.710	7.514	7.583	7.531
Cities and Towns					
Calhan	17.525	17.563	17.563	17.563	17.563
Colorado Springs	4.944	4.944	4.944	4.944	4.279
Fountain	10.239	10.239	10.239	10.239	10.239
Green Mountain Falls	14.588	14.588	15.558	14.588	13.588
Manitou Springs	-	-	-	-	-
Monument	5.872	6.458	6.289	6.289	6.289
Palmer Lake	19.070	16.544	15.340	16.180	15.989
Ramah	19.827	19.827	19.827	19.827	19.827
Fire Districts					
Big Sandy	7.000	8.000	8.000	8.000	8.000
Black Forest	7.659	7.287	6.600	6.444	6.322
Black Forest (OPS)	2.694	2.322	1.635	1.479	1.357
Broadmoor	4.500	4.500	4.500	4.500	4.500
Calhan	7.297	7.672	7.558	7.461	6.313
Cascade	6.007	6.544	6.333	6.748	6.940
Cimarron Hills	10.314	10.780	11.110	11.082	11.110
Donald Wescott	7.000	7.000	7.000	7.000	7.000
Edison	-	-	9.000	9.000	9.000
Elbert	4.575	4.575	4.575	4.575	4.575
Ellicott	4.427	4.481	4.354	9.116	9.374
Falcon	5.712	5.712	5.712	5.712	5.712
Green Mountain Falls	6.916	7.314	7.775	6.829	6.905
Hanover	4.720	4.720	4.720	4.720	4.720
Peyton	2.130	6.114	6.137	6.135	6.109
Security	6.391	6.692	6.675	6.706	6.687
Stratmoor Hills	12.527	12.660	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	7.000	8.500	8.500	8.500	8.500
Woodmoor Monument	9.921	9.921	8.500	-	-
Woodman Valley	9.050	9.050	9.050	9.050	9.050

2011	2012	2013	2014	2015
3.556	3.999	4.000	4.000	4.000
7.717	7.597	7.663	7.714	7.791
17.563	17.563	17.563	17.563	17.563
4.279	4.279	4.279	4.279	4.279
10.239	10.239	10.239	10.239	10.239
14.588	14.588	17.588	17.588	17.588
-	-	12.070	12.060	12.050
6.289	6.289	6.289	6.289	6.289
16.459	16.459	16.459	16.459	16.459
19.827	19.827	19.827	19.827	19.827
8.000	8.000	8.000	8.000	8.000
6.275	10.406	10.379	10.382	10.356
1.310	1.191	1.164	1.167	1.141
4.500	4.500	4.500	4.500	4.500
7.094	6.500	6.536	6.523	6.552
7.373	7.968	8.443	9.168	9.410
11.110	12.150	14.390	14.390	15.290
7.000	7.000	7.000	7.000	7.000
9.000	9.000	9.000	9.000	9.000
4.575	4.575	4.575	4.575	4.575
9.329	9.999	10.168	10.290	10.220
5.712	8.612	8.612	8.612	8.612
7.325	8.048	8.542	8.788	9.293
4.720	4.720	4.720	4.720	4.720
6.253	6.253	6.458	6.130	6.130
6.693	6.681	10.001	10.001	10.002
12.423	12.423	12.423	12.002	12.686
7.200	7.200	13.200	13.200	13.200
3.000	3.000	3.000	3.000	3.000
8.500	8.500	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)

Taxing Authority	Collection Year				
	2006	2007	2008	2009	2010
Water Districts					
Cheyenne Creek	0.800	0.800	0.800	0.800	0.800
Forest View	-	5.000	5.000	5.000	5.000
Park Forest	14.437	14.437	14.437	14.437	14.437
Red Rock Valley Estates	14.285	14.135	12.325	12.409	13.123
Stratmoor Hills	2.390	2.391	2.391	2.128	2.224
S.E. Colo. Water Conserv.	0.943	0.941	0.915	0.943	0.940
Security	6.082	6.367	5.946	5.822	5.961
Turkey Canyon Ranch	7.841	8.416	7.858	8.523	8.622
Upper Arkansas Water Conserv.	-	-	-	-	0.445
Upper Big Sandy	0.532	0.532	0.534	0.532	0.532
Upper Black Squirrel	0.706	0.706	0.682	0.682	0.682
Sanitation Districts					
Fountain	3.759	4.134	4.500	4.501	4.500
Security	0.921	0.962	0.898	0.889	0.896
Stratmoor Hills	0.650	0.650	0.650	0.579	0.621
Monument	3.300	3.200	-	-	-
Sanitation and Water Districts					
Academy	26.955	27.613	24.817	25.517	23.637
Donala (Area A)	16.121	16.296	16.296	16.296	16.296
Donala (Area B)	7.127	8.148	8.148	8.148	8.148
Garden Valley	3.831	4.142	4.065	4.001	7.000
Garden Valley #2	-	-	-	-	7.000
Westmoor	30.645	31.840	31.423	33.070	29.055
Woodmoor	8.500	8.500	7.250	7.000	6.950

2011	2012	2013	2014	2015
0.500	0.500	0.500	0.500	0.500
5.000	5.000	5.000	5.000	5.000
14.437	14.437	14.437	14.437	14.437
13.894	16.803	17.709	17.872	18.575
2.000	2.000	2.088	2.055	1.974
0.947	0.947	0.944	0.944	0.094
5.960	5.952	5.947	5.980	5.955
9.058	11.005	9.500	9.500	9.500
0.454	0.495	0.478	0.478	0.478
0.532	0.532	0.532	0.532	0.532
1.082	1.082	1.082	1.082	1.082
4.654	5.334	5.534	5.755	6.101
0.900	0.899	0.898	0.903	0.899
0.549	0.549	0.573	0.578	0.578
-	-	-	-	-
21.450	24.950	24.755	2.937	2.937
16.296	16.296	21.296	21.296	21.296
8.148	8.148	10.648	10.648	10.648
10.000	8.617	8.167	9.920	9.055
7.000	5.500	5.805	5.613	5.736
30.986	35.508	37.471	34.956	41.288
6.950	-	-	-	-

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)**

Taxing Authority	Collection Year				
	2006	2007	2008	2009	2010
School Districts					
Air Force Academy #20	60.216	60.216	60.216	60.216	60.216
Big Sandy #100J	26.499	25.397	25.481	25.499	25.509
Calhan #RJ-1	36.829	36.180	33.800	33.645	30.031
Cheyenne Mountain #12	54.800	50.391	44.741	44.794	43.765
Colorado Springs #11	43.813	44.045	44.045	42.331	42.183
Edison #54	36.837	36.357	38.814	38.801	37.525
Ellicott #22	48.419	47.903	46.947	46.009	45.633
Falcon #49	46.848	45.547	45.795	45.674	45.572
Fremont/Florence #39	30.920	30.380	28.934	29.548	29.695
Fountain/Ft. Carson #8	20.096	19.699	19.715	24.301	29.695
Hanover #28	26.043	26.043	25.442	25.459	23.436
Harrison #2	44.081	44.039	42.473	41.409	41.434
Lewis-Palmer #38	32.746	53.786	49.586	46.077	48.074
Manitou Springs #14	-	-	-	-	-
Miami/Yoder #60	32.047	31.283	40.906	41.281	41.366
Peyton #23	36.261	36.279	35.000	34.000	33.969
Miscellaneous Districts	1,087.400	1,568.774	2,094.822	2,115.266	2,710.623

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

2011	2012	2013	2014	2015
60.216	60.216	60.216	60.216	60.216
25.468	42.067	42.128	40.787	40.379
30.049	30.049	29.117	27.096	27.193
49.764	49.764	50.000	50.000	53.000
44.004	44.004	43.445	44.264	43.165
36.104	36.104	37.044	37.861	37.340
41.148	41.148	41.147	37.124	37.126
45.842	45.842	45.585	45.617	45.796
33.907	33.907	28.774	28.776	29.251
24.723	24.723	24.703	24.726	24.775
27.551	27.551	27.463	31.103	27.759
41.147	41.147	41.344	41.344	36.997
52.343	52.343	51.756	50.091	49.677
-	-	47.354	47.649	47.555
42.853	42.853	43.194	42.710	41.926
34.041	34.041	34.097	30.985	30.919
2,554.140	2,554.140	2,703.102	2,975.466	3,083.266

Exhibit I-10

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

Principal Taxpayer	Type of Business	Fiscal Year 2015		Fiscal Year 2006	
		Assessed Valuation	Percent of Total Assessed Valuation	Assessed Valuation	Percent of Total Assessed Valuation
Qwest Corporation	Telecommunications	\$ 63,457,430	1.04%	\$ 59,576,160	1.14%
CELLCO Partnership	Investments	59,847,430	0.98%	-	-
Broadmoor Hotel, Inc.	Hotel	31,283,250	0.51%	24,917,670	0.48%
Mountain View Electric	Utilities	28,614,100	0.47%	-	-
dpiX, LLC	Technology	25,103,060	0.41%	-	0.00%
Wal-Mart Businesses	Merchandise/Retail	24,922,080	0.41%	24,343,920	0.46%
CV Patriot Springs, LLC	Investments	21,343,070	0.35%	-	-
Southwest Generation	Utilities	16,389,000	0.27%	-	-
Colorado Interstate Gas Co.	Utilities	15,171,700	0.25%	-	-
Palmer Center LTD	Hotel, Office Center	13,688,640	0.22%	13,725,750	0.26%
Intel Corp	Technology	-	-	78,908,890	1.51%
Atmel Corp.	Investments	-	-	39,886,640	0.76%
Black Hills Fountain Valley Power LLC	Utilities	-	-	28,963,100	0.55%
Agilent Technologies	Technology	-	-	16,516,680	0.32%
MCI Telecommunications Corp.	Communications	-	-	16,315,400	0.31%
Coyote Garrison Chapel Hills Mall LLP	Retail Mall	-	-	14,289,080	0.27%
Total Top 10 Principal Taxpayers		\$ 299,819,760	4.90%	\$ 317,443,290	6.06%
Total Assessed Valuation		\$ 6,117,132,700	100.00%	\$ 5,236,880,910	100.00%

Data Source: El Paso County Treasurer's Office

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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
2005	2006	\$ 17,559,260	\$ 17,391,950	99.0%	\$ 15,562
2006	2007	18,997,055	18,828,686	99.1%	30,205
2007	2008	20,404,148	20,325,222	99.6%	14,552
2008	2009	21,952,801	21,802,319	99.3%	17,902
2009	2010	22,348,644	22,096,603	98.9%	44,982
2010	2011	22,907,471	22,708,581	99.1%	19,503
2011	2012	23,776,533	23,521,488	98.9%	19,120
2012	2013	24,058,794	23,852,302	99.1%	30,559
2013	2014	23,978,299	23,691,576	98.8%	72,755
2014	2015	24,290,297	24,092,442	99.2%	12,160

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

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

Exhibit I-12

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

Year Ended December 31,	Population	Capital Leases		
		Gross Debt	Funds Available in Debt Service Fund	Net Debt
2006	516,366	\$ 65,286	\$ -	\$ 65,286
2007	527,600	19,780	-	19,780
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	-	-	-

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
0.13	\$ 21,479,738,000	0.000%	\$ 5,236,880,910	0.000%
0.04	22,803,097,000	0.000%	5,407,012,540	0.000%
-	23,758,135,000	0.000%	6,142,321,540	0.000%
-	24,047,682,000	0.000%	6,208,041,670	0.000%
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%
-	N/A	0.000%	6,117,132,700	0.000%

Exhibit I-13

**Pikes Peak Library District
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015
(Unaudited)**

Tax District	Governmental Activities Debt	Percentage Applicable to Pikes Peak Library District	Amount Applicable to Pikes Peak Library District
Direct:			
Pikes Peak Library District	\$ -	100.00%	\$ -
Overlapping:			
Cities and Towns			
Colorado Springs	37,264,000	100.00%	37,264,000
Fountain	3,638,753	100.00%	3,638,753
Monument	791,715	100.00%	791,715
Palmer Lake	157,800	100.00%	157,800
Total Cities and Towns			41,852,268
El Paso County	153,904,963	94.18%	144,947,694
Special Districts			
Fire protection	16,770,965	100.00%	16,770,965
Miscellaneous	241,176,383	100.00%	241,176,383
Water	40,125,258	100.00%	40,125,258
Water and Sanitation	25,834,476	100.00%	25,834,476
General Improvement	36,435,731	100.00%	36,435,731
Metropolitan	340,918,615	100.00%	340,918,615
Total Special Districts			701,261,428
School Districts			
Academy #20	134,922,056	100.00%	134,922,056
Big Sandy #100J	2,597,959	100.00%	2,597,959
Calhan #1	314,815	100.00%	314,815
Cheyenne Mountain #12	67,396,719	100.00%	67,396,719
Colorado Springs #11	162,964,091	100.00%	162,964,091
Edison #54	3,211	100.00%	3,211
Ellicott #22	5,078,191	100.00%	5,078,191
Falcon #49	8,380,000	100.00%	8,380,000
Fountain Fort Carson #8	6,418,383	100.00%	6,418,383
Fremont/Florence #39	9,698,898	100.00%	9,698,898
Harrison #2	41,435,000	100.00%	41,435,000
Lewis Palmer #38	75,068,960	100.00%	75,068,960
Manitou Springs School #14	3,445,000	100.00%	3,445,000
Miami/Yoder #60	1,795,000	100.00%	1,795,000
Peyton #23	2,666,909	100.00%	2,666,909
Widefield #3	7,925,000	100.00%	7,925,000
Total School Districts			530,110,192
Total Overlapping			1,418,171,582
Total Direct and Overlapping			\$ 1,418,171,582

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.

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Exhibit I-14

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

	2006	2007	2008	2009	2010
Assessed valuation	\$ 5,236,880,910	\$ 5,407,012,540	\$ 6,142,321,540	\$ 6,208,041,670	\$ 6,454,866,500
Debt limitation - 1.5% of total assessed value	\$ 78,553,214	\$ 81,105,188	\$ 92,134,823	\$ 93,120,625	\$ 96,822,998
Total debt (excluding compensated absences)	65,286	19,780	-	-	123,071
Less: Certificates of Participation (1)	-	-	-	-	-
Capital leases (1)	(65,286)	(19,780)	-	-	(123,071)
Total debt applicable to limitation	-	-	-	-	-
Legal debt margin	\$ 78,553,214	\$ 81,105,188	\$ 92,134,823	\$ 93,120,625	\$ 96,822,998

Notes:

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

2011	2012	2013	2014	2015
<u>\$ 6,462,164,700</u>	<u>\$ 5,968,035,500</u>	<u>\$ 6,042,452,470</u>	<u>\$ 6,028,899,300</u>	<u>\$ 6,117,132,700</u>
<u>\$ 96,932,471</u>	<u>\$ 89,520,533</u>	<u>\$ 90,636,787</u>	<u>\$ 90,433,490</u>	<u>\$ 91,756,991</u>
65,401	-	-	-	-
-	-	-	-	-
<u>(65,401)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>\$ 96,932,471</u>	<u>\$ 89,520,533</u>	<u>\$ 90,636,787</u>	<u>\$ 90,433,490</u>	<u>\$ 91,756,991</u>

Exhibit I-15

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

Fiscal Year	Debt Service Expenditures					Total
	Certificates of Participation		Capital Leases			
	Principal Payments	Interest Payments	Principal Payments	Interest Payments		
2006	\$ 310,000	\$ 17,050	\$ 42,863	\$ 5,323	\$ 375,236	
2007	-	-	45,506	2,679	48,185	
2008	-	-	19,780	298	20,078	
2009	-	-	-	-	-	
2010	-	-	50,685	6,085	56,770	
2011	-	-	57,670	4,261	61,931	
2012	-	-	65,401	1,672	67,073	
2013	-	-	-	-	-	
2014	-	-	-	-	-	
2015	-	-	-	-	-	

	Noncapital Governmental Fund Expenditures	Ratio of Debt Service to Noncapital Governmental Fund Expenditures
\$	18,532,737	2.02%
	19,596,099	0.25%
	20,704,072	0.10%
	20,664,836	0.00%
	21,936,718	0.26%
	22,062,312	0.28%
	22,732,454	0.30%
	23,553,822	0.00%
	24,979,899	0.00%
	25,816,533	0.00%

Exhibit I-16

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

Fiscal Year	Population	Personal Income	Per Capita	Unemployment Rate	Households		Median Age	School Enrollment
			Personal Income		Total	Average Size		
2006	516,366	\$ 21,479,738,000	\$ 35,667	4.7%	231,572	2.23	34.0	104,608
2007	527,600	22,803,097,000	37,480	4.2%	234,141	2.25	34.4	105,157
2008	535,537	23,758,135,000	38,336	5.6%	237,763	2.25	34.2	105,845
2009	547,061	24,047,682,000	37,151	8.9%	243,374	2.25	34.3	109,246
2010	554,355	24,986,786,000	37,915	10.5%	237,851	2.33	34.1	109,962
2011	575,789	25,420,872,000	37,909	8.9%	243,299	2.37	34.1	111,318
2012	585,158	26,374,299,000	40,893	8.8%	247,320	2.56	34.1	111,533
2013	598,549	27,980,799,000	41,250	7.2%	251,153	2.56	34.2	117,829
2014	607,457	27,831,398,000	41,945	6.2%	255,364	2.60	34.3	118,699
2015	616,089	N/A	N/A	4.6%	259,082	2.62	34.0	20,314

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)**

Employer	Fiscal Year 2015		Fiscal Year 2006	
	Employees	Percent of Total Employment	Employees	Percent of Total Employment
Fort Carson	26,282	8.95%	20,882	7.02%
Peterson Air Force Base	12,261	4.17%	10,582	3.56%
United States Air Force Academy	11,917	4.06%	5,656	1.90%
Schriever Air Force Base	8,261	2.81%	6,312	2.12%
Verizon	4,000	1.36%	-	-
El Paso County School District #11	3,560	1.21%	3,809	1.28%
Memorial/University of Colorado Health Systems	3,300	1.12%	3,827	1.29%
Academy School District #20	2,879	0.98%	2,188	0.74%
Centura Health System	2,600	0.89%	-	-
El Paso County	2,591	0.88%	-	-
City of Colorado Springs	2,198	0.75%	-	-
Colorado Springs Utilities	2,000	0.68%	-	-
Wal Mart Stores	-	-	3,877	1.30%
Penrose St. Francis Health System	-	-	2,730	0.92%
The Broadmoor	-	-	1,817	0.61%
Total	81,849	27.86%	61,680	17.50%
Total Employment - El Paso County, Colorado	293,736		297,552	

Exhibit I-18

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

	Full-time Equivalent Employees									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Services										
Administration	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.00
Special Collections	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25
Adult Services										
East Library	15.55	15.55	16.00	16.00	16.00	16.30	15.80	15.80	15.80	16.80
Penrose Library	20.03	20.28	20.20	20.00	20.70	20.74	20.24	20.24	20.24	20.24
Library 21c	-	-	-	-	-	-	-	-	8.25	8.25
Library 21c - Computer Commons	-	-	-	-	-	-	-	-	9.00	9.50
Children's										
East Library	8.00	8.00	8.00	9.00	9.00	9.02	8.02	7.02	6.82	6.82
Penrose Library	5.30	5.30	5.30	5.30	5.30	5.32	5.32	5.32	6.12	6.12
Library 21c	-	-	-	-	-	-	-	-	6.88	7.88
Community Libraries										
Administration	2.00	2.00	2.00	1.50	-	-	-	-	-	-
Briargate Library	10.13	10.50	11.88	11.88	12.63	13.63	14.50	15.00	-	-
Cheyenne Mountain Library	10.38	10.63	10.93	10.93	10.93	10.93	11.43	10.93	10.93	10.93
Fountain Library	10.63	10.63	10.63	10.63	10.63	10.25	9.25	9.25	7.75	7.88
High Prairie Library	-	-	-	-	7.13	8.00	8.00	8.25	8.25	8.25
Ruth Holley Library	10.88	11.75	12.25	12.25	12.25	12.25	12.50	12.50	12.50	12.13
Manitou Springs	-	-	-	-	-	-	-	4.00	4.00	4.25
Monument Library	9.78	10.15	10.15	10.15	10.21	10.42	10.55	10.55	10.55	10.55
Old Colorado City Library	6.50	6.60	8.73	8.73	8.93	9.28	8.88	8.88	8.88	8.63
Palmer Lake Library	2.13	1.93	1.93	1.93	1.93	1.99	1.99	1.79	1.79	1.79
Rockrimmon Library	10.50	10.88	11.25	11.25	11.25	11.23	10.85	10.65	10.65	10.65
Sand Creek Library	10.88	11.38	12.38	12.38	12.88	13.09	13.29	13.26	14.23	15.73
Ute Pass Library	1.80	1.80	1.83	1.80	2.15	2.30	1.80	1.80	1.80	1.28
LitSource	2.60	2.60	2.60	2.60	2.60	2.60	3.10	3.10	3.45	4.20
Circulation										
East Library	19.95	20.45	20.43	20.43	19.93	20.01	19.56	20.59	20.22	20.62
Penrose Library	10.60	10.60	11.50	11.50	11.50	11.59	11.59	11.62	11.62	11.74
Library 21c	-	-	-	-	-	-	-	-	6.50	6.50
Shelving										
East Library	14.10	13.90	13.93	14.15	14.95	15.16	13.68	14.62	13.70	13.70
Penrose Library	8.40	8.80	8.80	8.80	8.40	8.84	8.32	8.35	7.99	7.99
Library 21c	-	-	-	-	-	-	-	-	5.18	5.55
Security	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	11.00	13.00
Mobile Library Services	7.28	7.28	8.88	8.88	8.88	9.70	8.70	8.70	8.70	8.70
Total Public Services	217.92	220.51	229.10	229.59	237.68	242.15	236.87	241.72	265.05	269.93
Administrative Services										
Administrative Services	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Facilities										
East Library	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Penrose Library	5.50	5.50	6.75	6.75	6.75	7.00	7.00	6.00	6.75	6.75
Library 21c	-	-	-	-	-	-	-	-	2.00	2.00
Human Resources	4.75	5.25	5.55	5.55	5.55	5.15	5.15	5.15	5.15	5.15
Total Administrative Services	15.25	14.75	16.30	16.30	16.30	16.15	16.15	15.15	17.90	16.90
Information Technology										
Information Technology	11.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	14.00	14.10
Collection Management	18.38	18.38	19.00	19.00	19.50	19.80	19.80	21.05	19.30	19.65
Total Information Technology	29.38	30.38	31.00	31.00	32.50	32.80	32.80	34.05	33.30	33.75
Other Administrative Operations										
Executive Director	2.00	2.00	2.00	2.00	2.50	3.00	3.00	2.00	2.00	2.00
Community Relations Office	9.38	9.38	10.90	10.90	11.40	10.90	10.90	10.90	11.75	12.25
Finance Office	6.00	7.00	6.50	6.75	6.75	6.75	5.75	5.75	5.75	6.75
Total Other Administration Operations	17.38	18.38	19.40	19.65	20.65	20.65	19.65	18.65	19.50	21.00
Total Full Time Equivalents	279.93	284.02	295.80	296.54	307.13	311.75	305.47	309.57	335.75	341.58

Data Source: District's Human Resources Office

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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
2006	962,131	147,970	1,110,101	\$ 32,454,231
2007	967,217	163,190	1,130,407	33,454,104
2008	959,325	173,115	1,132,440	34,139,308
2009	908,932	189,836	1,098,768	32,966,004
2010	908,706	223,575	1,132,281	33,922,252
2011	948,527	235,087	1,183,614	34,699,459
2012	885,857	263,277	1,149,134	33,668,609
2013	907,823	285,181	1,193,004	33,438,002
2014	918,701	316,647	1,235,348	34,256,218
2015	718,638	279,776	998,414	28,479,378

Data Source: District's Collection Management Department

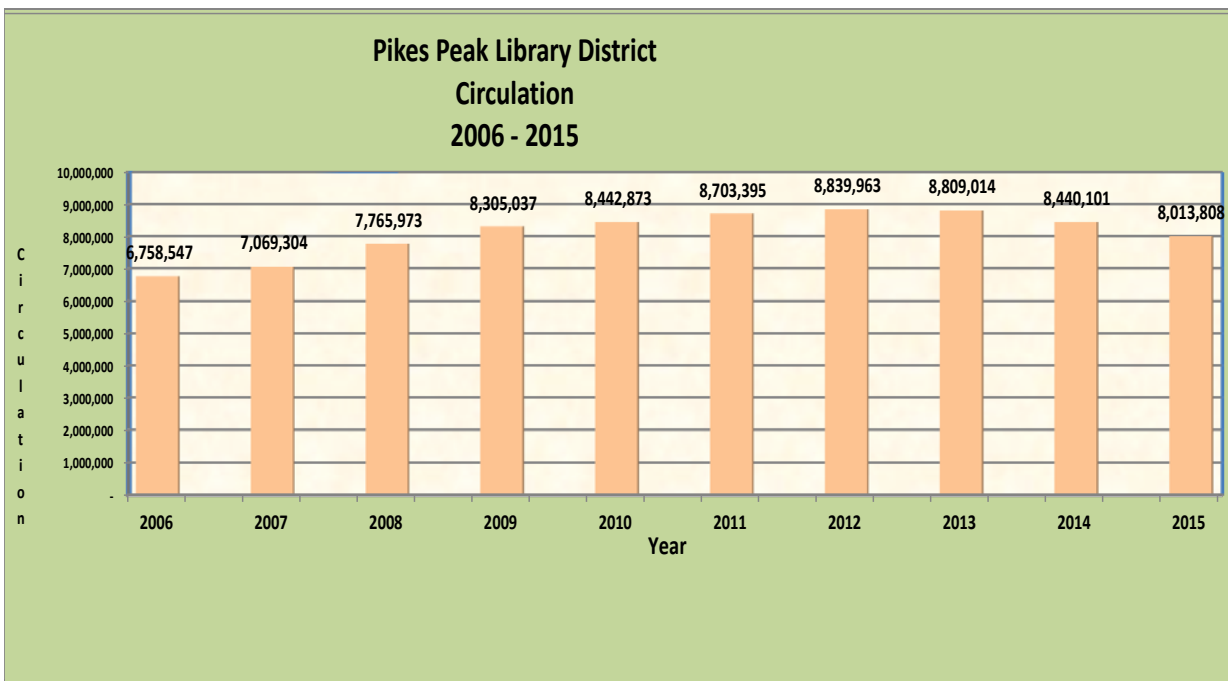
	Cost of New Acquisitions	Net Book Value of Collections	Number of Items in Circulation	Turnover Rate
\$	2,690,196	\$ 15,443,661	1,067,098	6.07
	2,292,470	15,256,127	1,093,534	6.23
	2,455,637	14,778,633	1,093,758	6.83
	2,594,598	14,612,166	1,059,321	7.53
	3,517,700	15,285,873	1,092,281	7.33
	3,796,733	15,632,673	1,142,172	7.35
	2,763,306	14,813,804	1,106,019	7.69
	2,520,735	14,392,359	1,148,583	7.38
	2,663,493	14,599,576	1,189,875	6.83
	2,731,728	14,211,399	951,064	8.43

Exhibit I-20

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

Fiscal Year	East Library Information Center	Penrose Public Library	Library 21c	Community Libraries							
				Briargate	Cheyenne Mountain	Fountain	High Prairie	Manitou Springs	Monument	Old Colorado City	Palmer Lake
2006	2,127,986	1,019,862	-	472,333	391,663	177,779	-	-	493,432	211,811	55,594
2007	2,194,673	1,067,270	-	550,744	487,795	214,581	-	-	508,669	124,347	56,436
2008	2,391,975	1,146,308	-	663,170	520,598	239,946	-	-	547,597	239,244	64,012
2009	2,655,765	1,128,125	-	741,583	552,161	261,457	-	-	563,755	278,940	66,617
2010	2,582,700	1,095,427	-	768,785	554,658	273,745	66,410	-	572,676	303,763	62,441
2011	2,494,034	1,132,553	-	772,441	553,038	281,337	359,569	-	588,895	316,223	65,877
2012	2,310,938	1,101,885	-	816,865	548,264	289,672	367,406	-	595,068	312,196	66,511
2013	2,128,483	1,154,390	-	794,457	542,311	274,626	366,472	41,578	563,585	303,649	63,566
2014	1,983,752	1,049,901	464,794	283,986	503,092	249,356	341,333	48,404	502,640	294,604	58,095
2015	1,621,753	900,407	894,810	-	474,082	211,731	326,736	47,067	451,594	284,910	50,653

Data Source: District's library system



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

Exhibit I-21

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

Library	Address	Owned (O) Leased (L)	No. of Hours Open/Week		
			FY 2015	2006	2007
East Library and Information Center	5550 N. Union Colorado Springs, CO 80918	O	68	70,153	70,153
Penrose Public Library	20 N. Cascade Colorado Springs, CO 80903	O	68	78,831	78,831
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	9,565	9,565
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
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		O	62	437	437
Offices	25 W. Kiowa Colorado Springs, CO 80903	O	N/A	11,988	11,988
			896	238,522	238,522

Data Source: District's Facilities Office

Square Footage as of Fiscal Year-End

2008	2009	2010	2011	2012	2013	2014	2015
70,153	70,153	70,153	70,153	70,153	70,153	70,153	70,153
78,831	78,831	78,831	78,831	78,831	78,831	78,831	78,831
8,627	8,627	8,627	8,627	8,627	8,627	8,627	-
9,565	9,565	9,565	9,565	9,565	9,565	9,565	9,565
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
-	-	-	-	115,058	115,058	115,058	115,058
-	-	-	-	-	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
8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668
10,469	10,469	10,469	10,469	10,469	10,469	10,469	10,469
14,060	14,060	14,060	14,060	14,060	14,060	14,060	14,060
2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123
437	455	455	455	455	455	455	455
11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988
238,522	238,540	244,548	244,548	359,606	361,997	361,997	353,370

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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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 23, 2016 which contains an emphasis of matter paragraph regarding a change in accounting principle. 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

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the District's 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

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 communication 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.

BKD, LLP

Colorado Springs,
Colorado June 23, 2016