

PIKES PEAK LIBRARY DISTRICT BOARD OF TRUSTEES
JULY 11, 2017
PENROSE LIBRARY
4 PM



- I. CALL TO ORDER
- II. ITEMS TOO LATE FOR THE AGENDA
- III. PUBLIC COMMENT (*3 Minute Time Limit per Person*)
- IV. CORRESPONDENCE AND COMMUNICATIONS
 - A. Minutes (enclosed p. 1)
 - B. Correspondence (enclosed p. 7)
 - C. Events & Press Clippings (enclosed p. 10)
 - D. Presentations: Meet the PPLD Interns: Norma Silva Davila, Kambri Hill, Anastasia Montoya, Samuela Mouzaiur
- V. REPORTS
 - A. Friends of the Pikes Peak Library District Report (enclosed p. 12)
 - B. Pikes Peak Library District Foundation Report (encloses p. 13)
 - C. Board Reports
 - 1. Governance Committee
 - 2. Internal Affairs Committee
 - 3. Public Affairs Committee
 - 4. Board President
 - 5. Adopt-a-Department Reports
 - D. Financial Report (enclosed p. 14)
 - E. Public Services Reports (enclosed p. 32)
 - F. Chief Librarian's Report (enclosed p. 34)
- VI. BUSINESS ITEMS
 - A. Consent Items: Decision 17-7-1
 - Consent items shall be acted upon as a whole, unless a specific item is called for discussion. Any item called for discussion shall be acted upon separately as "New Business".*
 - 1. New Hires (enclosed p. 36)
 - B. Unfinished Business
 - C. New Business
 - 1. Decision 17-7-2: Audit of PPLD's 2016 Financial Records (enclosed p. 37)
 - 2. Discussion: Mid-Year Budget Resolution (enclosed p. 210)
- VII. ADJOURNMENT

**MINUTES
PIKES PEAK LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING**

June 13, 2017

4 pm

Knights of Columbus Hall - Penrose Library Campus

MEMBERS PRESENT

President Cathy Grossman, Vice President Keith Clayton, Trustee Ken Beach, Trustee Kathleen Owings, Trustee Katherine Spicer

MEMBERS ABSENT

Secretary/Treasurer Molly Dippold, Trustee Wayne Vanderschuere

PIKES PEAK LIBRARY DISTRICT STAFF and OTHERS PRESENT

Chief Librarian & CEO John Spears, Chief Communication Officer Sean Anglum, Chief Development Officer and Foundation Executive Officer Dolores Cromeens, Peyton Davis, Jasmine Dillavou, Friends of the Pikes Peak Library District Board President Dora Gonzales, Executive Assistant Sue Hammond, Chief HR & OD Officer Sally Jensen, El Paso County Commissioner Peggy Littleton & Guest, Director, Library Services Janice McPherson, Kate Perdoni, Chief Information Officer Richard Peters, Director, Branches Lynne Proctor, Nick Pryor, Han Sayles, J.D. Sells, Chief Facilities Management Officer Gary Syling, Chief Financial Officer Michael Varnet

REGULAR MEETING OF THE BOARD OF TRUSTEES

CALL TO ORDER

President Grossman called the June 13, 2017 meeting of the Pikes Peak Library District Board of Trustees to order at 4:01 p.m.

ITEMS TOO LATE FOR THE AGENDA

There were no items to add to the agenda.

PUBLIC COMMENT

There was no public comment.

CORRESPONDENCE AND COMMUNICATIONS

Minutes

The minutes of the May 9, 2017 meeting of the Board of Trustees were presented for review.

Motion: Ken Beach moved that the minutes of the May 9, 2017 meeting of the Board of Trustees be approved as presented.

Second: The motion was seconded by Kathleen Owings.

Vote: The motion was approved unanimously.

Correspondence

There was no correspondence to report.

Events & Press Clippings

A list of recent press clippings and upcoming events was included in the Board packet. Chief Librarian & CEO Spears brought attention to the upcoming US Citizenship and Immigration Services Naturalization Ceremony that will take place at Library 21c on July 13. He encouraged Board members to consider attending at least one of the Summer Adventure Parties later in July.

Presentation

Kate Perdoni provided an introduction to the Flux Capacitor community. The group includes Flux Capacitor, Peach Press, the Non Book Club Book Club and BREAD COS. PPLD is collaborating with this group in an experiment to enable community-driven programming that supports a thriving do-it-together ethos. PPLD's Knights of Columbus Hall (KCH) will be the location for these collaborative efforts.

Nick Pryor and Bryan Ostrow spoke about Flux Capacitor. Flux is a place people of all ages, races and genders gather to listen to live music, create community and experience art. Flux's goal is to make Colorado Springs attractive to the millennial generation so that they will stay in Colorado Springs and make it a better place to live.

Han Sayles and Peyton Davis provided information on Peach Press and BREAD COS. Peach Press is dedicated to publishing marginalized authors. BREAD COS is an opportunity for the art community to gather and share a meal. Participants have the opportunity to pitch a project to the group, and donations collected at the onset of the meal are awarded to one of the projects at the end of the evening.

Jasmine Dillavou and J. D. Sell explained the Non Book Club Book Club activities. This group meets monthly to share and discuss interests, endeavors, media and ideas in a nurturing, safe environment.

The Flux community recently received a grant from Meow Wolf in Santa Fe, NM for \$10,000 which will serve as seed money for the space at KCH.

REPORTS

Friends of the Pikes Peak Library District

The Friends of the Pikes Peak Library District report was included in the Board packet. Friends of the Pikes Peak Library District Board President Dora Gonzales reported that the Friends continue to do very well with online book sales. Preparations for the Friends fall booksale are already underway. Ms. Gonzales noted that the Friends Board is in need of a treasurer.

Pikes Peak Library District Foundation

The PPLD Foundation Report was included in the Board packet. Chief Development Officer and Foundation Executive Officer Dolores Cromeens reported that the Foundation plans to sponsor a mixer for the 3 PPLD boards. Foundation staff are learning new Blackbaud modules.

Board Reports

Governance Committee

The Governance Committee did not have a report.

Internal Affairs Committee

Ken Beach noted that the Internal Affairs Committee will meet on June 19, 2017.

Public Affairs Committee

The Public Affairs Committee did not have a report.

Board President

President Grossman attended the recent Adult Education Celebrate Literacy event.

Adopt-A-Department

- Kathleen Owings attended the Sand Creek Makerspace Pre-Construction party.
- Keith Clayton met the CEOO staff and attended the Regional History Symposium.
- Ken Beach will attend Urban Peak's Off the Street breakfast in July.

Financial Report

The financial report for the period ending April 30, 2017 was included in the Board packet. Chief Financial Officer Michael Varnet reported that the audit of the 2016 financial records is complete. The auditors will report to the Internal Affairs Committee on June 19 and the audit will come to the full Board in the July 11 packet. Specific ownership tax revenue was again at a record high in April. Mr. Varnet reported that there was room in the budget to absorb most of the increased revenue.

Library Services and Branch Services Report

The Library Services/Branch Services Report was included in the Board packet. Director of Branches Lynne Proctor offered kudos to Mobile Library Services staff for maintaining service in the midst of mechanical difficulties.

Director of Library Services Janice McPherson reported on the inspiring Adult Education Celebrate Literacy event.

Chief Librarian's Report

Chief Librarian & CEO John Spears reported that the Library is looking into removing the materials dispensers located at First & Main. Continued low circulation from the dispensers does not justify the cost of the service. He added that the Library plans to keep a book drop at the site.

PPLD is marking milestones as staff work toward implementation of the recommendations coming out of the Compensation/Job Analysis Study. The first stage of salary adjustments has been completed and all retroactive active payments are complete. Some temporary positions have become permanent: Janice McPherson – Director of Library Services, Lynne Proctor – Director of Branches, Joanna Rendon – East Adult Services Manager, Amy Rodda – Adult Services Division Head. New Division Heads have been named: Becca Cruz – Creative Services Division Head, Teona Shainidze Krebs – Adult Education Division Head, Joanna Rendon – Young Adult Division Head (Joanna will temporarily have a dual appointment). There have been internal department moves with the Security Department moving to Branches, Adult Education moving to Library Services and High Prairie Branch Manager Michael Doherty will now also manage Mobile Library Services. An Implementation Team of 19 staff has been selected to work with the Leadership Team to develop an implementation plan based upon the recommendations from the Singer Group. Chief Librarian Spears recognized Sarah Villanueva, Sally Jensen, Mike Varnet and the Human Resources staff for their efforts in the success of the project. He also recognized Evelyn Blakely, Steve Abbott, Laura London and Cecile Krow for stepping up to meet needs in the branches.

Trustee Spicer stated that staff's steadfast and steady work toward implementation is impressive, and President Grossman offered congratulations to staff that have been promoted and/or made permanent.

Chief Librarian Spears presented a PowerPoint featuring libraries worldwide that have implemented community-driven/presented programming, akin to the model for the PPLD/Flux experiment at the KCH. Featured in the presentation were:

- Idea Box – Oak Park Public Library
- ImaginOn – Public Library of Charlotte and Mecklenburg County
- Dokk1 – Aarhus, Denmark
- Studio & Makerspace – Arapahoe Public Library District
- The Bubbler – Madison Public Library

BUSINESS ITEMS

Consent Items

Decision 17-6-1: Consent Items

Consent Items Presented:

1. New Hires

Motion: Keith Clayton moved to approve the Consent Items as presented.

Second: Kathleen Owings seconded the motion.

Vote: The motion was approved unanimously.

Unfinished Business

Decision 17-6-2: 2017-2020 Strategic Plan

The 2017-2020 Strategic Plan was presented in the board packet. After much discussion, several amendments were made to wording in the document, but the fundamental precepts of the plan remain unchanged. A change to the mission statement was agreed upon that involved changing the word "change" to "impact".

Motion: Kathleen Owings moved that the Board of Trustees approve the 2017-2020 Strategic Plan as amended as well as a change in wording in the mission statement.

Second: Keith Clayton seconded the motion.

Vote: The motion was approved unanimously.

ADJOURNMENT

There being no further business to conduct, President Grossman adjourned the meeting at 6:06 p.m.

P. Littleton & her guest left the meeting at 4:20 pm

P. Davis, J. Dillavou, N. Pryor, H. Sayles, J.D. Sell left the meeting at 4:30 pm

Ken Beach left the meeting at 5:45 pm

K. Perdoni left the meeting at 5:50 pm

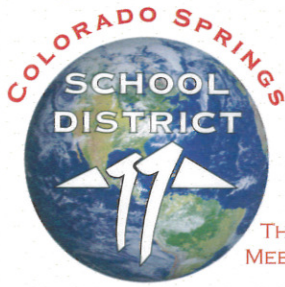
Greetings John, Lynn the Board and the Management Team, PPLD Board of Directors,

I would like to take just a moment of your time to thank you for the hard work each of you put in on our behalf. The recognition of staffing needs as well as pay adjustments was a monument task. The efforts made by all are very much appreciated.

As an employee of Pikes Peak District for almost 13 years I am grateful and proud to work with management that takes such efforts to insure the staff is well compensated for their work.

Many thanks

Rhonda Newsom
Mobile Library Services



THE WORLD IS CHANGING.
MEET THE FUTURE.

Nicholas M. Gledich, Ed.D., Superintendent of Schools

Spring, 2017

(719) 520-2001
FAX (719) 520-2278
nicholas.gledich@d11.org

John Spears
Pikes Peak Library District
20 North Cascade Avenue
Colorado Springs, CO 80903

Dear Mr. Spears:

We are now at a point where we must educate our children in what no one knew yesterday and prepare our schools for what no one knows yet.

Margaret Mead

The business of education is becoming increasingly more challenging as we race to reach each student with the essential components of learning that will enable him or her to assume the responsibilities for the world they will create as adults. The modern “three Rs” of education – rigor, relevance and relationship - are defined as the stepping-stones that will develop those skills District 11 students will require.

As a District 11 partner, you are assisting our teachers in applying relevance to the instructional program. By investing your discretionary time, you model for our students the value of education and the importance of community members’ involvement in their schools.

This year Christa Funke, Joanna Rendon, Renee Sanning, Stacy Smith, Kristin Brown, Ruth Venable, Betty McDonald, Carol Scheer, Corrie Van Bemden, Britt Bloom, Barbara Huff, Heather Jordon, Gayle Meredith and Cameron Riesenberger gave 159 presentations to 13701 students.

Thank you for sharing your expertise with District 11 students. District 11 administration and faculty gratefully acknowledge your contribution. Together we will prepare our students to address the yet-to-be-defined world situations as they arise and take their places as leaders of our community and beyond.

Sincerely,

Nicholas M. Gledich, Ed.D.
Superintendent of Schools



Nicholas M. Gledich, Ed.D., Superintendent of Schools

Personnel Support Services Division

Spring 2017

Joanna Rendon
Pikes Peak Library District
20 North Cascade Avenue
Colorado Springs, CO 80903

Dear Joanna,

*We cannot live only for ourselves. A thousand fibers connect us with our fellow men.
Herman Melville*

Connections and community have taken on additional meaning in the 21st century; some think connections on social media form a community. Individuals like you, however, who commit time, talent, skill and experience to District 11 students in our classrooms, know there is something much more powerful in building community than a social media post.

As a District 11 partner who volunteers to provide classroom enrichment presentations or to share your career experiences with students eager to explore the world beyond their classroom, you assist our teachers in providing connections which bring depth and relevance to the educational experience. Your investment demonstrates for our students the value of connections in creating a thriving community.

This year you gave 56 presentations to 5424 students.

A community which makes young people and their education a high priority will build the necessary connections to expand the capacity of said community to address challenges and create opportunities for all citizens. Let's make Colorado Springs the model community for raising and educating highly capable young people who become engaged adults giving back to a vital community.

Thank you for your generous commitment to our students. The investment you make in our students, whether they are kindergartners or high school seniors, will be realized as they receive their diplomas. Together we deliver learning for lifelong success and prepare our students for a world yet to be imagined.

Sincerely,

LouAnn Dekleva, CVA
Community Engagement-Volunteer Administrator
Volunteer Services & Community Partnerships

VOLUNTEER SERVICES/COMMUNITY PARTNERSHIPS/GRANDFRIENDS

*Provide excellent distinctive education experiences
that equip students for success today and in the future.*

1115 North El Paso • Colorado Springs, CO 80903-2599
(719) 520-2202 Fax 477-1048

Upcoming Events & Press Clippings July 11, 2017

PPLD Summer Adventure Parties – (various dates & locations.)

Friday, July 14, 10 a.m. to noon - North Party @ Palmer Lake Village Green

Friday, July 21, 10 a.m. to noon – South Party in Fountain @ John Metcalf Park

Friday, July 28, 10 a.m. to noon – Central Party @ George Fellows Park behind the East Library

US Citizenship and Immigration Services Naturalization Ceremony, Venue @ Library 21c, July 13, 10 am

PPLD Presents *American Eclipse* author David Baron, Venue @ Library 21c, July 13 6:30 pm. Book sales (with PPLD Partner, Barnes & Noble) begins at 5:30 pm, book signing immediately after lecture. Event produced in conjunction with Colorado College.

Regular Meeting of the Board of Directors of the Friends of the Pikes Peak Library District, Penrose Library, July 19, 5:15 pm

Regular Meeting of the Board of Directors of the Pikes Peak Library District Foundation, Knights of Columbus Hall, July 20, 8 am

Dragon Theatre Productions & PPLD present *Jungle Book*, Venue @ Library 21c, Fri. & Sat., Aug. 4, 5, 11, 12 (times TBA)

Regular Meeting of the Pikes Peak Library District Board of Trustees, August 8, Cheyenne Mountain Branch, 4 pm

PPLD Homeschool Fair , Venue @ Library 21, Fri., Aug. 11, 8:00 am to 12 Noon

DOH Back to School Fair @ Springs Church, Sat., Aug. 12, 7:30 am to 12 Noon

June Compliments (Compiled by Amy Rodda, Adult Services Manager, June 30, 2017)

“Book, beer club seeks to enhance community’s nonprofit involvement” (*Cheyenne Edition*, June 14, 2017)

“PPLD Literary Awards Luncheon” (*Woodmen Edition*, June 14, 2017)

PPLD Podcasts

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

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

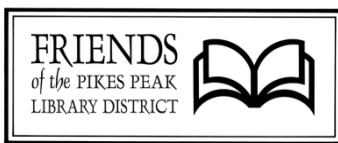
- Most recent episode: Rod Summit is a Colorado Springs author who has set many of his novels in a fictional Eastern Colorado town. (hosts Becca Cruz and Antonia Krupicka-Smith; produced by Dave Franklyn)

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

- Most recent episode: "Worse Than Fire or Flood, Tornado or Earthquake: The 1932 Collapse of the Building & Loan Industry," by Alice Echols; "Human Caused Geologic Disasters & Ticking Time Bombs," by John Himmelreich (emcee Michael L. Olsen; produced by Tim Blevins)

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

- Most recent episode: Genre spotlight is on Beach Reads (hosts Christine Dyar, Heidi Buljung, and Melissa Mitchell; produced by Dave Franklyn)



Mission: To support, preserve, and promote our public library system.

Vision: Every person in our community values the critical role of the Pikes Peak Library District for the common good.

Online Book Sales Year to Date: stable

Ebay Sale: Set of Agatha Christie books sold for \$480

Quarterly Branch Library met on June 21, 2017 at Ute Pass Branch Library. Branch Library Representatives now have the following mission statement:

Building cohesiveness between Branch Friends, sharing ideas and information, and connecting with other Friends groups.

Share, Connect, Build

Branch Library Friends committee is charged with designing a Volunteer Handbook with much needed process and procedures

Important Dates: Latina Voices—September 29, 2017 at Venue 21c; Fall Book Sale—October 27 – 29, 2017 at East Library.



The first meeting of the Sand Creek Maker Space grand opening events Team under the leadership of the Sand Creek Manager, is scheduled on July 13. I have been invited to participate. The multi-day event will include a District-wide donor appreciation/recognition event, the evening of Sept. 22. Public activities will include a “block party” celebration. An additional \$10,000 grant from Comcast is designated toward the celebration.

Construction on the Maker space is set to begin the week of July 3. There is a Save the Date/invitation to the Bristol Brew Karma Hour that is scheduled on July 18. All members of the 3 Library Boards are invited to attend and enjoy the mixer, but it is also intended to promote 21st Century Library services, including the new Maker Space. The information included an ask for support: “\$1 from every pint you purchase will go towards helping Pikes Peak Library District greatly enhance STEM opportunities! 21st Century learning calls for mastery of many literacies, including digital, in order to be successful in school and in the work place. All of our children deserve the opportunity to expand their prospects, with your assistance; we will continue to provide progressive, forward thinking services to our communities that are designed to meet the needs of the 21st Century learner.” We received an on line donation the next day and plan for more

The Alex Gilmore Endowment, launched in 2012, reached its goal of \$10,000 this month with 2 generous donations from donors who were moved by the story of this little boy. Interest income from the Endowment will support an annual program or purchase for the Children’s Library at the Monument Branch, on the occasion of Alex’s birthday.

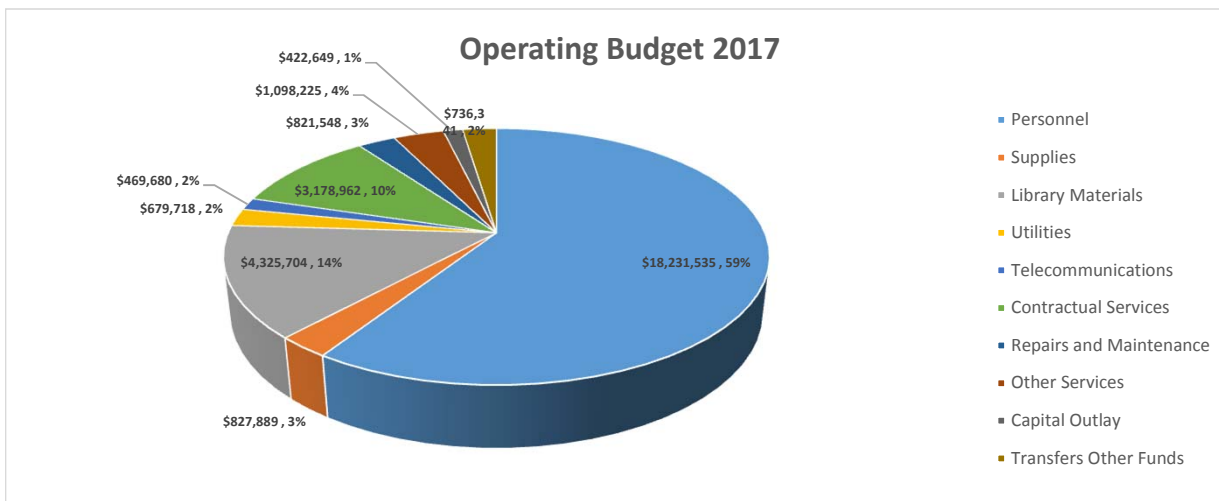
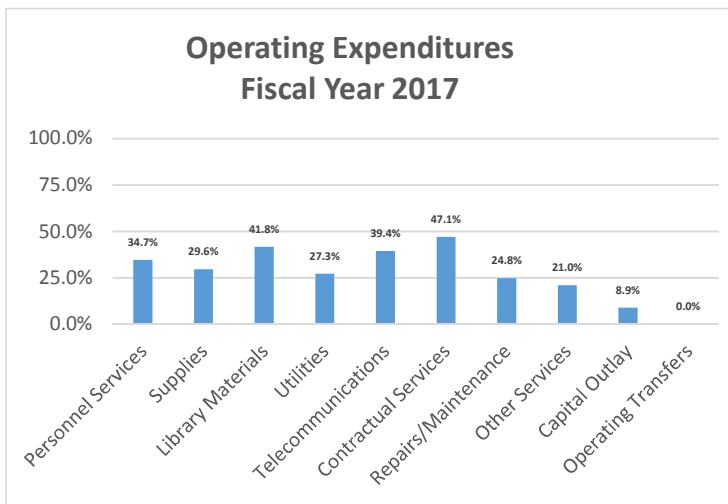
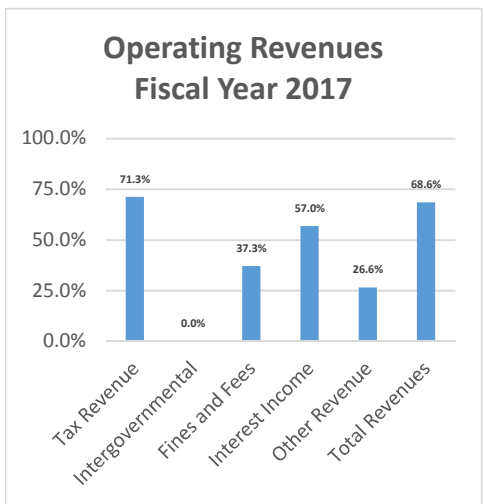
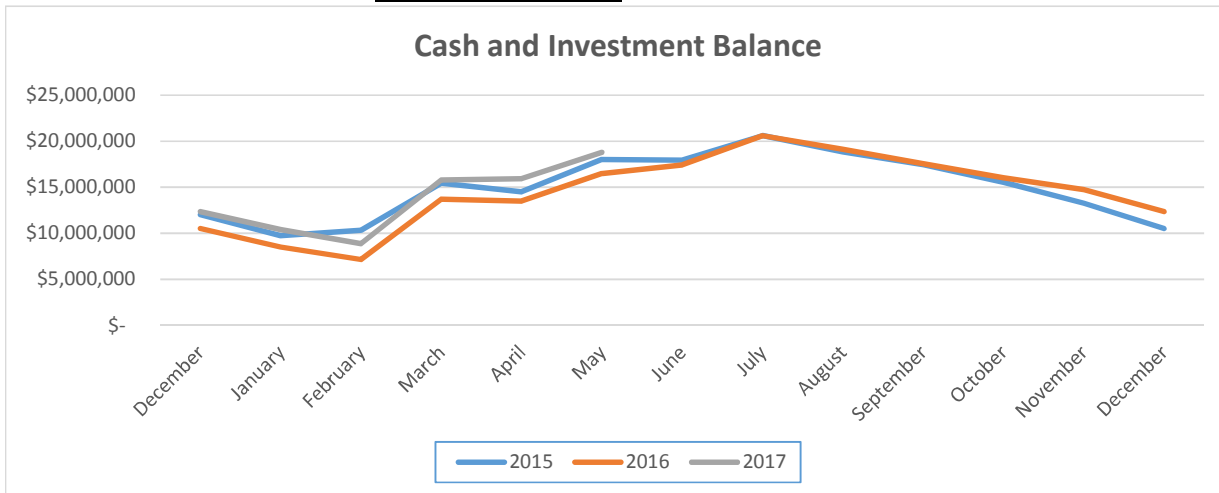
Development Staff are hard at work on mastering components contained in the new BlackBaud NXT version of our donor management software. It will greatly leverage the work of the Department’s 2.5 staff members. It includes a wealth review engine to enhance our capacity to strategically target prospective donors.

I attended an information session hosted by the Colorado Criminal Justice Reform Coalition (CCJRC) on HB17-1326: – Justice Reinvestment Crime Prevention Initiative. Southeast Colorado Springs is one of two target communities to receive funding from the passage of House Bill 17-1326 – the Justice Reinvestment Crime Prevention Initiative. The legislation allocates at least \$2M for initiatives to expand small business lending and \$1.5 M in grant awards for programs, projects, or direct services aimed at reducing crime in each of the target communities of Aurora and Southeast Colorado Springs. Grant eligible activities directly complement a community hub space and increase community protective factors. They include:

- Academic improvement programs
- Community-based services
- Community engagement programs
- Increasing safety and usability of common outdoor-spaces
- Technical assistance related to data collection, data analysis, and evaluation.

Pikes Peak Library District Financial Dashboard

May 2017



Pikes Peak Library District

May 2017 Financial Report

Presented to Board of Trustees July 11, 2017

**Pikes Peak Library District
General Fund Summary
For the Five-Month Period Ended May 31, 2017 and 2016**

General Fund	Year-To-Date		Change	% Chg.	Notes
	2017	2016			
Revenues					
Property Taxes	\$ 19,045,290	\$ 18,520,981	\$ 524,309	2.8%	
Specific Ownership Taxes	1,373,535	1,145,500	228,035	19.9%	1
Fines and Fees	123,532	208,289	(84,757)	-40.7%	2
Interest Income	56,962	18,967	37,995	200.3%	3
Other Revenue	258,186	238,999	19,187	8.0%	
Total Revenues	\$ 20,857,505	\$ 20,132,737	\$ 724,768	3.6%	

- 1 Specific ownership tax collections are higher than expected for the first five months of the year. This in part is due to the continual growth on the local economy. We will monitor this trend over the next several months but it appears that actual collections will exceed the budget by about \$300,000. Regardless of the amount, PPLD is not entitled to keep any revenue collected in excess of its legal limitations (TABOR), and this will also be monitored closely.
- 2 Fines and fees revenue will be lower in 2017 compared to 2016 primarily because PPLD no longer assesses fines on juvenile and teen materials (effective 1/1/2017). In addition, PPLD held a three-week amnesty period during the month of March. Outstanding fines and fees were waived during this period if overdue materials were returned. Total fines and fees forgiven was \$60,942.
- 3 Interest rates are higher in 2017 for various reasons.

Pikes Peak Library District
Statement of Revenues
General Fund
Period 01/01/2017 - 05/31/2017

Percent of Year 41.6%

Account Description	Original Approp	Ytd Received	Available Budget	% Received
Tax Revenue				
Property Taxes - Current	\$ 25,844,236	\$ 19,113,048	\$ 6,731,188	74.0%
Property Taxes-Abatement	(95,000)	(79,884)	(15,116)	84.1%
Property Taxes - Omitted	3,150	2,950	200	93.7%
Property Taxes - Delinquent	15,000	7,486	7,514	49.9%
Penalty/Interest-Del Property	30,000	1,690	28,310	5.6%
Specific Ownership Taxes	2,825,000	1,373,535	1,451,465	48.6%
Local Gov In Lieu Of Tax	9,250	-	9,250	0.0%
Total Tax Revenue	28,631,636	20,418,825	8,212,811	71.3%
Intergovernmental				
State Grant - Library Materials	145,000	-	145,000	0.0%
Federal - eRate Funding	225,000	-	225,000	0.0%
Total Intergovernmental	370,000	-	370,000	0.0%
Fines and Fees				
Fines And Fees	326,420	120,848	205,572	37.0%
Collection Agency Fees	3,580	2,168	1,412	60.6%
Other Fees	1,500	516	984	34.4%
Total Fines and Fees	331,500	123,532	207,968	37.3%
Interest Income				
Interest Earnings	100,000	56,962	43,038	57.0%
Other Revenue				
Donations-PPLD Foundation	801,753	198,575	603,178	24.8%
Donations - Civic Organization	15,000	-	15,000	0.0%
Donations - Other Categories	20,000	377	19,623	1.9%
Copier Charges	30,450	15,941	14,509	52.4%
Patron Mgmt. System Printer	24,550	14,684	9,866	59.8%
Parking Lot Collections	34,000	4,698	29,302	13.8%
Merchandise Sales	5,500	1,294	4,206	23.5%
Meeting Room Rental	-	763	(763)	100.0%
Miscellaneous	13,000	16,817	(3,817)	129.4%
Sales Of Assets - Gen Capital	4,200	376	3,824	9.0%
Sales Of Assets-Lost Library Mat	20,800	4,661	16,139	22.4%
Total Other Revenue	969,253	258,186	711,067	26.6%
Total General Fund Revenues	\$ 30,402,389	\$ 20,857,505	\$ 9,544,884	68.6%

**Pikes Peak Library District
General Fund Summary
For the Five-Month Period Ended May 31, 2017 and 2016**

General Fund	Year-To-Date				Notes
	2017	2016	Change	% Chg.	
Expenditures					
Personnel	\$ 6,323,547	\$ 6,255,656	\$ 67,891	1.1%	
Supplies	244,973	279,743	(34,770)	-12.4%	
Library Materials	1,806,228	1,954,525	(148,297)	-7.6%	1
Utilities	185,250	156,576	28,674	18.3%	
Telecommunication costs	185,006	158,092	26,914	17.0%	
Contractual Services	1,497,461	1,543,232	(45,771)	-3.0%	
Repairs and Maintenance	204,001	188,548	15,453	8.2%	
Other Services	230,975	212,717	18,258	8.6%	
Capital Outlay	37,742	32,690	5,052	15.5%	
Operating Transfers To Other Funds	-	-	-	0.0%	
Total Expenditures	\$ 10,715,183	\$ 10,781,779	\$ (66,596)	-0.6%	

1 During 2016 through May 31st, PPLD had paid \$820,434 for books and audio-visual materials. Through May 31, 2017, that total was \$617,165. Expenditures in this category are directly affected by when orders are placed and items are received. In addition, the Board of trustees previously approved a reduction to the library material budget by \$100,000 to be used towards the implementation of the compensation plan recommendations.

Pikes Peak Library District
Statement of Expenditures
General Fund
Period 01/01/2017 - 05/31/2017

Percent of Year 41.6%

Account Description	FY 2017 Budget	Ytd Expended	Available Budget	% Used
Personnel Services				
Regular Employees	\$ 13,878,794	\$ 4,705,942	\$ 9,172,852	33.9%
Temporary Employees	148,820	24,510	124,310	16.5%
Substitute Employees	511,243	200,719	310,524	39.3%
Work-Study And Internship	32,439	2,601	29,838	8.0%
Social Security Contributions	1,009,721	361,884	647,837	35.8%
Retirement Contributions	757,517	273,585	483,932	36.1%
Health Plan Contributions	1,617,000	600,823	1,016,177	37.2%
Unemployment Compensation	44,000	8,904	35,096	20.2%
Workers Compensation	97,000	84,448	12,552	87.1%
Vision Plan Ins Contributions	54,000	19,517	34,483	36.1%
Life A&D Ins Contributions	51,000	19,388	31,612	38.0%
Tuition Reimbursement	30,000	21,226	8,774	70.8%
Total Personnel Services	18,231,533	6,323,547	11,907,986	34.7%
Supplies				
General Supplies	200,884	53,368	147,516	26.6%
Microform Supplies	2,450	56	2,394	2.3%
Software Purchases	302,104	138,964	163,140	46.0%
Computer Supplies	46,000	4,439	41,561	9.7%
Processing Supplies	95,000	6,280	88,720	6.6%
Office Supplies	140,950	39,027	101,923	27.7%
Other Supplies	40,501	2,839	37,662	7.0%
Total Supplies	827,889	244,973	582,916	29.6%
Library Materials				
Audio-Visual Materials	886,800	233,366	653,434	26.3%
Books	1,529,750	383,799	1,145,951	25.1%
E-Materials	1,093,500	546,331	547,169	50.0%
Library Materials - Other	261,000	89,747	171,253	34.4%
Microforms	5,000	9,180	(4,180)	183.6%
Periodicals	120,443	102,201	18,242	84.9%
Serials	28,000	26,583	1,417	94.9%
Databases - On-Line Services	401,211	412,576	(11,365)	102.8%
Memorial Materials	-	2,445	(2,445)	100.0%
Total Library Materials	4,325,704	1,806,228	2,519,476	41.8%
Utilities				
Gas	99,713	30,762	68,951	30.9%
Electric	477,480	142,026	335,454	29.7%
Water And Sewer	102,525	12,462	90,063	12.2%
Total Utilities	679,718	185,250	494,468	27.3%
Telecommunications				
Data Telecommunications	328,880	148,710	180,170	45.2%

Pikes Peak Library District
Statement of Expenditures
General Fund
Period 01/01/2017 - 05/31/2017

Percent of Year 41.6%

Account Description	FY 2017 Budget	Ytd Expended	Available Budget	% Used
Voice Telecommunications	57,600	20,474	37,126	35.5%
Cellular Telecommunication	73,200	15,822	57,378	21.6%
Telecommunications Expansion	10,000	-	10,000	0.0%
Total Telecommunications	469,680	185,006	284,674	39.4%
Contractual Services				
Janitorial Services	401,200	160,796	240,404	40.1%
Rental-Library Facilities	527,287	270,642	256,645	51.3%
Common Area Mntn Costs	139,745	70,370	69,375	50.4%
Security contractual services	-	14,301	(14,301)	100.0%
Rental-Storage Area	16,200	8,100	8,100	50.0%
Audit	41,450	12,500	28,950	30.2%
Legal	50,000	15,996	34,004	32.0%
Consultant	179,500	29,230	150,270	16.3%
Cataloging	50,600	8,193	42,407	16.2%
Trash Removal	22,799	7,353	15,446	32.3%
Copier Services	45,000	23,488	21,512	52.2%
Courier Services	200,800	62,189	138,611	31.0%
Ins-Not Employee Benefit	181,000	155,362	25,638	85.8%
Collection Agency Fees	41,000	13,228	27,772	32.3%
Printing	100,200	14,113	86,087	14.1%
Programming	273,169	64,565	208,604	23.6%
Treasurer Fees	386,656	286,878	99,778	74.2%
Microfilming Services	19,600	4,737	14,863	24.2%
Computer Support Agreement	140,500	72,045	68,455	51.3%
Maintenance-Computer Equipment	208,882	183,672	25,210	87.9%
Software Licenses	94,000	-	94,000	0.0%
Employee Assistance Program	17,000	6,177	10,823	36.3%
Parking	42,375	13,526	28,849	31.9%
Total Contractual Services	3,178,963	1,497,461	1,681,502	47.1%
Repairs and Maintenance				
Grounds Maintenance	71,400	16,352	55,048	22.9%
Vehicle Operating Supplies	54,750	19,872	34,878	36.3%
Maintenance-Equipment	501,198	126,863	374,335	25.3%
Repairs-Equipment	20,850	4,301	16,549	20.6%
Repairs-Furniture	32,500	3,116	29,384	9.6%
Repairs-Buildings	140,850	33,497	107,353	23.8%
Total Repairs and Maintenance	821,548	204,001	617,547	24.8%
Other Services				
Translation Services	2,500	93	2,407	3.7%
Advertising	2,750	337	2,413	12.3%
Bank And Trustee Fees	26,600	10,466	16,134	39.3%
Information Listing	15,000	15,835	(835)	105.6%

**Pikes Peak Library District
Statement of Expenditures
General Fund
Period 01/01/2017 - 05/31/2017**

Percent of Year 41.6%

Account Description	FY 2017 Budget	Ytd Expended	Available Budget	% Used
Mileage/Travel Reimbursement	70,959	16,748	54,211	23.6%
Employee Recruitment	39,500	6,223	33,277	15.8%
Employee Testing	500	-	500	0.0%
Dues/Membership/Bus Functions	58,996	23,886	35,110	40.5%
Merchandising	5,000	11	4,989	0.2%
Employee Recognition/Excellence	20,525	964	19,561	4.7%
Board Of Trustees	5,000	819	4,181	16.4%
Community Outreach	70,000	19,825	50,175	28.3%
Training	228,516	64,279	164,237	28.1%
Signage	8,000	2,779	5,221	34.7%
Bindery	5,000	2,011	2,989	40.2%
Summer Reading Club	42,506	13,835	28,671	32.5%
Patron Reimbursement	1,000	-	1,000	0.0%
Postage	92,500	28,290	64,210	30.6%
Volunteer Program	5,900	1,794	4,106	30.4%
Safety & Wellness	18,500	4,403	14,097	23.8%
Other Grant Designated Fund Exp	352,884	10,791	342,093	3.1%
Administrative Support	10,500	264	10,236	2.5%
Rental-Equipment	1,000	-	1,000	0.0%
Other Expenses	14,589	7,322	7,267	50.2%
Total Other Services	1,098,225	230,975	867,250	21.0%
Capital Outlay				
Video Equip & Access	4,000	-	4,000	0.0%
Land Improvement	17,184	6,758	10,426	39.3%
Buildings	83,465	7,463	76,002	8.9%
Equipment	264,000	7,126	256,874	2.7%
Furniture	34,500	13,431	21,069	38.9%
Shelving	2,000	-	2,000	0.0%
Capital Outlay-Other Expenditures	17,500	2,964	14,536	16.9%
Total Capital Outlay	422,649	37,742	384,907	8.9%
Operating Transfers to Other Funds				
Fund Transfers Out	736,341	-	736,341	0.0%
Total Expenditures	\$ 30,792,250	\$ 10,715,183	\$ 20,077,067	34.8%

**Pikes Peak Library District
Special Revenue Funds
Period 01/01/2017 - 05/31/2017**

Fund Balance - January 1, 2017	\$ 276,398
Budgeted Revenues	-
Budgeted Expenditures	75
Fund Balance - May 31, 2017	<u><u>\$ 276,323</u></u>

Fund Balance - By Fund

Annual Fund	\$ 7,000
Cheyenne Mountain Library Fund	9,067
Fountain Branch Library Fund	18,650
High Prairie Library Fund	174,574
Sand Creek Library Fund	60,546
1905 Carnegie Library Facility Fund	4,374
Carnegie Garden Support Fund	999
Special Collections Support Fund	1,113
	<u><u>\$ 276,323</u></u>

Pikes Peak Library District
 East Library Capital Projects Fund
 Period 01/01/2017 - 05/31/2017

Account Description	Original Approp	Carryover	Revised Budget	Ytd Expended	Encumbrances	Available Budget	% Used
Expenditures							
2017 Budget							
Roof Inspection And Repairs	\$ 3,500	\$ -	\$ 3,500	\$ -	\$ -	\$ 3,500	0.0%
Blinds For ESL Office	2,200	-	2,200	2,173	-	27	98.8%
Blinds For Erc/Maker Space	4,500	-	4,500	3,541	-	959	78.7%
Window Leak-2nd Floor	7,500	-	7,500	-	-	7,500	0.0%
Additional Meeting Room Chairs	2,250	-	2,250	-	-	2,250	0.0%
Teen Center-Interior Paint	4,000	-	4,000	3,243	-	757	81.1%
Furnishings/Barrier Tween Area	4,000	-	4,000	3,074	-	926	76.9%
Mural	5,000	-	5,000	4,817	-	183	96.3%
Chair Replacement	3,500	-	3,500	2,542	-	958	72.6%
Sub-Total	36,450	-	36,450	19,390	-	17,060	53.2%
Carryover From 2016							
Paint Shelves	-	945	945	-	-	945	0.0%
Water Treatment System	-	3,000	3,000	-	-	3,000	0.0%
Roof Inspection and Repairs	-	2,375	2,375	-	-	2,375	0.0%
Ea Update Security Equipment	-	5,000	5,000	-	-	5,000	0.0%
Educational Resource Center	-	160	160	249	-	(89)	155.6%
IT Equipment	-	2,071	2,071	-	-	2,071	0.0%
Sub-Total	-	13,551	13,551	249	-	13,302	1.8%
Total Expenditures	36,450	13,551	50,001	19,639	-	30,362	39.3%
Sources of Funds							
Operating Transfer - General Fund	\$ -	\$ -	\$ -	-	\$ -	\$ -	0.0%
Excess Revenues over Expenditures				(19,639)			
Fund Balance - January 1, 2017				132,256			
Fund Balance - May 31, 2017				<u>\$ 112,617</u>			

Pikes Peak Library District
 Penrose Library Capital Projects Fund
 Period 01/01/2017 - 05/31/2017

Account Description	Original Approp	Carryover	Revised Budget	Ytd Expended	Encumbrances	Available Budget	% Used
Expenditures							
2017 Budget							
Additional Lighting	\$ 1,000	\$ -	\$ 1,000	\$ -	1,000	\$ -	100.0%
Roof Maintenance	3,500	-	3,500	-	-	3,500	0.0%
Window Blinds For EA	3,200	-	3,200	-	2,835	365	88.6%
Replace Existing Parking Meter	50,000	-	50,000	-	-	50,000	0.0%
Facade Repair	16,000	-	16,000	8,351	7,649	-	100.0%
Elevator Modernization - Cab	45,000	-	45,000	18,043	18,043	8,914	80.2%
Convert Pea Gravel Walk	2,000	-	2,000	-	2,000	-	100.0%
Wood Repairs & Scaffolding	40,000	-	40,000	24,401	12,169	3,430	91.4%
Shelving Signage	2,000	-	2,000	-	-	2,000	0.0%
Replace 4 Staff Chairs	1,500	-	1,500	-	-	1,500	0.0%
Sub-Total	164,200	-	164,200	50,795	43,696	69,709	57.5%
Carryover From 2016							
Building improvements	-	5,280	5280	-	-	5,280	0.0%
Roof Inspection And Repairs	-	2,280	2,280	-	-	2,280	0.0%
Replace Floors In Elevators	-	3,500	3,500	-	-	3,500	0.0%
Window Caulking	-	53,013	53,013	7,310	41,100	4,603	91.3%
Furniture And Equipment	-	464	464	-	-	464	0.0%
Sub-Total	-	64,537	64,537	7,310	41,100	16,127	75.0%
Total Expenditures	164,200	64,537	228,737	58,105	84,796	85,836	62.5%
Sources of Funds							
Operating Transfer - General Fund	\$ 59,690	\$ -	\$ 59,690	-	-	\$ 59,690	0.0%
Excess Revenues over Expenditures				(58,105)			
Fund Balance - January 1, 2017				173,206			
Fund Balance - May 31, 2017				<u>\$ 115,101</u>			

Pikes Peak Library District
Library 21c Capital Projects Fund
Period 01/01/2017 - 05/31/2017

Account Description	Original Approp	Carryover	Revised Budget	Ytd Expended	Encumbrances	Available Budget	% Used
Expenditures							
2017 Budget							
Parking Repairs	\$ 570,000	\$ -	\$ 570,000	\$ 188,576	\$ 344,423	\$ 37,001	93.5%
Sound Attenuation	5,000	-	5,000	362	1,204	3,434	31.3%
Improve Teen Gaming Room	30,000	-	30,000	7,500	-	22,500	25.0%
Install Electrical Outlets	5,000	-	5,000	-	-	5,000	0.0%
ADA Fixtures	10,000	-	10,000	-	-	10,000	0.0%
Signage	5,000	-	5,000	-	-	5,000	0.0%
Patron Registration	3,000	-	3,000	-	-	3,000	0.0%
Taz 3D Printer	10,000	-	10,000	-	-	10,000	0.0%
Portable Projectors	13,000	-	13,000	-	-	13,000	0.0%
Munis Record Management System	30,000	-	30,000	-	-	30,000	0.0%
Sub-Total	681,000	-	681,000	196,438	345,627	138,935	79.6%
Carryover From 2016							
Parking Repairs	-	30,000	30,000	-	-	30,000	0.0%
Install Ceiling Fans In Children's	-	1,750	1,750	-	-	1,750	0.0%
Sound Dampening Of AMH Space	-	3,000	3,000	-	-	3,000	0.0%
Contingency	-	37,868	37,868	-	-	37,868	0.0%
Staging	-	4,675	4,675	-	-	4,675	0.0%
Audio/Lighting	-	4,000	4,000	-	-	4,000	0.0%
Audio Room - Mikes Hanging	-	1,500	1,500	-	-	1,500	0.0%
Sub-Total	-	82,793	82,793	-	-	82,793	0.0%
Total Expenditures	681,000	82,793	763,793	196,438	345,627	221,728	71.0%
Sources of Funds							
Donations	\$ 30,000	\$ -	\$ 30,000	35,000	\$ -	\$ 5,000	116.7%
Excess Revenues over Expenditures				(161,438)			
Fund Balance - January 1, 2017				777,665			
Fund Balance - May 31, 2017				<u>\$ 616,227</u>			

Pikes Peak Library District
 Capital Reserve Fund
 Period 01/01/2017 - 05/31/2017

Account Description	Original Approp	Carryover	Revised Budget	Ytd Expended	Encumbrances	Available Budget	% Used
Expenditures							
2017 Budget							
Facilities							
Ho-Access Control	5,700	-	5,700	-	5,700	-	100.0%
Mo-Access Control	12,000	-	12,000	-	8,300	3,700	69.2%
Ro-Access Control	2,000	-	2,000	-	2,000	-	100.0%
Sa-Access Control	1,100	-	1,100	-	7,100	(6,000)	645.5%
Upgrade Intrusion Alarm System	20,000	-	20,000	-	19,000	1,000	95.0%
Mo-Carpet Replacement	30,000	-	30,000	-	-	30,000	0.0%
Dw- Concrete Replacement	12,000	-	12,000	-	-	12,000	0.0%
Dw - Asphalt Repairs	15,000	-	15,000	-	-	15,000	0.0%
Mo-Painting	10,000	-	10,000	-	-	10,000	0.0%
Staff Lounges Improvements	30,000	-	30,000	-	-	30,000	0.0%
Adult Ed Improvements	30,000	-	30,000	-	-	30,000	0.0%
Water Management System	25,000	-	25,000	-	-	25,000	0.0%
Furniture Replacement	25,000	-	25,000	-	-	25,000	0.0%
Standing Workstation-Garage	1,000	-	1,000	-	-	1,000	0.0%
Ho-Study Table & Chairs	9,000	-	9,000	8,957	-	43	99.5%
Mo-Storage Cabinets	1,500	-	1,500	-	-	1,500	0.0%
Mo-Reupholster Mr Chairs	1,600	-	1,600	-	-	1,600	0.0%
Pa-Storage Shed	2,800	-	2,800	-	-	2,800	0.0%
Pa-Reupholster Patron Chairs	1,000	-	1,000	-	-	1,000	0.0%
Vehicles	50,000	-	50,000	-	-	50,000	0.0%
Bo - Senior Van	75,000	-	75,000	-	-	75,000	0.0%
Contingency	25,000	-	25,000	-	-	25,000	0.0%
Total Facilities	384,700	-	384,700	8,957	42,100	333,643	
Information Technology							
Servers-Replacements	40,000	-	40,000	-	-	40,000	0.0%

**Pikes Peak Library District
Capital Reserve Fund
Period 01/01/2017 - 05/31/2017**

Account Description	Original Approp	Carryover	Revised Budget	Ytd Expended	Encumbrances	Available Budget	% Used
Maintenance Hard&Soft	52,323	-	52,323	-	-	52,323	0.0%
Maintenance Data domains	24,000	-	24,000	3,771	-	20,229	15.7%
Primary Storage	25,000	-	25,000	-	-	25,000	0.0%
Offsite Backup System	20,000	-	20,000	-	-	20,000	0.0%
Replace Computers	80,000	-	80,000	-	-	80,000	0.0%
Upgrades To Avid Liquid 7.0	1,000	-	1,000	-	-	1,000	0.0%
Laptops, Tablets, Netbooks	25,000	-	25,000	-	-	25,000	0.0%
Self-Check Stations	82,434	-	82,434	-	-	82,434	0.0%
Telecom Switches	60,000	-	60,000	48,895	-	11,105	81.5%
Firewall Replacement	45,000	-	45,000	-	-	45,000	0.0%
Update Security Equip - Pe	5,000	-	5,000	-	-	5,000	0.0%
Ut-Ceiling Projector	1,000	-	1,000	-	-	1,000	0.0%
Dibos And Camera Upgrades	50,000	-	50,000	-	-	50,000	0.0%
Children's Equipment	52,000	-	52,000	-	-	52,000	0.0%
Computer Commons Equipment	26,000	-	26,000	-	-	26,000	0.0%
Special Collections Equip	29,000	-	29,000	-	-	29,000	0.0%
Cloud Computing Transition	15,000	-	15,000	-	-	15,000	0.0%
Mo Library It Infrastructure	50,000	-	50,000	-	-	50,000	0.0%
Ea Library Tween Computers	4,000	-	4,000	-	-	4,000	0.0%
Ch Patron Laptops	5,000	-	5,000	-	-	5,000	0.0%
Total Information Technology	691,757	-	691,757	52,666	-	639,091	7.6%
Sub-Total	1,076,457	-	1,076,457	61,623	42,100	972,734	9.6%

Carryover From 2016

Facilities

Building Maint-Minor Renov Prj	-	25,000	25,000	-	-	25,000	0.0%
Ch Carpet Replacement	-	30,000	30,000	23,520	1,497	4,983	83.4%
Ho - Rolling Wall Partition	-	2,200	2,200	-	-	2,200	0.0%
Ho-Access Control	-	5,100	5,100	-	3,100	2,000	60.8%

Pikes Peak Library District
Capital Reserve Fund
Period 01/01/2017 - 05/31/2017

Account Description	Original Approp	Carryover	Revised Budget	Ytd Expended	Encumbrances	Available Budget	% Used
Ro-Access Control	-	7,100	7,100	-	7,100	-	100.0%
Ma - Building Maintenance/Mino	-	10,000	10,000	-	-	10,000	0.0%
Ma - Other Furn Or Equip Repl	-	1,000	1,000	-	-	1,000	0.0%
Mo-Drive Up Book Drop Improv	-	6,583	6,583	-	-	6,583	0.0%
Mo-Restroom Improvements	-	1,330	1,330	-	-	1,330	0.0%
Dw- Concrete Replacement	-	7,171	7,171	-	-	7,171	0.0%
Dw - Asphalt Repairs	-	15,373	15,373	400	-	14,973	2.6%
Dw-Card Reading Access Accesso	-	5,300	5,300	-	-	5,300	0.0%
Vehicles	-	10,300	10,300	-	-	10,300	0.0%
New Wrap For Bookmobile 702	-	5,000	5,000	-	-	5,000	0.0%
Replace Generator For Bo	-	1,915	1,915	-	-	1,915	0.0%
Contingency	-	71,879	71,879	10,168	58,199	3,512	95.1%
Total Facilities	-	205,251	205,251	34,088	69,896	101,267	50.7%
Information Technology							
Other Expenses	-	1,125	1,125	-	-	1,125	0.0%
Servers	-	629	629	-	-	629	0.0%
Servers-Replacements	-	15,000	15,000	-	-	15,000	0.0%
Windows Server Cal'S	-	26,582	26,582	-	-	26,582	0.0%
Maintenance Hard&Soft	-	44,276	44,276	39,317	-	4,959	88.8%
Webcams For Server Rooms	-	403	403	-	-	403	0.0%
Sirsi Test Server	-	2,532	2,532	2,550	-	(18)	100.7%
Cloud Hosting Support	-	11,485	11,485	-	-	11,485	0.0%
Maintenance Data domains	-	7,028	7,028	-	-	7,028	0.0%
Laptops, Tablets, Netbooks	-	32,454	32,454	32,454	-	-	100.0%
Adult Literacy Depart Laptops	-	4,371	4,371	4,371	-	-	100.0%
Laptop Staff Lab - Pe	-	615	615	615	-	-	100.0%
Laptop Lab Cc	-	13,000	13,000	-	-	13,000	0.0%
Laptops - Ch	-	5,000	5,000	-	-	5,000	0.0%
Laptops-Ho	-	6,000	6,000	-	-	6,000	0.0%
Self-check stations	-	62,695	62,695	62,695	-	-	100.0%

Pikes Peak Library District
Capital Reserve Fund
Period 01/01/2017 - 05/31/2017

Account Description	Original Approp	Carryover	Revised Budget	Ytd Expended	Encumbrances	Available Budget	% Used
Barcode Scanners	-	15,102	15,102	-	-	15,102	0.0%
Tipping Point Replacements	-	5,270	5,270	-	-	5,270	0.0%
Mobile Device Management	-	5,200	5,200	-	-	5,200	0.0%
Archival Manag System	-	12,000	12,000	-	-	12,000	0.0%
Replace Data Domain	-	1,255	1,255	1,255	-	-	100.0%
Equip Init - Security	-	8,121	8,121	-	-	8,121	0.0%
Cash Drawer Project	-	5,000	5,000	-	-	5,000	0.0%
Network All Copiers	-	4,958	4,958	-	-	4,958	0.0%
Children's-IPad For Programming	-	1,769	1,769	-	-	1,769	0.0%
Data Drops At Ho	-	1,000	1,000	-	-	1,000	0.0%
Wan Upgrades, Trenching	-	11,963	11,963	-	-	11,963	0.0%
Phone System	-	29,768	29,768	-	-	29,768	0.0%
Bibframe Linked Data Project	-	12,500	12,500	-	-	12,500	0.0%
Launchpad Kids App/Games/Educa	-	40,000	40,000	-	-	40,000	0.0%
Laptop For Special Collection	-	2,000	2,000	-	-	2,000	0.0%
Small Nas For Special Collection	-	1,250	1,250	-	-	1,250	0.0%
Ma-Downstairs Pac, Cabling	-	2,000	2,000	-	-	2,000	0.0%
Replace Jamex Boxes	-	15,786	15,786	-	-	15,786	0.0%
New Computers, Apps For Children	-	10,000	10,000	-	-	10,000	0.0%
Contingency I/T	-	8,427	8,427	-	-	8,427	0.0%
Total Information Technology	-	426,564	426,564	143,257	-	283,307	33.6%
Creative Services							
Studio flooring	12,000	4,067	16,067	14,892	-	1,175	92.7%
Studio improvements	-	3,500	3,500	560	-	2,940	16.0%
Total Creative Services	12,000	7,567	19,567	15,452	-	4,115	79.0%
Total Carryover	12,000	639,382	651,382	192,797	69,896	388,689	40.3%
Total Expenditures	\$ 1,088,457	\$ 639,382	\$ 1,727,839	\$ 254,420	\$ 111,996	\$ 1,361,423	21.2%

Pikes Peak Library District
 Capital Reserve Fund
 Period 01/01/2017 - 05/31/2017

<u>Account Description</u>	<u>Original Approp</u>	<u>Carryover</u>	<u>Revised Budget</u>	<u>Ytd Expended</u>	<u>Encumbrances</u>	<u>Available Budget</u>	<u>% Used</u>
Sources of Funds							
Operating transfer - General Fund	\$ 676,651	\$ -	\$ 676,651	-	\$ -	\$ 676,651	0.0%
Excess Revenues over Expenditures				(254,420)			
Fund Balance - January 1, 2017				1,051,188			
Fund Balance - May 31, 2017				<u>\$ 796,768</u>			

Pikes Peak Library District
Receipts and Disbursements by Cash Account
For the month ended May 31, 2017

	ColoTrust Investments	Wells Fargo Checking	Total Cash
Cash May 1, 2017	\$ 16,051,168	\$ (122,277)	\$ 15,928,892
Receipts May 2017			
Property Taxes	5,044,137	-	5,044,137
Daily Cash Receipts	-	20,270	20,270
Credit Card Receipts	-	14,967	14,967
Return items and adjustments	-	(18)	(18)
E-Rate reimbursement	-	40,798	40,798
Interest	16,170	-	16,170
Disbursements May 2017			
Payment of Bills week of 5/1/17	-	(5,965)	(5,965)
Payment of Bills week of 5/8/17	-	(354,603)	(354,603)
Payment of Bills week of 5/15/17	-	(286,928)	(286,928)
Payment of Bills week of 5/22/17	-	(314,740)	(314,740)
Payment of Bills week of 5/29/17	-	(14,724)	(14,724)
Payroll 5/5/17	-	(534,680)	(534,680)
Payroll 5/19/17	-	(538,168)	(538,168)
EOM Payroll bills	-	(183,034)	(183,034)
Bank and credit card fees	-	(1,752)	(1,752)
Transfer between funds	(2,100,000)	2,100,000	-
Transfer to FSA		(33,936)	(33,936)
Cash May 31, 2017	<u>\$ 19,011,476</u>	<u>\$ (214,789)</u>	<u>\$ 18,796,687</u>

Branch Report
July 11, 2017

CH: The Community Photography contest had 252 entries and an opening reception on the last Saturday in April with over 35 people attending. Winning photos were on display for the month of May which is National Photography month.



HI: The Falcon Garden Club began work on their garden in front of the library this month. There are, again, some wonderful colors and interesting flowers this year! New picnic tables were assembled and a location was carefully chosen to be beneficial for patron enjoyment amongst the pines and bird feeders to the north of the building.

HO: This year we participated in the citywide el Cinco de Mayo Celebration rather than host a program at HO. Carmen Abeyta, who also sponsors the monthly Latino Luncheon, was happy to have PPLD back and involved! We took the Mobile Book Bike filled with hand-outs and saw hundreds of people.



MA/UT: The Customer Service Team awarded our volunteer, Jessica Alexander, with a mug for outstanding volunteer service. MA received \$250 from the Manitou Springs Woman's Club to help support our children's programs. Staff met with CK Comic owners to go over how we will coordinate video game night at their store and future collaborations.

MLS: While driving to a stop, the driver door of the city vehicle flew open. What we thought was a faulty door mechanism turned out to be structural damage to the frame of the cab which fortunately is covered by warranty. Meanwhile, staff are providing limited services and programming in the van.

MO/PA: Staff made contact with all the local area schools, presenting to thousands of students over the course of a few weeks and Liz scheduled 60 teens utilizing SignUp Genius, which has proved a timesaver.

OL: Cabinet Display: World War II Love Letters Patron, Tim Carpenter, depicted the human side of WW II with a love letter that he found in an antique shop and his subsequent search for the writer now in a nursing home in Pennsylvania. The display included a picture of a woman who lost her father, a German Panzer division tank soldier, and her father's love letter to her mother. There was a section dedicated to the Japanese soldiers and their families as well as Holocaust victims. Tim designed a postcard for the display and 48 postcards were sent to vets around the country.

RO: Staff were busy promoting the Summer Adventure program in schools reaching over 2000 students. Teens learning how to tune and care for their bikes was just one of the many branch programs.

SA/FO: SA hosted our Makerspace / Recording Studio Pre-Construction Party on May 18. Our goal was to show patrons our plans for these spaces and let them sample some of the services that will soon be available. John Spears, Kathleen Owings, and Commissioner Longinos Gonzalez helped kicked off our project for the 150 who attended. At FO children planted the garden to kick off summer.



Library Services Report July 11, 2017



Library Explorers Make introduced attendees to watercolors and watercolor crayons which were a big hit! One attendee wowed us with his detailed depictions of classic tales, and his animal alphabet!



Free Comic Book Day was the first Saturday in May! It was a blast! 235 people stopped by the East Teen Center to get a free comic (generously donated by Escape Velocity) and participate in fun activities with a special appearance by T-Rex! Penrose gave away 103 comic books and teens participated in a craft program. Over 300 patrons came through Library 21c to get



their free comic book and participate in the different activities such as cosplay making, face painting, and tabletop gaming. Also at Library 21c, *Tuesday Teen Time (T3)* worked on creating super heroes from post-it notes. ↑



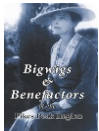
Children at Library 21c built brick houses for a 3 Little Pigs STEM activity.



At East, twenty five kids enjoyed making mixed media flowers.



Local author J.G. Kemp came to Penrose for Children's Book Week and talked about his book *Mary Andromeda and the Amazing Eye*.



Special Collections celebrated the release of the 16th title in the Regional History Series, *Bigwigs and Benefactors of the Pikes Peak Region*

Melanie Wehrle, Senior Services Strategic Librarian, submitted an article on PPLD's senior services programming to the author of the upcoming book, *Public Library Programs and Services for Midlife and Beyond: Expanding Opportunities for a Growing Population* which will be published by Libraries Unlimited next year.

C³ staff helped a patron replicate a part for his Mastercraft ski boat that is no longer produced. (Left is 3D print. Right is original.)



Two Penrose circulation staff who are members of the Green Team assist in the care and maintenance of both the Penrose vegetable and pollinator gardens. Plants are up and blooming. Harvests are donated to the Marion House kitchen.

2017 Circulation ITEM Summary													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD TOTAL
Print	283039	266674	312124	279236	296190	324773	0	0	0	0	0	0	1762036
DVD	159192	145671	169020	153965	158498	157942	0	0	0	0	0	0	944288
CD Music	17304	15656	17412	15405	15058	15270	0	0	0	0	0	0	96105
CD Book	17810	16935	19747	17681	19656	20753	0	0	0	0	0	0	112582
Playaway	4995	4458	5564	4723	5545	7026	0	0	0	0	0	0	32311
Kit	1735	1788	2235	2005	2102	2131	0	0	0	0	0	0	11996
Game	3606	3774	4895	4201	4173	4727	0	0	0	0	0	0	25376
Software	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL Physical Items	487681	454956	530997	477216	501222	532622	0	0	0	0	0	0	2984694
ILL	1708	2144	2221	2494	2105	2100	0	0	0	0	0	0	12772
CyberShelf-OverDrive	121211	108639	123704	117877	123555	123952	0	0	0	0	0	0	718938
Zinio	5505	4090	4149	4202	3558	3369	0	0	0	0	0	0	24873
eReader	64	38	25	39	59	53	0	0	0	0	0	0	278
OneClick Audio	527	499	619	527	521	536	0	0	0	0	0	0	3229
Hot Spots	53	67	70	69	70	72	0	0	0	0	0	0	401
													0
TOTAL STATE Circ	616749	570433	661785	602424	631090	662704	0	0	0	0	0	0	3745185
Freegal Music	11387	10388	10997	10336	10938	9890	0	0	0	0	0	0	63936
Freeding	73	58	88	76	87	83	0	0	0	0	0	0	465
DVD Player	127	137	158	151	174	126	0	0	0	0	0	0	873
Hoopla	1456	1404	1517	1440	1467	1403	0	0	0	0	0	0	8687
ComicsPlus	243	169	215	274	113	0	0	0	0	0	0	0	1014
													0
CLC	11560	10985	12915	11113	10872	11542	0	0	0	0	0	0	68987
Laptop Use	1579	1581	1866	1709	1777	1393	0	0	0	0	0	0	9905
Active Users	260189	259722	260272	259790	259453	260002	0	0	0	0	0	0	

Monthly Circ by Format			
	2017	2016	Change
Print	324773	379871	-15%
DVD	157942	176345	-10%
CD Music	15270	19140	-20%
CD Book	20753	22246	-7%
Playaway	7026	7126	-1%
Kit	2131	2769	-23%
Game	4727	5657	-16%
	0	0	
TOTAL Physical Items	532622	613154	-13.13%
ILL	2100	2316	-9%
CyberShelf-OverDrive	123952	109800	13%
Zinio	3369	3457	-3%
eReader	53	23	130%
OneClick Audio	536	542	-1%
Hot Spots	72	35	106%
Total e-materials	127982	113857	12%
TOTAL STATE Circ	662704	729327	-9%
Freegal Music	9890	11051	-11%
Freeding	83	112	-26%
DVD Player	126	138	-9%
Hoopla	1403	1281	10%
ComicsPlus*		434	-100%
CLC	11542	14211	-19%
Laptop Use	1393	1331	5%
Active Users	260002	261507	-1%

MTD Total	2017	2016	Change
January	616749	654844	-6%
February	570433	606705	-6%
March	661785	674923	-2%
April	602424	651740	-8%
May	631090	651398	-3%
June	662704	729327	-9%
July		675386	-100%
August		652994	-100%
September		605501	-100%
October		612921	-100%
November		598991	-100%
December		573544	-100%

YTD Total	2017	2016	Change
January	616749	654844	-6%
February	1187182	1261549	-6%
March	1848967	1936472	-5%
April	2451391	2588212	-5%
May	3082481	3239610	-5%
June	3745185	3968937	-6%
July		4644323	-100%
August		5297317	-100%
September		5902818	-100%
October		6515739	-100%
November		7114730	-100%
December		7688274	-100%

ComicsPlus - No report available for June 2017

Circulation by Item Type - June 2017

2017 Circulation by Facility	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD TOTAL
Penrose	65426	56029	65899	60703	60582	62168	0	0	0	0	0	0	370807
Mobile Libraries Total	13662	13144	13896	13300	13323	12170	0	0	0	0	0	0	79495
Cheyenne	26625	31084	36349	31514	33759	34986	0	0	0	0	0	0	194317
Fountain	14826	13830	17458	15818	16053	18364	0	0	0	0	0	0	96349
High Prairie	24970	23044	27635	23106	24943	25433	0	0	0	0	0	0	149131
Holley	30802	27612	31993	29414	31479	32586	0	0	0	0	0	0	183886
Manitou	4328	3945	5079	4356	4598	3755	0	0	0	0	0	0	26061
Monument	32089	29776	34975	31421	34001	35938	0	0	0	0	0	0	198200
Old Colorado City	18979	17241	20090	17611	18810	17945	0	0	0	0	0	0	110676
Palmer Lake	3665	3770	4231	3582	3858	3881	0	0	0	0	0	0	22987
Rockrimmon	30019	28473	32396	28694	32047	33539	0	0	0	0	0	0	185168
Sand Creek	30571	29847	33347	31028	31096	33871	0	0	0	0	0	0	189760
Ute Pass	2727	2510	3095	2507	2606	2665	0	0	0	0	0	0	16110
Senior Van	1993	1650	1901	1672	1704	1882	0	0	0	0	0	0	10802
Bookmobiles	11669	11494	11995	11628	11619	10288	0	0	0	0	0	0	68693
East	115150	101730	115308	106561	111657	119108	0	0	0	0	0	0	669514
Library 21c	73374	72496	88727	77305	82107	95881	0	0	0	0	0	0	489890
Dispensers	332	321	388	193	212	228	0	0	0	0	0	0	1674
Parenting	136	104	131	103	91	104	0	0	0	0	0	0	669
Total Physical Materials	487681	454956	530997	477216	501222	532622	0	0	0	0	0	0	2984694

YTD CIRC Comparison	2017	2016	% Change
Penrose	370807	406074	-8.7%
Mobile Libraries Total	79495	85185	-6.7%
Cheyenne	194317	227857	-14.7%
Fountain	96349	103322	-6.7%
High Prairie	149131	159325	-6.4%
Holley	183886	206787	-11.1%
Manitou	26061	24013	8.5%
Monument	198200	216690	-8.5%
Old Colorado City	110676	131131	-15.6%
Palmer Lake	22987	22011	4.4%
Rockrimmon	185168	198088	-6.5%
Sand Creek	189760	216568	-12.4%
Ute Pass	16110	16950	-5.0%
Senior Van	10802	11534	-6.3%
Bookmobiles	68693	73651	-6.7%
East	669514	791523	-15.4%
Library 21c	489890	457474	7.1%
Dispensers	1674	12648	-86.8%
Parenting	669	646	3.6%
Total Physical Materials	2984694	3276292	-8.9%

Current Month Comparison CIRCULATION	2017	2016	% Change
Penrose	62168	69340	-10.3%
Mobile Libraries Total	12170	13583	-10.4%
Cheyenne	34986	42242	-17.2%
Fountain	18364	21318	-13.9%
High Prairie	25433	29119	-12.7%
Holley	32586	36127	-9.8%
Manitou	3755	4178	-10.1%
Monument	35938	41549	-13.5%
Old Colorado City	17945	21726	-17.4%
Palmer Lake	3881	3807	1.9%
Rockrimmon	33539	37182	-9.8%
Sand Creek	33871	39334	-13.9%
Ute Pass	2665	2738	-2.7%
Senior Van	1882	1943	-3.1%
Bookmobiles	10288	11640	-11.6%
East	119108	154683	-23.0%
Library 21c	95881	93053	3.0%
Dispensers	228	3073	-92.6%
Parenting	104	102	2.0%
Total Physical Materials	532622	613154	-13.13%

Circulation by Facility - June 2017

Current Month Comparison VISITORS	2017	2016	% Change
Penrose	46442	47777	-2.8%
Mobile Libraries Total	3859	3481	10.9%
Cheyenne	19622	22823	-14.0%
Fountain	11764	13641	-13.8%
High Prairie	10971	12510	-12.3%
Holley	19152	21046	-9.0%
Manitou	4853	4529	7.2%
Monument	19473	23256	-16.3%
Old Colorado City	13088	14015	-6.6%
Palmer Lake	2201	2688	-18.1%
Rockrimmon	19932	22137	-10.0%
Sand Creek	23068	25168	-8.3%
Ute Pass	1668	1952	-14.5%
East	60805	73174	-16.9%
Library 21c	50525	54734	-7.7%
TOTAL	307423	342931	-10.4%
Special Collections	3026	2817	7.4%

Consent Agenda: New Hires

The following individuals were hired by the Pikes Peak Library District for the positions indicated during the period of June 1, 2017 – June 30, 2017.

Elizabeth Willhoff: Library 21c, C3, Librarian (40 hrs)

Yvette Dow-Rose: Penrose, Library Assistant (20 hrs)

A. Fortner: Penrose, Shelver (20 hrs)

Shannon McDonald: East, Librarian (20 hrs)

Sheila Genevich: East, Library Assistant (20 hrs)

Melissa Simmons: Sand Creek, Librarian (40 hrs)

Carl Stringfield: Mobile Library Services, Shelver (20 hrs)

John Jarrell: Penrose, Library Associate (20 hrs)

Joe Paisley: Old Colorado City, Library Associate (20 hrs)

Pikes Peak Library District
July 11, 2017

Completion of Financial Audit of PPLD's 2016 Financial Records

Enclosed is a copy of PPLD's 2016 Comprehensive Annual Financial Report (CAFR).

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

PPLD's 2016 financial records were audited by BKD, LLP. The audit was completed in accordance with all applicable State statutes and in accordance with Generally Accepted Auditing Standards.

BKD, LLP issued an "unqualified" opinion, meaning the financial records are materially correct as presented. Their opinion is included on pages 27 - 29 in the 2016 CAFR. A second report, "Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards" is located on pages 171 – 172 of the CAFR.

BKD, LLP met with the Internal Affairs Committee (Cathy Grossman, Ken Beach and Molly Dippold) on June 19, 2017 to present the results of the audit. The Internal Affairs Committee will present the results of the audit to the Board of Trustees at the July 11, 2017 Board meeting. In short, there were no audit adjustments, no passed audit adjustments (adjustments that they consider as immaterial and do not need to be posted to the financial records), and there were no management letter comments or other significant items of deficiency.

Recommendation

Management recommends approval of the results of the audit of PPLD's 2016 financial records as described above.

Pikes Peak Library District

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

Comprehensive Annual Financial Report
For the year ended December 31, 2016

Board of Trustees

(As of December 31, 2016)

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

Executive Director
John Spears

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

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June 23, 2017

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, 2016.

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

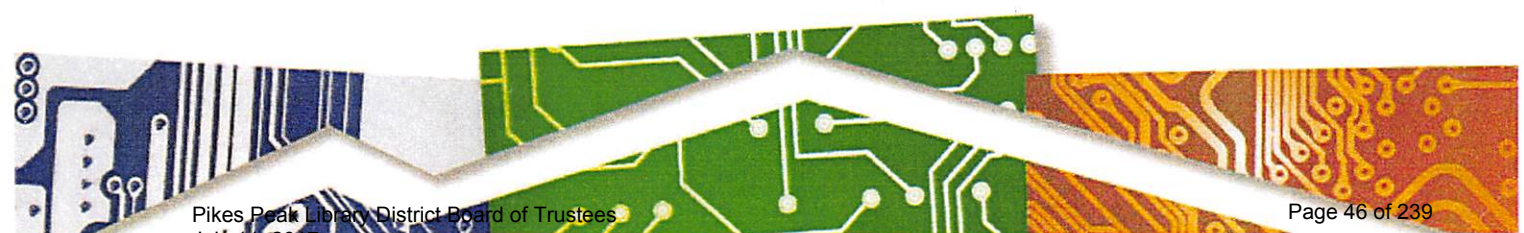
Please refer to pages 31 to 42 for the section of the CAFR called “Management’s Discussion and Analysis.” This section provides a discussion of the significant issues and analysis of the District’s 2016 financial statements.

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 2016 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,

John Spears
Executive Director



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June 23, 2017

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, 2016.

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, 2016. 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

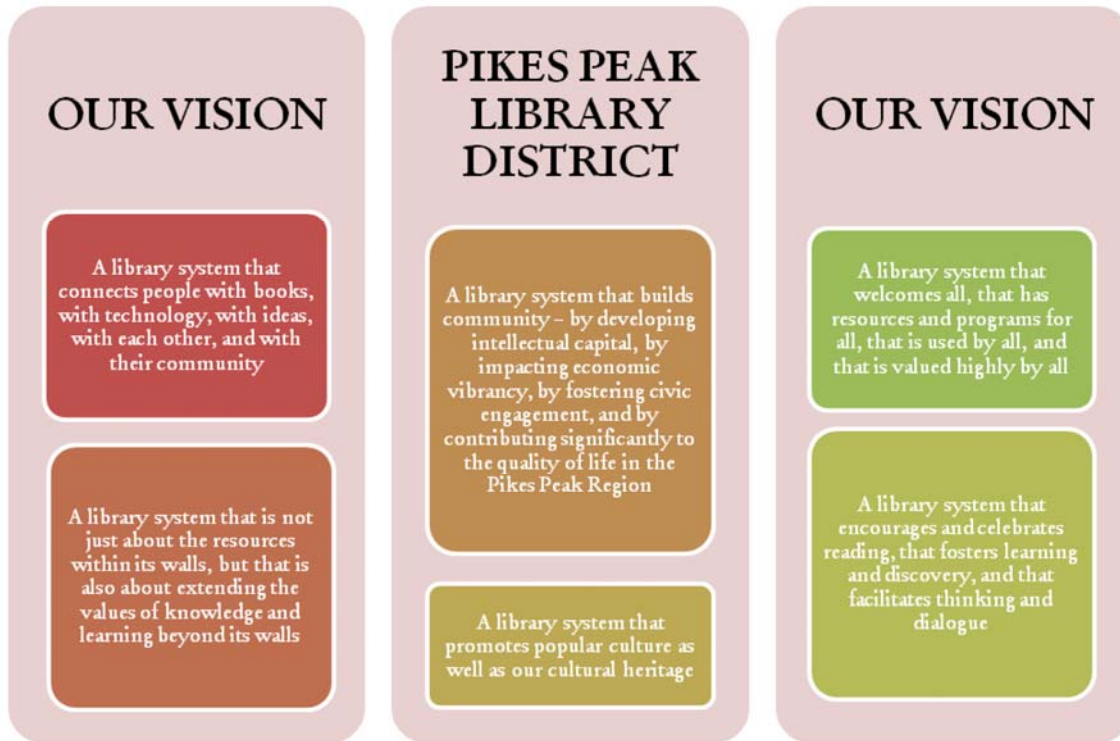
PPLD is the second largest library district in Colorado. Established in 1903, PPLD serves 616,089 residents in El Paso County by providing 896 hours of library service a week across 2,070 square miles. PPLD's 14 facilities, online resources, and mobile library service provide access to materials, technology, 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 2016

2016 saw many new initiatives started and a multitude of services and programs presented to the community by Pikes Peak Library District (PPLD). A major project begun in 2016 was the addition of a digital media center and “audio” makerspace in the Sand Creek Branch in southeastern Colorado Springs. Pikes Peak Library District Foundation was able to secure a \$50,000 grant from Comcast, and cover an additional \$50,000 for the Sand Creek project. The remaining monies needed were made up by reallocating Library District funds. The renovation at Sand Creek is expected to open in the summer of 2017.

In addition, in 2016 the Library District established their Career Online High School initiative. This nationally accredited 18-month program allows students to earn a high school diploma, prepare for career entry or advancement by earning a career certificate and gain employment search skills and support tools. This is not a GED, but an actual diploma based on career-focused, skills-based online curriculum. Enrollments will begin in 2017 for up to 40 students. The program will be no cost to students, while the Library District gives support equaling approximately \$1,200 for each student.

In 2016, Pikes Peak Library District began to review all of its standing policies. This introspective review led at the end of the year to no longer charging fines on overdue library materials checked out by children and teens. PPLD believes that removing these overdue fines will provide greater opportunity for children and teens to use the full range of library services. Also, overdue fines on DVDs and games were reduced. Another PPLD initiative that was begun in late 2016 was a comprehensive compensation and job analysis, which will revise the Library District’s original staffing structure.

2016 also saw the beginning of the development of a *Human Library* at PPLD. Instead of checking out a book, library patrons (readers) will be able to check out a person and have a conversation of 15 to 20 minutes with that community member (human book). The hope is to encourage dialogue that helps people understand perspectives and life experiences that may differ from their own. To begin the process in establishing the *Human Library*, the Library District put out a call for people “who have a story to tell” in the fall of 2016. The Human Book participants were interviewed, and were trained to understand and respond to the varying issues that could come up in their conversations with the readers. The first *Human Library* will be held in March of 2017 at Penrose Library.

In October 2016, PPLD collaborated with Colorado Springs Science Center on the third annual Maker Faire in conjunction with Make Magazine. Over five thousand (5,000) people attended the event, with experiential learning opportunities filling Library 21c, delighting, and intriguing the overflow crowd. PPLD and our Special Collections department also partnered with the region’s Family History Center to present a Family History Fair at Library 21c in Nov. 2016. Over four thousand (4,000) people attended this inaugural event.

Pikes Peak Library District once again surpassed 1 million digital circulations in 2016 through OverDrive, one of the digital distributors on PPLD’s CyberShelf. This milestone again made PPLD the only library system in Colorado to reach this impressive milestone and was placed PPLD digital circulations in the top ten of national libraries.

PPLD initiated and deepened partnerships in 2016, including another robust collaboration with Colorado Springs Science Center including the weeklong 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 Business Fair at Library 21c coordinated by PPLD Business Librarian Terry Zarsky, a full array of programs for “Stories” (the 2016 All Pikes Peak Reads initiative), and a series of community talks and panel dialogs with Colorado College and the Greenberg Center for Learning and Tolerance. 2016 also continued the extraordinary response by the public to the multi-media workshops and media classes presented in The Studio at 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, 2016, the population of El Paso County is 685,331 (the District’s legal service is 623,805 and is included in this total). Colorado Springs, the largest municipality within El Paso County (the County), is the 40th largest city in the nation. The County’s population has increased by approximately 165,000 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:

	2016		2015	
Under 15	145,735	21.3%	143,367	21.3%
15-24	106,986	15.6%	104,384	15.5%
25-44	180,790	26.4%	178,112	26.5%
45-64	170,697	24.9%	167,995	25.0%
65+	81,123	11.8%	78,013	11.7%
Total	<u>685,331</u>		<u>671,871</u>	

Industries

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

	2016	2015
Government, including military	18.1%	18.5%
Professional and business	15.6%	15.3%
Wholesale and retail trade	15.5%	15.5%
Education, health care	13.5%	13.2%
Leisure and hospitality	13.0%	13.1%
Financial	6.3%	6.2%
Manufacturing	4.2%	4.4%
All other	13.8%	13.8%

Wage/Salary

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

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

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

Occupation	2016 Annual Wages	2015 Annual Wages
Accountants and Auditors	\$ 73,230	\$ 65,850
Bank Tellers	27,970	29,020
Bookkeeping, Accounting, and Auditing Clerks	35,080	35,300
Carpenters	41,340	41,510
Civil Engineers	82,730	84,270
Computer Programmers	89,610	78,060
Correctional Officers	56,710	48,470
Dental Hygienists	75,920	73,820
Electrical Engineers	106,350	103,680
Elementary School Teachers	46,110	45,210
Executive Secretaries	50,350	47,600
Financial Analysts	87,730	88,120
Graphic Designers	50,200	48,460
Order Clerks	32,540	29,960
Payroll Clerks	42,680	41,250
Physicians and Surgeons	248,440	228,830
Property Managers	77,320	77,190
Social Workers	63,360	63,810
Systems Analysts	94,340	90,040

Consumer Spending

Retail sales for 2016 were about 2.7% higher than 2015. 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 94.0, 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:

	2016	2015
Seattle, WA	145.1	140.3
Los Angeles, CA	142.3	140.3
Portland, OR	128.5	129.5
Denver, CO	110.4	109.6
Las Vegas, NV	104.3	108.2
Dallas, TX	100.4	96.1
National Average	100.0	100.0
Phoenix, AZ	97.0	95.9
Colorado Springs, CO	94.0	95.3
Salt Lake City, UT	93.8	96.4
Boise, ID	91.5	90.8

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 2016.

	2016	2015
Los Angeles, CA	\$ 686,082	\$ 617,169
Seattle, WA	563,432	548,187
Portland, OR	466,921	439,773
Denver, CO	413,831	398,144
Las Vegas, NV	360,554	339,398
National Average	326,999	313,530
Phoenix, AZ	308,054	292,558
Salt Lake City, UT	306,902	295,695
Colorado Springs, CO	294,987	296,055
Dallas, TX	276,604	220,002
Boise, ID	267,833	258,125

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

	2016	2015
	Per Month	Per Month
Los Angeles, CA	\$ 2,510	\$ 2,420
Portland, OR	2,461	2,211
Seattle, WA	2,050	1,980
Denver, CO	1,469	1,306
Colorado Springs, CO	1,104	1,029
Dallas, TX	1,058	865
National Average	1,008	951
Las Vegas, NV	1,000	889
Phoenix, AZ	974	880
Salt Lake City, UT	954	894
Boise, ID	795	700

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 81.8% 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:

	2016 Total Enrollment	2015 Total Enrollment
Pikes Peak Community College	13,572	13,947
University of Colorado at Colorado Springs	11,696	11,761
United States Air Force Academy	4,111	3,952

National Rankings

- Colorado Springs **ranked 12th** Best Places for Business and Careers by Forbes. The survey looked at factors related to employment, costs (business and living), income growth, quality of life and the education of the labor force.
- Colorado Springs was listed as one of *Money Magazine's* 6 Best Big Cities, earning the spot of "Best City in the Mountains."
- Colorado Springs **ranked 10th** Best Places to Find a Job in Technology according to U.S. News & World Report Real Estate. The evaluation was based on the strength of the overall job market in each of the 100 most populous metro areas, and the year-over-year growth of opportunities in the technology sector in those areas.
- Colorado Springs **ranked 9th** Best City for Families by WalletHub. The survey looked at the 150 most populated U.S. cities based on 36 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 7th** Best Large City for Real-Estate Markets, and **28th** overall by WalletHub. The study compared 300 U.S. cities across 16 key metrics to help prospective home buyers find the most attractive real-estate markets, with a data set ranging from "median home-price appreciation" to "housing affordability" to "job growth."
- Colorado Springs **ranked 4th** Best Midsize City for New Grads by Online Degrees.com. The ranking looked at 69 U.S. cities that either had a city population of between 150,000 and 750,000, or were designated as the principal city of a Metropolitan Statistical Area with a population between 1 million and 1.5 million, according to 2015 estimates from the U.S. Census Bureau. Each location was graded based on a number of employment, demographic, and "fun" factors, such as median rent price, percent of population age 20 to 34, unemployment rate, and number of restaurants or performing arts venues in the area.

- Colorado Springs **ranked 2nd** Most Desirable Place to Live by U.S. News & World Report readers. U.S. News & World Report asked people across the country to decide where they preferred to live out of the 100 largest metro regions.
- Colorado **ranked 5th** Best State for Innovation by WalletHub. The study measured innovation potential in every state by aggregating seven equally weighted factors, including elements like the percentage of jobs in high-tech industries, percentage of jobs held by scientists and engineers and venture-capital funding per capita. Entrepreneurial activity, the percentage of the adult population in the area the company studied that became entrepreneurs in one month, was also calculated for the list. Colorado shows 6.74% of jobs in high-tech industries.
- Colorado Springs Downtown **ranked 9th** Best by Livability.com. The ranking looked at places with low vacancy rates, new development, an influx of people into new space, culture and nightlife, rising population and incomes, city's Walk Score, measures of affordability and a diversity index.

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 2016 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, 2015. This was the 25th 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 2016 CAFR a success:

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

Respectfully submitted,



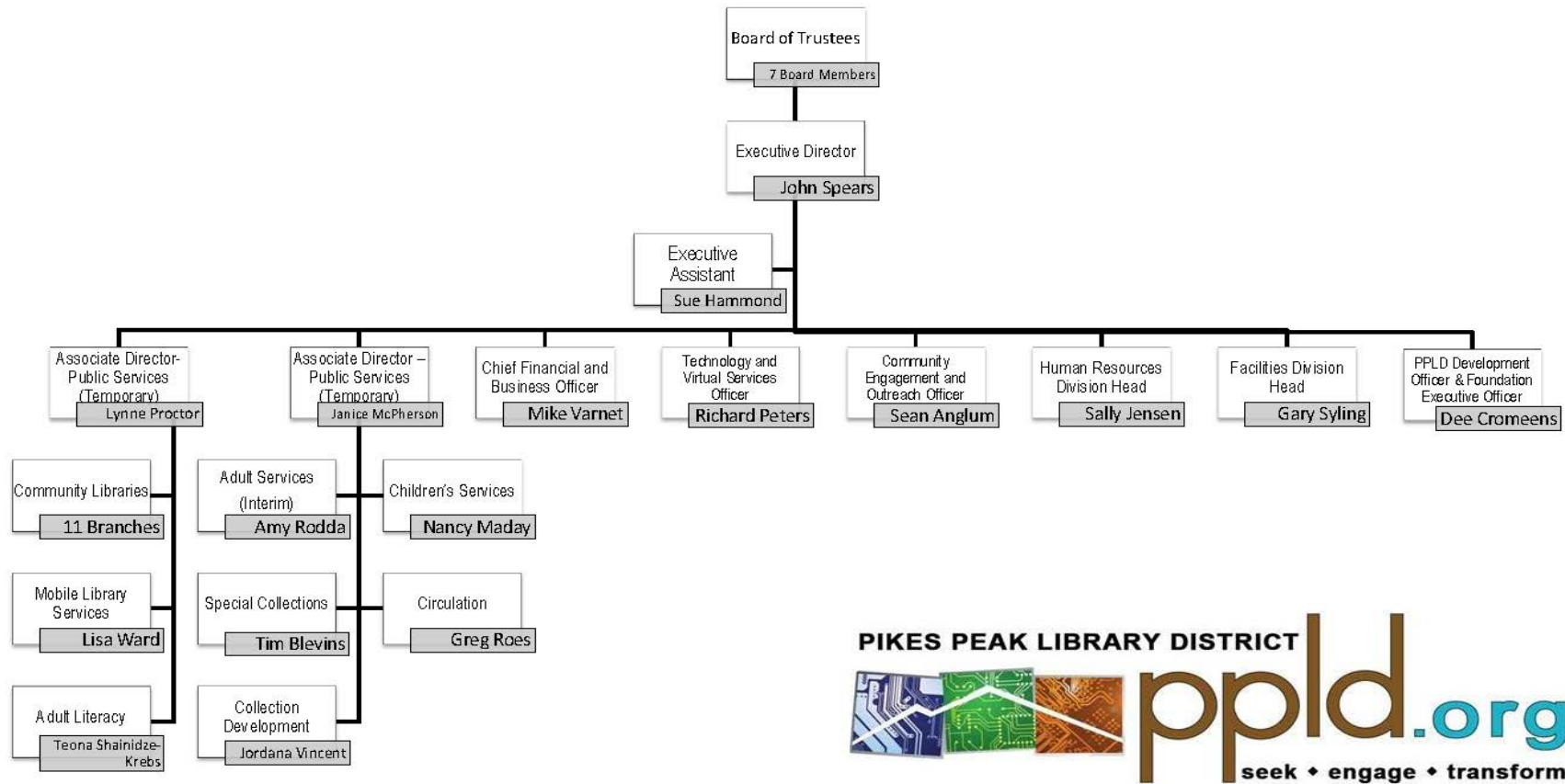
John Spears
Executive Director



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

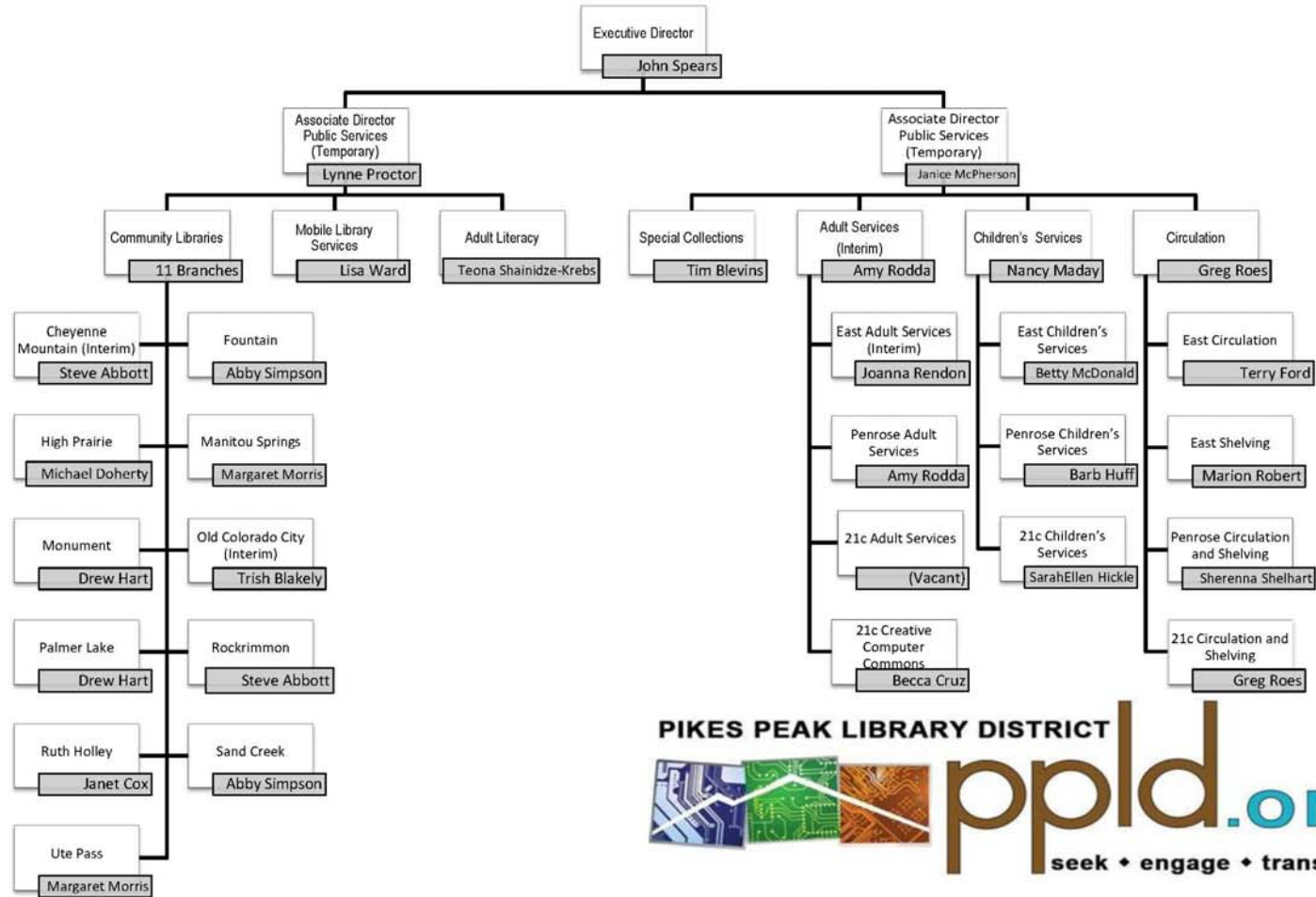
Pikes Peak Library District Organizational Chart

Updated: 1/6/2017



Pikes Peak Library District Public Services Organizational Chart

Updated: 1/6/2017



**Executive Director’s Leadership Team
December 31, 2016**

John Spears Executive Director
Sean Anglum Community Engagement and Outreach Officer
Dolores Cromeens.....PPLD Foundation and Development Officer
Sally Jensen.....Human Resources Officer
Janice McPherson Associate Director, Public Services
Lynne Proctor Associate Director, Public Services
Gary Syling Facilities Officer
Rich Peters 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, 2016**

<u>Manager's Name</u>	<u>Job Title</u>
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
Sittig, John	Manager, Finance
Vincent, Jordana	Division Head, Collection Management
Ward, Lisa	Supervisor, Mobile Library Services



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial
Reporting

Presented to

Pikes Peak Library District
Colorado

For its Comprehensive Annual Financial
Report

for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

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, 2016, 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.

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, 2016, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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 2016 information has been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 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, 2015, which are not presented with the accompanying financial statements. In our report dated June 23, 2016, we expressed unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate

Board of Trustees
Pikes Peak Library District

remaining fund information. In our opinion, the 2015 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, 2015, 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 21, 2017, 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 21, 2017

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Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

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, 2016. 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 \$39,636,748 (net position) as of December 31, 2016.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$37,308,714 includes property and equipment, net of accumulated depreciation.
 - (2) Net position of \$956,559 is restricted by constraints imposed from outside the District, such as gifts, grantors, laws or regulations.
 - (3) Unrestricted net position of \$1,371,475 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, 2016, the District's proportionate share of the Net Pension Liability was \$9,631,215. This balance is included in the unrestricted net position.
- The District's General Fund reported total ending fund balance of \$9,290,771 as of December 31, 2016. This compares to the prior year ending fund balance of \$7,835,294, showing an increase of \$1,455,477 during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$6,425,409 or 23.3%, of total General Fund expenditures, including transfers for the year ended December 31, 2016.
- Overall, the District continues to maintain a moderately strong financial position.

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

Pikes Peak Library District

Management's Discussion and Analysis (Unaudited) (Continued)

December 31, 2016

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 46 through 51 of this report.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

Fund Financial Statements

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

The District has the following fund types:

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

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

The basic governmental fund financial statements are presented on pages 52 through 55 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 56 through 58 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 60 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

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

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 87 through 92.

As discussed, the District reports one major fund and several nonmajor funds in the basic financial statements. The individual governmental fund comparative statements are presented in a subsequent section of this report beginning on page 100.

Financial Analysis of the District as a Whole

The District's net position at calendar year-end is \$39,636,748. The following table provides a summary of the District's net position as of December 31, 2016 and 2015:

	Summary of Net Position			
	2016		2015	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Assets				
Current and other assets	\$ 39,749,233	51%	\$ 37,127,077	49%
Capital assets	37,486,467	49%	39,388,971	51%
Total assets	<u>77,235,700</u>	<u>100%</u>	<u>76,516,048</u>	<u>100%</u>
Deferred Outflows of Resources	<u>1,426,744</u>	<u>100%</u>	<u>1,917,307</u>	<u>100%</u>
Liabilities				
Current liabilities	1,982,471	16%	2,289,803	17%
Noncurrent liabilities	<u>10,710,962</u>	<u>84%</u>	<u>11,132,838</u>	<u>83%</u>
Total liabilities	<u>12,693,433</u>	<u>100%</u>	<u>13,422,641</u>	<u>100%</u>
Deferred Inflows of Resources	<u>26,332,263</u>	<u>100%</u>	<u>24,806,927</u>	<u>100%</u>
Net Position				
Net investment in capital assets	37,308,714	94%	38,922,766	97%
Restricted	956,559	2%	998,444	2%
Unrestricted	<u>1,371,475</u>	<u>4%</u>	<u>282,577</u>	<u>1%</u>
Total net position	<u>\$ 39,636,748</u>	<u>100%</u>	<u>\$ 40,203,787</u>	<u>100%</u>

The District continues to maintain a moderately high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. However, to make this ratio meaningful, we have eliminated the property taxes receivable for governmental activities. After this elimination, governmental activities' current assets are \$13,904,998. As a result, the current ratio for

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

the District overall is 7.1 to 1, which is comparable to the December 31, 2015 ratio of 5.4 to 1. This ratio is strong.

The District reported positive balances in net position. Net position decreased by (\$567,039) for governmental activities.

Approximately 94% of the District's net position is comprised of capital assets as of December 31, 2016. 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, 2016 and 2015:

	Summary of Changes in Net Position			
	2016		2015	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues				
Program				
Charges for services, sales and fines	\$ 494,493	2%	\$ 538,214	2%
Operating grants/donations	377,871	1%	274,694	1%
Capital grants/donations	269,621	1%	1,645,190	5%
General				
Taxes	27,673,192	95%	26,902,978	91%
Other	251,979	1%	228,466	1%
Total revenues	29,067,156	100%	29,589,542	100%
Program expenses				
Public services	13,251,004	45%	13,250,047	45%
Administrative services	3,823,660	13%	3,785,191	13%
Director's Office	466,816	1%	398,398	1%
Finance Office	522,810	2%	476,755	2%
Information Technology Office	7,631,440	26%	7,855,225	26%
Community Engagement Outreach Office	764,629	3%	853,076	3%
Other administration	3,116,763	10%	3,107,845	10%
Total expenses	29,577,122	100%	29,726,537	100%
Special item - TABOR refund	(57,073)		-	
Change in net position	(567,039)		(136,995)	
Beginning net position	40,203,787		40,340,782	
Ending net position	<u><u>\$ 39,636,748</u></u>		<u><u>\$ 40,203,787</u></u>	

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

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, 2016. 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 \$3.9 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 \$11,701,486.

Fund balances as of December 31, 2016 and 2015 include:

	2016	2015
Nonspendable	\$ 400,222	\$ 515,367
Restricted	956,559	998,444
Committed	3,243,444	2,876,494
Assigned	675,852	591,571
Unassigned	6,425,409	4,896,422
	\$ 11,701,486	\$ 9,878,298

Major Governmental Funds

General Fund

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's balance increased by \$1,455,477 during 2016. The total fund balance of the General Fund as of December 31, 2016 was \$9,290,771. The total fund balance as of December 31, 2015 was \$7,835,294.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

The fund balance of the General Fund is broken down as follows as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Nonspendable	\$ 386,130	\$ 510,377
Restricted	945,380	944,548
Committed	865,000	900,000
Assigned	668,852	583,947
Unassigned	<u>6,425,409</u>	<u>4,896,422</u>
	<u>\$ 9,290,771</u>	<u>\$ 7,835,294</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, 2016 was \$276,400. This amount is \$56,432 less than the fund balance of \$332,832 as of December 31, 2015.

Capital Projects Funds – As of December 31, 2016, 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:

	<u>2016</u>	<u>2015</u>
North Facility Project Fund	\$ 777,665	\$ 875,462
East Library Renovation Fund	132,256	176,645
Penrose Library Renovation Fund	173,206	155,639
Capital Reserve Fund	1,051,188	502,426

Pikes Peak Library District
Management’s Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

For 2016, capital outlay for those specific funds equaled the following:

North Facility Project Fund	\$ 189,947
East Library Renovation Fund	71,889
Penrose Library Renovation Fund	69,433
Capital Reserve Fund	503,676

Budgetary Highlights

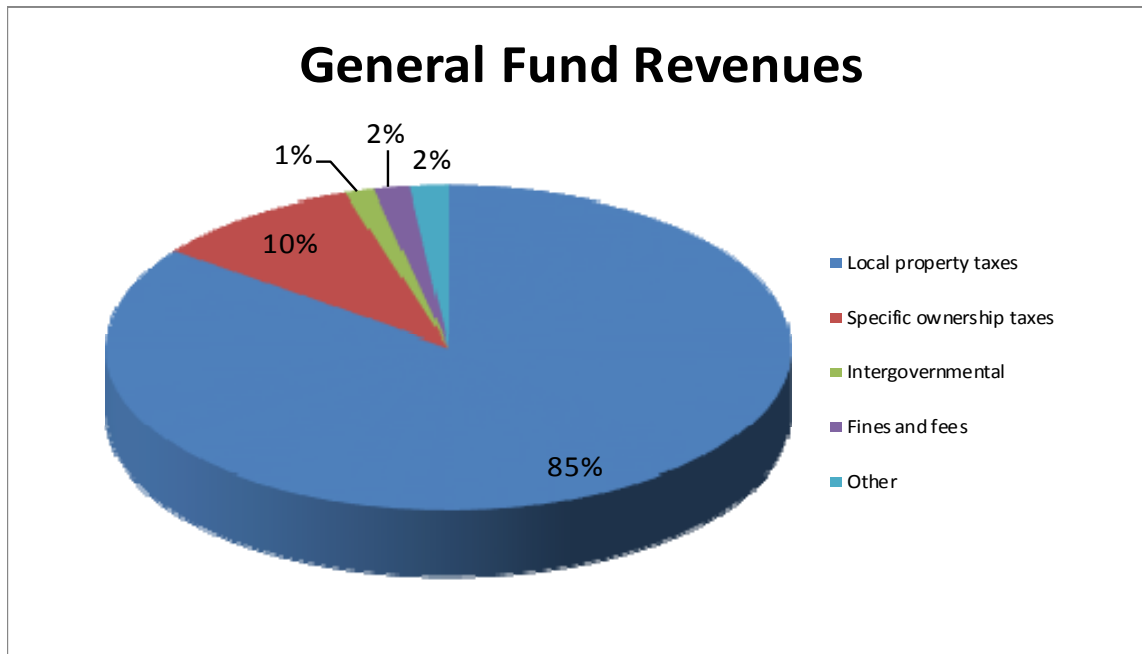
General Fund

The original budget (expenditures and transfers out) was amended by \$1,154,736, 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 2016 budget.

General Fund Revenues

Total General Fund actual revenues for fiscal year 2016 were \$29,109,072. This amount was less than the 2016 budget, as amended, by (\$109,429), which is approximately 0.4% of the total revenue budget.

The following chart depicts General Fund revenue for 2016 by category:

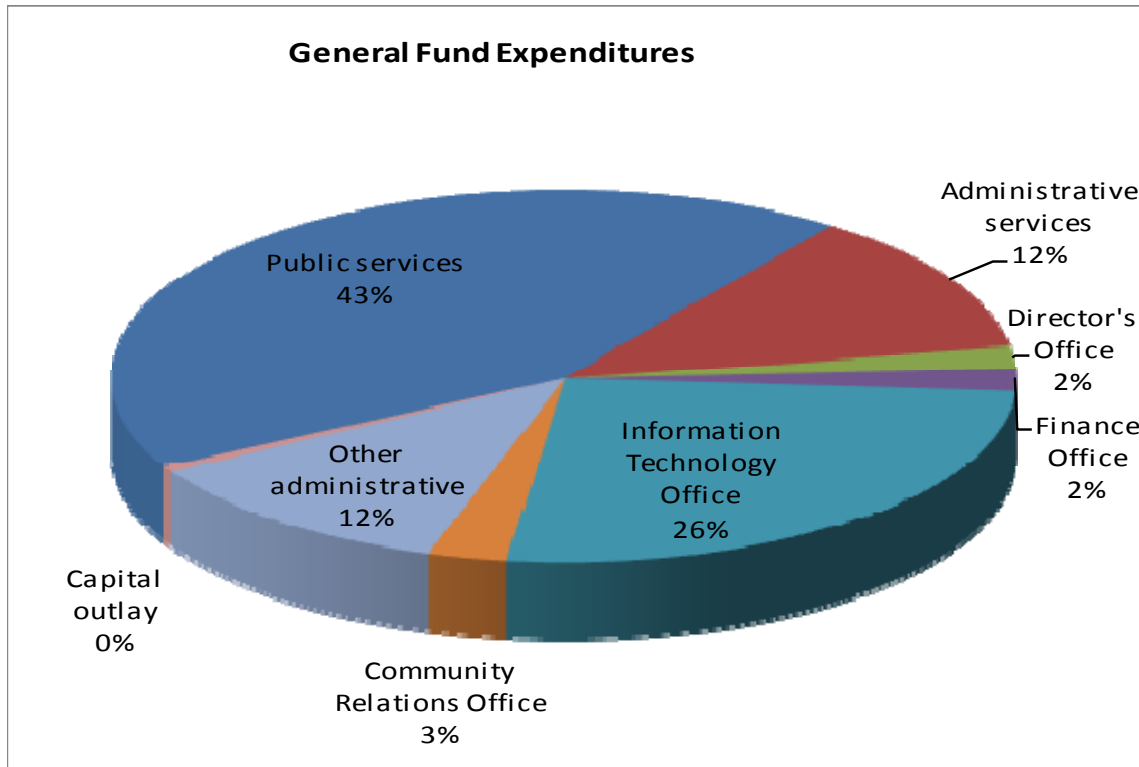


Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

General Fund Expenditures

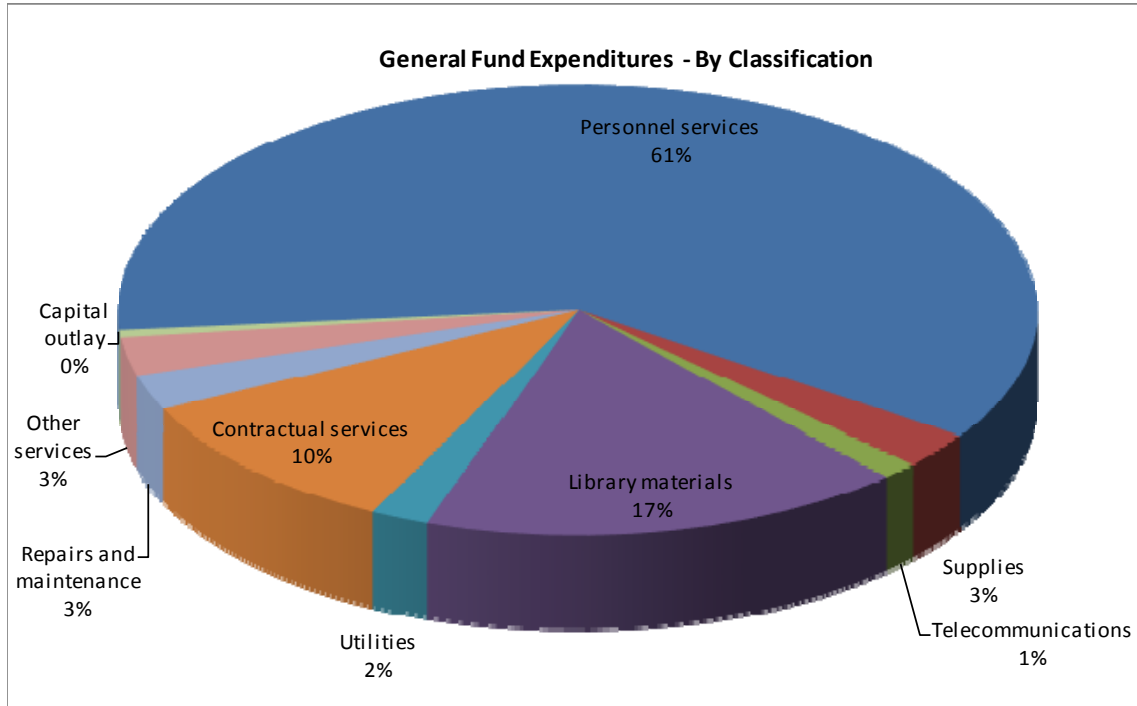
Total General Fund actual expenditures for fiscal year 2016 was \$26,354,779. This amount was less than the 2016 budget, as amended, by \$2,480,429, which is approximately 8.6% of the total budget.

The following chart depicts 2016 General Fund expenditures by function:



Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

The following chart depicts 2016 General Fund expenditures by classification:



The following is a summary of the departments or accounts that significantly contributed to the difference between the 2016 budget and actual expenditures:

Public Services – For 2016, this function was under budget by \$755,010. The primary cause is due to staff positions that were vacant at some point throughout 2016. 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 2016, this function was under budget by \$338,071. 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 2016, this function was under budget by \$557,967. As with the other departments, certain positions were vacant for a part of 2016. This resulted in \$154,243 in savings. Another reason for the budget savings is the amount spent on computer and other supplies was less than budget by \$122,766. Supplies are purchased when needs arise, and the magnitude of such needs may vary from year to year.

Capital outlay – For 2016, this function was under budget by \$381,919. The Sand Creek Library Maker Space project, that was included in the 2016 budget, did not commence until 2017.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

Capital Assets

The District's capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2016 was \$37,486,467. See note III-D on page 78 for additional information about changes in capital assets during the calendar year and balances at the end of the year.

The following table provides a summary of capital assets as of December 31, 2016 and 2015:

	Capital Assets			
	2016		2015	
	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	9,873,804	12%	9,851,138	12%
Construction in progress	183,098	0%	42,210	0%
Total nondepreciable assets	<u>15,374,265</u>		<u>15,210,711</u>	
Depreciable assets				
Land improvements	210,678	0%	157,877	0%
Leasehold improvements	1,017,507	2%	1,017,507	1%
Buildings	41,810,188	50%	41,753,304	50%
Equipment, furniture and fixtures	6,388,872	8%	6,402,310	8%
Bookmobiles and vans	815,125	1%	815,125	1%
Books and materials	17,535,352	21%	18,875,346	22%
Total depreciable assets	<u>67,777,722</u>	<u>100%</u>	<u>69,021,469</u>	<u>100%</u>
Less accumulated depreciation	<u>(45,665,520)</u>		<u>(44,843,209)</u>	
Book value - depreciable assets	<u>22,112,202</u>		<u>24,178,260</u>	
Percentage depreciated	<u>67%</u>		<u>65%</u>	
Book value - all capital assets	<u>\$ 37,486,467</u>		<u>\$ 39,388,971</u>	

At December 31, 2016, the depreciable capital assets for governmental activities were 67% depreciated. This compares consistently to the December 31, 2015 percentage of 65%. The change is attributable primarily to discarding over 180,000 library material items during 2016, most of which were old and fully depreciated.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2016

Economic Factors and Next Year's Budget and Mill Levy

The following factors were considered when the 2017 budget was prepared:

1. The unemployment rate for El Paso County, Colorado was 3.8%, which is a decrease from a rate of 4.6% 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, 2016, unassigned fund balance in the General Fund totaled \$6,425,409. The District has appropriated \$389,863 of this balance for spending in the 2017 fiscal year budget.

For the fiscal year 2017 budget, the total mill levy is 3.957 mills (3.834 mills for general operating expenses and 0.023 mills for refunds and abatements). The mill levy for fiscal year 2016 was 3.857 mills. The gross assessed valuation for all taxable property within the District's legal service area is \$6,617,617,460 and \$6,516,617,460 for 2017 and 2016, respectively.

Requests for Information

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

Pikes Peak Library District
Statement of Net Position
December 31, 2016

	Primary Government Governmental Activities
Assets and Deferred Outflows of Resources	
Current Assets	
Cash and investments	\$ 13,031,137
Property taxes receivable	25,844,235
Other receivables	162,927
Due from discretely presented component unit	12,688
Due from other governments	261,357
Prepaid items	436,889
Total current assets	39,749,233
Noncurrent Assets	
Capital assets	
Nondepreciable property	15,374,265
Depreciable building, property and equipment, net	22,112,202
Total noncurrent assets	37,486,467
Total assets	77,235,700
Deferred Outflows of Resources	
Pension-related amounts	1,426,744
Total assets and deferred outflows of resources	78,662,444
Liabilities and Deferred Inflows of Resources	
Current Liabilities	
Accounts payable	897,124
Accrued compensation payable	1,085,347
Total current liabilities	1,982,471
Noncurrent Liabilities	
Noncurrent portion of long-term obligations	
Net pension liability	9,631,215
Accrued compensated absences	1,079,747
Total noncurrent liabilities	10,710,962
Total liabilities	12,693,433
Deferred Inflows of Resources	
Property taxes	25,844,235
Pension-related amounts	488,028
Total deferred inflows of resources	26,332,263
Total liabilities and deferred inflows of resources	39,025,696
Net Position	
Net investment in capital assets	37,308,714
Restricted for	
Declared emergencies	855,665
Gifts and grants	100,894
Total restricted	956,559
Unrestricted	1,371,475
Total net position	\$ 39,636,748

Pikes Peak Library District Foundation, Inc.
Statement of Financial Position
December 31, 2016

Assets

Cash and cash equivalents	\$ 969,612
Contributions receivable, net	61,292
Accounts receivable	75,863
Investments	<u>1,408,947</u>
Total assets	<u><u>\$ 2,515,714</u></u>

Liabilities

Accounts payable	\$ 11,808
Accounts payable, related party	<u>15,188</u>
Total liabilities	<u>26,996</u>

Net Assets

Unrestricted	584,506
Temporarily restricted	1,868,558
Permanently restricted	<u>35,654</u>
Total net assets	<u>2,488,718</u>
Total liabilities and net assets	<u><u>\$ 2,515,714</u></u>

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Pikes Peak Library District
Statement of Activities
Year Ended December 31, 2016

Functions/Programs	Expenses	Charges for Services, Sales and Fines
Primary Government		
Governmental activities		
Public Services	\$ 13,251,004	\$ 494,493
Administrative Services	3,823,660	-
Director's Office	466,816	-
Finance Office	522,810	-
Information Technology Office	7,631,440	-
Community Engagement and Outreach Office	764,629	-
Other administration	3,116,763	-
	<u>\$ 29,577,122</u>	<u>\$ 494,493</u>
Total governmental activities		
General revenues		
Property taxes levied for library purposes		
Specific ownership taxes		
Investment earnings		
Miscellaneous		
Total general revenues		
Special item		
TABOR refund of property tax revenue in excess of limit		
Total general revenues and special item		
Change in net position		
Net position, January 1		
Net position, December 31		

Program Revenues		Net (Expense) Revenue and Changes in Net Position
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
\$ 233,889	\$ 142,378	\$ (12,380,244)
-	41,939	(3,781,721)
-	-	(466,816)
-	-	(522,810)
143,982	85,304	(7,402,154)
-	-	(764,629)
-	-	(3,116,763)
<u>\$ 377,871</u>	<u>\$ 269,621</u>	<u>(28,435,137)</u>
		24,780,995
		2,892,197
		96,038
		<u>155,941</u>
		<u>27,925,171</u>
		(57,073)
		<u>27,868,098</u>
		<u>(567,039)</u>
		<u>40,203,787</u>
		<u>\$ 39,636,748</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	\$ 253,901	\$ 2,805,587	\$ -	\$ 3,059,488
Investment return	43,887	53,888	2,071	99,846
Net assets released from restrictions	2,609,497	(2,609,497)	-	-
Total revenues, gains and other support	<u>2,907,285</u>	<u>249,978</u>	<u>2,071</u>	<u>3,159,334</u>
Expenses				
Program services				
Support for PPLD	2,659,521	-	-	2,659,521
Total program services	<u>2,659,521</u>	<u>-</u>	<u>-</u>	<u>2,659,521</u>
Support services				
General and administrative	24,625	-	-	24,625
Fundraising	188,649	-	-	188,649
Total support services	<u>213,274</u>	<u>-</u>	<u>-</u>	<u>213,274</u>
Total expenses	<u>2,872,795</u>	<u>-</u>	<u>-</u>	<u>2,872,795</u>
Change in net assets	34,490	249,978	2,071	286,539
Net assets, beginning of year	<u>550,016</u>	<u>1,618,580</u>	<u>33,583</u>	<u>2,202,179</u>
Net assets, end of year	<u>\$ 584,506</u>	<u>\$ 1,868,558</u>	<u>\$ 35,654</u>	<u>\$ 2,488,718</u>

Pikes Peak Library District
Balance Sheet – Governmental Funds
December 31, 2016

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 12,362,552	\$ -	\$ 12,362,552
Property taxes receivable	25,844,235	-	25,844,235
Other receivables	153,611	9,316	162,927
Due from discretely presented component unit	12,688	-	12,688
Due from other governments	261,357	-	261,357
Due from other funds	-	2,567,460	2,567,460
Prepaid items	386,130	14,092	400,222
Total assets	\$ 39,020,573	\$ 2,590,868	\$ 41,611,441
Liabilities			
Accounts payable	\$ 641,852	\$ 180,153	\$ 822,005
Accrued compensation payable	529,114	-	529,114
Due to other funds	2,567,460	-	2,567,460
Total liabilities	3,738,426	180,153	3,918,579
Deferred Inflows of Resources			
Unavailable revenue - property taxes	25,844,235	-	25,844,235
Unavailable fund resources	147,141	-	147,141
Total deferred inflows of resources	25,991,376	-	25,991,376
Fund Balances			
Nonspendable:			
Prepaid expenditures	386,130	14,092	400,222
Restricted for:			
Declared emergencies	855,665	-	855,665
Gifts and grants	89,715	11,179	100,894
Committed to:			
Capital projects	865,000	2,378,444	3,243,444
Assigned to:			
Purchased contracts	153,297	-	153,297
Library materials	515,555	-	515,555
Gifts and grants	-	7,000	7,000
Unassigned	6,425,409	-	6,425,409
Total fund balances	9,290,771	2,410,715	11,701,486
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,020,573	\$ 2,590,868	\$ 41,611,441

Pikes Peak Library District
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
December 31, 2016

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

Fund balances - total governmental funds (page 49)		\$ 11,701,486
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Cost of capital assets	\$ 83,151,987	
Less: accumulated depreciation	(45,665,520)	
Net capital assets		37,486,467
Certain long-term pension related costs and adjustments are not to pay or not are payable currently and are therefore not reported in the funds.		
Net pension-related amounts		(8,692,499)
Liabilities that are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued compensated absences		(1,635,980)
Certain revenue earned but not available, classified as deferred inflows in governmental funds is susceptible to full accrual on the entity-wide statements		
		147,141
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		
		630,133
Net position - governmental activities (page 43)		\$ 39,636,748

Pikes Peak Library District
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2016

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 27,673,192	\$ -	\$ 27,673,192
Intergovernmental	398,039	-	398,039
Fines and fees	494,493	-	494,493
Interest earnings	96,038	-	96,038
Donations	308,716	-	308,716
Miscellaneous	138,594	-	138,594
Total revenues	29,109,072	-	29,109,072
Expenditures			
Current			
Public Services	11,293,011	25,087	11,318,098
Administrative Services	3,254,306	-	3,254,306
Director's Office	459,139	-	459,139
Finance Office	513,871	-	513,871
Information Technology Office	6,833,133	-	6,833,133
Community Relations Office	748,267	-	748,267
Other administrative	3,116,763	-	3,116,763
Capital outlay	136,289	866,290	1,002,579
Total expenditures	26,354,779	891,377	27,246,156
Excess (deficiency) of revenues over (under) expenditures	2,754,293	(891,377)	1,862,916
Other financing sources (uses)			
Transfers in	-	1,259,088	1,259,088
Transfers out	(1,259,088)	-	(1,259,088)
Proceeds from sale of capital assets	17,345	-	17,345
Total other financing sources (uses)	(1,241,743)	1,259,088	17,345
Special item			
TABOR refund of property tax revenue in excess of limit	(57,073)	-	(57,073)
Net change in fund balances	1,455,477	367,711	1,823,188
Fund balances, beginning of year	7,835,294	2,043,004	9,878,298
Fund balances, end of year	\$ 9,290,771	\$ 2,410,715	\$ 11,701,486

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, 2016

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

Net change in fund balances - total governmental funds (page 51)	\$ 1,823,188
Revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements until they become available. This amount is the difference in the treatment of revenue recognition.	(59,263)
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	(3,949,765)
Capital outlay for building, furniture, land and vehicles	500,002
Amounts paid for books, audio visual materials and historical collections	2,313,177
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold.	(765,918)
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	(585,647)
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.	43,837
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.	<u>113,350</u>
Change in net position - governmental activities (page 47)	<u><u>\$ (567,039)</u></u>

Pikes Peak Library District
Statement of Net Position
Proprietary Fund
December 31, 2016

	Governmental Activities - Internal Service Fund
Assets	
Current Assets	
Cash and cash equivalents	\$ 668,585
Deposit	36,667
	705,252
Total current assets	
 Liabilities	
Current Liabilities	
Claims payable	67,661
Accounts payable	7,458
	75,119
Total current liabilities	
 Net Position	
Total Net Position - Unrestricted	\$ 630,133

Pikes Peak Library District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended December 31, 2016

	Governmental Activities - Internal Service Fund
Operating revenues	
Employer contributions	\$ 1,538,345
Employee contributions	345,736
Total operating revenues	1,884,081
Operating expenses	
Claims incurred	1,039,201
Administrative	731,542
Total operating expenses	1,770,743
Operating gain	113,338
Nonoperating revenues	
Investment earnings	12
Change in net position	113,350
Total net position, beginning of year	516,783
Total net position, end of year	\$ 630,133

Pikes Peak Library District
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2016

	Governmental Activities - Internal Service Fund
Cash flows from operating activities	
Employee and employer contributions	\$ 1,884,081
Payment of claims and administrative expenses	<u>(1,873,896)</u>
Net cash used in operating activities	<u>10,185</u>
Cash flows from investing activities	
Interest received	<u>12</u>
Net increase in cash and cash equivalents	10,197
Cash and cash equivalents - January 1	<u>658,388</u>
Cash and cash equivalents - December 31	<u><u>\$ 668,585</u></u>
Reconciliation of operating gain to net cash provided by operating activities	
Operating loss	<u>\$ 113,338</u>
Adjustments to reconcile operating loss to net cash provided by operating activities	
Change in accounts payable	(58,376)
Change in claims payable	<u>(44,777)</u>
Total adjustments	<u>(103,153)</u>
Net cash used in operating activities	<u><u>\$ 10,185</u></u>

Pikes Peak Library District
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
December 31, 2016

	Agency Fund
Assets	
Cash and cash equivalents	\$ 53,906
Liabilities	
Accounts payable	\$ 53,906

Pikes Peak Library District
Notes to Financial Statements
December 31, 2016

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Pikes Peak Library District

Notes to Financial Statements

December 31, 2016

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, 2016.

Joint Ventures – The District did not participate in any joint venture during the fiscal year ended December 31, 2016.

Jointly Governed Organizations – The District had no financial relationships of this type during the fiscal year ended December 31, 2016.

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, 2016

- 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, 2016

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, 2016

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

Additionally, the District reports the following fiduciary fund type:

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

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

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

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

I-C. Measurement Focus

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

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

I-D. Basis of Accounting

District

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

Pikes Peak Library District
Notes to Financial Statements
December 31, 2016

accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

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

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

Revenues – Non-exchange Transactions – Non-exchange transactions in which the District receives value without directly giving equal value in return, include property taxes, specific ownership taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note III-B-1.). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 90 days) before it can be recognized.

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

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

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

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

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

Pikes Peak Library District

Notes to Financial Statements

December 31, 2016

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

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

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

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

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

Foundation

The Foundation uses the accrual basis of accounting.

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

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

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

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

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

Pikes Peak Library District
Notes to Financial Statements
December 31, 2016

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, 2016, a total of \$2,232,969 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, 2016. The Foundation is not considered a private foundation.

I-E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balances

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

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

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

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

- a. Obligations of the United States and certain U.S. government agencies' securities;
- b. Certain international agency securities;
- c. General obligation and revenue bonds of U.S. local government entities;
- d. Bankers' acceptances of certain banks;
- e. Commercial paper;
- f. Local government investment pools;
- g. Written repurchase agreements collateralized by certain authorized securities;
- h. Certain money market funds;
- i. Guaranteed investment contracts;
- j. Certain corporate bonds

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

I-E-2. Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible amounts, when applicable. Property tax allowance as of December 31, 2016 was \$98,399.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2016

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, 2016, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as nonspendable, as this amount is not available for general appropriation.

I-E-6. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their 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:

Pikes Peak Library District
Notes to Financial Statements
December 31, 2016

Description	Estimated
Land improvements	20 years
Buildings	20 years
Vehicles	5 to 10 years
Computer equipment	3 to 5 years
Other equipment	3 to 5 years
Furniture and fixtures	10 to 30 years
Books and audio visual materials	6 years

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

I-E-7. Compensated Absences

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

Employees also earn sick leave and can accumulate up to 180 days of sick leave. Accumulated sick leave is payable only upon retirement or termination after twenty years of service at 50% of the accrued balance as specified in the District’s policies. Upon resignation, termination or death prior to 20 years of service, any outstanding sick leave is forfeited.

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

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

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

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

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

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

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

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

I-E-9. Net Position or Fund Balances

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

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

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

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

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

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

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

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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. 72, *Fair Value Measurement and Application* (GASB 72). The objective of GASB 72 is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. The District adopted the provisions of GASB 72 during the year ending December 31, 2016. There were no restatements of reported values of the District's assets or liabilities as of December 31, 2015 resulting from the implementation of GASB 72.

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 2016) 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

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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.

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:

Changes to Original Budget			
	Original Budget	Revised Budget	Budget Change
General Fund	\$ 28,939,560	\$ 30,094,296	\$ 1,154,736
Designated Purpose Fund	51,637	160,723	109,086
North Facility Project Fund	92,150	916,832	824,682
East Library Renovation Fund	27,500	119,145	91,645
Penrose Library Renovation Fund	87,000	177,489	90,489
Capital Reserve Fund	1,052,438	1,554,864	502,426

- 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.

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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 \$53,906, as of December 31, 2016 was \$281,903. The bank balances, excluding the cash held in the agency fund of \$53,906, were \$729,714, of which \$479,714 is not covered by federal deposit insurance. While this amount is uninsured, it is collateralized in accordance with provisions of the PDPA. Additionally, the District had \$17,348 in cash on hand as of December 31, 2016.

III-A-2. Investments

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

The primary objectives of the investment policy are:

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

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

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

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

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.

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

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

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

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

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

Interest-bearing Accounts, Certificates of Deposit – Such accounts 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%

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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 \$12,731,888 are held in COLOTRUST, which was rated AAAM by Standard & Poor's at December 31, 2016. The District policy also encourages diversification of investments, limited to the Colorado Revised Statute CRS 24-75-701.

Cash and Investment Reconciliation

	Cash and Cash Equivalents	Investments	Total
Governmental activities - statement of net position	\$299,249	\$12,731,888	\$13,031,137
Agency Fund	53,906	-	53,906
Less cash on hand and petty cash	(17,348)	-	(17,348)
	<u>\$335,807</u>	<u>\$12,731,888</u>	<u>\$13,067,695</u>
Total deposits and investments			
Per note disclosure above			
Deposits			\$335,807
Investments			<u>12,731,888</u>
Primary government total			<u>\$13,067,695</u>

The Foundation's cash and investments are comprised of the following as of December 31, 2016:

	2016 Amount	Institutions	Insurance or Collateral	Credit Ratings of Underlying Securities *
Money market savings account	\$969,612	ENT Federal Credit Union	\$250,000	N/A
Investments (stocks, bonds, mutual funds)	1,354,777	Members Trust Company	-	A/AAA
Investment level money market account	<u>54,170</u>	Members Trust Company	-	A1/P1
Total	<u>\$2,378,559</u>			

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* As applicable

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Foundation's cash and investments are exposed to \$2,128,559 of custodial credit risk as of December 31, 2016.

Investment in a State Investment Pool

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

III-B. Taxes

III-B-1. Property Taxes

Property taxes for the current year are certified in arrears to El Paso County on December 15 and attach as a lien on property the previous January 1. For example, property taxes owed in 2016 are certified to the County in December 2015 and are available for collection on the due date, January 1, 2016. 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.

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III-C. Interfund Receivables, Payables, and Transfers

The following schedule reflects the District's interfund receivables and payables as of December 31, 2016.

Receivable Fund	Payable Fund
	General Fund
Designated Purpose Fund	\$ 278,800
Penrose Library Renovation Fund	167,927
East Library Renovation Fund	128,894
North Facility Project Fund	777,665
Capital Reserve Fund	1,214,174
Total	\$ 2,567,460

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

Interfund transfers:

Transfers In	Transfers Out
	General Fund
East Library Renovation Fund	\$ 27,500
Penrose Library Renovation Fund	87,000
North Facility Project Fund	92,150
Capital Reserve Fund	1,052,438
	\$ 1,259,088

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, 2016 was as follows:

	Balance January 1, 2016	Additions	Deletions	Transfers	Balance December 31, 2016
Governmental activities					
Capital assets not being depreciated					
Land	\$ 5,317,363	\$ -	\$ -	\$ -	\$ 5,317,363
Collections of historical treasures	9,851,138	69,488	(46,822)	-	9,873,804
Construction in progress	42,210	183,098	-	(42,210)	183,098
Total capital assets not being depreciated	<u>15,210,711</u>	<u>252,586</u>	<u>(46,822)</u>	<u>(42,210)</u>	<u>15,374,265</u>
Capital assets, being depreciated					
Land improvements	157,877	52,801	-	-	210,678
Leasehold improvements	1,017,507	-	-	-	1,017,507
Buildings	41,753,304	14,674	-	42,210	41,810,188
Equipment, furniture and fixtures	6,402,310	249,429	(262,867)	-	6,388,872
Vehicles	815,125	-	-	-	815,125
Books and audio visual materials	18,875,346	2,243,689	(3,583,683)	-	17,535,352
Total capital assets being depreciated	<u>69,021,469</u>	<u>2,560,593</u>	<u>(3,846,550)</u>	<u>42,210</u>	<u>67,777,722</u>
Less accumulated depreciation for					
Land improvements	(11,726)	(9,415)	-	-	(21,141)
Leasehold improvements	(1,003,709)	(9,857)	-	-	(1,013,566)
Buildings	(24,746,002)	(1,350,896)	-	-	(26,096,898)
Equipment, furniture and fixtures	(4,241,089)	(578,122)	261,928	-	(4,557,283)
Vehicles	(572,703)	(48,077)	-	-	(620,780)
Books and audio visual materials	(14,267,980)	(1,953,398)	2,865,526	-	(13,355,852)
Total accumulated depreciation	<u>(44,843,209)</u>	<u>(3,949,765)</u>	<u>3,127,454</u>	<u>-</u>	<u>(45,665,520)</u>
Total capital assets, being depreciated, net	<u>24,178,260</u>	<u>(1,389,172)</u>	<u>(719,096)</u>	<u>42,210</u>	<u>22,112,202</u>
Governmental activities capital assets, net	<u>\$ 39,388,971</u>	<u>\$ (1,136,586)</u>	<u>\$ (765,918)</u>	<u>\$ -</u>	<u>\$ 37,486,467</u>
Governmental activities depreciation expense					
Public services					\$ 1,054,214
Administrative services					310,528
Information Technology					<u>2,585,023</u>
Total governmental activities depreciation expense					<u>\$ 3,949,765</u>

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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, 2016	Additions	Reductions	Balance December 31, 2016	Due Within One Year
Governmental activities					
EPCRP net pension liability	\$ 10,024,159	\$ 283,591	\$ 676,535	\$ 9,631,215	\$ -
Compensated absences	1,679,817	1,388,219	1,432,056	1,635,980	556,233 *
Total governmental activities long-term liabilities	<u>\$ 11,703,976</u>	<u>\$ 1,671,810</u>	<u>\$ 2,108,591</u>	<u>\$ 11,267,195</u>	<u>\$ 556,233</u>

Compensated absences are generally liquidated by the General Fund.

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

III-E-2. Computation of Legal Debt Margin

Assessed valuation	<u>\$6,617,856,790</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 99,267,852</u>
Total debt (excluding compensated absences)	<u>-</u>
Total debt applicable to limitation	<u>-</u>
Legal debt margin	<u>\$ 99,267,852</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 \$1,055,778 for the year ended December 31, 2016.

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

Year Ending

2017	\$ 1,036,901
2018	771,424
2019	752,826
2020	427,314
2021	158,184
Future years	<u>1,002,199</u>
Total	<u>\$ 4,148,846</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 participants of the Plan consisted of the following as of December 31, 2015 (the most recent actuarial valuation date):

Inactive plan members currently receiving benefits	1,466
Inactive plan members entitled to but not yet receiving benefits	309
Active plan members	<u>2,585</u>
Total	<u>4,360</u>

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

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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.

Contributions — Contribution requirements are established and may be amended by the Board. Through December 31, 2009, participants contributed 6% of their monthly compensation to the Plan. The Plan was amended during 2009 to increase the participant monthly contribution rate to 6.5% effective January 1, 2010, 7.0% effective January 1, 2011 and 7.5% effective January 1, 2012. The Plan was further amended in 2013 to increase the participant monthly contribution rate to 8.0% effective January 1, 2014. The participating employers make monthly contributions at least equal to the contributions made by the participants. Interest is credited on employee contributions at the rate of 3% per annum, compounded monthly. Employee and employer basic contributions amounted to 16% of covered payroll for both 2016 and 2015.

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, nonvested previous employment with any public or private employer. One month of service credit may be purchased for each full month of full-time, nonvested, noncovered employment. The cost to purchase one month of service credit for noncovered employment is the “actuarial equivalent cost”, as determined by the actuary for the Plan.

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

Contributions to the plan by the District were \$676,535 for 2016.

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:

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- (i) The participant may elect to receive a deferred retirement benefit, which 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.

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.

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

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

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

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

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

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

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

At December 31, 2016, the District reported a liability of \$9,631,215 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. 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 2016 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, 2016.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2016

As of December 31, 2016, the District's proportion was 5.98%, which was a decrease of 0.47% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the District recognized pension expense of \$1,262,182. As of December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 291,950	\$ -
Net difference between projected and actual earnings on pension plan investments	834,162	-
Changes in proportion	300,632	488,028
Total	\$ 1,426,744	\$ 488,028

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

Year Ended December 31,	Amount
2017	\$ 348,234
2018	348,234
2019	336,596
2020	(94,348)
2021	-
Total	\$ 938,716

The Plan determined that the average expected remaining service lives for active and inactive members at January 1, 2016 was 4.80 years.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of December 31, 2016:

Inflation 3.50%

Salary increases Graded by service, from 3.75% 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%.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2016

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

The actuarial assumptions used in the January 1, 2016 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, 2016 are summarized in the following table (note that the rates shown below exclude the inflation component):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	55%	8.61%
Private equity	5%	11.30%
Fixed income	15%	0.72%
Real estate	20%	6.57%
Hedge funds of funds	5%	5.04%
	<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:

	<u>1% Decrease (7.0%)</u>	<u>Current Discount Rate (8.0%)</u>	<u>1% Increase (9.0%)</u>
District's proportionate share of the net pension liability	\$ 13,129,099	\$ 9,631,215	\$ 6,683,941

Pikes Peak Library District
Notes to Financial Statements
December 31, 2016

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

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 2016, excluding catch-up provisions for participants age 55 or over, was the lesser of \$18,000 or 33-1/3 percent of the participant’s includable compensation. The District does not have fiduciary accountability for the 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, 2016 and 2015:

	Claims Payable Beginning of Year	Claims Incurred	Claims Paid	Claims Payable End of Year
Fiscal Year 2016	\$ 112,438	\$ 1,039,201	\$ (1,083,978)	\$ 67,661
Fiscal Year 2015	\$ 123,603	\$ 999,085	\$ (1,010,250)	\$ 112,438

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, 2016

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 complies with all aspects of TABOR.

IV-C-4. Claims and Litigation

Various claim(s) pending against the District as of December 31, 2016. Although the outcome of such claim(s) cannot be predicted with certainty, the District believes that adequate insurance coverage exists and that the final settlements of such matters will not materially affect the financial statements of the District.

Pikes Peak Library District
Notes to Financial Statements
December 31, 2016

IV-D. Commitments

Total encumbrances outstanding as of December 31, 2016 by fund are as follows:

Fund	Balance
General Fund	\$ 368,853
East Library Renovation Fund	160
Capital Reserve Fund	138,625

Required Supplementary Information

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

	<u>12/31/2016</u>	<u>12/31/2015</u>
Proportionate share of total pension liability	30,304,461	30,891,857
Proportionate share of fiduciary net position	<u>(20,673,246)</u>	<u>(20,867,698)</u>
Proportionate share of net pension liability	<u>9,631,215</u>	<u>10,024,159</u>
District's proportion of the net pension liability	<u>5.98%</u>	<u>6.45%</u>
District's covered-employer payroll	<u>\$ 8,456,687</u>	<u>\$ 8,572,275</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>113.89%</u>	<u>116.94%</u>
Plan fiduciary net position as a percentage of the total net pension liability	<u>68.22%</u>	<u>67.55%</u>

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

	<u>12/31/2016</u>	<u>12/31/2015</u>
Contractually required contributions	\$ 676,535	\$ 685,782
Actual contributions	<u>(676,535)</u>	<u>(685,782)</u>
Contributions deficiency (excess)	<u>-</u>	<u>-</u>
District's covered-employee payroll	<u>\$ 8,456,688</u>	<u>\$ 8,572,275</u>
Contributions as a percentage of covered payroll	<u>8.0%</u>	<u>8.0%</u>

Note - there were no changes to benefit assumptions for the year ended December 31, 2016, 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, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes				
Local property taxes				
Current	\$ 24,706,927	\$ 24,706,927	\$ 24,730,868	\$ 23,941
Delinquent	30,000	30,000	10,720	(19,280)
Omitted	3,000	3,000	9,505	6,505
Specific ownership taxes	2,800,000	2,800,000	2,892,197	92,197
Interest on taxes	35,000	35,000	29,902	(5,098)
Total taxes	<u>27,574,927</u>	<u>27,574,927</u>	<u>27,673,192</u>	<u>98,265</u>
Intergovernmental	368,982	368,982	398,039	29,057
Fines and fees	502,500	502,500	494,493	(8,007)
Interest earnings	25,000	25,000	96,038	71,038
Donations/fundraising	298,873	620,692	308,716	(311,976)
Miscellaneous				
Copy sales	52,000	52,000	71,887	19,887
Parking lot collections	30,000	30,000	34,332	4,332
Other	44,400	44,400	32,375	(12,025)
Total miscellaneous	<u>126,400</u>	<u>126,400</u>	<u>138,594</u>	<u>12,194</u>
Total revenues	<u>28,896,682</u>	<u>29,218,501</u>	<u>29,109,072</u>	<u>(109,429)</u>
Expenditures				
Current				
Public Service				
Personnel services	10,394,793	10,883,941	10,285,968	597,973
Supplies	263,406	291,870	205,143	86,727
Library materials	309,248	309,248	322,309	(13,061)
Contractual services	412,736	424,470	375,634	48,836
Other services	135,519	138,492	103,957	34,535
Total Public Service	<u>11,515,702</u>	<u>12,048,021</u>	<u>11,293,011</u>	<u>755,010</u>

Pikes Peak Library District
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Administrative Services				
Personnel services	881,896	917,311	899,647	17,664
Supplies	74,300	77,300	61,609	15,691
Utilities	631,853	631,853	539,735	92,118
Contractual services	1,216,558	1,375,158	1,279,539	95,619
Repairs and maintenance	427,600	430,910	349,021	81,889
Other services	159,845	159,845	124,755	35,090
Total Administrative Services	3,392,052	3,592,377	3,254,306	338,071
Director's Office				
Personnel services	226,284	248,971	246,266	2,705
Supplies	3,000	3,000	1,453	1,547
Other services	194,000	194,000	211,420	(17,420)
Total Director's Office	423,284	445,971	459,139	(13,168)
Finance Office				
Personnel services	368,707	398,389	393,892	4,497
Supplies	8,000	8,000	6,232	1,768
Contractual services	103,500	103,500	102,838	662
Other services	12,700	12,700	10,909	1,791
Total Finance Office	492,907	522,589	513,871	8,718
Information Technology Office				
Personnel services	1,732,110	1,749,644	1,595,401	154,243
Supplies	479,466	492,642	369,876	122,766
Library materials	3,689,821	4,115,710	3,999,491	116,219
Telecommunications	322,360	342,799	339,176	3,623
Contractual services	261,734	283,734	179,340	104,394
Repairs and maintenance	375,252	367,771	321,431	46,340
Other services	38,800	38,800	28,418	10,382
Total Information Technology Office	6,899,543	7,391,100	6,833,133	557,967
Community Engagement Outreach Office				
Personnel services	619,487	636,092	529,420	106,672
Supplies	22,600	26,734	13,341	13,393
Contractual services	159,000	129,000	105,618	23,382
Repairs and maintenance	2,000	2,000	1,848	152
Other services	99,100	132,330	98,040	34,290
Total Community Engagement Outreach Office	902,187	926,156	748,267	177,889

Pikes Peak Library District
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Other administrative				
Personnel services	2,844,219	2,238,192	2,056,240	181,952
Supplies	6,000	39,501	32,890	6,611
Library materials	146,273	198,103	157,454	40,649
Contractual services	676,785	678,630	669,187	9,443
Other services	244,220	236,360	200,992	35,368
Total other administrative	3,917,497	3,390,786	3,116,763	274,023
Capital outlay	137,300	518,208	136,289	381,919
Total expenditures	27,680,472	28,835,208	26,354,779	2,480,429
Excess of revenues over expenditures	1,216,210	383,293	2,754,293	2,371,000
Other financing sources (uses)				
Proceeds from sale of capital assets	40,000	40,000	17,345	(22,655)
Transfers out	(1,259,088)	(1,259,088)	(1,259,088)	-
Total other financing sources (uses)	(1,219,088)	(1,219,088)	(1,241,743)	(22,655)
Special item				
TABOR refund of property tax revenue in excess of limit	-	-	(57,073)	(57,073)
Net change in fund balance	(2,878)	(835,795)	1,455,477	2,291,272
Fund balance, beginning of year	7,835,294	7,835,294	7,835,294	-
Fund balance, end of year	\$ 7,832,416	\$ 6,999,499	\$ 9,290,771	\$ 2,291,272

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.

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 12,362,552	\$ 10,528,479
Receivables, net of allowance for uncollectibles		
Property taxes	25,844,235	24,806,927
Accounts	153,611	288,746
Due from discretely presented component unit	12,688	20,280
Due from other governments	261,357	246,423
Prepaid items	386,130	510,377
	<u>386,130</u>	<u>510,377</u>
Total assets	<u>\$ 39,020,573</u>	<u>\$ 36,401,232</u>
Liabilities		
Accounts payable	\$ 641,852	\$ 492,623
Accrued compensation payable	529,114	572,282
Due to other funds	2,567,460	2,487,702
	<u>2,567,460</u>	<u>2,487,702</u>
Total liabilities	<u>3,738,426</u>	<u>3,552,607</u>
Deferred Inflows of Resources		
Unavailable revenue - property taxes	25,844,235	24,806,927
Unavailable fund resources	147,141	206,404
	<u>147,141</u>	<u>206,404</u>
Total deferred inflows of resources	<u>25,991,376</u>	<u>25,013,331</u>
Fund Balances		
Nonspendable:		
Prepaid expenditures	386,130	510,377
Restricted for:		
Declared emergencies	855,665	832,230
Gifts and grants	89,715	112,318
Committed for:		
Capital projects	865,000	900,000
Assigned to:		
Purchased contracts	153,297	93,757
Library materials	515,555	490,190
Unassigned	6,425,409	4,896,422
	<u>6,425,409</u>	<u>4,896,422</u>
Total fund balances	<u>9,290,771</u>	<u>7,835,294</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,020,573</u>	<u>\$ 36,401,232</u>

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
General Fund
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Taxes		
Local property taxes		
Current	\$ 24,730,868	\$ 24,092,442
Delinquent	10,720	12,160
Omitted	9,505	3,699
Specific ownership taxes	2,892,197	2,765,049
Interest on taxes	29,902	29,628
Total taxes	<u>27,673,192</u>	<u>26,902,978</u>
Intergovernmental	398,039	305,794
Fines and fees	494,493	538,214
Interest earnings	96,038	26,550
Donations/fundraising	308,716	325,575
Miscellaneous		
Copy sales	71,887	58,118
Parking lot collections	34,332	32,846
Other	32,375	38,389
Total miscellaneous	<u>138,594</u>	<u>129,353</u>
Total revenues	<u>29,109,072</u>	<u>28,228,464</u>
Expenditures		
Current		
Public services	11,293,011	10,920,862
Administrative services	3,254,306	3,117,393
Director's Office	459,139	388,998
Finance Office	513,871	466,230
Information Technology Office	6,833,133	6,956,635
Community Relations Office	748,267	833,742
Other administrative	3,116,763	3,107,844
Capital outlay	136,289	120,700
Total expenditures	<u>26,354,779</u>	<u>25,912,404</u>
Excess of revenues over expenditures	<u>2,754,293</u>	<u>2,316,060</u>
Other financing sources (uses)		
Proceeds from sale of capital assets	17,345	27,280
Transfers in	-	919,300
Transfers out	(1,259,088)	(1,133,652)
Total other financing sources (uses)	<u>(1,241,743)</u>	<u>(187,072)</u>
Special item		
TABOR refund of property tax revenue in excess of limit	(57,073)	-
Net change in fund balance	1,455,477	2,128,988
Fund balance, beginning of year	<u>7,835,294</u>	<u>5,706,306</u>
Fund balance, end of year	<u>\$ 9,290,771</u>	<u>\$ 7,835,294</u>

Pikes Peak Library District
Schedule of Expenditures by Natural Classification-
Budget and Actual
General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Personnel services	\$ 17,067,498	\$ 17,072,539	\$ 16,007,317	\$ 1,065,222
Supplies	856,772	939,048	690,060	248,988
Telecommunications	322,360	342,899	339,276	3,623
Library materials	4,145,342	4,623,181	4,482,638	140,543
Utilities	631,853	631,853	539,735	92,118
Contractual services	2,909,346	3,089,173	2,769,599	319,574
Repairs and maintenance	804,852	800,681	672,300	128,381
Other services	805,149	817,626	717,565	100,061
Capital outlay	137,300	518,208	136,289	381,919
Total expenditures	\$ 27,680,472	\$ 28,835,208	\$ 26,354,779	\$ 2,480,429

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

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

CAPITAL PROJECTS FUNDS

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

North Facility Project Fund

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

East Library Renovation Fund

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

Penrose Library Renovation Fund

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

Capital Reserve Fund

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

Pikes Peak Library District
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Special Revenue Fund	North Facility Project Fund	Capital East Library Renovation Fund
	Designated Purpose Fund	North Facility Project Fund	East Library Renovation Fund
Assets			
Accounts receivable	\$ -	\$ -	\$ 4,037
Due from other funds	278,800	777,665	128,894
Prepaid items	-	-	-
Total Assets	\$ 278,800	\$ 777,665	\$ 132,931
Liabilities			
Accounts payable	\$ 2,400	\$ -	\$ 675
Fund Balance			
Nonspendable			
Prepaid expenditures	-	-	-
Restricted for:			
Gifts and grants	11,179	-	-
Committed to:			
Capital projects	258,221	777,665	132,256
Assigned to:			
Gifts and grants	7,000	-	-
Total fund balance	276,400	777,665	132,256
Total liabilities and fund balance	\$ 278,800	\$ 777,665	\$ 132,931

Project Funds		
Penrose Library Renovation Fund	Capital Reserve Fund	Total Nonmajor Governmental Funds
\$ 5,279	\$ -	\$ 9,316
167,927	1,214,174	2,567,460
-	14,092	14,092
<u>\$ 173,206</u>	<u>\$ 1,228,266</u>	<u>\$ 2,590,868</u>
\$ -	\$ 177,078	\$ 180,153
-	14,092	14,092
-	-	11,179
173,206	1,037,096	2,378,444
-	-	7,000
<u>173,206</u>	<u>1,051,188</u>	<u>2,410,715</u>
<u>\$ 173,206</u>	<u>\$ 1,228,266</u>	<u>\$ 2,590,868</u>

Pikes Peak Library District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2016

	Special Revenue Fund	Capital	
	Designated Purpose Fund	North Facility Project Fund	East Library Renovation Fund
Expenditures			
Current			
Public services	\$ 25,087	\$ -	\$ -
Capital outlay	31,345	189,947	71,889
Total expenditures	<u>56,432</u>	<u>189,947</u>	<u>71,889</u>
Deficiency of revenues over expenditures	<u>(56,432)</u>	<u>(189,947)</u>	<u>(71,889)</u>
Other financing sources			
Transfers in	-	92,150	27,500
Net change in fund balances	(56,432)	(97,797)	(44,389)
Fund balances, beginning of year	<u>332,832</u>	<u>875,462</u>	<u>176,645</u>
Fund balances, end of year	<u>\$ 276,400</u>	<u>\$ 777,665</u>	<u>\$ 132,256</u>

Project Funds		
Penrose Library Renovation Fund	Capital Reserve Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 25,087
<u>69,433</u>	<u>503,676</u>	<u>866,290</u>
<u>69,433</u>	<u>503,676</u>	<u>891,377</u>
<u>(69,433)</u>	<u>(503,676)</u>	<u>(891,377)</u>
<u>87,000</u>	<u>1,052,438</u>	<u>1,259,088</u>
<u>17,567</u>	<u>548,762</u>	<u>367,711</u>
<u>155,639</u>	<u>502,426</u>	<u>2,043,004</u>
<u>\$ 173,206</u>	<u>\$ 1,051,188</u>	<u>\$ 2,410,715</u>

Pikes Peak Library District
Comparative Balance Sheets
Designated Purpose Fund
December 31, 2016 and 2015

	2016	2015
Assets		
Due from other funds	\$ 278,800	\$ 342,115
Liabilities		
Accounts payable	\$ 2,400	\$ 9,283
Fund Balance		
Restricted for:		
Gifts and grants	11,179	53,896
Committed to:		
Capital projects	258,221	271,312
Assigned to:		
Gifts and grants	7,000	7,624
Total fund balance	276,400	332,832
Total liabilities and fund balance	\$ 278,800	\$ 342,115

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Designated Purpose Fund
Years Ended December 31, 2016 and 2015

	2016	2015
Expenditures		
Current - public services	\$ 25,087	\$ 89
Capital outlay	31,345	93,487
Total expenditures	56,432	93,576
Deficiency of revenues over expenditures	(56,432)	(93,576)
Fund balance, beginning of year	332,832	426,408
Fund balance, end of year	\$ 276,400	\$ 332,832

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Designated Purpose Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current - public services	\$ -	\$ 26,086	\$ 25,087	\$ 999
Capital outlay	51,637	134,637	31,345	103,292
	<u>51,637</u>	<u>160,723</u>	<u>56,432</u>	<u>104,291</u>
Total expenditures	<u>51,637</u>	<u>160,723</u>	<u>56,432</u>	<u>104,291</u>
Net change in fund balance	(51,637)	(160,723)	(56,432)	104,291
Fund balance, beginning of year	<u>332,832</u>	<u>332,832</u>	<u>332,832</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 281,195</u></u>	<u><u>\$ 172,109</u></u>	<u><u>\$ 276,400</u></u>	<u><u>\$ 104,291</u></u>

Pikes Peak Library District
Comparative Balance Sheets
North Facility Project Fund
December 31, 2016 and 2015

	2016	2015
Assets		
Due from other funds	\$ 777,665	\$ 875,462
 Fund Balance		
Committed to:		
Capital projects	\$ 777,665	\$ 875,462

Pikes Peak Library District
Comparative Statements of Revenue, Expenditures
and Changes in Fund Balance
North Facility Project Fund
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Donations	\$ -	\$ 250,000
Expenditures		
Other services	-	24,740
Capital outlay	189,947	409,900
Total Expenditures	<u>189,947</u>	<u>434,640</u>
Deficiency of revenues over expenditures	<u>(189,947)</u>	<u>(184,640)</u>
Other financing sources (uses)		
Transfers in	92,150	27,200
Transfers out	-	(169,300)
Proceeds from sales of assets	-	780
Total other financing sources (uses)	<u>92,150</u>	<u>(141,320)</u>
Net change in fund balance	<u>(97,797)</u>	<u>(325,960)</u>
Fund balance, beginning of year	<u>875,462</u>	<u>1,201,422</u>
Fund balance, end of year	<u>\$ 777,665</u>	<u>\$ 875,462</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Capital outlay	\$ 92,150	\$ 916,832	\$ 189,947	\$ 726,885
Deficiency of revenues under expenditures	(92,150)	(916,832)	(189,947)	726,885
Other financing sources				
Transfers in	92,150	92,150	92,150	-
Net change in fund balance	-	(824,682)	(97,797)	726,885
Fund balance, beginning of year	875,462	875,462	875,462	-
Fund balance, end of year	\$ 875,462	\$ 50,780	\$ 777,665	\$ 726,885

Pikes Peak Library District
Comparative Balance Sheets
East Library Renovation Fund
December 31, 2016 and 2015

	2016	2015
Assets		
Accounts receivable	\$ 4,037	\$ -
Due from other funds	128,894	387,510
Total assets	\$ 132,931	\$ 387,510
Liabilities		
Accounts payable	\$ 675	\$ 210,865
Fund Balance		
Committed to:		
Capital projects	132,256	176,645
Total liabilities and fund balance	\$ 132,931	\$ 387,510

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
East Library Renovation Fund
Years Ended December 31, 2016 and 2015

	2016	2015
Revenues		
Donations	\$ -	\$ 95,000
Expenditures		
Capital outlay	71,889	1,879,222
Deficiency of revenues over expenditures	(71,889)	(1,784,222)
Other financing sources		
Transfers in	27,500	117,320
Net change in fund balance	(44,389)	(1,666,902)
Fund balance, beginning of year	176,645	1,843,547
Fund balance, end of year	\$ 132,256	\$ 176,645

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
East Library Renovation Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Capital outlay	\$ 27,500	\$ 119,145	\$ 71,889	\$ 47,256
Deficiency of revenues under expenditures	<u>(27,500)</u>	<u>(119,145)</u>	<u>(71,889)</u>	<u>47,256</u>
Other financing sources				
Transfers in	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>-</u>
Net change in fund balance	-	(91,645)	(44,389)	47,256
Fund balance, beginning of year	<u>176,645</u>	<u>176,645</u>	<u>176,645</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 176,645</u></u>	<u><u>\$ 85,000</u></u>	<u><u>\$ 132,256</u></u>	<u><u>\$ 47,256</u></u>

Pikes Peak Library District
Comparative Balance Sheets
Penrose Library Renovation Fund
December 31, 2016 and 2015

	2016	2015
ASSETS		
Accounts receivable	\$ 5,279	\$ -
Due from other funds	167,927	349,854
Total assets	\$ 173,206	\$ 349,854
LIABILITIES		
Accounts payable	\$ -	\$ 194,215
FUND BALANCE		
Committed to:		
Capital projects	173,206	155,639
Total liabilities and fund balance	\$ 173,206	\$ 349,854

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Penrose Library Renovation Fund
Years Ended December 31, 2016 and 2015

	2016	2015
Revenues		
Donations	\$ -	\$ 825,150
Expenditures		
Capital outlay	69,433	1,402,381
Deficiency of revenues over expenditures	(69,433)	(577,231)
Other financing sources		
Transfers in	87,000	23,000
Transfers out	-	(825,000)
Total financing sources (uses)	87,000	(802,000)
Net change in fund balance	17,567	(1,379,231)
Fund balance, beginning of year	155,639	1,534,870
Fund balance, end of year	\$ 173,206	\$ 155,639

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Penrose Library Renovation Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Capital outlay	\$ 87,000	\$ 177,489	\$ 69,433	\$ 108,056
Deficiency of revenues under expenditures	<u>(87,000)</u>	<u>(177,489)</u>	<u>(69,433)</u>	<u>108,056</u>
Other financing sources				
Transfers in	<u>87,000</u>	<u>87,000</u>	<u>87,000</u>	<u>-</u>
Net change in fund balance	-	(90,489)	17,567	108,056
Fund balance, beginning of year	<u>155,639</u>	<u>155,639</u>	<u>155,639</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 155,639</u></u>	<u><u>\$ 65,150</u></u>	<u><u>\$ 173,206</u></u>	<u><u>\$ 108,056</u></u>

Pikes Peak Library District
Comparative Balance Sheets
Capital Reserve Fund
December 31, 2016 and 2015

	2016	2015
Assets		
Accounts receivable	\$ -	\$ 25,800
Due from other funds	1,214,174	532,761
Prepaid items	14,092	4,990
Total assets	\$ 1,228,266	\$ 563,551
 Liabilities		
Accounts payable	\$ 177,078	\$ 61,125
 Fund Balance		
Nonspendable:		
Prepaid expenditures	14,092	4,990
Committed to:		
Capital projects	1,037,096	497,436
Total fund balance	1,051,188	502,426
Total liabilities and fund balance	\$ 1,228,266	\$ 563,551

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Capital Reserve Fund
Years Ended December 31, 2016 and 2015

	2016	2015
Revenues		
Donations	\$ -	\$ 8,500
Other	-	25,800
Total revenues	-	34,300
Expenditures		
Capital outlay	503,676	1,063,124
Deficiency of revenues over expenditures	(503,676)	(1,028,824)
Other financing sources (uses)		
Proceeds from insurance reimbursement	-	18,703
Transfers in	1,052,438	1,041,132
Total financing sources (uses)	1,052,438	1,059,835
Net change in fund balance	548,762	31,011
Fund balance, beginning of year	502,426	471,415
Fund balance, end of year	\$ 1,051,188	\$ 502,426

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Capital Reserve Fund
Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Capital outlay	\$ 1,052,438	\$ 1,554,864	\$ 503,676	\$ 1,051,188
Deficiency of revenues under expenditures	<u>(1,052,438)</u>	<u>(1,554,864)</u>	<u>(503,676)</u>	<u>(1,051,188)</u>
Other financing sources				
Transfers in	<u>1,052,438</u>	<u>1,052,438</u>	<u>1,052,438</u>	<u>-</u>
Total financing sources	<u>1,052,438</u>	<u>1,052,438</u>	<u>1,052,438</u>	<u>-</u>
Net change in fund balance	-	(502,426)	548,762	(1,051,188)
Fund balance, beginning of year	<u>502,426</u>	<u>502,426</u>	<u>502,426</u>	<u>-</u>
Fund balance, end of year	<u>\$ 502,426</u>	<u>\$ -</u>	<u>\$ 1,051,188</u>	<u>\$ (1,051,188)</u>

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, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 668,585	\$ 658,388
Deposit	36,667	36,667
Total current assets	705,252	695,055
 Liabilities		
Current Liabilities		
Claims payable	67,661	112,438
Accounts payable	7,458	65,834
Total current liabilities	75,119	178,272
 Net Position		
Total Net Position - Unrestricted	\$ 630,133	\$ 516,783

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues		
Employer contributions	\$ 1,538,345	\$ 1,329,547
Employee contributions	<u>345,736</u>	<u>292,380</u>
Total operating revenues	<u>1,884,081</u>	<u>1,621,927</u>
Operating expenses		
Claims incurred	1,039,201	999,085
Administrative	<u>731,542</u>	<u>687,057</u>
Total operating expenses	<u>1,770,743</u>	<u>1,686,142</u>
Operating gain (loss)	<u>113,338</u>	<u>(64,215)</u>
Nonoperating revenues		
Investment earnings	<u>12</u>	<u>12</u>
Change in net position	113,350	(64,203)
Total net position, beginning	<u>516,783</u>	<u>580,986</u>
Total net position, ending	<u><u>\$ 630,133</u></u>	<u><u>\$ 516,783</u></u>

Pikes Peak Library District
Internal Service Fund
Comparative Statements of Cash Flows
Employee Health Plan Fund
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Employee and employer contributions	\$ 1,884,081	\$ 1,621,927
Payment of claims and administrative expenses	<u>(1,873,896)</u>	<u>(1,632,376)</u>
Net cash provided by (used in) operating activities	10,185	(10,449)
Cash flows from investing activities		
Interest received	<u>12</u>	<u>12</u>
Net increase (decrease) in cash and cash equivalents	10,197	(10,437)
Cash and cash equivalents, January 1	<u>658,388</u>	<u>668,825</u>
Cash and cash equivalents, December 31	<u>\$ 668,585</u>	<u>\$ 658,388</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating income (loss)	\$ 113,338	\$ (64,215)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Change in accounts payable	(58,376)	64,931
Change in claims payable	<u>(44,777)</u>	<u>(11,165)</u>
Total adjustments	<u>(103,153)</u>	<u>53,766</u>
Net cash provided by (used in) operating activities	<u>\$ 10,185</u>	<u>\$ (10,449)</u>

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, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 53,906	\$ 22,369
Accounts receivable	-	27,896
Total assets	\$ 53,906	\$ 50,265
Liabilities		
Accounts payable	\$ 53,906	\$ 50,265

Pikes Peak Library District
Statement of Changes in Fiduciary Assets and Liabilities
Flexible Spending Accounts – Agency Fund
Year Ended December 31, 2016

	Flexible Spending Accounts			Balance December 31, 2016
	Balance January 1, 2016	Additions	Deletions	
Assets				
Cash and cash equivalents	\$ 22,369	\$ 133,021	\$ 101,484	\$ 53,906
Other receivables	27,896	-	27,896	-
Total assets	<u>\$ 50,265</u>	<u>\$ 133,021</u>	<u>\$ 129,380</u>	<u>\$ 53,906</u>
Liabilities				
Accounts payable	<u>\$ 50,265</u>	<u>\$ 133,021</u>	<u>\$ 129,380</u>	<u>\$ 53,906</u>

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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.

	Page
Financial Trends	129
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	142
These schedules contain information to help the reader assess the District's most significant revenue source, the property tax.	
Debt Capacity	154
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	161
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	163
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 Related Debt		Restricted		Unrestricted		Total
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
2016		-		855,665		100,894		956,559

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
2007	\$ 10,641,943	\$ 4,796,671	\$ 2,817,382	\$ 181,162	\$ 406,645	\$ 1,113,515
2008	8,271,488	4,081,256	3,476,979	219,409	426,739	1,359,962
2009	10,043,347	4,962,156	3,337,749	224,311	514,702	1,343,640
2010	10,029,059	5,111,509	3,304,300	239,948	449,031	1,383,900
2011	8,132,184	-	10,916,543	339,211	451,191	1,472,077
2012	8,115,178	-	10,846,365	366,455	404,789	1,634,549
2013	7,883,922	-	12,021,277	373,535	403,231	1,531,283
2014	8,422,792	-	11,964,223	386,564	435,422	1,716,479
2015	11,479,186	-	4,117,367	400,652	436,539	7,814,245
2016	13,251,004	-	3,823,660	466,816	522,810	7,631,440

Fiscal Year	Program Revenues					
	Charges for Services			Operating Grants and Contributions		
	Public Services	Support and Outreach Services	Total	Public Services	Administrative Services	Information Technology
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
2016	494,493	-	494,493	233,889	-	143,982

Fiscal Year	Total Net Expenses
	Total Primary Government
2007	\$ (19,099,310)
2008	(21,547,989)
2009	(21,641,226)
2010	(23,331,594)
2011	(23,217,741)
2012	(24,222,713)
2013	(24,826,204)
2014	(25,208,590)
2015	(27,268,439)
2016	(28,435,137)

	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
	764,629	3,116,763	-	29,577,122

Capital Grants and Contributions

	Total	Public Services	Support and Outreach Services	Administrative Services	Information Technology	Total	Total Primary Government
\$	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
	377,871	142,378	-	41,939	85,304	269,621	1,141,985

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	
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	
2016	24,780,995	2,892,197	96,038	155,941	27,925,171	
Total Changes in Net Position						
	Total					
Fiscal Year	Primary Government					
2007	\$ 3,871,826					
2008	2,373,678					
2009	2,677,688					
2010	2,015,175					
2011	1,870,405					
2012	1,468,244					
2013	1,790,775					
2014	199,857					
2015	(136,995)					
2016	(567,039)					

TABOR Refund		
Fiscal Year Spending and Property Tax Revenue in Excess of Limit		Total Primary Government
\$	(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
	(57,073)	27,868,098

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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
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
2016	-	-	386,130	945,380	865,000	668,852	6,425,409	9,290,771

Other Governmental Funds

Fiscal Year	Reserved	Unreserved - Fund Type			Non-spendable	Restricted	Committed	Assigned	Total
		Special Revenue	Capital Projects	Total					
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
2016	-	-	-	-	14,092	11,179	2,378,444	7,000	2,410,715

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)

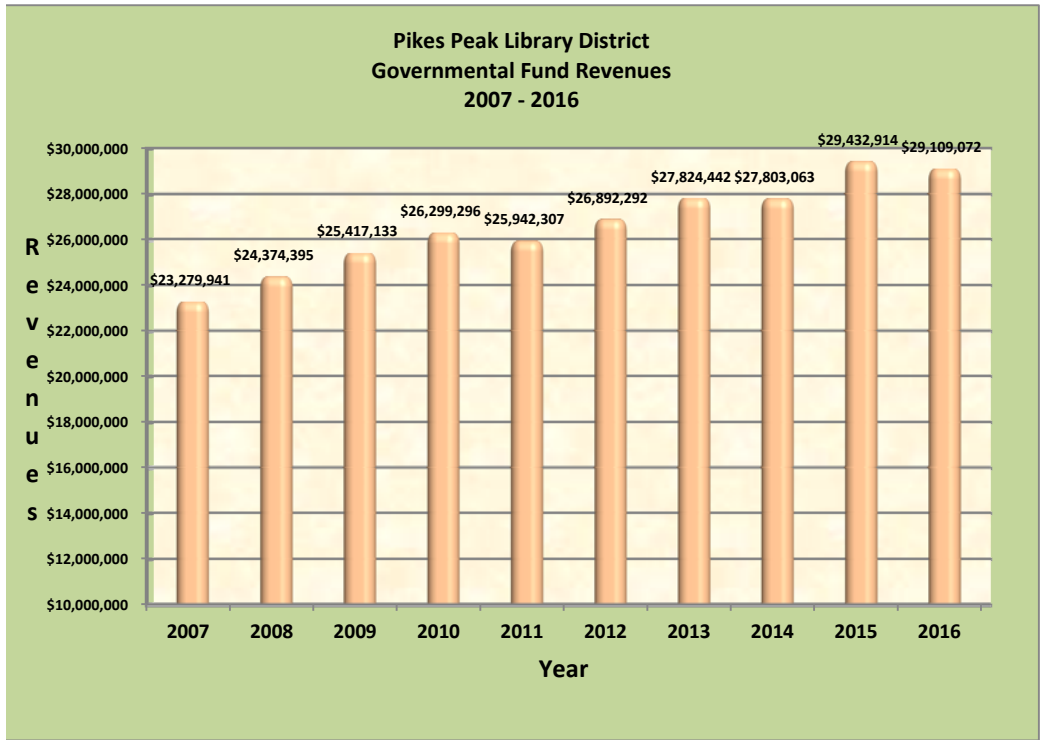
Fiscal Year	Revenues	Expenditures	Other Financing Sources (Uses)		
			Capital Lease Financing	Proceeds from Sale of Capital Assets	Proceeds from Insurance Reimbursement
2007	\$ 24,374,395	\$ 23,034,259	\$ -	\$ 55,680	\$ -
2008	25,417,133	23,205,387	-	51,596	-
2009	26,299,296	25,818,473	-	50,724	-
2010	25,942,307	24,092,049	173,756	48,207	-
2011	26,892,292	27,827,510	-	49,652	-
2012	27,824,442	26,370,151	-	40,924	-
2013	27,803,063	30,383,156	-	83,277	12,985
2014	29,432,914	30,383,156	-	50,403	-
2015	29,432,914	30,785,347	-	28,060	18,703
2016	29,109,072	27,246,156	-	17,345	-

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
\$	(154,975)	\$ 1,240,841	0.08%
	(102,809)	2,160,533	0.00%
	-	531,547	0.26%
	-	2,072,221	0.28%
	-	(885,566)	0.30%
	-	1,495,215	0.27%
	-	(2,483,831)	0.00%
	-	(899,839)	0.00%
	-	(1,305,670)	0.00%
	(57,073)	1,823,188	0.00%

Exhibit I-6

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

Fiscal Year	Taxes	Intergovernmental	Fines and Fees	Interest Earnings
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
2016	27,673,192	398,039	494,493	96,038

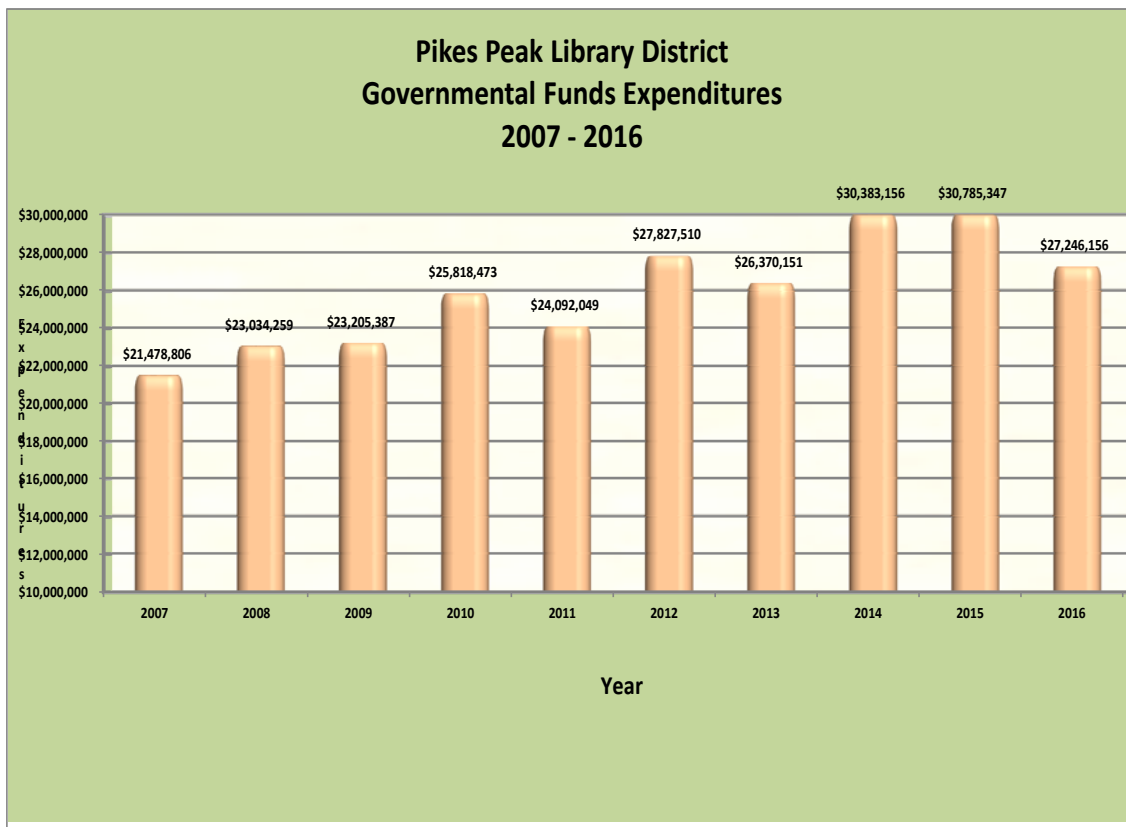


Miscellaneous		Total	
\$	526,632	\$	23,279,941
	574,283		24,374,395
	462,831		25,417,133
	343,327		26,299,296
	422,563		25,942,307
	387,801		26,892,292
	774,928		27,824,442
	592,822		27,803,063
	1,659,378		29,432,914
	447,310		29,109,072

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
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
2016	16,007,317	690,060	4,482,638	539,735	339,276	2,769,599



	Repairs and Maintenance		Other Services	Total	Capital Outlay	Debt Service		Total Expenditures					
	Principal	Interest											
\$	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
	672,300		742,652		26,243,577		1,002,579		-		-		27,246,156

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
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
2015	2016	3,772,618,178	47,394,700,732	2,845,238,612	9,811,167,627

Notes:

(1) The following are the assessment rates for collection years 2007 through 2016:

Collection Year	Residential	All Other Categories
2007-2016	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
\$	5,407,012,540	3.325	\$ 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%
	6,617,856,790	3.857	57,205,868,359	11.6%

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				
	2007	2008	2009	2010	2011
Direct					
Pikes Peak Library District	3.515	3.325	3.540	3.468	3.556
Overlapping Governments					
El Paso County	7.710	7.514	7.583	7.531	7.717
Cities and Towns					
Calhan	17.563	17.563	17.563	17.563	17.563
Colorado Springs	4.944	4.944	4.944	4.279	4.279
Fountain	10.239	10.239	10.239	10.239	10.239
Green Mountain Falls	14.588	15.558	14.588	13.588	14.588
Manitou Springs	-	-	-	-	-
Monument	6.458	6.289	6.289	6.289	6.289
Palmer Lake	16.544	15.340	16.180	15.989	16.459
Ramah	19.827	19.827	19.827	19.827	19.827
Fire Districts					
Big Sandy	8.000	8.000	8.000	8.000	8.000
Black Forest	7.287	6.600	6.444	6.322	6.275
Black Forest (OPS)	2.322	1.635	1.479	1.357	1.310
Broadmoor	4.500	4.500	4.500	4.500	4.500
Calhan	7.672	7.558	7.461	6.313	7.094
Cascade	6.544	6.333	6.748	6.940	7.373
Cimarron Hills	10.780	11.110	11.082	11.110	11.110
Donald Wescott	7.000	7.000	7.000	7.000	7.000
Edison	-	9.000	9.000	9.000	9.000
Elbert	4.575	4.575	4.575	4.575	4.575
Ellicott	4.481	4.354	9.116	9.374	9.329
Falcon	5.712	5.712	5.712	5.712	5.712
Green Mountain Falls	7.314	7.775	6.829	6.905	7.325
Hanover	4.720	4.720	4.720	4.720	4.720
Peyton	6.114	6.137	6.135	6.109	6.253
Security	6.692	6.675	6.706	6.687	6.693
Stratmoor Hills	12.660	12.423	12.423	12.423	12.423
SW Hwy 115	7.200	7.200	7.200	7.200	7.200
Tri-County	3.000	3.000	3.000	3.000	3.000
Tri-Lakes	8.500	8.500	8.500	8.500	8.500
Woodmoor Monument	9.921	8.500	-	-	-
Woodman Valley	9.050	9.050	9.050	9.050	9.050

2012	2013	2014	2015	2016
3.999	4.000	4.000	4.000	3.957
7.597	7.663	7.714	7.791	7.919
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	17.588	17.588	17.588	17.588
-	12.060	12.060	12.050	13.001
6.289	6.289	6.289	6.289	6.289
16.459	16.459	16.459	16.459	21.238
19.827	19.827	19.827	19.827	19.827
8.000	8.000	8.000	8.000	8.000
10.406	10.379	10.382	10.356	10.178
1.191	1.164	1.167	1.141	0.963
4.500	4.500	4.500	4.500	4.500
6.500	6.536	6.523	6.552	5.971
7.968	8.443	9.168	9.410	10.245
12.150	14.390	14.390	15.290	15.286
7.000	7.000	7.000	7.000	7.000
9.000	9.000	9.000	9.000	9.000
4.575	4.575	4.575	4.575	8.500
9.999	10.168	10.290	10.220	9.850
8.612	8.612	8.612	8.612	8.612
8.048	8.542	8.788	9.293	9.763
4.720	4.720	4.720	4.720	7.366
6.253	6.458	6.130	6.130	6.130
6.681	10.001	10.001	10.002	10.002
12.423	12.423	12.002	12.686	12.811
7.200	13.200	13.200	13.200	13.200
3.000	3.000	3.000	3.000	3.000
8.500	11.500	11.500	11.500	11.500
-	-	-	-	-
9.050	9.050	9.050	9.050	9.050

Exhibit I-9

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

Taxing Authority	Collection Year				
	2007	2008	2009	2010	2011
Water Districts					
Cheyenne Creek	0.800	0.800	0.800	0.800	0.500
Forest View	5.000	5.000	5.000	5.000	5.000
Park Forest	14.437	14.437	14.437	14.437	14.437
Red Rock Valley Estates	14.135	12.325	12.409	13.123	13.894
Stratmoor Hills	2.391	2.391	2.128	2.224	2.000
S.E. Colo. Water Conserv.	0.941	0.915	0.943	0.940	0.947
Security	6.367	5.946	5.822	5.961	5.960
Turkey Canyon Ranch	8.416	7.858	8.523	8.622	9.058
Upper Arkansas Water Conserv.	-	-	-	-	0.454
Upper Big Sandy	0.532	0.534	0.532	0.532	0.532
Upper Black Squirrel	0.706	0.682	0.682	0.682	1.082
Sanitation Districts					
Fountain	4.134	4.500	4.501	4.500	4.654
Security	0.962	0.898	0.889	0.896	0.900
Stratmoor Hills	0.650	0.650	0.579	0.621	0.549
Monument	3.200	-	-	-	-
Sanitation and Water Districts					
Academy	27.613	24.817	25.517	23.637	21.450
Donala (Area A)	16.296	16.296	16.296	16.296	16.296
Donala (Area B)	8.148	8.148	8.148	8.148	8.148
Garden Valley	4.142	4.065	4.001	7.000	10.000
Garden Valley #2	-	-	-	7.000	7.000
Westmoor	31.840	31.423	33.070	29.055	30.986
Woodmoor	8.500	7.250	7.000	6.950	6.950

2012	2013	2014	2015	2016
0.500	0.500	0.500	0.500	1.000
5.000	5.000	5.000	5.000	5.000
14.437	14.437	14.437	14.437	14.437
16.803	17.709	17.872	18.575	17.725
2.000	2.088	2.055	1.974	2.105
0.947	0.944	0.944	0.094	0.940
5.952	5.947	5.980	5.955	5.695
11.005	9.500	9.500	9.500	9.500
0.495	0.478	0.478	0.478	0.478
0.532	0.532	0.532	0.532	0.532
1.082	1.082	1.082	1.082	1.063
5.334	5.534	5.755	6.101	6.248
0.899	0.898	0.903	0.899	0.862
0.549	0.573	0.578	0.578	0.591
-	-	-	-	-
24.950	24.755	2.937	2.937	2.937
16.296	21.296	21.296	21.296	21.296
8.148	10.648	10.648	10.648	10.648
8.617	8.167	9.920	9.055	10.296
5.500	5.805	5.613	5.736	5.196
35.508	37.471	34.956	41.288	36.836
-	-	-	-	-

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				
	2007	2008	2009	2010	2011
School Districts					
Air Force Academy #20	60.216	60.216	60.216	60.216	60.216
Big Sandy #100J	25.397	25.481	25.499	25.509	25.468
Calhan #RJ-1	36.180	33.800	33.645	30.031	30.049
Cheyenne Mountain #12	50.391	44.741	44.794	43.765	49.764
Colorado Springs #11	44.045	44.045	42.331	42.183	44.004
Edison #54	36.357	38.814	38.801	37.525	36.104
Ellicott #22	47.903	46.947	46.009	45.633	41.148
Falcon #49	45.547	45.795	45.674	45.572	45.842
Fremont/Florence #39	30.380	28.934	29.548	29.695	33.907
Fountain/Ft. Carson #8	19.699	19.715	24.301	29.695	24.723
Hanover #28	26.043	25.442	25.459	23.436	27.551
Harrison #2	44.039	42.473	41.409	41.434	41.147
Lewis-Palmer #38	53.786	49.586	46.077	48.074	52.343
Manitou Springs #14	-	-	-	-	-
Miami/Yoder #60	31.283	40.906	41.281	41.366	42.853
Peyton #23	36.279	35.000	34.000	33.969	34.041
Miscellaneous Districts	1,568.774	2,094.822	2,115.266	2,710.623	2,554.140

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

2012	2013	2014	2015	2016
60.216	60.216	60.216	60.216	60.216
42.067	42.128	40.787	40.379	38.782
30.049	29.117	27.096	27.193	27.003
49.764	50.000	50.000	53.000	53.000
44.004	43.445	44.264	43.165	40.878
36.104	37.044	37.861	37.340	36.502
41.148	41.147	37.124	37.126	37.046
45.842	45.585	45.617	45.796	44.417
33.907	28.774	28.776	29.251	29.300
24.723	24.703	24.726	24.775	24.748
27.551	27.463	31.103	27.759	34.679
41.147	41.344	41.344	36.997	36.278
52.343	51.756	50.091	49.677	46.404
-	47.354	47.649	47.555	52.000
42.853	43.194	42.710	41.926	28.303
34.041	34.097	30.985	30.919	30.469
2,554.140	2,703.102	2,975.466	3,083.266	3,075.868

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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 2016		Fiscal Year 2007	
		Assessed Valuation	Percent of Total Assessed Valuation	Assessed Valuation	Percent of Total Assessed Valuation
Qwest Corporation	Telecommunications	\$ 67,021,700	1.01%	\$ 53,049,800	0.98%
CELLCO Partnership	Investments	89,757,560	1.36%	-	-
Broadmoor Hotel, Inc.	Hotel	33,798,090	0.51%	26,642,530	0.49%
Wal-Mart Businesses	Merchandise/Retail	28,348,330	0.43%	21,483,950	0.40%
Mountain View Electric	Utilities	27,465,560	0.42%	14,513,110	-
CV Patriot Springs, LLC	Investments	24,657,630	0.37%	-	-
dpiX, LLC	Technology	24,133,290	0.36%	-	0.00%
Wal-Mart Datacenter	Technology	14,137,690	0.21%	-	-
Palmer Center LTD	Hotel, Office Center	13,688,640	0.21%	13,741,150	0.25%
Keysight Technologies	Technology	12,938,440	0.20%	-	-
Intel Corp	Technology	-	-	86,483,570	1.60%
Atmel Corp.	Investments	-	-	31,769,420	0.59%
Black Hills Fountain Valley Power LLC	Utilities	-	-	27,726,200	0.51%
Catholic Health Initiatives - Centura Health	Health and Medical	-	-	14,170,280	0.26%
Coyote Garrison Chapel Hills Mall LLP	Retail Mall	-	-	14,289,080	0.26%
Total Top 10 Principal Taxpayers		\$ 335,946,930	5.08%	\$ 303,869,090	5.35%
Total Assessed Valuation		\$ 6,617,856,790	100.00%	\$ 5,407,012,540	100.00%

Data Source: El Paso County Treasurer's Office

Exhibit I-11

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

Assessment Year	Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections
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
2015	2016	24,926,355	24,730,868	99.2%	10,720

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
\$ 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%
29,902	9,505	24,780,995	99.4%	62,246	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
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	-	-	-
2016	623,805	-	-	-

	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
\$	0.04	\$ 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%
	-	29,262,206,000	0.000%	6,117,132,700	0.000%
	-	N/A	0.000%	6,617,856,790	0.000%

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Exhibit I-13

**Pikes Peak Library District
Direct and Overlapping Governmental Activities Debt
As of December 31, 2016
(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	50,101,000	100.00%	50,101,000
Monument	724,057	100.00%	724,057
Manitou Springs	3,114,939	100.00%	3,114,939
Total Cities and Towns			53,939,996
El Paso County	145,885,463	94.18%	137,394,929
Special Districts			
Fire protection	13,429,786	100.00%	13,429,786
Miscellaneous	241,168,705	100.00%	241,168,705
Water	40,313,325	100.00%	40,313,325
Water and Sanitation	14,625,574	100.00%	14,625,574
General Improvement	35,005,731	100.00%	35,005,731
Metropolitan	480,681,684	100.00%	480,681,684
Total Special Districts			825,224,805
School Districts			
Academy #20	119,090,354	100.00%	119,090,354
Big Sandy #100J	2,597,959	100.00%	2,597,959
Cheyenne Mountain #12	137,373,655	100.00%	137,373,655
Colorado Springs #11	717,238,982	100.00%	717,238,982
Falcon #49	91,862,431	100.00%	91,862,431
Fountain Fort Carson #8	5,379,085	100.00%	5,379,085
Fremont/Florence #39	9,525,000	100.00%	9,525,000
Hanover #28	6,401,835	100.00%	6,401,835
Harrison #2	38,986,318	100.00%	38,986,318
Lewis Palmer #38	71,962,921	100.00%	71,962,921
Manitou Springs School #14	3,135,063	100.00%	3,135,063
Miami/Yoder #60	343,566	100.00%	343,566
Peyton #23	14,342,381	100.00%	14,342,381
Widefield #3	-	100.00%	12,595,000
Total School Districts			1,230,834,550
Total Overlapping			2,247,394,280
Total Direct and Overlapping			\$ 2,247,394,280

Data Source: Individual Governmental Entities

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

Exhibit I-14

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

	2007	2008	2009	2010	2011
Assessed valuation	\$ 5,407,012,540	\$ 6,142,321,540	\$ 6,208,041,670	\$ 6,454,866,500	\$ 6,462,164,700
Debt limitation - 1.5% of total assessed value	\$ 81,105,188	\$ 92,134,823	\$ 93,120,625	\$ 96,822,998	\$ 96,932,471
Total debt (excluding compensated absences)	19,780	-	-	123,071	65,401
Less: Certificates of Participation (1)	-	-	-	-	-
Capital leases (1)	(19,780)	-	-	(123,071)	(65,401)
Total debt applicable to limitation	-	-	-	-	-
Legal debt margin	\$ 81,105,188	\$ 92,134,823	\$ 93,120,625	\$ 96,822,998	\$ 96,932,471

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).

2012	2013	2014	2015	2016
<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>\$ 6,617,856,790</u>
<u>\$ 89,520,533</u>	<u>\$ 90,636,787</u>	<u>\$ 90,433,490</u>	<u>\$ 91,756,991</u>	<u>\$ 99,267,852</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 89,520,533</u>	<u>\$ 90,636,787</u>	<u>\$ 90,433,490</u>	<u>\$ 91,756,991</u>	<u>\$ 99,267,852</u>

Exhibit I-15

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

Fiscal Year	Debt Service Expenditures			Noncapital Governmental Fund Expenditures	Ratio of Debt Service to Noncapital Governmental Fund Expenditures
	Capital Leases				
	Principal Payments	Interest Payments	Total		
2007	\$ 45,506	\$ 2,679	\$ 48,185	\$ 19,596,099	0.25%
2008	19,780	298	20,078	20,704,072	0.10%
2009	-	-	-	20,664,836	0.00%
2010	50,685	6,085	56,770	21,936,718	0.26%
2011	57,670	4,261	61,931	22,062,312	0.28%
2012	65,401	1,672	67,073	22,732,454	0.30%
2013	-	-	-	23,553,822	0.00%
2014	-	-	-	24,979,899	0.00%
2015	-	-	-	25,816,533	0.00%
2016	-	-	-	26,243,577	0.00%

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		
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	2.37	34.1	111,533
2013	598,549	27,980,799,000	41,250	7.2%	251,153	2.38	34.2	117,829
2014	607,457	27,831,398,000	41,945	6.2%	255,364	2.38	34.3	118,699
2015	616,089	29,262,206,000	43,385	4.6%	259,082	2.38	34.0	120,314
2016	623,805	N/A	N/A	3.8%	270,448	2.31	34.4	121,752

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 2016		Fiscal Year 2007	
	Employees	Percent of Total Employment	Employees	Percent of Total Employment
Fort Carson	32,014	10.57%	21,500	7.14%
United States Air Force Academy	11,715	3.87%	-	0.00%
Peterson Air Force Base	10,206	3.37%	17,975	5.97%
Schriever Air Force Base	9,490	3.13%	6,000	1.99%
Verizon	4,000	1.32%	-	-
El Paso County School District #11	3,720	1.23%	3,900	1.30%
Memorial/University of Colorado Health Systems	3,560	1.18%	4,405	1.46%
Academy School District #20	2,895	0.96%	2,481	0.82%
Centura Health System	3,300	1.09%	-	-
El Paso County	2,718	0.90%	-	-
Colorado Department of Corrections	-	-	5,779	1.92%
Penrose St. Francis Health System	-	-	2,712	0.90%
Wells Fargo Bank	-	-	1,060	0.35%
The Broadmoor	-	-	1,649	0.55%
Total	83,618	27.62%	67,461	17.50%
Total Employment - El Paso County, Colorado	302,948		300,975	

Exhibit I-18

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

	Full-time Equivalent Employees									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Services										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.00	1.00
Special Collections	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.50
Adult Services										
East Library	15.55	16.00	16.00	16.00	16.30	16.30	15.80	15.80	16.80	16.80
Penrose Library	20.28	20.20	20.00	20.70	20.74	20.74	20.24	20.24	20.24	21.22
Library 21c	-	-	-	-	-	-	-	8.25	8.25	8.25
Library 21c - Computer Commons	-	-	-	-	-	-	-	9.00	9.50	9.50
Children's										
East Library	8.00	8.00	9.00	9.00	9.02	9.02	7.02	6.82	6.82	8.27
Penrose Library	5.30	5.30	5.30	5.30	5.32	5.32	5.32	6.12	6.12	9.12
Library 21c	-	-	-	-	-	-	-	6.88	7.88	7.88
Community Libraries										
Administration	2.00	2.00	1.50	-	-	-	-	-	-	-
Briargate Library	10.50	11.88	11.88	12.63	13.63	13.63	15.00	-	-	-
Cheyenne Mountain Library	10.63	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93
Fountain Library	10.63	10.63	10.63	10.63	10.25	10.25	9.25	7.75	7.88	7.88
High Prairie Library	-	-	-	7.13	8.00	8.00	8.25	8.25	8.25	8.25
Ruth Holley Library	11.75	12.25	12.25	12.25	12.25	12.25	12.50	12.50	12.13	12.13
Manitou Springs	-	-	-	-	-	-	4.00	4.00	4.25	4.25
Monument Library	10.15	10.15	10.15	10.21	10.42	10.42	10.55	10.55	10.55	10.49
Old Colorado City Library	6.60	8.73	8.73	8.93	9.28	9.28	8.88	8.88	8.63	8.90
Palmer Lake Library	1.93	1.93	1.93	1.93	1.99	2.01	1.79	1.79	1.79	2.03
Rockrimmon Library	10.88	11.25	11.25	11.25	11.23	11.23	10.65	10.65	10.65	10.65
Sand Creek Library	11.38	12.38	12.38	12.88	13.09	13.09	13.26	14.23	15.73	15.95
Ute Pass Library	1.80	1.83	1.80	2.15	2.30	2.30	1.80	1.80	1.28	1.28
LitSource	2.60	2.60	2.60	2.60	2.60	2.60	3.10	3.45	4.20	3.85
Circulation										
East Library	20.45	20.43	20.43	19.93	20.01	19.01	20.59	20.22	20.62	20.62
Penrose Library	10.60	11.50	11.50	11.50	11.59	11.59	11.62	11.62	11.74	11.74
Library 21c	-	-	-	-	-	-	-	6.50	6.50	6.50
Shelving										
East Library	13.90	13.93	14.15	14.95	15.16	15.16	14.62	13.70	13.70	13.64
Penrose Library	8.80	8.80	8.80	8.40	8.84	8.84	8.35	7.99	7.99	7.99
Library 21c	-	-	-	-	-	-	-	5.18	5.55	5.18
Security	7.25	7.25	7.25	7.25	7.25	7.25	7.25	11.00	13.00	14.50
Mobile Library Services	7.28	8.88	8.88	8.88	9.70	9.70	8.70	8.70	8.70	8.95
Total Public Services	220.51	229.10	229.59	237.68	242.15	241.17	241.72	265.05	269.93	277.25
Administrative Services										
Administrative Services	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	6.75	6.75	6.75	7.00	7.00	6.00	6.75	6.75	6.00
Library 21c	-	-	-	-	-	-	-	2.00	2.00	3.00
Human Resources	5.25	5.55	5.55	5.55	5.15	4.15	5.15	5.15	5.15	5.15
Total Administrative Services	14.75	16.30	16.30	16.30	16.15	15.15	15.15	17.90	16.90	17.15
Information Technology										
Information Technology	12.00	12.00	12.00	13.00	13.00	13.00	13.00	14.00	14.10	14.10
Collection Management	18.38	19.00	19.00	19.50	19.80	19.80	21.05	19.30	19.65	19.00
Total Information Technology	30.38	31.00	31.00	32.50	32.80	32.80	34.05	33.30	33.75	33.10
Other Administrative Operations										
Executive Director	2.00	2.00	2.00	2.50	3.00	2.50	2.00	2.00	2.00	2.00
Community Relations Office	9.38	10.90	10.90	11.40	10.90	10.65	10.90	11.75	12.25	12.25
Finance Office	7.00	6.50	6.75	6.75	6.75	6.75	5.75	5.75	6.75	6.75
Total Other Administration Operations	18.38	19.40	19.65	20.65	20.65	19.90	18.65	19.50	21.00	21.00
Total Full Time Equivalents	284.02	295.80	296.54	307.13	311.75	309.02	309.57	335.75	341.58	348.50

Data Source: District's Human Resources Office

Exhibit I-19

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

Fiscal Year	Number of Volumes Owned	Number of Audio Visual Items Owned	Total Items Owned	Acquisition Cost of Collections
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
2016	689,980	353,667	1,043,647	27,162,050

Data Source: District's Collection Management Department

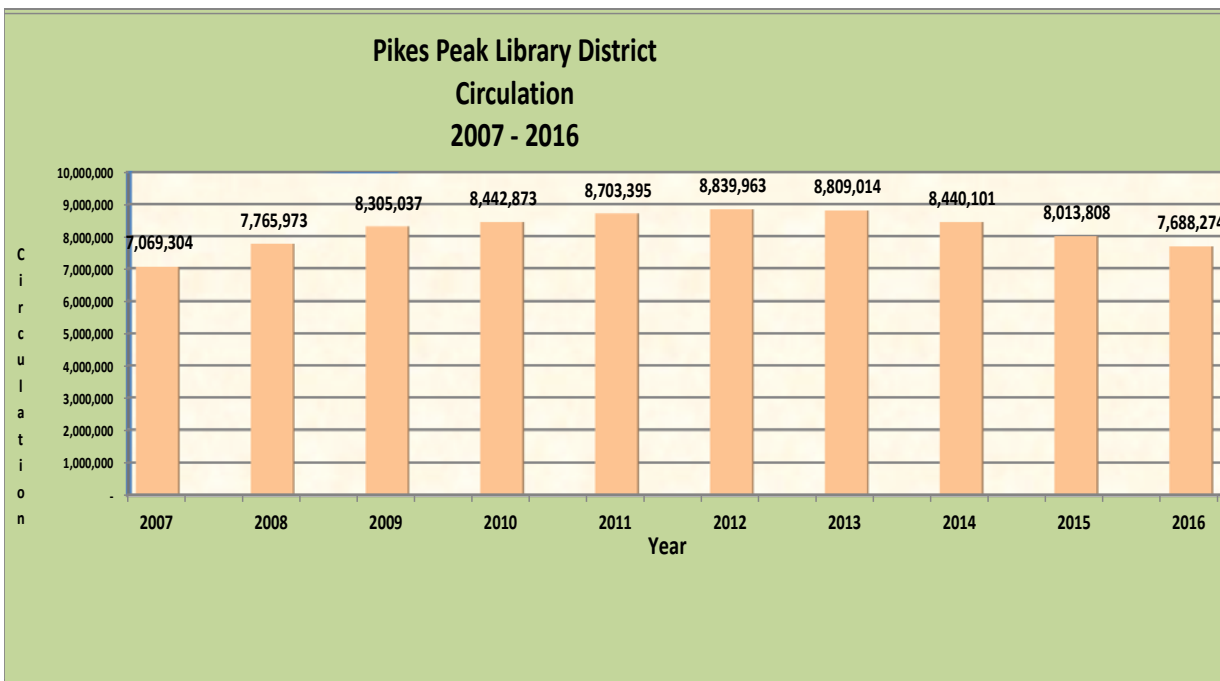
Cost of New Acquisitions	Net Book Value of Collections	Number of Items in Circulation	Turnover Rate
2,292,470	15,256,127	1,093,534	6.23
2,455,637	14,778,633	1,093,758	6.83
2,594,598	14,612,166	1,059,321	7.53
3,517,700	15,285,873	1,092,281	7.33
3,796,733	15,632,673	1,142,172	7.35
2,763,306	14,813,804	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
2,313,177	13,806,198	995,151	7.73

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
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
2016	1,533,028	776,925	888,192	-	437,569	199,196	307,167	46,452	415,012	246,141	43,152

Data Source: District's library system



Rockrimmon	Ruth Holley	Sand Creek	Ute Pass	Mobile Library Services	Library Express Dispenser	Cyber-Shelf	Nook eReaders	Other Categories	Inter-Library Loan	Total
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
385,294	395,346	417,248	31,724	166,186	20,958	1,295,052	325	55,209	28,098	7,688,274

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 2016	2007	2008
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
East Library and Information Center	5550 N. Union Colorado Springs, CO 80918	O	68	70,153	70,153
Fountain Library	230 S. Main Street Fountain, CO 80817	O	64	9,582	9,582
High Prairie Library	7035 Old Meridian Rd. Falcon, CO 80831	O	56	-	-
Library 21C	1175 Chapel Hills Drive Colorado Springs, CO 80920	O	68	-	-
Manitou Springs Library	701 Manitou Avenue Manitou Springs, CO 80829	L	52	-	-
Monument Hill Library	1706 Lake Woodmoor Drive Monument, CO 80132	L	68	7,536	7,536
Old Colorado City Library	2418 W. Pikes Peak Colorado Springs, CO 80904	O	64	4,909	4,909
Palmer Lake Library	66 Lower Glenway Palmer Lake, CO 80133	L	36	1,574	1,574
Penrose Public Library	20 N. Cascade Colorado Springs, CO 80903	O	68	78,831	78,831
Rockrimmon Library	832 Village Center Drive Colorado Springs, CO 80919	L	64	8,668	8,668
Ruth Holley Library	685 N. Murray Colorado Springs, CO 80915	L	64	10,469	10,469
Sand Creek Library	1821 S. Academy Colorado Springs, CO 80916	O	68	14,060	14,060
Ute Pass Library	8010 Severy Cascade, CO 80809	L	30	2,123	2,123
Mobile Library Services - three vehicles		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

2009	2010	2011	2012	2012	2014	2015	2016
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
70,153	70,153	70,153	70,153	70,153	70,153	70,153	70,153
9,582	9,582	9,582	9,582	9,582	9,582	9,582	9,582
-	6,008	6,008	6,008	6,008	6,008	6,008	6,008
-	-	-	115,058	115,058	115,058	115,058	115,058
-	-	-	-	2,391	2,391	2,391	2,391
7,536	7,536	7,536	7,536	7,536	7,536	7,536	7,536
4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909
1,574	1,574	1,574	1,574	1,574	1,574	1,574	1,574
78,831	78,831	78,831	78,831	78,831	78,831	78,831	78,831
8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668
10,469	10,469	10,469	10,469	10,469	10,469	10,469	10,469
14,060	14,060	14,060	14,060	14,060	14,060	14,060	14,060
2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123
455	455	455	455	455	455	455	455
11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988
238,540	244,548	244,548	359,606	361,997	361,997	353,370	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, 2016, 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 21, 2017. 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.

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 21, 2017

2017 Supplementary Budget Resolution

History

In September 1998, the State of Colorado revised its Financial Management Manual, A Guide for Colorado Governments. Included in this manual is a section pertaining to annual budgets and supplementary budgets.

The manual clearly indicates that when and how a budget can be amended during the year is a subject of continual concern to local governments. However, it does clarify the fact that when supplemental budget resolutions are proposed, a notice to the public must be given in a manner similar to the annual budget. Accordingly, the proposed resolutions (discussed below) are presented to the Board of Trustees (Board) as an informational item at the July Board meeting. Upon completion of that meeting, a public notice will be prepared stating the resolutions are available for public inspection, and the public notice will be placed in the local newspaper. The resolution will be presented as a decision item at the August 8, 2017 Board meeting.

Attached are copies of the supplementary budget resolutions for the General Fund, the East Library Renovation Project Fund, the Penrose Library Renovation Project Fund, the North Facility Project Fund, the Capital Reserve Fund, and the Special Revenue Funds, along with the supporting schedules.

GENERAL FUND

Revenues

The District has updated its revenue projections for 2017. The following is a summary of the proposed revenue adjustments:

	<u>Original</u>	<u>Adjusted</u>	<u>Change</u>
Specific ownership tax collections	\$2,825,000	\$3,125,000	\$300,000

This will increase the 2017 budgeted revenues from \$30,402,388 to \$30,702,388.

Expenditures

The following section provides the proposed adjustments to be made to PPLD's 2017 General Fund appropriation. The proposed items are explained in detail below.

1. Encumbrances – \$368,854

The proposed amendment includes an increase to the expenditure budget for encumbrances outstanding as of December 31, 2016. Encumbrances represent items ordered but not yet received by the District. The expenditure is recorded when the item is received. This is a typical budget practice for government entities.

2. Sand Creek Library Makerspace Project - \$260,725

The Board of Trustees previously approved utilizing \$260,725 from the General Fund reserves (McKinley Trust) to be used towards the funding of this project as a result of the increased scope of the project.

3. Utilization of Fund Balance equal to Capital Outlay expenditures (in the Capital Projects Funds) for 2017 to help fund the pay adjustment recommendations from the Compensation Study- \$346,478

The Board of Trustees previously approved the funding of the pay adjustment portion of the Compensation/Classification Study. Included in the funding is the utilization of fund balance up to the amount of capital outlay that was part of the original 2017 budget. This adjustment excludes capital outlay to be funded by designated funds. The balance is calculated as follows:

Transfers to Capital projects Funds	\$736,341
Utilization of reserves in original budget	<u>389,863</u>
Difference	<u>\$346,478</u>

4. Educational Resource Center - \$11,000

This amount represents operational costs that had originally been included under a Capital Project Fund when the project was first funded several years ago. This amount represents the costs needed to operate the ERC, short of staffing costs.

5. Additional Security Costs - \$30,000

This amount is needed to cover additional security costs at the Penrose Library.

6. Tuition Assistance Program - \$15,000

The budget of \$30,000 for this program was fully utilized prior to June 30, 2017. The additional \$15,000 is requested to help fund anticipated activity for the remainder of 2017.

7. Operating Transfer to Other Funds - \$50,000

The Board of Trustees previously approved \$600,000 for the complete overhaul of the parking lot at Library 21c. As part of the bid, there was a contingency – an additional charge for items not known when cost proposals were submitted to PPLD. An example of this is “soft soil”, which means soil that must be replaced with better material before any asphalt can be laid. As of the date of this memo, the project is substantially complete and all such areas of contingency have been identified. In short, a total of about \$50,000 is needed to fund the identified areas of concern that resulted in additional costs to this project. Again, these areas could not have been fully identified until after the existing blacktop/asphalt was removed so that such areas could be exposed for further analysis.

8. The resolution includes a recommendation for several line item transfers. A list of such transfers is included in the attached supporting schedules.

After taking into consideration all of the items discussed above, the recommendation is to amend the 2017 General Fund appropriation from \$30,792,251 to \$31,874,308.

EAST LIBRARY RENOVATION PROJECT FUND

The District's East Library Renovation Project Fund is used to account for all financial activity related to the renovation of the East Library along with other capital purchases to be made for the East Library. Funding for this project comes from the General Fund and from fundraising efforts.

The renovation project was completed in 2015. Accordingly, this fund is now being used to account for all financial activity of all capital projects exclusively to the benefit of the East Library. The proposed budget amendment allocates a part of the fund balance as of December 31, 2016 to the 2017 budget for the East Library projects/purchases, which have been previously identified and approved as part of the previous annual budget process. The carryover process is authorized by the Board approved Financial Guidelines.

The attached schedule shows how the funds are allocated by project/purchase. The effect of this amendment is to increase the 2017 budget for expenditures from \$36,450 to \$50,001.

PENROSE LIBRARY RENOVATION PROJECT FUND

The District's Penrose Library Renovation Project Fund is used to account for all financial activity related to the renovation of the Penrose Library along with other capital purchases to be made for the Penrose Library. Funding for this project comes from the General Fund and from fundraising efforts.

The renovation project for this library was completed in 2015. Accordingly, this fund is now being used to account for all financial activity of all capital projects exclusively to the benefit of the Penrose Library. The proposed budget amendment allocates the fund balance as of December 31, 2016 to the 2017 budget for the Penrose Library projects/purchases, which have been previously identified and approved as part of the previous annual budget process. The carryover process is authorized by the Board approved Financial Guidelines.

The attached schedule shows how the funds are allocated by project/purchase. The effect of this amendment is to increase the 2017 budget for expenditures from \$164,200 to \$228,737.

NORTH FACILITY PROJECT FUND

The District's North Library Renovation Project Fund is used to account for all financial activity related to the Library 21c construction and remodeling project along with other capital purchases to be made for the Library 21c facility. Funding for this project comes from the General Fund and from fundraising efforts.

The renovation project for this library was substantially completed in 2014. Accordingly, this fund is now being used to account for all financial activity of all capital projects exclusively to the benefit of Library 21c. The proposed budget amendment allocates the fund balance as of December 31, 2016 to the 2017 budget for the Library 21c projects/purchases, which have been previously identified and approved as part of the previous annual budget process. The carryover process is authorized by the Board approved Financial Guidelines.

The attached schedule shows how the funds are allocated by project/purchase. The effect of this amendment is to increase the 2017 budget for expenditures from \$681,000 to \$813,793, and to increase revenues and other sources of funds from \$30,000 to \$80,000.

CAPITAL RESERVE FUND

The District's Capital Reserve Fund is used to account for all financial activity related to the District's capital projects/purchases that are not accounted for in either the East Library Renovation Fund, the

Penrose Library Renovation Fund or the North Facility Project Fund. Sources of funds come primarily from the General Fund.

The following is a summary of the fund's original and proposed amended budget:

	<u>Original</u>	<u>Adjusted</u>	<u>Change</u>
Resources/revenues	\$676,651	\$676,651	\$0
Fund Balance Carryover	\$1,051,188	\$1,051,188	\$0
Expenditures			
Capital Outlay – Facility Related	\$384,700	\$589,951	\$205,251
Capital Outlay – Information Tech	\$691,757	\$1,118,321	\$426,564
Capital Outlay – CEOO	\$12,000	\$19,567	\$7,567
Total	\$1,088,457	\$1,727,839	\$639,382

Simply stated, the proposed budget amendment allocates the fund balance as of December 31, 2016 to capital projects that have been previously identified and approved as part of the annual budget process, and to make some line item transfers within the capital accounts. The carryover process is authorized by the Board approved Financial Guidelines.

The attached supporting schedules shows how the funds are allocated by project/purchase.

SPECIAL REVENUE FUNDS

The mid-year budget amendment also includes a resolution to increase various fund appropriations as a result of the remaining fund balances as of December 31, 2017.

The recommended amendments are as follows:

Fund	Original	Adjusted	Change
Annual Fund	\$ -	\$ 7,000	\$ 7,000
Cheyenne Mountain Library Support Fund	-	9,067	9,067
Fountain Library Support Fund	-	8,000	8,000
High Prairie Library Support Fund	-	60,000	60,000
Sand Creek Library Support Fund	-	60,546	60,546
Mobile Library Services Fund	-	1,916	1,916
1905 Carnegie Support Fund	-	4,374	4,374
1905 Carnegie Garden Support Fund	-	999	999
Special Collections Support Fund	-	1,113	1,113
Total	\$ -	\$ 153,015	\$ 153,015

The attached resolutions and supporting schedules list our recommendations as to how to spend such funds during 2017. These funds are to be kept in place until the remaining fund balances are fully utilized. Current accounting literature requires these types of funds to be accounted for in the General Fund. These funds existed prior to the change in literature and we are required to account for them as Special Revenue Funds until the fund balances are reduced to \$0. The changes above result primarily from not fully utilizing the funds that were budgeted for in 2016.

BUDGET DISCUSSION – 2017 MIDYEAR AND 2018 FISCAL YEAR

We are beginning the budget process for fiscal year 2018. As required by state law, a proposal of the 2018 budget will be delivered to the Board by October 15, 2017. The 2018 budget will be discussed and action will be taken at the Board's December 12, 2017 Board meeting, which is the same date as the public hearing as required by state law.

It is too preliminary to discuss budget specifics for 2018 primarily because we will receive the information for our tax revenue calculations from the County Assessor's Office in late August. At that time, we will have a better understanding of what our anticipated revenues will be for 2018.

That being said, a very preliminary estimate of the change in PPLD's assessed valuation total from 2017 to 2018, per the El Paso County Assessor's Office, is an increase of 1.0 – 2.0%. This takes into account the increasing market value of properties along with the offset effect of the State reducing the residential assessment rate from 7.96% of market value to 7.2% of market value (for residential property) as required periodically by the Gallagher Amendment. Of course, PPLD's property tax revenue is subject to the more restrictive of the limitations imposed by TABOR and the State's 5.5% limitation. This is noteworthy because property tax revenue accounts for about 87% of our total revenue in any given year. Depending on the actual TABOR factors and the change in assessed valuation, we can adjust our mill levy for operating purposes from the current levy of 3.93 mills to up to 4.000 mills. Assuming PPLD is entitled to collect this additional revenue legally as per the two limitations referred to above, we anticipate this will generate about \$1.1 - \$1.3 million in additional revenue for 2018.

A full discussion of the resource allocation issues affecting PPLD for 2017 and 2018 is beyond the scope of this memo. Such issues will be identified and discussed as part of the 2018 budget discussions and processes. However, there are several broad issues that will affect this process in which are appropriate to discuss here. They are as follows, and by no means are they all-inclusive or in any order of importance.

1. There are several large capital projects affecting PPLD's facilities which need to be completed at some point soon. We have deferred what we can for as long as we can, but we can't defer them too far down the road. They are substantial in terms of cost. Management is working on its recommendations for the Board as to the timing of such projects, and its recommendations will be presented to the Board at a later date.
2. As stated above, the District engaged a consultant to complete a full study of PPLD's pay structure (including the current classification system, job analysis, compensation levels and staffing levels). The project was substantially completed in mid-2017. There are numerous recommendations for staffing changes and departmental changes, and a preliminary cost estimate to implement most of the recommendations is an additional \$2.6 million. The full implementation of all recommendations may take several years. More information will be made available throughout the 2018 budget process.
3. State law stipulates the minimum wage be adjusted annually. The minimum wage for 2018 is \$10.20 per hour. As part of the compensation study, PPLD implemented a new pay scale in 2017, with a minimum hourly rate of \$10.20. Please note the minimum hourly rate for 2019 is \$11.10 per hour, and for 2020, it will become \$12.00 per hour. Our pay scale will need to change accordingly.
4. As discussed elsewhere, we previously completed the Tri-Building Projects (East, Penrose, and Library 21c). As part of any planning processes, discussion related to where and how it offers library services to its patrons need to occur continually. We need to consider the areas that we deem are under-served in terms of facility presence/library services. We also need to plan and fund the renovation of the Knight of Columbus Hall.

5. As part of the 2018 budget process, we will be reviewing all contracts and other services/expenditures.

Management will discuss the impact of these (and other) issues as we move forward with the budget process. It is possible that we will adjust these amendments to incorporate some of the issues discussed above. If so, such recommendations will be fully discussed and described by the August 8, 2017 Board meeting.

RECOMMENDATION

The Board of Trustees must defer any action on these resolutions until its August 8, 2017 Board meeting.

RESOLUTION FOR SUPPLEMENTARY BUDGET

A Resolution appropriating additional sums of money to defray expenditures in excess of the amounts budgeted for the Pikes Peak Library District, Colorado Springs, Colorado.

WHEREAS, this resolution is adopted for the following causes:

Revenues and Other Financing Sources

1. To increase 2017 budgeted revenues by \$300,000 for anticipated Specific Ownership Tax collections in excess of the 2017 approved budget.

Expenditures and Other Financing Uses

2. To increase the 2017 General Fund budget for the utilization of Fund Balance - Reserved for Encumbrances, as follows:

- Library materials	\$215,556
- Other encumbrances	<u>153,298</u>
	<u>\$368,854</u>

3. To increase the 2017 General Fund budget by \$260,725 to cover the anticipated project costs related to the Sand Creek Makerspace project; funding comes from the McKinley Trust, a Board-designated fund included in fund balance.
4. To increase the 2017 General Fund budget by \$346,478 for costs related to the implementation of the compensation study that was initiated in 2016 and finished in 2017.
5. To increase the 2017 General Fund budget by \$11,000 for costs to operate the Educational Resource Center; such costs were previously accounted for under a Capital projects Fund.
6. To increase the 2017 budget by \$30,000 to cover additional contracted security services.
7. To increase the tuition assistance program budget by \$15,000 for higher than anticipated usage of the program during 2017.
8. To increase the 2017 budget by \$50,000 to transfer funds to the Capital Projects Fund to cover additional expenditures related to the parking lot project for Library 21c.
9. To approve the line item transfers within the General Fund in the amount of \$532,000, as documented on the attached schedule; such transfers have a net zero effect on the total General Fund budget.

NOW THEREFORE, it is resolved by the Board of Trustees of the Pikes Peak Library District, Colorado Springs, Colorado:

1. That the 2017 appropriation of the General Fund is hereby increased from \$30,792,251 to \$31,874,308, and that revenues (sources of funds) be increased from \$30,402,388 to \$30,702,388, as per the attached schedule, and

2. To utilize \$260,725 of fund balance previously designated by the Board of Trustees for project costs related to the Sand Creek Library Makerspace project.

ADOPTED, this ____ day of _____, 2017

Attest: _____
Cathy Grossman, President

Pikes Peak Library District
 General Fund - Supplemental Budget
 Fiscal Year 2017

Category	Amount
Approved 2017 Budget - Revenues	\$ 30,402,388
Adjustments:	
Specific ownership tax collections	300,000
Total adjustments	<u>300,000</u>
2017 General Fund Revenue Budget, As Amended	<u>\$ 30,702,388</u>
Approved 2017 Budget - Expenditures	<u>\$ 30,792,251</u>
Utilization of Prior Year Reserved and Designated Fund Balance	
Encumbrances	
Library materials	215,556
Other encumbrances	<u>153,298</u>
Total Encumbrances	<u>368,854</u>
Other Items	
Sand Creek Library makerspace project (utilize McKinley Trust)	260,725
Use of fund balance equal to capital outlay for 2017 to be used to implement the compensation study recommendations	346,478
Educational Resource Center costs previously included under Capital Projects Funds	11,000
Additional security services	30,000
Increase tuition assistance program	15,000
Transfer of funds to the North Facility Capital Projects Fund	<u>50,000</u>
Total Other Items	<u>713,203</u>
Total Adjustments	<u>1,082,057</u>
Total 2017 General Fund Expenditure Budget, As Amended	<u>\$ 31,874,308</u>

Pikes Peak Library District
 Mid-Year Budget Adjustment - Line Item Transfers
 Fiscal Year 2017

General Fund

From	To	Purpose
Health plan - additional month no premiums	\$ 150,000	Pay adjustments
Library materials	100,000	Pay adjustments
Substitute pay	100,000	Pay adjustments
Computer support agreements	132,000	Data Telecommunications
Consultant fees	20,000	Voice telecommunication costs
Software purchases	30,000	Data Telecommunications
	<u>\$ 532,000</u>	
		To cover pay adjustment costs
		To cover pay adjustment costs
		To cover pay adjustment costs
		To cover data telecommunication costs for 2017
		To cover voice telecommunication costs for 2017
		To cover data telecommunication costs for 2017
	<u>\$ 532,000</u>	

RESOLUTION FOR SUPPLEMENTARY BUDGET

A Resolution appropriating additional sums of money to defray expenditures in excess of the amounts budgeted for the Pikes Peak Library District, Colorado Springs, Colorado.

WHEREAS, the Board of Trustees previously established a Capital Projects Fund called the East Library Renovation Project Fund - the primary purpose of which is to account for all financial activity related to the renovation of the East Library, the funding of which comes primarily from donations, grants and the District's General Fund,

AND WHEREAS, the total amount of funds available as of December 31, 2016 was \$132,256,

AND WHEREAS, total encumbrances outstanding as of December 31, 2016 was \$160,

AND WHEREAS, a total of \$13,391 of funds previously approved in the prior year budget but not yet spent shall be carried over into the 2017 budget,

NOW THEREFORE, it is resolved by the Board of Trustees of the Pikes Peak Library District, Colorado Springs, Colorado, that the 2017 appropriation of the East Library Renovation Project Fund is hereby increased from \$36,450 to \$50,001, as per the attached schedule.

ADOPTED, this ____ day of _____, 2017

Attest: _____
Kenneth Beach, President

Pikes Peak Library District
 Capital Projects Fund - East Library Renovation Project Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
Uses of Funds			
Water treatment system	\$ -	\$ 3,000	\$ 3,000
Paint shelves	-	945	945
Blinds for ESL office	2,200	-	2,200
Blinds for ERC/maker space	4,500	-	4,500
Update security equipment	-	5,000	5,000
Window leak - 2nd floor	7,500	-	7,500
Additional meeting room chairs - 1st floor lab	2,250	-	2,250
Roof inspection and repairs	3,500	2,375	5,875
Information Technology related costs	-	2,071	2,071
Educational Resource Center	-	160	160
Additional furnishings/barrier for tween area	4,000	-	4,000
Interior paint	4,000	-	4,000
Mural	5,000	-	5,000
Chair replacement	3,500	-	3,500
Total Uses of Funds	36,450	13,551	50,001
Excess Revenues Over Expenditures	(36,450)	(13,551)	(50,001)
Fund Balance - Beginning of Year	132,256	-	132,256
Fund Balance - End of Year	\$ 95,806	\$ (13,551)	\$ 82,255

RESOLUTION FOR SUPPLEMENTARY BUDGET

A Resolution appropriating additional sums of money to defray expenditures in excess of the amounts budgeted for the Pikes Peak Library District, Colorado Springs, Colorado.

WHEREAS, the Board of Trustees previously established a Capital Projects Fund called the Penrose Library Renovation Project Fund - the purpose of which is to account for all financial activity related to the renovation of the Penrose Library, the funding of which comes primarily from donations, grants and the District's General Fund,

AND WHEREAS, the total balance of funds available as of December 31, 2016 was \$173,206,

AND WHEREAS, a total of \$64,537 of funds previously approved in the prior year budget but not yet spent shall be carried over into the 2017 budget,

NOW THEREFORE, it is resolved by the Board of Trustees of the Pikes Peak Library District, Colorado Springs, Colorado, that the 2016 appropriation of the Penrose Library Renovation Project Fund is hereby increased from \$164,200 to \$228,737, as per the attached schedule.

ADOPTED, this ____ day of _____, 2017

Attest: _____
Cathy Grossman, President

Pikes Peak Library District
 Capital Projects Fund - Penrose Library Renovation Project Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
Sources of Funds			
Funding - Pikes Peak Library District			
Operating transfer - General Fund	\$ 59,690	\$ -	\$ 59,690
Uses of Funds			
PENROSE PUBLIC LIBRARY			
Replace floors in elevators	-	3,500	3,500
Additional lighting at south wall display shelving	1,000	-	1,000
Roof preventative maintenance repairs	3,500	2,280	5,780
Window blinds for east wall staff work area	3,200	-	3,200
Replace existing parking lot meters	50,000	-	50,000
Façade repair (tuck and pointing)	16,000	-	16,000
Elevator modernization - cab	45,000	-	45,000
Construction costs	-	5,280	5,280
Furniture and equipment	-	464	464
Convert pea gravel walk to astro-turf	2,000	-	2,000
Shelving signage	2,000	-	2,000
Replace 4 staff chairs	1,500	-	1,500
1905 CARNEGIE BUILDING			
Window caulking	-	53,013	53,013
Wood repairs and scaffolding	40,000	-	40,000
Total Uses of Funds	164,200	64,537	228,737
Excess Revenues Over Expenditures	(104,510)	(64,537)	(169,047)
Fund Balance - Beginning of Year	173,206	-	173,206
Fund Balance - End of Year	\$ 68,696	\$ (64,537)	\$ 4,159

RESOLUTION FOR SUPPLEMENTARY BUDGET

A Resolution appropriating additional sums of money to defray expenditures in excess of the amounts budgeted for the Pikes Peak Library District, Colorado Springs, Colorado.

WHEREAS, the Board of Trustees previously established a Capital Projects Fund called the North Facility Project Fund - the purpose of which is to account for all financial activity related to the acquisition of a facility and all related renovation costs; the funding of which comes primarily from the District's General Fund,

AND WHEREAS, the total amount of funds available as of December 31, 2016 was \$777,665,

AND WHEREAS, a total of \$82,793 of funds previously approved in the prior year budget but not yet spent shall be carried over into the 2017 budget,

AND WHEREAS, a total of \$50,000 of funds shall be transferred in from the General Fund to help defray project costs.

NOW THEREFORE, it is resolved by the Board of Trustees of the Pikes Peak Library District, Colorado Springs, Colorado, that the 2017 appropriation of the North Facility Project Fund is hereby increased from \$681,000 to \$813,793, and to increase the sources of funds from \$30,000 to \$80,000, as per the attached schedule.

ADOPTED, this ____ day of _____, 2017

Attest: _____
Cathy Grossman, President

Pikes Peak Library District
 Capital Projects Fund - North Facility Project Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

Sources of Funds	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
Funding - Fundraising			
Donations - Pikes Peak Library District Foundation	\$ 30,000	\$ -	\$ 30,000
Funding - General Fund			
Operating Transfers in	-	50,000	50,000
Total Sources of Funds	30,000	50,000	80,000
Uses of Funds			
Parking Lot	570,000	80,000	650,000
Install ceiling fans in Children's	-	1,750	1,750
Improvements Teen Gaming room	30,000	-	30,000
Sound dampening of AMH space	-	3,000	3,000
Allowance to install electrical outlets at west wall counter space	5,000	-	5,000
Replace fountain to ADA compliant fixtures	10,000	-	10,000
Patron registration capability using tablets	3,000	-	3,000
Contingency	-	37,868	37,868
TAZ 3D printer	10,000	-	10,000
Laser cutter	13,000	-	13,000
Stage Audio Room - Mikes wireless	-	1,500	1,500
Staging	-	4,675	4,675
Audio/Lighting	-	4,000	4,000
Sound attenuation	5,000	-	5,000
Record management system	30,000	-	30,000
Signage	5,000	-	5,000
Total Uses of Funds	681,000	132,793	813,793
Excess Revenues Over Expenditures	(651,000)	(82,793)	(733,793)
Fund Balance - Beginning of Year	777,665	-	777,665
Fund Balance - End of Year	\$ 126,665	\$ (82,793)	\$ 43,872

RESOLUTION FOR SUPPLEMENTARY BUDGET

A Resolution appropriating additional sums of money to defray expenditures in excess of the amounts budgeted for the Pikes Peak Library District, Colorado Springs, Colorado.

WHEREAS, the Board of Trustees previously established a Capital Projects Fund called the Capital Reserve Fund - the purpose of which is to account for all financial activity related to various capital projects not specifically accounted for under a separate Capital Projects Fund; the funding of which comes primarily from the District's General Fund,

AND WHEREAS, total resources available as of December 31, 2016 was \$1,051,188,

AND WHEREAS, total encumbrances outstanding as of December 31, 2016 was \$138,625,

AND WHEREAS, the amount of unspent funds for capital projects previously approved as of December 31, 2016 was \$502,774,

AND WHEREAS, the Board of Trustees has previously approved committing all funds set aside for such projects to be used solely for capital purposes.

NOW THEREFORE, it is resolved by the Board of Trustees of the Pikes Peak Library District, Colorado Springs, Colorado, that the 2017 appropriation of the Capital Reserve Fund is hereby increased from \$1,088,457 to \$1,727,839, as per the attached schedule.

ADOPTED, this ____ day of _____, 2017

Attest: _____
Cathy Grossman, President

Pikes Peak Library District
 Capital Projects Fund - Capital Reserve Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
Sources of Funds			
Funding - Pikes Peak Library District			
Operating transfer - General Fund	\$ 676,651	\$ -	\$ 676,651
Uses of Funds			
MOBILE LIBRARY SERVICES			
Bookmobile/senior van replacement	75,000	-	75,000
Vehicle maintenance/minor items			
New wrap for bookmobile 702	-	5,000	5,000
Replace generator for bookmobile 702	-	1,915	1,915
Other furniture or equipment replacement			
Standing workstation in garage	1,000	-	1,000
CHEYENNE MOUNTAIN BRANCH			
Carpet replacement	-	30,000	30,000
RUTH HOLLEY BRANCH			
Building maintenance/minor renovation projects			
Rolling wall partition	-	2,200	2,200
Access control upgrades	5,700	5,100	10,800
Other furniture or equipment replacement			
Study tables and chairs to create additional seating spaces	9,000	-	9,000
MANITOU SPRINGS BRANCH			
Building maintenance/minor renovation projects	-	35,000	35,000
Other furniture or equipment replacement	-	1,000	1,000
MONUMENT BRANCH			
Carpet replacement	30,000	-	30,000
Building maintenance/minor renovation projects			
Drive up book drop improvements	-	6,583	6,583
Restroom improvements	-	1,330	1,330
Access control upgrades	12,000	-	12,000
Painting allowance	10,000	-	10,000
Other furniture or equipment replacement			
Storage cabinet for meeting room chairs/tables	1,500	-	1,500
Reupholster (17) meeting room chairs	1,600	-	1,600

Pikes Peak Library District
 Capital Projects Fund - Capital Reserve Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
PALMER LAKE BRANCH			
Other furniture or equipment replacement			
Purchase storage shed	2,800	-	2,800
Reupholster (2) patron chairs	1,000	-	1,000
ROCKRIMMON BRANCH			
Building maintenance/minor renovation projects			
Access control upgrades	2,000	7,100	9,100
SAND CREEK BRANCH			
Building maintenance/minor renovation projects			
Access control upgrades	1,100	-	1,100
OTHER ITEMS			
Concrete replacement - districtwide allowance	12,000	7,171	19,171
Staff lounges improvements	30,000	-	30,000
Adult Education workspace improvements	30,000	-	30,000
Asphalt repairs and maintenance - districtwide allowance	15,000	15,373	30,373
Card reading access accessories	-	5,300	5,300
Water management system	25,000	-	25,000
Upgrade intrusion alarm system - 7 locations	20,000	-	20,000
Capital Contingency	25,000	71,879	96,879
Other vehicle replacement	50,000	10,300	60,300
Furniture replacement contingency	25,000	-	25,000
Facilities-Related	384,700	205,251	589,951

Pikes Peak Library District
 Capital Projects Fund - Capital Reserve Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

	2017		Adjusted Budget
	Budget	Mid-Year Adjustment	
Information Technology			
Servers			
Replacements	40,000	16,754	56,754
Cloud hosting, support for ppld.org	-	11,485	11,485
Windows server CAL's	-	26,582	26,582
Maintenance hardware and software for servers	52,323	44,276	96,599
Primary storage	25,000	-	25,000
Webcams for server rooms	-	403	403
Offsite backup system	20,000	-	20,000
Data domain replacement	24,000	7,028	31,028
SIRSI test server	-	2,532	2,532
Computers			
Technology refresh	80,000	81,000	161,000
Upgrades to Avid Liquid 7.0	1,000	-	1,000
Barcode scanners, RFID equipment	-	15,102	15,102
Telecommunications equipment			
Telecommunications switches	60,000	-	60,000
Tipping point replacements	-	5,270	5,270
Self check stations			
District wide	82,434	62,695	145,129
Telecom firewall replacement	45,000	-	45,000
Laptops			
Laptops replacements and tablets, loans and netbooks	25,000	7,454	32,454
Laptop staff lab - Penrose Library	-	615	615
Laptop lab Computer Commons	-	13,000	13,000
Laptop replacement - Cheyenne Mountain	-	5,000	5,000
Laptop replacement - Ruth Holley	-	6,000	6,000
Laptop - Special Collections	-	2,000	2,000
Adult Literacy department - laptops	-	4,371	4,371

Pikes Peak Library District
 Capital Projects Fund - Capital Reserve Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
Update aging security equipment - Penrose	5,000	-	5,000
Equipment Initiatives			
BibFrame linked data project	-	12,500	12,500
LaunchPad kids app/games/educational tablets	-	40,000	40,000
Small NAS for Special Collections	-	1,250	1,250
Manitou Springs downstairs PAC, Cabling	-	2,000	2,000
Ute Pass - ceiling projector and screen	1,000	(1,000)	-
Replace Jamex boxes district-wide	-	15,786	15,786
New computers, apps for children	-	10,000	10,000
Phone system	-	29,768	29,768
Mobile device management	-	5,200	5,200
Archival management system	-	12,000	12,000
Network copiers	-	4,958	4,958
Cash drawer project	-	5,000	5,000
Replace data domain	-	1,255	1,255
Security	-	8,121	8,121
Children's - iPads for programming	-	1,769	1,769
Dibos and camera upgrades	50,000	-	50,000
Data drops install for HO for study area	-	1,000	1,000
WAN upgrades, trenching if needed	-	11,963	11,963
Children's equipment	52,000	-	52,000
Computer Commons equipment	26,000	-	26,000
Special Collections equipment	29,000	-	29,000
Cloud computing transition study	15,000	-	15,000
Monument Library IT infrastructure	50,000	(50,000)	-
East Library tween computers	4,000	-	4,000
Cheyenne Mountain patron laptops	5,000	(5,000)	-
Contingency	-	8,427	8,427
Total Information Technology	691,757	426,564	1,118,321
Community Engagement and Outreach			
Studio flooring	12,000	4,067	16,067
Studio improvements	-	3,500	3,500
Total Community Engagement and Outreach	12,000	7,567	19,567
Total Uses of Funds	1,088,457	639,382	1,727,839
Excess Revenues Over Expenditures	(411,806)	(639,382)	(1,051,188)
Fund Balance - Beginning of Year	1,051,188	-	1,051,188
Fund Balance - End of Year	\$ 639,382	\$ (639,382)	\$ -

RESOLUTION FOR SUPPLEMENTARY BUDGET

A Resolution appropriating additional sums of money to be used from various funding sources that are not part of the District's General Fund, for the Pikes Peak Library District, Colorado Springs, Colorado.

WHEREAS, the Board of Trustees previously authorized the establishment of Special Revenue Funds (Designated Purpose Funds), the purpose of which is to account for all financial activity related to the accumulation of and the use of funds designated or restricted for specific purposes.

AND WHEREAS, certain designated funds that were budgeted for during 2016 were not spent by the end of 2016, yet the projects are to be carried over into 2017, as per the attached schedules.

NOW, THEREFORE, it is resolved by the Board of Trustees of the Pikes Peak Library District, Colorado Springs, Colorado that District's Special Revenue Funds (Designated Purpose Funds) be adjusted for expenditures for fiscal year 2017 by fund as identified on the attached schedules.

ADOPTED, this ____ day of _____, 2017

Attest: _____
Cathy Grossman, President

Pikes Peak Library District
 General Fund - Designated Fund
 Annual Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

Purpose of Fund	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
To accumulate funds for the acquisition of specific assets or the purchase of specific services not specifically identified through another established fund.			
Fiscal Year Expenditures			
Capital outlay			
Makerspace - Sand Creek	\$ -	\$ 7,000	\$ 7,000
Excess (Deficit) Revenues Over Expenditures	-	(7,000)	(7,000)
Fund Balance - Beginning of Year	7,000	-	7,000
Fund Balance - End of Year	\$ 7,000	\$ (7,000)	\$ -

Pikes Peak Library District
 Special Revenue Fund
 Cheyenne Mountain Library Support Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

Purpose of Fund

To accumulate funds for the support of the District's Cheyenne Mountain Library's services, programs and assets.

Fiscal Year Expenditures

Capital outlay

Upgrade lock system to card reader system

	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
	\$ -	\$ 9,067	\$ 9,067
Excess (Deficit) Revenues Over Expenditures	-	(9,067)	(9,067)
Fund Balance - Beginning of Year	9,067	-	9,067
Fund Balance - End of Year	\$ 9,067	\$ (9,067)	\$ -

Pikes Peak Library District
 Special Revenue Fund
 Fountain Library Support Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

Purpose of Fund

To accumulate funds for the support of the District's Fountain Library's services, programs and assets.

Fiscal Year Expenditures

Capital outlay

 Access control

	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
	\$ -	\$ 8,000	\$ 8,000
Excess (Deficit) Revenues Over Expenditures	-	(8,000)	(8,000)
Fund Balance - Beginning of Year	18,725	-	18,725
Fund Balance - End of Year	\$ 18,725	\$ (8,000)	\$ 10,725

Pikes Peak Library District
 Special Revenue Fund
 High Prairie Library Support Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

Purpose of Fund	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
To accumulate funds for the support of the District's High Prairie Library's services, programs and assets.			
Fiscal Year Expenditures			
Capital outlay			
Miscellaneous projects	\$ -	\$ 60,000	\$ 60,000
Interior paint			
Sound attenuation			
Storage unit			
Replace meeting room carpet			
Landscape design			
Fence for seeding garden			
Total Fiscal Year Expenditures	-	60,000	60,000
Excess (Deficit) Revenues Over Expenditures	-	(60,000)	(60,000)
Fund Balance - Beginning of Year	174,575	-	174,575
Fund Balance - End of Year	\$ 174,575	\$ (60,000)	\$ 114,575

Pikes Peak Library District
 Special Revenue Fund
 Sand Creek Library Support Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

Purpose of Fund	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
To accumulate funds for the support of the District's Sand Creek Library's services, programs and assets.			
Fiscal Year Expenditures			
Capital outlay			
Sand Creek Makerspace carryover	\$ -	\$ 42,171	\$ 42,171
Access control	-	8,000	8,000
Security camera system - control room	-	10,375	10,375
Total Fiscal Year Expenditures	-	60,546	60,546
Excess (Deficit) Revenues Over Expenditures	-	(60,546)	(60,546)
Fund Balance - Beginning of Year	60,546	-	60,546
Fund Balance - End of Year	\$ 60,546	\$ (60,546)	\$ -

Pikes Peak Library District
 Special Revenue Fund
 1905 Carnegie Support Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

Purpose of Fund

To accumulate funds for the support of the District's 1905 Carnegie Library's services, programs and assets.

Fiscal Year Expenditures

Capital outlay

Convert Carnegie Reading Room back to a reading room

	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
	\$ -	\$ 4,374	\$ 4,374
Excess (Deficit) Revenues Over Expenditures	-	(4,374)	(4,374)
Fund Balance - Beginning of Year	4,374	-	4,374
Fund Balance - End of Year	\$ 4,374	\$ (4,374)	\$ -

Pikes Peak Library District
 Special Revenue Fund
 1905 Carnegie Garden Support Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

Purpose of Fund	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
To accumulate funds for the support of the District's 1905 Carnegie Garden's services and assets.			
Fiscal Year Expenditures			
Other expenditures - garden supplies	\$ -	\$ 999	999
Excess (Deficit) Revenues Over Expenditures	-	(999)	(999)
Fund Balance - Beginning of Year	999	-	999
Fund Balance - End of Year	\$ 999	\$ (999)	\$ -

Pikes Peak Library District
 Special Revenue Fund
 Special Collections Support Fund
 Fiscal Year 2017 Mid-Year Budget Amendment

Purpose of Fund

To accumulate funds for the support of the District's Special Collections department's services, and assets.

Fiscal Year Expenditures

Capital outlay

Convert Carnegie Reading Room back to a reading room

	2017		
	Budget	Mid-Year Adjustment	Adjusted Budget
	\$ -	\$ 1,113	\$ 1,113
Excess (Deficit) Revenues Over Expenditures	-	(1,113)	(1,113)
Fund Balance - Beginning of Year	1,113	-	1,113
Fund Balance - End of Year	\$ 1,113	\$ (1,113)	\$ -