



**POUDRE RIVER  
PUBLIC LIBRARY**  
DISTRICT

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# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2016  
FORT COLLINS, COLORADO

FINANCE OFFICE  
301 EAST OLIVE STREET, FORT COLLINS, COLORADO



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# POUDRE RIVER PUBLIC LIBRARY DISTRICT

**Webster House Administration Center  
301 East Olive Street  
Fort Collins, Colorado 80524**

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

### **Board of Trustees**

(As of December 31, 2016)

Linda Gabel, President  
Amanda Quijano, Vice President  
Jennifer Birks, Secretary/Treasurer  
Fred Colby  
John Frey  
Becki Schulz  
Joe Wise

### **Executive Director**

David Slivken

Prepared by  
Jeffrey A. Barnes, CPA  
Finance Officer

# POUDRE RIVER PUBLIC LIBRARY DISTRICT

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## Comprehensive Annual Financial Report For the Year Ended December 31, 2016

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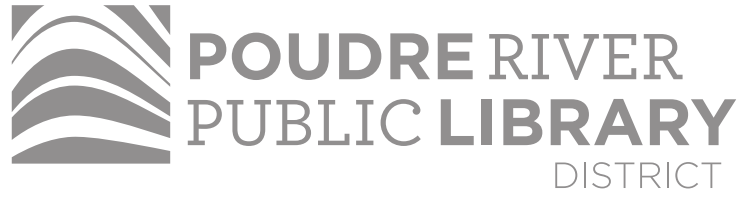
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**POUDRE RIVER**  
**PUBLIC LIBRARY**  
DISTRICT

# INTRODUCTORY SECTION

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**POUDRE RIVER**  
**PUBLIC LIBRARY**  
DISTRICT



June 7, 2017

Members of the Board of Trustees  
Poudre River Public Library District  
301 East Olive Street  
Fort Collins, Colorado 80524

Dear Trustees:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Poudre River Public Library District (the District) for the year ended December 31, 2016.

A CAFR is an expanded annual financial report prepared in accordance with guidelines of the Government Finance Officers Association of the United States and Canada (GFOA). The required components of a CAFR include all of the financial statement data as historically reported, as well as a Management Discussion and Analysis Section, a Statistical Section which includes fifteen tables of information on financial trends, revenue capacity, debt capacity, demographic and economic information, operating information, and more expanded information in the letter of transmittal.

The GFOA administers an award program for governments that prepare CAFRs in compliance with its guidelines. When successful, the submitted government is awarded a Certificate of Achievement for Excellence in Financial Reporting. The District received this award for the 2015 CAFR and intends to submit the 2016 CAFR for recognition by the GFOA.

Thank you for your review of this report and for your stewardship of the District's fiscal activities.

Respectfully submitted,

David Slivken  
Executive Director



**POUDRE RIVER**  
**PUBLIC LIBRARY**  
DISTRICT



June 7, 2017

To the Board of Trustees and the Citizens of the Poudre River Public Library District:

State law requires local governments publish audited financial statements within seven months of the close of each fiscal year end. 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 the 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 material misstatements.

The certified public accounting firm of RSM US LLP has issued an unmodified (“clean”) opinion on the Poudre River Public Library District’s financial statements 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 complement this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

Established in 2006 by voter approval in compliance with state statute CRS 24-90-110, the District is an independent political subdivision of the State of Colorado. The District is governed by a seven-member board of trustees which are jointly appointed by the Fort Collins City Council and Larimer County Board of County Commissioners. Trustees serve four year terms and are limited to two consecutive terms. The District is primarily supported by a 3-mill property tax. Library patrons are provided a wide range of library services including books, CDs, DVDs and other materials for business and pleasure, programming services for all ages, literacy services and meeting room availability.

The Poudre River Public Library District serves more than 195,400 people across 1,800 square miles in northern Larimer County, Colorado. Anchored by three libraries in Fort Collins, the District is dedicated to matching diverse District patrons’ needs, interests and priorities with exceptional opportunities for learning, intellectual stimulation and personal enjoyment.

The District’s operating divisions include Administration (the Executive Director’s office, Human Resources, Finance and Communications); operations, public services and circulation of each library; Collection Services, Collection Development, Outreach, Programming, Answer Center, Systems Administration, Interlibrary Loan and Facilities.

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 Poudre River Public Library District’s financial planning and control. The budget is prepared by fund and department. The Executive Director is specifically authorized to make budget transfers between operating accounts within a fund. Any transfer of budgeted funds to or from a specifically approved capital project, and any change in the total budget for each fund require approval of the Board of Trustees.

## **Major Initiatives**

2016 saw changes in several upper level manager positions. The Executive Director and Information Technology Manager retired and the manager of the Old Town Library resigned.

The Executive Director and IT Manager positions were filled in late 2016. The new Old Town Library Manager was hired in early 2017. Consultants were hired and began to develop a new Facilities Master Plan. This new plan is expected to be finalized in mid-2017 and will provide guidance on the best use of the District's existing facilities and suggest the extent, nature and location of new library facilities for the foreseeable future.

In May 2015 the Board of Trustees adopted a new Strategic Plan. The first year for implementation of the new plan was 2016 and began the process of aligning the District's resources to meet the Plan's objectives. This plan, for years 2016 through 2018, identified three target audiences on which to focus effective program development, collection growth, modified services and facility usage to highlight a "continuous learning" brand for the Library District. The target audiences are birth-third grade for school readiness, tweens and teens, nonprofits, job seekers and the business community. The complete strategic plan is available on the District's website.

For the fourth year, the Library District was recognized as a ClimateWise Platinum Partner. ClimateWise is a City of Fort Collins program designed to assist local businesses reduce their greenhouse gas impact. Platinum is the highest partner level and requires the achievement of set goals to reduce the business' greenhouse gas impacts, educational/informative meeting attendance and employee challenges.

## **Local Economy**

Northern Larimer County is home to a diverse set of industries and companies from Fortune 500 IT corporations and burgeoning startups to world leaders in food and agriculture, energy and advanced manufacturing. The Library District area is consistently ranked as a top area to raise a family, attend college, grow a business, live a healthy lifestyle and retire. The local workforce is highly educated with nearly 49% of residents holding bachelor degrees or higher. The unemployment rate is one of the lowest in the country at 2.3%.

More than 23% of jobs in the Library District are in local, state or federal government, which includes a broad range of public institutions such as local schools, public universities or hospitals. The highest wages are in the manufacturing industries (breweries, milk and malting) and professional, scientific and technical services (research & development, computer programming, consulting and management).

The Library District is home to key technology and innovation manufacturers including the world headquarters for Woodward, Inc.; renowned brewers such as Anheuser-Busch, New Belgium Brewing Company and Odells. Other top manufacturers include Hewlett-Packard Enterprise, Inc., In-Situ, Otter Products and Tolmar, which is a leading pharmaceutical company.

Colorado State University, the largest employer within the Library District, is one of the country's leading research universities with strong emphasis on energy management and renewables, agricultural technology, cancer in animals, infectious diseases and atmospheric science.

The Library District has an impressive and growing set of other research facilities, business incubators and partnerships for innovation. These include Innosphere, CSU Office of Economic Development and CSU Ventures; and FCV Mesh. Innosphere is a high-tech incubator supporting entrepreneurs building high-growth companies in the industries of health innovation, life sciences, software & hardware, and energy & advanced materials. Since 2009, Innosphere client companies have raised \$220 million, generating revenue of \$63 million and creating over 1,400 Colorado jobs.

With the median home prices at \$379,995 (2016) and the median income at \$53,780, the area is consistently ranked in the top 100 best places to live. The Milken Institute ranked Fort Collins 8th in the Top 25 Best-Performing Large Cities in 2016. Forbes currently ranks Fort Collins #18 in Business and Careers; #9 in Education and #21 in Job Growth.

### **Long-term Financial Planning**

Implementing the Strategic Plan mentioned above will impact the allocation of financial resources as the Library District addresses the needs of the target audiences while continuing to meet the needs of all of our library patrons.

In 2013, management developed a long-term Capital Replacement Plan. The purpose of this plan was to identify major capital replacement and major repair needs of the District. It is anticipated funding for this plan will be provided by annual transfers from the District's General Fund to the Capital Projects Fund.

The District also has a Facilities Master Plan that was adopted in 2009. The plan identified the space needs of the District and recommended options for serving the communities outside the Fort Collins City boundaries. In 2016, consultants were hired to work with the Library District to development a new Facilities Master Plan. This plan will be finalized and adopted by the Board of Trustees in 2017.

### **Relevant Financial Policies**

The Board of Trustees has adopted policies on working capital and Capital Projects Fund transfers. A Working Capital/Operating Reserve has been established equal to 20% of budgeted revenue. This reserve will be maintained in the General Fund to provide for the cash flow needs of the District. The Capital Reserve policy requires \$250,000 be transferred from the General Fund to the Capital Projects Fund to fund the Capital Replacement Plan and to accumulate funds for major repair or replacement of District facilities and/or equipment.

The Colorado Constitution places limits on the amount of revenue growth the state and local governments can retain. The approved ballot issue which authorized the formation of the District exempted the District from this constraint. However, the District is subject to other requirements included in the state constitution. These include the requirement to maintain an emergency reserve equal to 3% of annual spending and the requirement for elections to approve any tax increase.

### **Awards and Acknowledgements**

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Poudre River Public Library District for its comprehensive annual financial report (CAFR) for the year ended December 31, 2015. In order to earn a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual report. This report must

POUDRE RIVER PUBLIC LIBRARY DISTRICT

satisfy both applicable legal requirements and accounting principles generally accepted in the United States of America. A reproduction of the Certificate of Achievement is included at the end of this introductory section of the comprehensive annual financial report. 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 requirements of the Certificate of Achievement Program and we will submit it to the GFOA to determine its eligibility for another Certificate.

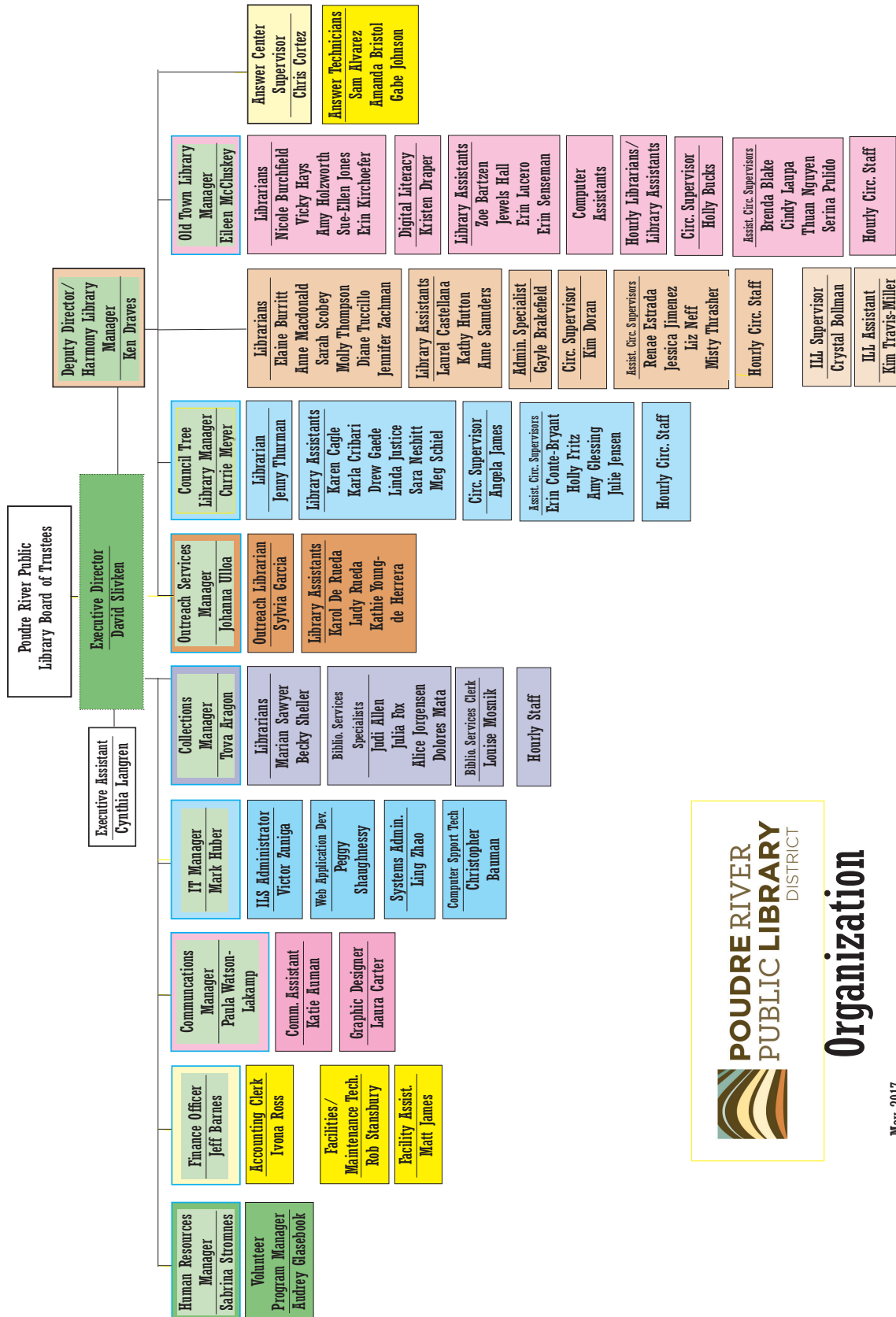
I would like to thank Laura Carter and Anne Macdonald of the Library District for their assistance in the preparation of this report and Ivana Ross for her accurate and efficient contribution to the operation of the Finance Office throughout the year. I also thank the members of the Board of Trustees for their leadership and support. The Library District contracts with the City of Fort Collins for support services including accounting and treasury management. I express my appreciation to the members of the City's Finance office for their ongoing service. Finally, I would like to thank the professionals at RSM US LLP, our external auditing firm.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jeffrey A. Barnes".

Jeffrey A. Barnes, CPA  
Finance Officer

# POUDRE RIVER PUBLIC LIBRARY DISTRICT ORGANIZATION CHART



## Organization

May 2017



**POUDRE RIVER**  
**PUBLIC LIBRARY**  
DISTRICT

# POUDRE RIVER PUBLIC LIBRARY DISTRICT LIBRARY LEADERSHIP TEAM

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David Slivken..... Executive Director  
Kenneth Draves..... Deputy Director  
Tova Aragon..... Collections Manager  
Jeffrey Barnes ..... Finance Officer  
Mark Huber ..... Information Technology Manger  
Currie Meyer ..... Council Tree Library Manager  
Sarah Scobey ..... Interim Old Town Library Manager  
Sabrina Stromnes ..... Human Resources Manager  
Johanna Ulloa ..... Outreach Services Manager  
Paula Watson-Lakamp..... Communications Manager  
Cynthia Langren ..... Administrative Assistant



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Poudre River  
Public Library District  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emery". The signature is written in a cursive, flowing style.

Executive Director/CEO

# FINANCIAL SECTION

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**POUDRE RIVER**  
**PUBLIC LIBRARY**  
DISTRICT



RSM US LLP

## Independent Auditor's Report

To the Board of Trustees  
Poudre River Public Library District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Poudre River Public 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. 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 and the major fund of the Poudre River Public Library District, as of December 31, 2016, and the respective changes in financial position and, the budgetary comparisons for the General Fund 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 on pages 3 through 7, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying budgetary comparison schedule for the Capital Projects Fund listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Capital Projects Fund budgetary comparison schedule 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, have 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 them.

**RSM US LLP**

Denver, Colorado  
June 7, 2017

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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Poudre River Public Library District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2016. In addition to this overview and analysis based on currently known facts, decisions and conditions, the District would encourage readers to consider the information presented in the District's financial statements, which begin on page 8 of this report.

## Financial Highlights

The assets of the District exceeded its liabilities and deferred inflows of resources at the end of the fiscal year ended December 31, 2016 by \$26,393,570 (net position). Of the net position balance, \$5,753,004 is unrestricted and is available to meet the District's ongoing obligations in accordance with the District's fund designations and fiscal policies.

The District's net position decreased by \$562,973 in 2016.

The General Fund, the District's primary operating fund, reported a fund balance decrease of \$81,030 on a current financial resource basis. The General Fund had an ending fund balance of \$5,946,555.

The Capital Projects Fund reported a fund balance increase of \$187,173 in 2016. The Capital Projects Fund had an ending fund balance of \$669,282.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of the following three components:

- 1) Government-wide Financial Statements,
- 2) Fund Financial Statements, and
- 3) Notes to the Financial Statements.

**Government-Wide Financial Statements.** The government-wide statements are designed to provide readers with a broad overview of the District's finances using the accrual basis of accounting; the basis of accounting used by most private-sector businesses.

The statement of net position presents information on all of the District's assets, liabilities and deferred inflows of resources. The difference between assets, liabilities and deferred inflows of resources is reported as net position. Over time, increases and decreases in net position may provide an indication of whether the District's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the District's net position has changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

The government-wide financial statements can be found on pages 8 and 9 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District accounts for all of its activities in two Governmental Funds: the General Fund and a Capital Projects Fund.

**Governmental funds.** Governmental funds are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures and changes in fund balances.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the District’s two funds – the General Fund and the Capital Projects Fund - to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8-10 of this report.

**Notes to the financial statements.** The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 11 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. As of December 31, 2016, assets exceeded liabilities and deferred inflows of resources by \$26,393,570.

<b>STATEMENT OF NET POSITION</b>		
The following table reflects the condensed Statement of Net Position as of December 31, 2016 compared with 2015		
	2016	2015
Current and other assets	\$ 16,028,455	\$ 15,569,721
Capital assets	20,003,033	20,668,506
Total assets	<u>36,031,488</u>	<u>36,238,227</u>
Total liabilities	<u>912,265</u>	<u>827,215</u>
Deferred inflows of resources	<u>8,725,653</u>	<u>8,454,469</u>
Net Position:		
Invested in capital assets	20,003,033	20,668,506
Restricted	637,533	1,325,805
Unrestricted	<u>5,753,004</u>	<u>4,962,232</u>
Total net position	<u>\$ 26,393,570</u>	<u>\$ 26,956,543</u>

For more detailed information, see the Statement of Net Position found on page 8 of this report.

The investment in capital assets (e.g., land, library buildings, the collection of library materials and equipment) is the largest portion of the District's net position and represents 76% of the District's net position. The District uses these capital assets to provide library services to citizens; consequently, these assets are not available for future spending.

The District's unrestricted net position represents 22% of total net position. The District has committed \$2,545,205 of this balance for capital improvements and for the maintenance of adequate operating reserves.

An additional portion of the District's net position (2%) represents resources that are subject to external restrictions on how they may be used.

The District's total net position decreased by \$562,973 during the current fiscal year. This decrease was due to an decrease in capital assets. Financial assets had an increase in value for the year.

### CHANGES IN NET POSITION

The following table reflects a condensed summary of activities and changes in net position.

#### Statement of Activities & Changes in Net Position Years Ended December 31, 2016 and 2015

	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 188,905	\$ 213,039
Operating grants & contributions	176,598	929,501
Capital grants and contributions	13,549	407,798
General revenues:		
Property and specific ownership taxes	9,071,619	8,061,785
Investment earnings	33,066	83,997
Total Revenues	<u>9,483,737</u>	<u>9,696,120</u>
Expenses:		
Library Services	7,026,727	6,416,143
Administration	1,614,644	1,415,598
Depreciation	1,405,339	1,467,532
Total expenses	<u>10,046,710</u>	<u>9,299,273</u>
Change in net position	<u>(562,973)</u>	<u>396,847</u>
Net position - beginning	26,956,543	26,559,696
Net position - ending	<u>\$ 26,393,570</u>	<u>\$ 26,956,543</u>

For more detailed information see the Statement of Activities on page 9 of this report.

## Financial Analysis of the District's Governmental Funds

As noted previously, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported an ending fund balance of \$5,946,555. This was a decrease of \$81,030. The decrease was anticipated due to the adoption of the 2016 budget which had the intent of spending down some of the unassigned fund balance. \$3,433,099 (52%) of the ending balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The Board of Trustees has committed \$1,916,300 of the unrestricted fund balance as an operating / working capital reserve and \$628,905 as a capital improvements reserve. The remainder of the fund balance, \$637,533 (10%) is restricted to indicate that it is not available for new spending because it must only be spent for externally imposed specific purposes.

### Budgetary Highlights

#### Governmental Funds

**General Fund.** Actual expenditures of \$9,300,079 were below the total budgeted expenditures by \$93,196. Most of the District's operating segments were under budget. Those areas where the budget was exceeded by any significant amount included Collections Development, Outreach Services, Programming, Facilities and Harmony Operations. Collections Development was allowed to purchase more electronic media than was anticipated at the time the budget was adopted in order to meet patron demand. Outreach Services expended more than budgeted due to additional staff time to provide services to the outlying area and for expenditures that were funded by a grant from the Colorado State Library. The Programming budget was exceeded due to a new program added in 2016, the Brewin' Up Books literary festival. This new program was funded by grants and contributions. The Facilities budget was overspent due to a change in the vendor providing custodial services. The previous vendor went out of business and hiring a replacement came at an increased cost. Finally, the Harmony Operations budget was overspent due to appointment of an interim library manager. During the vacancy of the District's Executive Director, the Deputy Director filled the position of Interim Executive Director. The Deputy Director is also the manager of the Harmony Library and his personnel costs are split between Administration and the library. During the interim period, a full-time interim manager replaced the Deputy whose personnel costs are only half budgeted in Harmony Operations.

Due to staff vacancies and unscheduled hours, overall personnel costs were \$331,800 under budget. In November, the District put a ballot question to the voters reaffirming its ability to retain all of the revenue generated by the three mill property tax levy authorized in 2006. This cost (\$166,882) is shown in the Contingency budget.

Because it was anticipated that the General Fund budget would be underspent overall, supplemental budgets were not adopted for the areas where budgets were exceeded.

### Capital Assets

The District's investment in capital assets as of December 31, 2016 was \$20,003,033. Capital assets, net of depreciation, decreased \$665,473 in 2016.

<b>CAPITAL ASSETS</b>		
	<u>2016</u>	<u>2015</u>
Land	\$ 2,256,000	\$ 2,256,000
Buildings & Improvements	14,375,819	14,876,157
Equipment & Furnishings	1,031,652	1,153,807
Library Materials Collection	2,316,625	2,382,542
Construction in Process	<u>22,937</u>	<u>-</u>
Total Cost	<u>\$ 20,003,033</u>	<u>\$ 20,668,506</u>

Significant Capital Assets activity in 2016 included additions to the District's library materials collection, replacement of computer network equipment and the commencement of a modernization of the elevator at Old Town Library. Additional information on the District's capital assets can be found on page 18 of this report.

### **Economic Factors**

The District is dependent on property taxes as its primary source of revenue. Property values are reassessed every two years. 2015 was the last reassessment year. That reassessment resulted in a 15% increase in property values within the District. This increase reflects an increase in property values and an increase in building activity. However, some of the larger construction projects in process are subject to tax increment financing agreements and so the Library District will not get additional property tax revenue from those projects. In 2016, the District had a 15% increase in property tax revenue as a result of the reassessment and anticipates a 3% increase in 2017 due to growth.

Another significant source of revenue for the District is specific ownership taxes. This is a portion of the fees paid on vehicle licensing. This revenue fluctuates based on the level of new vehicle sales and other factors. For 2016, the District collected 5% (\$33,817) more specific ownership taxes than in 2015.

These and other factors were considered when the District prepared its 2016 and 2017 budgets.

### **Financial Contact**

The District's financial statements are designed to provide users (citizens, taxpayers, customers and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information presented in this report or requesting additional information should be addressed to the District Finance Officer, 301 E. Olive Street, Fort Collins, CO 80524.



**POUDRE RIVER**  
**PUBLIC LIBRARY**  
DISTRICT

# BASIC FINANCIAL STATEMENTS

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**POUDRE RIVER**  
**PUBLIC LIBRARY**  
DISTRICT

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2016**

	General Fund	Capital Projects Fund	Total	Adjustments (Note II)	Statement of Net Position
<b>ASSETS</b>					
Cash and cash equivalents	\$ 435,632	\$ 42,641	\$ 478,273	\$ -	\$ 478,273
Investments	6,071,036	610,968	6,682,004	-	6,682,004
Receivables					
Property taxes	8,725,653	-	8,725,653	-	8,725,653
Accounts	106,503	13,549	120,052	-	120,052
Accrued interest	20,349	2,124	22,473	-	22,473
Land	-	-	-	2,256,000	2,256,000
Construction in progress	-	-	-	22,937	22,937
Other capital assets, net of accumulated depreciation	-	-	-	17,724,096	17,724,096
<b>Total Assets</b>	<b>\$ 15,359,173</b>	<b>\$ 669,282</b>	<b>\$ 16,028,455</b>	<b>\$ 20,003,033</b>	<b>\$ 36,031,488</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 403,023	\$ -	\$ 403,023	\$ -	\$ 403,023
Accrued wages payable	220,329	-	220,329	-	220,329
Accrued compensated absences	-	-	-	225,300	225,300
Unearned revenue	63,613	-	63,613	-	63,613
<b>Total Liabilities</b>	<b>686,965</b>	<b>-</b>	<b>686,965</b>	<b>225,300</b>	<b>912,265</b>
<b>Deferred Inflows of Resources</b>					
Property taxes	8,725,653	-	8,725,653	-	8,725,653
<b>Fund Balances</b>					
Restricted fund balance	597,156	40,377	637,533	(637,533)	-
Committed fund balance	1,916,300	628,905	2,545,205	(2,545,205)	-
Unassigned fund balance	3,433,099	-	3,433,099	(3,433,099)	-
<b>Total Fund Balances</b>	<b>5,946,555</b>	<b>669,282</b>	<b>6,615,837</b>	<b>(6,615,837)</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 15,359,173</b>	<b>\$ 669,282</b>	<b>\$ 16,028,455</b>		
<b>Net Position:</b>					
Investment in Capital Assets				20,003,033	20,003,033
Restricted for Emergencies				292,700	292,700
Restricted for Capital				40,377	40,377
Restricted for Collection Development				16,002	16,002
Restricted for Library Technology				288,454	288,454
Unrestricted				5,753,004	5,753,004
<b>Total Net Position</b>				<b>\$ 26,393,570</b>	<b>\$ 26,393,570</b>

The notes to the financial statements are an integral part of this statement.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
STATEMENT OF ACTIVITIES AND  
GOVERNMENTAL FUNDS REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Fund	Capital Projects Fund	Total	Adjustments (Note II)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
Current operating					
Personal services	\$ 5,685,104	\$ -	\$5,685,104	\$ 3,643	\$ 5,688,747
Contractual Services:					
City Support Services	352,909	-	352,909	-	352,909
Treasurer's Fee	168,242	-	168,242	-	168,242
Election costs	166,882	-	166,882	-	166,882
Other Contractual	1,372,093	-	1,372,093	-	1,372,093
Commodities					
Collection Development	1,300,310	-	1,300,310	(685,448)	614,862
Other Commodities	239,889	-	239,889	37,747	277,636
Depreciation	-	-	-	1,405,339	1,405,339
Capital outlay	14,650	77,515	92,165	(92,165)	-
Total Expenditures/Expenses	<u>9,300,079</u>	<u>77,515</u>	<u>9,377,594</u>	<u>669,116</u>	<u>10,046,710</u>
<b>PROGRAM REVENUES</b>					
Charges for services	188,905	-	188,905	-	188,905
Operating grants and contributions	176,598	-	176,598	-	176,598
Capital grants and contributions	-	13,549	13,549	-	13,549
Total Program Revenues	<u>365,503</u>	<u>13,549</u>	<u>379,052</u>	<u>-</u>	<u>379,052</u>
<b>GENERAL REVENUES</b>					
Property taxes	8,365,443	-	8,365,443	-	8,365,443
Specific ownership taxes	706,176	-	706,176	-	706,176
Earnings on investments	31,927	1,139	33,066	-	33,066
TRANSFERS	(250,000)	250,000	-	-	-
Total General Revenues and Transfers	<u>8,853,546</u>	<u>251,139</u>	<u>9,104,685</u>	<u>-</u>	<u>9,104,685</u>
Excess (Deficiency) of Revenues and Transfers In					
Over Expenditures and Transfers Out	(81,030)	187,173	106,143	(106,143)	-
Change in Net Position				<u>(562,973)</u>	<u>(562,973)</u>
<b>FUND BALANCE/NET POSITION</b>					
Beginning of year	6,027,585	482,109	6,509,694	20,446,849	26,956,543
End of year	<u>\$ 5,946,555</u>	<u>\$669,282</u>	<u>\$6,615,837</u>	<u>\$19,777,733</u>	<u>\$26,393,570</u>

The notes to the financial statements are an integral part of this statement.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Actual	Budget (Original)	Budget (Final)	Variance
<b>REVENUES</b>				
Property taxes	\$8,357,468	\$8,359,500	\$8,359,500	\$ (2,032)
Specific ownership taxes	706,176	550,000	550,000	156,176
Property tax interest	7,975	-	-	7,975
Intergovernmental	73,185	32,000	32,000	41,185
Fees and charges for services	28,287	20,000	20,000	8,287
Fines	159,664	180,000	180,000	(20,336)
Earnings on investments	31,927	50,000	50,000	(18,073)
Donations	103,413	91,500	91,500	11,913
Miscellaneous	954	-	-	954
Total Operating Revenues	<u>9,469,049</u>	<u>9,283,000</u>	<u>9,283,000</u>	<u>186,049</u>
<b>EXPENDITURES/EXPENSES</b>				
Library Administration	1,614,644	1,619,715	1,622,315	7,671
Systems Administration	648,930	648,455	648,455	(475)
Collection Services	735,160	747,580	747,580	12,420
Collection Development	1,300,310	1,140,220	1,140,220	(160,090)
Outreach Services	323,357	312,635	313,165	(10,192)
Answer Center	164,752	171,840	171,840	7,088
Interlibrary Loan	171,867	179,080	179,080	7,213
Programming	127,442	102,200	102,200	(25,242)
Facilities	399,674	387,645	387,645	(12,029)
Combined Operations	180,247	301,875	250,975	70,728
Old Town Operations	230,102	258,145	258,145	28,043
Old Town Public Service	747,234	836,970	836,970	89,736
Old Town Circulation	439,052	469,645	489,815	50,763
Harmony Operations	128,547	122,005	122,005	(6,542)
Harmony Public Service	548,334	606,785	606,785	58,451
Harmony Circulation	381,369	359,005	385,270	3,901
Council Tree Operations	246,931	258,930	258,930	11,999
Council Tree Public Service	321,499	335,015	335,315	13,816
Council Tree Circulation	409,096	448,030	449,065	39,969
Capital Outlay	14,650	50,000	50,000	35,350
Contingency	166,882	37,500	37,500	(129,382)
Total Expenditures/Expenses	<u>9,300,079</u>	<u>9,393,275</u>	<u>9,393,275</u>	<u>93,196</u>
Excess (Deficiency) of Revenues Over Expenditures/Expenses	168,970	(110,275)	(110,275)	279,245
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balances	(81,030)	(360,275)	(360,275)	279,245
Fund Balance - January 1	<u>6,027,585</u>	<u>5,788,825</u>	<u>5,788,825</u>	<u>238,760</u>
Fund Balances--December 31	<u>\$5,946,555</u>	<u>\$5,428,550</u>	<u>\$5,428,550</u>	<u>\$518,005</u>

The notes to the financial statements are an integral part of this statement.

# NOTES TO THE FINANCIAL STATEMENTS

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

### **A. Reporting Entity**

The Poudre River Public Library District (the District) was created in 2007 as the Fort Collins Regional Library District under the provisions of Article 90 of Title 24 of the Colorado Revised Statutes after a successful election in 2006 to authorize the District formation. The District name was changed to the Poudre River Public Library District in January 2009.

The District is administered by a governing board of seven members who are appointed by the City of Fort Collins and Larimer County. The accompanying financial statements present all of the financial activity for which the District is financially accountable.

The District is considered a stand-alone government for financial reporting purposes. As such, it follows the same principles as if it were a primary government as defined by Governmental Accounting Standards Board Statements (GASB) No. 14 and 39.

The reporting entity of the District consists of its own legal entity and those organizations for which it is financially accountable. Entities for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are included in the reporting entity. As of December 31, 2016, there are no legal entities that meet this criterion.

### **B. Government-wide Financial Statements**

The District reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of government. Governmental activities are supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly associated with a specific function or program. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Investment earnings and other items not properly included among program revenues are reported instead as general revenues.

### **C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon

enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. As under accrual accounting, expenditures are generally recorded when a liability is incurred. However, compensated absences and incurred claims and judgments, are recorded only when payment is due.

Charges for services, amounts due from other governments and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual. Other revenue items such as fines are considered to be measurable and available only when the cash is received by the District, as a result they are not susceptible to accrual.

**D. Financial Statement Presentation**

The accounts of the District are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of selfbalancing accounts that comprise its assets, liabilities and deferred inflows of resources, fund balances, revenues and expenditures.

The District reports all of its financial activity in two Governmental Funds – the General Fund and a Capital Projects Fund. The Capital Projects Fund is holding resources that are restricted for either land acquisition or facility design, for funding the Capital Replacement Plan and for the accumulation of a capital reserve established by the Board of Trustees. All other financial activity and resources are accounted for in the General Fund.

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

**E. Assets, Liabilities, Deferred Inflows of Resources and Fund Balance**

Cash and Investments

The District has stated certain investments at fair value in accordance with GASB Statement No. 72. Fair value is determined utilizing the third party custodian’s statements, Wall Street Journal, Bloomberg, and other recognized pricing services.

The District’s cash and investments are held in the name of and managed by the City of Fort Collins. Whenever possible, cash is pooled from the District’s funds to enhance investment capabilities and maximize investment income. Investments are made taking into consideration cash flow needs, market conditions and contingency plans. On behalf of the District, the City’s investment policies prescribe eligible investments, investment diversification, and maturity and liquidity guidance, which are utilized in managing the investment portfolio.

Capital Assets

Capital assets, which are acquired or constructed, are reported at historical cost or estimated historical cost in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of five years or greater. In addition, materials added annually to the library materials collection are capitalized in the aggregate. Once fully depreciated, an annual addition to the collection is deleted. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets other than land, construction-in-progress and impaired assets are depreciated. Depreciation is computed using the straightline method with estimated useful lives as follows:

- Buildings..... 30-50 years
- Furnishings and equipment..... 5-15 years
- Library materials collection ..... 7 years

### Compensated Absences

The District allows employees to accumulate unused vacation pay and to defer overtime pay by accumulating compensatory leave up to maximum limits. Unused sick pay is not recognized as a liability in the governmental funds because it does not meet the criteria for accrual. The liability associated with these benefits is reported in the government-wide financial statements.

### Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds and the government-wide statements report a deferred inflow of resources for the property taxes receivable that will become an inflow in the year for which the taxes are levied.

### Fund Balance

In the fund financial statements, fund balances of the District's governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the government's highest level of decision-making authority – the District's Board of Trustees. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Management has been granted the authority by the Board of Trustees to make fund balance assignments. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Unassigned fund balance is the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications. The General Fund is the only fund to report an unassigned fund balance. If resources are available for the same purpose in difference fund balance classifications, the most restrictive is used first.

The Board of Trustees has established, by resolution, a reserve for working capital equal to 20% of annual revenue and an annual transfer of \$250,000 as a capital reserve primarily to fund the District's Capital Replacement Plan. The working capital reserve is to be maintained in the General Fund to provide for the cash flow needs of the District. These are reported as committed fund balance and will continue until Board action is taken to change these amounts.

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The detail for the District's fund balances is as follows:

### FUND BALANCES

Fund Balances:	General	Capital Projects	Total
Restricted:			
Emergencies	\$ 292,700	\$ -	\$ 292,700
Donations	16,002	-	16,002
Library Technology	288,454	-	288,454
Land and Design Services	-	40,377	40,377
Total Restricted	<u>597,156</u>	<u>40,377</u>	<u>637,533</u>
Committed:			
Working Capital	1,916,300	-	1,916,300
Capital Projects	-	628,905	628,905
Total Committed	<u>1,916,300</u>	<u>628,905</u>	<u>2,545,205</u>
Unassigned	<u>3,433,099</u>	-	<u>3,433,099</u>
Total Fund Balance	<u>\$ 5,946,555</u>	<u>\$ 669,282</u>	<u>\$ 6,615,837</u>

#### Property Taxes Receivable

Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in the subsequent year in two installments on February 28 and June 15, or in total on April 30. Property taxes are billed and collected by Larimer County, Colorado. Taxes for the following year are levied no later than December 15 and are recorded as a receivable with a corresponding offset to deferred inflows of resources.

#### Estimates

The preparation of financial statements requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Note II. Explanation Of Differences Between Government-Wide And Fund Financial Statements**

#### EXPLANATION OF DIFFERENCES

Fund balances per Balance Sheet	\$6,615,837
Inclusion of Capital Assets which are not financial resources and therefore not reported in the Funds	20,003,033
Inclusion of liability for compensated absences budgeted in the fund in future years	<u>(225,300)</u>
Net Position per Statement of Net Position	<u>\$ 26,393,570</u>
Net change in Fund Balances per Statement of Revenue, Expenditures and Change in Fund Balance	\$ 106,143
Capitalization of current year addition to the library materials collection	685,448
Capitalization of other Capital Outlay	54,418
Current depreciation of Capital Assets	(1,405,339)
Inclusion of liability for Compensated Absences	<u>(3,643)</u>
Change in Net Position per Statement of Activities	<u>\$ (562,973)</u>

### **Note III. Stewardship, Compliance, And Accountability**

#### **A. Budgetary Information**

##### Budgetary Accounting and Control

The budget for the General Fund is adopted on a basis which is consistent with generally accepted accounting principles (GAAP).

##### Legal Level of Control

The legal level of budgetary control is at the individual fund level.

##### Lapsing Appropriations

All unexpended annual appropriations for operating and capital replacement funds lapse at year-end. Appropriations for capital projects continue until completion of the specific project.

##### Budgetary Procedures

The District's budget is approved by the governing board prior to the commencement of the fiscal year. The District's management may transfer any unused budgeted amount or portion thereof from one budget category to any other budget category at the legal level of budgetary control without approval of the Board. Other budget amendments must be approved in the form of a resolution by the Board.

No supplemental appropriations for the General Fund were approved in 2016. One supplemental appropriation was approved for the Capital Projects Fund totaling \$40,000 for the purchase and installation of security cameras for the Old Town Library.

##### Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Open purchase orders and other commitments at year end will be charged to the subsequent year's budget when completed. Therefore, no restriction of fund balance has been recorded.

### **Note IV. Detailed Fund Notes**

#### **A. Deposits and Investments**

The District's deposits and investments are held in the name of and managed by the City of Fort Collins. As such, they are not evidenced by accounts or securities in the District's name that exist in physical or book entry form. The District has adopted the same investment policy as the City. The following deposit and investment disclosures are for the District's share of the City's pooled cash and investments.

##### Custodial Credit Risk – Deposits

For deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be returned. Due to the federal deposit insurance and the collateral, no deposits for the District were exposed to custodial credit risk. The bank balance of the District's deposits as of December 31, 2016 was \$488,841.

### Investments

Investment policies are governed by Colorado statute and the District's own investment policies and procedures. Investments of the District may include:

- Legal investments for municipalities under state statutes.
- Interest-bearing accounts or certificates of deposit at banks or savings and loans in Colorado which are eligible public depositories (including CDARS).
- Obligations of the United States Government, its agencies or instrumentalities.
- Debt of U.S. corporations.
- Obligations issued by or on behalf of the District.
- State or local government obligations having an investment grade rating.
- Prime rated banker's acceptances.
- Prime rated commercial paper.
- Guaranteed investment contracts.
- Repurchase and reverse repurchase agreements of any marketable security described above which afford the District a perfected security interest in such security.
- Local government investment pools authorized under the laws of the State of Colorado.
- Shares in any money market fund or account, unit investment trust or open or close-end investment company, all of the net assets of which are invested in securities described above.
- Mutual funds that include eligible investments found above.

The District's investments are subject to interest rate and credit risk.

### Interest Rate Risk

The District's investment policy limits its exposure to fair value losses arising from rising interest rates by:

- Whenever possible, holding investments to their stated maturity dates.
- Investing a portion of the operating funds in shorter-term securities, money market mutual funds, or local government investment pools.

Based on the current rate environment, the District assumes all callable securities may not be called on the first call date.

The District invests in various mortgage-backed securities and bonds in order to maximize yields. Mortgage-backed securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. If interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

### Credit Risk

The District's investment policy limits investments in corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs) at the time of purchase.

### Concentration of Credit Risk

The District places maximum limits on the amount the District may invest in any one issuer. Limits vary by investment type. More than 5% of the District's investments are in Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corp (FHLMC), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB) agency securities and MetLife global Funding. These investments were 33.7%, 6.3%, 30.1%, 11.2%, and 5.7%, respectively, of the District's total investment. All of these investments were rated Aaa by Moody's and AA+ by Standard and Poor's. Custodial Credit Risk for Investments

### Fair Value Measurements

The District categorizes its assets and liabilities measured at fair value within the hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest to Level 3 inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Information regarding the District's fair value, credit risk rating, maturity, and fair value measurement are described below.

Investment prices for the District's securities are reported by US Bank, the District's custodial bank. US Bank acquires its pricing data from Interactive Data, a third party provider, which provides global security evaluations and fair value pricing for fixed income securities. Their evaluations represent a good faith opinion as to what a buyer in the marketplace would pay for a security in a current sale.

Interactive Data's evaluations are based on market data and evaluated pricing models that vary by asset class and incorporate trade, bid and other market information as well as evaluated pricing applications utilizing benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations. In addition, model processes such as the Option Adjusted Spread model are used to assess interest rate impacts and develop prepayment scenarios. For each asset class, teams of evaluators gather information from market sources and integrate relevant credit information, perceived market movements, and sector news into the evaluated pricing applications and models. The District invests primarily in fixed income securities. The investments are valued at fair value at least monthly.

The following fair value techniques were utilized in measuring the fair value of its investments.

*U.S. Government Agency securities:* U.S. Government Agency securities are reported at fair value based on a multi-dimensional relational model and Option Adjusted Spread model. The model inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and other reference data including TRACE reported trades. TRACE is a program developed by the National Association of Securities Dealers (NASD) which allows for the reporting of over-the counter transactions for eligible fixed-income securities.

*Corporate securities:* Corporate securities are reported at fair value based on a multi-dimensional relational model and Option Adjusted Spread model. The model inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and other reference data including TRACE reported trades.

*Mortgage-backed securities:* Mortgage-backed securities are reported at fair value based on Electronic Communication Networks and Broker feeds. Inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and other reference data including vendor trading platform data.

The District has no other investments meeting the fair value disclosure requirements of GASB Statement No. 72.

As of December 31, 2016, the District had the following investments:

<b>DISTRICT INVESTMENTS</b>						
Investment Type	Credit Risk Rating S&P/Moody's	Measurement Level	Fair Value Fair Value	Investment Maturities		
				Up to 120 days	121 days to 5 years	More than 5 years
Investments measured by fair value levels						
Instrumentality						
Federal Farm Credit Bank (FFCB)	AA+/AAA	2	2,152,825	42,581	2,110,244	-
Federal Home Loan Bank (FHLB)	AA+/AAA	2	803,521	-	803,521	-
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	2	448,689	-	448,689	-
Federal National Mortgage Association (FNMA)	AA+/AAA	2	2,412,525	-	2,412,525	-
Corporate bonds	AA+/AA1	2	108,189	-	108,189	-
Corporate bonds	AA/AA1	2	59,717	-	59,717	-
Corporate bonds	AA+/AAA	2	146,066	-	146,066	-
Corporate bonds	AA-/AA3	2	408,755	-	408,755	-
Corporate bonds	AA/AA2	2	110,842	-	110,842	-
Corporate bonds	AA/AA2	2	30,875	-	30,875	-
Total Library Share of City Investment Pool			<u>\$ 6,682,004</u>	<u>\$ 42,581</u>	<u>\$6,639,423</u>	<u>\$ -</u>
Percent of Total				1%	99%	0%

The carrying amounts of deposits and investments are reflected in the accompanying government-wide statement of net position as:

Cash and cash equivalents .....	\$ 478,273
Investments .....	<u>6,682,004</u>
Total .....	<u>\$7,160,277</u>

In addition to investments held by the Library District, the Community Foundation of Northern Colorado has a Library Fund which holds donations made directly to the Foundation to benefit the Library District. Five percent of the balance is available for distribution annually or can accumulate for future distributions. No distributions were made in 2016. As of December 31, 2016, the balance in the Library Fund was \$241,479 and \$22,320 was available for distribution.

**B. Capital Assets**

A summary of changes in capital assets for the year follows:

<b>CHANGES IN CAPITAL ASSETS</b>				
	Beginning of Year	Additions	Deletions	End of Year
Capital assets, not being depreciated				
Land	\$ 2,256,000	\$ -	\$ -	\$ 2,256,000
Construction in process	<u>-</u>	<u>22,937</u>	<u>-</u>	<u>22,937</u>
Total Capital assets, not being depreciated	<u>2,256,000</u>	<u>22,937</u>	<u>-</u>	<u>2,278,937</u>
Capital assets, being depreciated				
Buildings	17,453,730	-	-	17,453,730
Equipment and furnishings	2,424,670	31,481	-	2,456,151
Library Materials Collection	<u>5,821,410</u>	<u>685,448</u>	<u>1,809,154</u>	<u>4,697,704</u>
Total Capital Assets, being depreciated	<u>25,699,810</u>	<u>716,929</u>	<u>1,809,154</u>	<u>24,607,585</u>
Less accumulated depreciation				
Buildings	2,577,573	500,338		3,077,911
Equipment and furnishings	1,270,863	153,636	-	1,424,499
Library Materials Collection	<u>3,438,868</u>	<u>751,365</u>	<u>1,809,154</u>	<u>2,381,079</u>
Total Accumulated Depreciation	<u>7,287,304</u>	<u>1,405,339</u>	<u>1,809,154</u>	<u>6,883,489</u>
Total capital assets being depreciated, net	<u>18,412,506</u>	<u>(688,410)</u>	<u>-</u>	<u>17,724,096</u>
Capital Assets, net	<u>\$ 20,668,506</u>	<u>\$ (665,473)</u>	<u>\$ -</u>	<u>\$ 20,003,033</u>

**C. Interfund Transfers**

In 2016, \$250,000 was transferred from the General Fund to the Capital Projects Fund. This was the annual transfer based on the board approved capital reserve policy.

**D. Long-Term Liabilities**

A summary of changes in Long-Term Liabilities for the year follows:

<b>LONG TERM LIABILITIES</b>					
	Beginning of Year	Additions	Deletions	End of Year	Due Within One Year
Compensated absences	<u>\$ 221,657</u>	<u>\$ 237,228</u>	<u>\$ 233,585</u>	<u>\$ 225,300</u>	<u>\$ 225,300</u>

Because the entire balances are available to the employees, all compensated balances are considered due within one year. Compensated absences are generally liquidated by the General Fund.

## **Note V. Other Information**

### **A. Risk Management**

#### Property, Liability, and Workers Compensation

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees and natural disasters.

The District purchases commercial insurance for risks of loss in excess of deductible amounts. Settlements did not exceed insurance coverage in 2016.

The District participates in the City of Fort Collins' self-insured health program. The District is charged a premium but all claims are paid by the City and any unpaid claims or claim expenses incurred but not paid as of December 31, 2016 are recognized by the City, and not passed through to the District.

### **B. Retirement Commitment**

#### Money Purchase Plan 401(a)

The District offers its employees a defined contribution money purchase plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate six months from the date of employment. The plan requires both employer contributions of 6.5% and employee contributions of 3% of base salary each pay period. Contributions made by the District are not taxable to the employee until they are withdrawn. Employee contributions are made with pretax or after tax dollars, and the earnings on District and employee contributions are not taxed until withdrawn. Employees are fully vested upon initial participation in the plan. Plan provisions and contribution requirements are established and may be amended by the District's Board of Trustees. District and employee contributions to the plan were \$224,935 and \$94,195, respectively during 2016.

### **C. Related Party Transactions**

Pursuant to an intergovernmental agreement with the City of Fort Collins, the District contracts for support services including accounting, budgeting, treasury management, accounts payable, payroll, facility maintenance, human resources, purchasing, and information technology. In 2016, the District paid the City \$352,909 for these services. The City also provides employee benefits to the District's employees through the City's Human Resources Department. The District and its employees pay the same benefit premiums as the City and its employees.

### **D. Legal Matters**

#### Tax, Spending, and Debt Limitations

Article X, Section 20, of the State Constitution has several limitations, including those for revenues, expenditures, property taxes and issuance of debt. The Amendment is complex and subject to judicial interpretation. As part of the ballot language that formed the District, permission was given to retain all revenue generated by the current mill levy and other operating revenues. The District is required to comply with all other aspects of this amendment including needing voter approval to increase tax rates or issue debt.

# SUPPLEMENTARY INFORMATION

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**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Actual	Project- to-Date	Budget (Original)	Budget (Final)	Variance
<b>REVENUES</b>					
Earnings on investments	\$ 1,139		\$ -	\$ -	\$ 1,139
Donations	13,549		-	-	13,549
Total Operating Revenues	<u>14,688</u>		<u>-</u>	<u>-</u>	<u>14,688</u>
<b>EXPENDITURES/EXPENSES</b>					
Capital Outlay					
2016 Capital Replacement Plan:			125,000		
Computer Equipment Replacement	54,578	54,578	-	75,000	20,422
Old Town Library Elevator Modernization	22,937	22,937	-	50,000	27,063
Old Town Library Security Cameras	-	-	-	40,000	40,000
Total Capital Outlay	<u>77,515</u>	<u>77,515</u>	<u>125,000</u>	<u>165,000</u>	<u>67,063</u>
Excess (Deficiency) of Revenues Over Expenditures/Expenses	(62,827)				
<b>OTHER FINANCING SOURCES</b>					
Transfers In	<u>250,000</u>		<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net Change in Fund Balance	187,173				
Fund Balance--January 1	<u>482,109</u>				
Fund Balance--December 31	<u>\$ 669,282</u>				



**POUDRE RIVER**  
**PUBLIC LIBRARY**  
DISTRICT

# STATISTICAL SECTION

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### Statistical Section Information

This part of the 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 government’s overall financial health.

<b>Contents</b>	<b>Table</b>
Financial trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time</i>	I.-IV.
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	V. – VIII.
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue debt in the future.</i>	IX. – X.
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	XI. – XII.
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	XIII. – XV.

Sources – unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant year.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
GOVERNMENT-WIDE NET POSITION BY COMPONENT  
LAST TEN YEARS**

Table I

	<u>Invested in</u> <u>Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
2007	\$ 2,783,835	\$ 135,665	\$ 2,429,365	\$ 5,348,865
2008	2,829,544	482,326	4,283,407	7,595,277
2009	17,929,415	2,646,271	4,238,766	24,814,452
2010	17,567,817	2,900,757	5,304,879	25,773,453
2011	19,560,485	1,116,351	5,629,043	26,305,879
2012	21,670,957	1,173,865	3,527,422	26,372,244
2013	21,473,763	1,169,916	3,836,031	26,479,710
2014	20,717,096	1,214,284	4,628,316	26,559,696
2015	20,668,506	1,325,805	4,962,232	26,956,543
2016	20,003,033	637,533	5,753,004	26,393,570

Note - in 2009, library assets being held by the City of Fort Collins were transferred to the District.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
GOVERNMENT-WIDE CHANGES IN NET POSITION  
LAST TEN YEARS  
CHANGES IN NET POSITION**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Table II
<b>Expenses - Governmental Activities:</b>											
Administration	\$ 1,052,850	\$ 1,220,857	\$ 1,325,648	\$ 1,302,888	\$ 1,273,742	\$ 1,320,536	\$ 1,258,664	\$ 1,299,749	\$ 1,415,033	\$ 1,781,942	
Systems Administration	118,725	738,355	590,770	603,214	579,158	601,972	640,304	671,201	673,353	720,549	
Collection Services -											
Development	395,502	1,428,239	1,252,386	1,292,609	1,745,196	1,872,074	1,939,725	1,891,774	2,090,705	2,101,764	
Outreach Services						206,805	184,361	281,610	294,677	328,672	
Programming	250,328	92,205	130,363	115,278	134,757	126,713	121,506	102,846	85,261	127,442	
Building Operations	353,052	495,540	1,257,722	1,683,901	1,329,693	1,443,326	1,521,716	1,565,624	1,497,468	1,620,585	
Public Service	976,845	1,765,049	1,910,526	1,759,113	1,717,619	1,839,627	1,923,165	1,848,590	1,900,993	1,963,490	
Circulation	918,102	1,033,265	1,275,058	1,250,127	1,390,063	1,380,605	1,276,343	1,296,096	1,341,783	1,402,266	
Total	4,065,404	6,773,510	7,742,473	8,007,130	8,170,228	8,791,658	8,865,784	8,957,490	9,299,273	10,046,710	
<b>Program Revenues - Governmental Activities:</b>											
Charges for Services	106,527	187,889	222,401	257,517	263,225	217,689	216,511	199,289	213,039	188,905	
Operating Grants and Contributions	272,808	140,014	970,379	898,492	816,946	861,196	855,039	921,593	929,501	176,598	
Capital Grants and Contributions	2,215,264	1,265,470	16,341,714	202,857	121,217	319,935	477,844	80,953	407,798	13,549	
Total	2,594,599	1,593,373	17,534,494	1,358,866	1,201,388	1,398,820	1,549,394	1,201,835	1,550,338	379,052	
<b>Net Revenues (Expenses)</b>	<b>(1,470,805)</b>	<b>(5,180,137)</b>	<b>9,792,021</b>	<b>(6,648,264)</b>	<b>(6,968,840)</b>	<b>(7,392,838)</b>	<b>(7,316,390)</b>	<b>(7,755,655)</b>	<b>(7,748,975)</b>	<b>(9,667,658)</b>	
<b>General Revenues:</b>											
Property Taxes	6,090,763	6,640,613	6,779,584	6,984,721	6,894,331	6,903,435	6,889,765	7,150,978	7,389,426	8,365,443	
Specific Ownership Taxes	544,902	564,908	512,828	479,329	450,904	489,732	526,141	610,183	672,359	706,176	
Earnings on Investments	184,005	222,028	134,742	143,215	156,031	66,036	7,950	74,480	83,997	33,066	
Total	6,819,670	7,427,549	7,427,154	7,607,265	7,501,266	7,459,203	7,423,856	7,835,641	8,145,782	9,104,685	
<b>Net Change in Financial Position</b>	<b>\$ 5,348,865</b>	<b>\$ 2,247,412</b>	<b>\$ 17,219,175</b>	<b>\$ 959,001</b>	<b>\$ 532,426</b>	<b>\$ 66,365</b>	<b>\$ 107,466</b>	<b>\$ 79,986</b>	<b>\$ 396,847</b>	<b>\$ (562,973)</b>	

Note - in 2009, library assets held by the City of Fort Collins were transferred to the District. The value of these transfers was included in Capital Grants and Contributions.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN YEARS**

Table III

General Fund

<u>Fiscal Year</u>	<u>Reserved</u>	<u>Unreserved</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Unassigned</u>	<u>Total</u>
2007	\$429,296	\$ 2,247,547	\$ -	\$ -	\$ -	\$ -	\$ 2,676,843
2008	920,251	3,975,862	-	-	-	-	4,896,113
2009	-	-	-	758,271	1,701,800	2,122,482	4,582,553
2010	-	-	-	843,841	1,684,300	1,490,813	4,018,954
2011	-	-	-	974,701	1,672,900	1,679,052	4,326,653
2012	-	-	-	1,078,640	1,679,500	1,844,840	4,602,980
2013	-	-	-	1,126,931	1,748,600	1,950,516	4,826,047
2014	-	-	-	1,173,907	1,783,100	2,572,554	5,529,561
2015	-	-	-	1,285,428	1,817,600	2,924,557	6,027,585
2016	-	-	-	597,156	1,916,300	3,433,099	5,946,555

Capital Projects Fund

2007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008	-	-	-	-	-	-	-
2009	-	-	-	1,888,000	635,936	-	2,523,936
2010	-	-	-	2,056,916	2,323,067	-	4,379,983
2011	-	-	-	141,650	2,472,969	-	2,614,619
2012	-	-	-	95,225	214,246	-	309,471
2013	-	-	-	42,985	355,567	-	398,552
2014	-	-	-	40,377	499,267	-	539,644
2015	-	-	-	40,377	441,732	-	482,109
2016	-	-	-	40,377	628,905	-	669,282

Note - the Capital Projects Fund was created in 2009.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
CHANGE IN TOTAL GOVERNMENTAL FUND BALANCES  
LAST TEN YEARS**

Table IV

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues -</b>										
Taxes	\$ 6,635,665	\$ 7,205,521	\$ 7,292,412	\$ 7,464,050	\$ 7,345,235	\$ 7,393,167	\$ 7,415,906	\$ 7,761,161	\$ 8,061,785	\$ 9,071,619
Intergovernmental	98,825	1,265,470	1,746,085	957,005	773,657	829,248	1,061,307	821,037	855,778	73,185
Charges for Services	106,528	186,889	214,188	248,592	223,857	207,656	204,353	191,453	209,159	187,951
Investment Earnings	184,004	222,028	134,742	143,215	156,031	66,036	7,950	74,480	83,997	33,066
Donations	173,983	130,071	263,294	112,070	164,506	351,883	271,576	181,509	481,521	116,962
Miscellaneous	-	9,943	8,213	8,925	39,368	10,033	12,158	7,836	3,880	954
<b>Total</b>	<u>7,199,005</u>	<u>9,019,922</u>	<u>9,638,934</u>	<u>8,933,857</u>	<u>8,702,654</u>	<u>8,858,023</u>	<u>8,973,250</u>	<u>9,037,476</u>	<u>9,696,120</u>	<u>9,483,737</u>
<b>Expenditures -</b>										
Administration (1)	1,040,795	1,215,825	1,318,465	1,306,100	1,273,448	1,318,792	1,257,810	1,298,842	1,415,598	1,781,526
Systems Administration	106,268	717,268	558,935	564,911	538,054	560,508	601,044	611,252	604,431	648,930
Collection Services -										
Development	956,319	1,062,753	1,307,244	1,266,666	1,580,149	1,718,437	1,664,788	1,690,425	1,959,355	2,035,470
Outreach Services	-	-	-	-	-	206,805	184,361	281,610	292,020	323,357
Programming	250,328	92,205	130,363	115,278	134,757	126,713	121,506	102,846	85,261	127,442
Building Operations	347,917	437,132	960,565	1,165,380	822,976	830,367	854,611	863,654	904,818	1,005,254
Public Service	929,299	1,745,202	1,885,913	1,770,116	1,716,612	1,833,652	1,920,237	1,845,480	1,902,928	1,962,066
Circulation	891,236	1,022,051	1,259,814	1,256,942	1,389,439	1,376,904	1,274,530	1,290,755	1,342,981	1,401,384
Capital Outlay	-	518,216	923,159	196,016	2,704,884	2,914,666	782,215	208,006	748,239	92,165
<b>Total</b>	<u>4,522,162</u>	<u>6,810,652</u>	<u>8,344,458</u>	<u>7,641,409</u>	<u>10,160,319</u>	<u>10,886,844</u>	<u>8,661,102</u>	<u>8,192,870</u>	<u>9,255,631</u>	<u>9,377,594</u>
<b>Excess (Deficiency) of Revenues over (Under) Expenditures</b>	<u>2,676,843</u>	<u>2,209,270</u>	<u>1,314,476</u>	<u>1,292,448</u>	<u>(1,457,665)</u>	<u>(2,028,821)</u>	<u>312,148</u>	<u>844,606</u>	<u>440,489</u>	<u>106,143</u>
<b>Other Financing Sources - Sale of Capital Assets</b>	-	-	905,900	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<u>\$ 2,676,843</u>	<u>\$ 2,209,270</u>	<u>\$ 2,220,376</u>	<u>\$ 1,292,448</u>	<u>\$(1,457,665)</u>	<u>\$(2,028,821)</u>	<u>\$ 312,148</u>	<u>\$ 844,606</u>	<u>\$ 440,489</u>	<u>\$ 106,143</u>

(1) - large increase in Administration expenditures in 2016 is due to election costs of \$166,882.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS**

Table V

Assessment Year	Collection Year	Residential		Commercial		Industrial	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	2007	\$1,128,373,280	\$14,175,407,400	\$568,251,350	\$1,959,476,890	\$212,664,450	\$733,325,060
2007	2008	1,192,619,690	14,982,582,900	670,285,210	2,311,315,700	244,039,930	841,516,530
2008	2009	1,216,575,890	15,283,537,830	696,057,640	2,400,186,140	243,483,540	839,598,180
2009	2010	1,248,961,450	15,690,397,200	750,241,240	2,587,024,970	237,587,030	819,265,060
2010	2011	1,259,202,080	15,819,034,900	732,166,260	2,524,697,200	228,702,680	788,629,200
2011	2012	1,248,223,550	15,681,472,500	720,259,430	2,483,639,490	224,725,190	774,913,690
2012	2013	1,259,178,730	15,819,107,400	730,268,070	2,518,152,190	217,196,580	748,953,130
2013	2014	1,314,078,500	16,508,716,500	739,226,900	2,549,046,660	246,953,580	851,563,680
2014	2015	1,347,244,860	16,925,375,200	736,629,610	2,550,434,310	272,079,420	938,204,680
2015	2016	1,579,496,347	19,842,902,800	856,105,958	2,952,089,110	290,354,151	1,001,221,170

Assessment Year	Collection Year	Other		Total		Ratio of Assessed Value to Actual Value	Total Levy
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2006	2007	\$156,759,385	\$533,231,225	\$2,066,048,465	\$17,401,440,575	12%	3.000
2007	2008	181,156,172	616,140,679	2,288,101,002	18,751,555,809	12%	3.000
2008	2009	195,165,044	664,692,515	2,351,282,114	19,188,014,665	12%	3.000
2009	2010	197,405,878	670,517,553	2,434,195,598	19,767,204,783	12%	3.000
2010	2011	186,789,980	640,087,805	2,406,861,000	19,772,449,105	12%	3.000
2011	2012	168,087,682	571,762,307	2,361,295,852	19,511,787,987	12%	3.000
2012	2013	161,282,018	546,845,650	2,367,925,398	19,633,058,370	12%	3.000
2013	2014	165,823,825	561,194,367	2,466,082,805	20,470,521,207	12%	3.000
2014	2015	170,823,340	566,894,245	2,526,777,230	20,980,908,435	12%	3.013
2015	2016	190,203,402	646,809,432	2,916,159,858	24,443,022,512	12%	3.024

The actual value of property is reappraised every two years in odd-numbered years. The assessment rate is also set every two years by the Colorado Legislature. Currently nonresidential property is fixed at 29% of actual value and residential property is assessed at 7.96% of actual value.

Source - Larimer County Assessor's Office

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING  
LAST TEN YEARS  
(PER \$1,000 OF ASSESSED VALUE)**

Table VI

Taxing Authority	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Direct Poudre River Public Library District	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.013	3.024	3.016
Overlapping Governments Larimer County	22.552	22.556	22.537	22.577	22.666	22.614	22.662	22.424	22.459	21.882
Cities and Towns										
Fort Collins	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797
Loveland	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564
Timnath	6.932	6.932	6.932	6.932	6.932	6.932	6.932	6.749	6.749	6.749
Windsor	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030
School District										
Poudre	50.715	48.200	47.989	47.989	47.989	51.000	54.868	52.763	52.630	52.630
Thompson	43.457	41.657	40.974	41.295	41.643	42.310	40.884	40.416	40.268	38.393
Fire Districts	5.00 -9.0301	5.00 -9.0301	5.00 -15.65	5.00 -21.142	5.00 -21.142	5.00 -21.142	5.00 -21.151	5.00 -21.199	5.00 -21.14	6.522 -21.142
Other Special Districts	0.39 -29.721	0.372 -35.00	0.383 -35.00	0.387 -35.00	0.398 -35.00	.0463 -35.00	0.472 -45.00	0.142 -45.00	0.142 -60.00	0.142 -60.611

Source - Larimer County Assessor's office

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS - TOP 10  
CURRENT YEAR AND NINE YEARS AGO**

Table VII

Principal Taxpayer	2016			2007		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Avago Technologies	\$ 139,749,582	1	4.8%	\$ 30,681,120	2	1.5%
Anheuser-Busch, Inc.	70,420,949	2	2.4%	98,004,530	1	4.7%
Ramco-Gershenson Properties	30,353,024	3	1.0%	N/A		
Qwest Corporation	22,785,700	4	0.8%	24,617,100	3	1.2%
Public Service Company of Colorado	22,524,700	5	0.8%	12,952,590	6	0.6%
Woodward Governor	19,497,434	6	0.7%	N/A		
Hewlett Packard Company	18,755,588	7	0.6%	19,348,410	4	0.9%
Walton Foothills Holdings VI L.L.C.	17,588,987	8	0.6%	N/A		
Amcap Harmony L.L.C.	15,040,270	9	0.5%	N/A		
New Belgium Brewing Company	14,076,510	10	0.5%	5,783,260	10	0.3%
GGP-Foothills L.L.C.	N/A			14,738,480	5	0.7%
F C Timberline	N/A			9,163,940	7	0.4%
LSI Logic Corporation	N/A			8,015,010	8	0.4%
Advanced Energy Industry Inc.	N/A			6,653,930	9	0.3%

Source - Larimer County Assessor's Office

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

Table VIII

Assessment Year	Collection Year	Total Tax Levy	Collected within the fiscal year levied		Collections in Subsequent Years	Total Collections to Date	
			Tax Amount	Percent of Levy		Tax Amount	Percent of Levy
2006	2007	\$ 6,198,089	\$ 6,042,600	97.5%	\$ 182	\$ 6,042,782	97.5%
2007	2008	6,734,400	6,726,112	99.9%	(7,708)	6,718,404	99.8%
2008	2009	6,799,174	6,773,932	99.6%	(9,700)	6,764,232	99.5%
2009	2010	7,030,254	6,979,507	99.3%	7,193	6,986,700	99.4%
2010	2011	6,940,049	6,918,670	99.7%	(1,739)	6,916,931	99.7%
2011	2012	6,931,819	6,892,356	99.4%	(2,231)	6,890,125	99.4%
2012	2013	6,910,059	6,883,346	99.6%	(20,952)	6,862,394	99.3%
2013	2014	7,217,549	7,169,472	99.3%	(4,871)	7,164,601	99.3%
2014	2015	7,640,772	7,627,598	99.8%	(13,686)	7,613,912	99.6%
2015	2016	8,454,597	8,378,925	99.1%	-	8,378,925	99.1%

Source - Library District

Note - Collections in Subsequent Years are net of corrections to prior tax roles.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

Table IX

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assessed valuation	\$ 2,876,019,742	\$ 2,803,248,431	\$ 2,466,084,825	\$ 2,303,353,131	\$ 2,310,606,310
Debt limitation - 1.5% of assessed value	43,140,296	42,048,726	36,991,272	34,550,297	34,659,095
Total Debt (excluding compensated absences)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 43,140,296</u>	<u>\$ 42,048,726</u>	<u>\$ 36,991,272</u>	<u>\$ 34,550,297</u>	<u>\$ 34,659,095</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assessed valuation	\$ 2,313,394,662	\$ 2,343,418,246	\$ 2,266,391,239	\$ 2,222,701,577	\$ 2,006,029,525
Debt limitation - 1.5% of assessed value	34,700,920	35,151,274	33,995,869	33,340,524	30,090,443
Total Debt (excluding compensated absences)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 34,700,920</u>	<u>\$ 35,151,274</u>	<u>\$ 33,995,869</u>	<u>\$ 33,340,524</u>	<u>\$ 30,090,443</u>

Source - Assessed valuation - Larimer County Assessor's Office.  
Debt limitation - Colorado Revised Statutes 22-42-104.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
DEMOGRAPHIC AND ECONOMIC INFORMATION  
FOR THE LAST TEN YEARS**

Table X

<u>Fiscal</u> <u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Larimer County</u>		<u>Households</u>			<u>School</u> <u>Enrollment</u>
			<u>Per Capita</u> <u>Personal</u> <u>Income</u>	<u>Unemployment</u> <u>Rate</u>	<u>Total</u>	<u>Average</u> <u>Size</u>	<u>Median</u> <u>Age</u>	
2007	177,456	\$ 5,062,465,000	\$ 28,528	3.4	69,726	2.42	32.0	58,874
2008	181,667	\$ 5,669,100,000	31,206	4.2	73,667	2.34	31.5	60,014
2009	175,331	\$ 4,982,381,000	28,417	4.9	69,874	2.38	30.8	61,084
2010	179,859	\$ 5,219,508,000	29,020	5.1	71,860	2.38	31.8	61,944
2011	182,600	\$ 5,326,442,000	29,170	5.6	72,491	2.41	31.7	63,475
2012	185,494	\$ 5,531,060,000	29,818	5.5	73,338	2.42	32.1	63,873
2013	188,934	\$ 5,720,733,000	30,279	5.6	73,751	2.45	32.4	64,911
2014	191,740	\$ 5,833,114,000	30,422	5.2	73,731	2.49	31.9	65,857
2015	195,460	\$ 6,013,913,000	30,768	5.2	75,071	2.50	31.6	67,132
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source:

Population: U.S. Census Bureau; Personal income and Per capita income:  
Bureau of Economic Analysis; Unemployment rate--Larimer County  
Compass/U.S. Census Bureau

Household info: U.S. Census Bureau American Factfinder; Public School  
Enrollment Compass.

2016 data not available

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND NINE YEARS AGO**

Table XI

Employer	2016			2007		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Colorado State University	6,701	1	4.2%	7,945	1	5.4%
University of Colorado Health*	5,400	2	3.4%	3,488	2	2.4%
Poudre School District	3,615	3	2.2%	3,325	3	2.3%
Larimer County	1,639	4	1.0%	1,500	5	1.0%
Broadcom, Ltd.	1,500	5	0.9%	N/A		
Hewlett Packard	1,490	6	0.9%	3,250	4	2.2%
Woodward, Inc.	1,475	7	0.9%	1,200	7	0.8%
City of Fort Collins	1,200	8	0.7%	1,362	6	0.9%
Front Range Community College	1,000	9	0.6%	481	10	0.3%
Otter Products	854	10	0.5%	N/A		
Anheuser-Busch	N/A			760	8	0.5%
Advanced Energy Industries	N/A			594	9	0.4%

\*Formerly Poudre Valley Health Systems

Source - US Census Bureau American Factfinder

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
DISTRICT EMPLOYEES BY FUNCTION  
LAST TEN YEARS**

Table XII

	Full-Time Equivalent Employees									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public Service										
Old Town Library	18.00	18.00	18.00	14.00	12.85	11.00	13.50	15.70	17.00	14.10
Harmony Library	7.50	7.50	7.50	7.50	7.50	9.00	9.75	11.00	11.38	9.50
Council Tree Library	-	-	6.50	7.50	7.50	5.50	6.75	9.50	9.62	7.40
Outreach	-	-	-	-	-	3.00	3.00	4.50	5.25	5.50
Circulation										
Old Town Library	16.00	16.00	16.00	16.00	16.00	13.50	13.50	11.00	11.25	13.20
Harmony Library	16.00	16.00	16.00	15.50	15.50	15.50	14.25	11.50	11.50	13.50
Council Tree Library	-	-	10.00	11.00	11.00	12.00	13.00	9.00	9.00	11.00
General Administration	5.25	5.25	5.25	5.25	5.25	5.25	5.25	6.50	6.50	7.50
Collection Development	4.00	4.00	4.00	4.00	7.00	8.00	8.00	8.50	8.80	8.80
Systems Administration	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00
Answer Center	-	-	-	-	-	2.50	2.50	2.70	2.70	2.75
Facilities	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.50</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
Total FTE's	73.75	73.75	90.25	87.75	88.60	91.25	96.00	96.90	100.00	100.25

Note - prior to 2012, staff of the Outreach and Answer Center were included in Old Town Library staffing.

Source - Library District

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
LIBRARY MATERIALS PURCHASED AND CIRCULATED  
LAST TEN YEARS**

Table XIII

<u>Fiscal Year</u>	<u>Number of Volumes owned</u>	<u>Number of AV items owned</u>	<u>Total items owned</u>	<u>Acquisition cost of collections</u>	<u>Net book value of Collections</u>	<u>Number of items circulated</u>	<u>Turn-over rate</u>
2007	340,790	39,795	380,585	\$ 2,645,851	\$ 2,645,851	2,199,413	5.64
2008	339,325	44,377	383,702	746,173	2,283,602	2,343,595	6.04
2009	410,211	49,986	460,197	1,809,154	3,334,782	3,042,448	6.58
2010	386,268	54,741	441,009	779,464	3,305,923	3,303,958	7.01
2011	351,661	52,977	404,638	651,148	3,141,143	3,275,627	7.27
2012	349,047	53,306	402,353	680,663	2,989,090	3,208,389	7.36
2013	349,535	52,251	401,786	562,604	2,714,929	3,133,110	7.10
2014	315,187	85,663	400,850	635,661	2,514,404	3,002,725	7.30
2015	362,411	109,555	471,966	834,577	2,382,542	3,061,464	7.01
2016	340,445	48,803	389,248	685,448	2,316,625	3,164,856	6.70

Source - Library District

(1) - acquisitions in 2007 include \$2,215,264 transferred from the City of Fort Collins as part of the implementation of the Library District. In 2009, acquisitions included the opening day collection of \$1,100,000 for the Council Tree Library.

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
CIRCULATION BY LOCATION  
LAST TEN YEARS**

Table XIV

Fiscal year	Old Town Library	Harmony Library	Council Tree Library	Remote Renewals	Emedia	Total
2007	890,518	868,884	-	434,303	5,708	2,199,413
2008	949,831	938,928	-	449,122	5,714	2,343,595
2009	979,021	836,501	640,669	578,031	8,226	3,042,448
2010	947,373	789,376	866,319	682,531	18,359	3,303,958
2011	844,906	816,749	855,844	707,672	50,456	3,275,627
2012	775,408	794,935	814,133	729,527	94,386	3,208,389
2013	877,587	648,186	744,830	720,788	141,719	3,133,110
2014	775,314	642,710	672,284	716,255	326,021	3,132,584
2015	739,381	619,497	645,091	763,623	293,872	3,061,464
2016	676,610	577,602	605,961	773,501	508,507	3,142,181

Source - Library District

**POUDRE RIVER PUBLIC LIBRARY DISTRICT  
SERVICE LOCATION INFORMATION  
DECEMBER 31, 2016**

Table XV

Libraries	Address	Square Feet	Number of Full- time Equivalent Employees
Old Town Library	201 Peterson St. Fort Collins, CO 80524	39,400	27.30
Harmony Library	4616 South Shields Dr. Fort Collins, CO 80526	31,100	23.00
Council Tree Library	2733 Council Tree Ave. Fort Collins, CO 80525	16,600	18.30
Administration Webster House			
Adminstration Center	301 East Olive St. Fort Collins, CO 80524	10,550	31.70