

**PUEBLO CITY-COUNTY  
LIBRARY**  
Ideas • Imagination • Information

# **Comprehensive Annual Financial Report**

**For the year ended December 31, 2016**

Pueblo City-County Library District  
Finance Office  
100 E. Abriendo Avenue  
Pueblo, CO 81004  
[www.pueblolibrary.org](http://www.pueblolibrary.org)

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**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
COLORADO  
Finance Office  
100 E. Abriendo Avenue  
Pueblo, Colorado 81004**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended December 31, 2016**

## **Board of Trustees**

Donna Pickman, President  
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James Stuart, Trustee  
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Jane Carlsen, Secretary to the Board

## **Executive Director**

Jon Walker

## **Prepared by:**

Sherri L. Baca, CPA  
Chief Financial Officer

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**Pueblo City-County Library District, Colorado**  
**Financial Statements**  
**For The Year Ended December 31, 2016**

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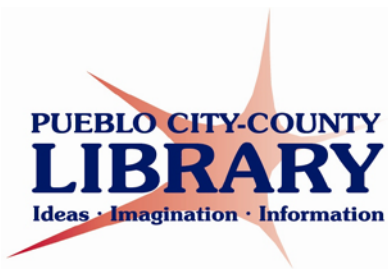
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**Pueblo City-County Library District, Colorado**  
**Financial Statements**  
*For The Year Ended December 31, 2016*

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Robert Hoag Rawlings  
Library

Barkman Library

Lamb Library

Pueblo West Library

Library @ the Y

Greenhorn Valley Library

Giodone Library

Patrick Lucero Library

**Community Satellites:**

Avondale Elementary

Beulah School

June 30, 2017

Board of Trustees  
Pueblo City-County Library District  
100 E. Abriendo Avenue  
Pueblo, CO 81004

Dear Trustees:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the Pueblo City-County Library District for the year ended December 31, 2016.

This is the eighth year that an annual financial report has been submitted to you in CAFR format, in accordance with the guidelines of the Government Finance Officers Association (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 eighteen exhibits of information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information, and more expanded information in the letters of transmittal.

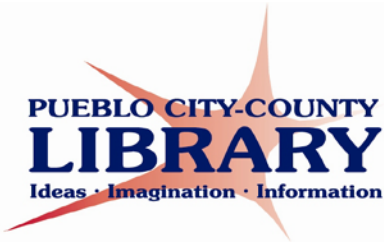
We submitted our 2009 – 2015 CAFR documents for review to the GFOA, and we were pleased and honored to receive the GFOA Award of Financial Reporting Achievement for each of these documents. It is our intent to submit the 2016 CAFR document to the GFOA for review as well, where a panel of financial professionals will critique the document for thoroughness, accuracy and presentation.

Thank you for your review of this document and for your continuing support and guidance.

Sincerely,

Jon Walker  
Executive Director

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Robert Hoag Rawlings  
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Pueblo West Library

Library @ the Y

Greenhorn Valley

Library

Giodone Library

Patrick Lucero Library

**Community Satellites:**

Avondale Elementary

June 30, 2017

To the Members of the Board of Trustees and the Citizens of the Pueblo City-County Library District:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Pueblo City-County Library District (the District) for the year ended December 31, 2016. This report was prepared by the Finance Office to provide citizens, investors, grantor agencies and other interested parties with information on the financial condition of the District. It has been prepared in accordance with generally accepted accounting principles for governmental units as defined by the Governmental Accounting Standards Board (GASB), and meets the requirements of the State of Colorado Auditor's Office.

To the best of our knowledge, the enclosed information is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the District. The accuracy of the District financial statements and completeness and fairness of their presentation is the responsibility of District management. The District maintains a system of internal accounting controls to insure that assets are safeguarded against loss, and that financial records are properly maintained and can be relied upon to produce accurate financial statements.

Colorado State Statutes require an annual audit by independent certified public accountants. This requirement is being met through engagement of the firm of Swanhorst & Company LLC, to audit the 2016 financial statements of the District. The independent auditors' examination is conducted in accordance with generally accepted auditing standards and provides an independent assessment that helps assure fair presentation of the District's financial position and results of operations. The auditors' report on the basic financial statements is included in the financial section and reflects an unmodified opinion.

## **PROFILE OF THE GOVERNMENT**

### **Governmental Structure**

The District, established on July 15, 1968, by joint resolution of the Pueblo City Council and the Pueblo Board of County Commissioners, is considered to be a “Library District” which is a separate legal entity, and was created through Colorado State Statute (C.R.S. 24-90-110). The District is not considered to be a component unit of either the City of Pueblo or of Pueblo County, Colorado, and is financially, managerially and operationally independent, and meets the guidelines of GASB Statement No. 14, as amended by GASB Statement 39, The Financial Reporting Entity. The District does currently recognize one discretely presented component unit for inclusion in these financial statements, the Pueblo Library Foundation. Pueblo City-County Library District provides library service to all residents of the City and County of Pueblo, and the Foundation exists solely to provide support for those efforts.

There are seven library buildings in the District service area, which covers approximately 2,414 square miles. Six of these buildings are branch libraries: Frank & Marie Barkman Library, Frank I. Lamb Library, Greenhorn Valley Library, Tom and Anne Marie Giodone Library, Patrick A. Lucero Library, and Pueblo West Library. The main library, Robert Hoag Rawlings Library, is located downtown in a facility of approximately 109,000 square feet. The fourth floor of the Rawlings Library houses a news museum, the InfoZone, which is operated by District staff. The District also maintains two satellite libraries in local elementary schools, as well as the Library @ the Y, a small facility in the YMCA building, opened in November 2009. Administrative and support departments, including the Executive Director’s office, Human Resources, Community Relations/Development, Finance, Technical Services/Collection Development, Information Technology, Public Services, and Facilities are all housed together in the Rawlings Library.

In 2014 three new libraries were opened, completing a 3-year process to secure funding, design and build the new facilities. They are listed above: Greenhorn Valley, Giodone and Lucero.

The District’s Board of Trustees consists of seven members. The members are appointed to five-year terms of office by the Board of Pueblo County Commissioners and the City Council of Pueblo. Each term is renewable; there are no term limits. The District’s Board convenes at monthly meetings, monthly work sessions, and at any special meetings when they are necessary. Although Board members are prohibited by law from receiving compensation for their services as trustees, they may be reimbursed for necessary travel, training or miscellaneous expenses.

**Motto, Mission, Vision, Goals and Objectives**

**MOTTO**

Ideas, Imagination & Information

**MISSION**

We serve as a foundation for our community by offering welcoming, well equipped and maintained facilities, outstanding collections, and well-trained employees who provide expert service encouraging the joy of reading, supporting lifelong learning and presenting access to information from around the world.

**VISION**

Books and Beyond

**KEY RESULTS (GOALS)**

- ❖ The number of library books and other materials checked out.
- ❖ The quantity of customers visiting PCCLD libraries.
- ❖ The size of attendance at library programs and events.
- ❖ The volume of use of library digital services.

The Key Results goals have been established in support of the Mission statement. We consider them critical to sustaining the organization's health, well-being, strength, viability, growth, and success, and in keep with the overarching aim to provide the best possible public library service for the community.

The annual objectives identified to meet these goals comprise the Annual Plan, which is summarized in the Plans for the Future section of this letter.

**Major Initiatives**

The District continued working in 2016 on a multiyear effort with Partners In Leadership, an accountability training and consulting company. This organizational training initiative is based on the bestselling book, *The Oz Principle: Getting Results Through Individual and Organizational Accountability* (1994). From 2013-2015, all library staff were involved in in-

depth training intended to transform the organization's culture into one focused on executing to achieve key results. In 2016, the library continued this work and engaged staff in exploring and developing cultural beliefs based on the book, *Change the Culture, Change the Game: The Breakthrough Strategy for Energizing Your Organization and Creating Accountability for Results* (2011).

In 2016, we continued our focus on achieving four key results. The key results included:

- 2,559,661 checkouts.
- 1,460,368 visitors.
- 239,192 program participants.
- 654,905 digital uses.

In 2016, we were pleased to announce the District was recognized in the results of the ninth annual *Library Journal* Index of Public Library Service as a Star Library. The *LJ* Index, as it is known, rates U.S. public libraries based on key results measures and is among the most prestigious recognitions nationally for public libraries. The 2016 *LJ* Index derives from data recently released by the Institute of Museum and Library Services. 7,349 U.S. public libraries qualified to be rated in the *LJ* Index of Public Library Service. There are only 260 Star Libraries. This places the Library District in the top 3.5 percent of all libraries nationally. This recognition also affirms the dedication to planning, accountability, and service of those involved with the District in recent years plus strong support from the community.

2016 was the second full year of operation of three new branch libraries in the district. Construction of each of the new libraries was completed late in 2014. The new libraries are now permanent community centers within their respective and distinct neighborhoods. The Greenhorn Valley Library serves the mountain communities in far southern Pueblo County. The Tom L. and Anna Marie Giodone Library is located in the historically agricultural area east of the City of Pueblo. The Patrick A. Lucero Library is situated in a socio-economically depressed neighborhood on Pueblo's east side. Each of the three libraries continues to meet or exceed expectations for community impact during their second full year of operation in 2016. The new libraries, along with existing five full-service libraries and two satellite locations, now provide the Library District service area with a total of ten public library outlets serving a population of over 160,000 people. These outlets are supplemented with outreach programs, including Books in the Park, Books a la Cart, Homebound Program, and other services offered outside library buildings and in collaboration with partnering organizations.

The library continued to invest in information technology in 2016. This included a significant analysis and study of the District's network infrastructure. The results of this work will serve as a basis for subsequent planned upgrades to the data network. The District also invested in replacement of core battery back-up units to better ensure information technology reliability. There also was significant investment in the digitization of significant historical works of local

significance, such as the scanning into computer format of early editions of the local newspaper of record dating from the mid-nineteenth century. Finally, the library continued to invest in popular Maker technologies including the expansion of these service for the public beyond the Rawlings Library to most of the other branch locations.

Cultural and educational programs and library collections constitute a significant component of the District's service to the community. All ages are engaged with these activities as part of the library's role to provide lifelong learning opportunities for members of the community. These include books and other library materials, computers, plus Chautauqua-style events, school programs, movies and lectures, reading clubs and author presentations, early literacy activities, English Language Learning, citizenship classes, information technology lessons, maker projects, and more. Summer Read Club participation continued to enjoy a high level of participation as did All Pueblo Reads, a signature library project that featured in 2016 the very popular book *Water for Elephants* (2006) including local public appearances by the author Sarah Gruen. Other programs with special focus in 2016 included the proceeds from grant funds to enhance literacy efforts aimed at young readers and adults, special work in socio-economically challenged areas to work on gang intervention, and partnerships with other organizations to enhance community impact including ConnectED that provided a public library account for all students enrolled in the local public schools and other formal contracts to collaborate with the Sangre de Cristo Arts Centre, the American Library Association, the Smithsonian Institution, the Colorado State Division of Parks and Wildlife, Colorado State University-Pueblo, the Colorado State Library, Pueblo Community College, and ProLiteracy, among others.

Finally, 2016 saw the second full year of the new performance based compensation system, which had been under development since 2012 and was initially implemented at the end of 2014. Initial analysis work was done in concert with the Singer Group, a human resources and organization development consulting firm, which provided expertise in structuring the new salary range chart in line with market wages. Job descriptions throughout the district were reviewed and updated, and SMART goals set. Other important facets of this effort was systematic supervisor training and a staffing and service level analysis, which resulted in the redeployment of a number of employees throughout the district, especially in support of the requirements of the newly opened libraries and the refreshed facilitated customer service model.

### **Plans for the future**

PCCLD completed work on a new long-range strategic plan in 2015, which was officially adopted early in 2016. This new plan concentrates our attention on six areas of focus for the district:

1. Create young readers
2. Strengthen community partnerships

3. Bridge the digital divide
4. Data-driven planning
5. Serve the whole family at all stages of life
6. Lifelong learning begins with staff

Our 2017 Annual Plan identifies a number of objectives for the District to sustain our impressive key results and provide emerging emphasis on the new areas of strategic focus. These are based on the four key results as identified on page 9. These objectives were developed with input from the Board of Trustees, Managers and Supervisors, the Employee Steering Committee, and annual planning and budgeting requests submitted by individual branch and department teams.

Objectives that constitute new initiatives for the year in support of the key results and strategic focus areas are listed below.

- I. Accent PCCLD's commitment to support for employee success by fully funding the pay-for-performance program and proportional subsidy for staff health benefits.
- II. Adopt measures for organization success aligned with the Public Library Association's *Project Outcome* recommendations.
- III. Assess the current contract for outsourced custodial services to ensure the district is receiving the best, lowest-cost janitorial assistance.
- IV. Begin replacing the oldest and malfunctioning security cameras throughout the district in order to ensure good video surveillance of sensitive areas.
- V. Bring all call center operations in-house foregoing the current outsourced service.
- VI. Conclude lighting upgrade work inside the Lamb Library converting fixtures to brighter, more energy-efficient LED.
- VII. Commence a mentoring program for further development of early-career PCCLD professionals.
- VIII. Complete a competitive bid process for the district's Human Resource Information System (HRIS) to ensure PCCLD enjoys the best possible benefits of online HR activities and processes.
- IX. Continue gang suppression activities at the Lucero Library to help prevent crime, increase safety, and create positive future opportunities for neighborhood residents.
- X. Coordinate efforts to boost district-wide circulation along with visits.

- XI. Create an action plan to support Special Collections digitization and other unique technology needs.
- XII. Develop custom planning documents reflective of the unique neighborhoods served by each library outlet.
- XIII. Evaluate use of the Ingram Content Group, offering the industry's largest active book inventory, as a principle book and materials jobber for PCCLD.
- XIV. Examine opportunities presented by expiration of long-term Integrated Library System (ILS) service contract with Sirsi/Dynix and to increase efficiency and effectiveness of Interlibrary Loan (ILL) services via Prospector, the single-search unified library catalog of 30 million books, journals, and other materials held by academic, public and special libraries in this region.
- XV. Finalize data network assessment and Information Technology policy update work.
- XVI. Finish internal review of institutional core values work and look to adopt a district *Values Statement*.
- XVII. Identify funding support to sustain current level of library cultural and educational programming impact.
- XVIII. Implement ConnectED-type partnerships with Pueblo Community College (PCC) and local charter schools.
- XIX. Improve access to online and downloadable collections.
- XX. Improve tracking of library event and program attendance and participation.
- XXI. Investigate best, lowest cost contract service for outsourced security to ensure the district employs the security program optimally meeting its needs.
- XXII. Lead an institution-wide discussion on the public library principles of privacy and intellectual freedom.
- XXIII. Lower office supply costs via improved procurement efficiencies and conservation.
- XXIV. Overlay parking lot surface at Pueblo West Library.
- XXV. Pivot staff development toward lower-cost programs offered by the Special District Association and take a one-year hiatus on professional and community memberships.
- XXVI. Plan to automate vendor payment processes for collection materials to improve efficiency.
- XXVII. Rebid contract services for banking in search of the top, least-costly program for PCCLD.

- XXVIII. Reduce surplus equipment stored within PCCLD's area at 622 S. Union rental building and repurpose to better accommodate Facilities Department needs.
- XXIX. Re-examine PCCLD processes for recovering overdue materials, fines and fees to improve cost effectiveness.
- XXX. Refinish front entrance of Rawlings Library to remove chalky, oxidized painted metal surfaces.
- XXXI. Refresh PCCLD's ADA assistive services and technologies.
- XXXII. Renew insurance broker contracts.
- XXXIII. Replace aging HVAC and light control systems at the Rawlings Library.
- XXXIV. Study approaches to enhance services for the aging community.
- XXXV. Swap the Lamb and Pueblo West key audio-visual meeting room equipment with new hardware.
- XXXVI. Update library capital replacement plan to ensure funding is sufficient to maintain attractive, well-maintained facilities and equipment throughout the district.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The District has established a 20-year Library Equipment Replacement Plan, as well as a 10-Year Financial Projection spreadsheet, to demonstrate use of available funding to provide the collections, facilities, staffing, and technology needs that have been identified. The Library Equipment Replacement Plan is budgeted in the Capital Project Fund, which is funded through annual transfers from the General Fund. In 2016 a transfer of \$200,000 was made, and long range plans include ongoing transfers in subsequent years to maintain sufficient resources for future repairs and replacement.

Long-range financial planning is the focus of the 10-Year Financial projection spreadsheet, which includes assumptions for revenues, expenditures and fund balances for both the General and Capital Projects funds. This spreadsheet is updated a minimum of two times a year – once following the audited financial statements, and again following the approval of the budget. This document is used extensively to project capital projects, ongoing commitments for new programs or services, impact of personnel initiatives, revenue forecasting, and the ongoing impact of those plans on the fiscal health of the District. In planning for the current capital building projects, the 10-Year Financial plan was evaluated in depth to determine that the initial and ongoing costs of these projects could be supported by current and on-going revenues.

### **Management's Discussion and Analysis**

Specific details of the overall economy for Pueblo County are highlighted in the Management's Discussion and Analysis section of this document. A narrative of specific financial outcomes, discussion of governmental and business activities, debt and capital assessment statistics, economic conditions and information about how to contact the District's financial management can be found in this presentation.

### **Internal Controls**

The District has a number of policies and procedures which govern the operations of the District to ensure effective cash management, compliance with governmental accounting regulations, and good business practice. The objectives of these policies and procedures are commensurate with our District-wide goals to effectively manage the current assets and resources of the District. The oversight responsibilities for the financial operations of the District rest with the Board of Trustees. Each month the Board is provided detailed financial information, prepared by the Finance staff, including financial statements, balance sheets, summary information and disbursements reports for each fund. The financial report is an agenda item, presented by the Chief Financial Officer, and subject to a vote for approval. The Board is responsible for all budgetary resolutions and approvals, and for setting the mill levy annually. The Board is also responsible for approval of any real estate transactions, bonded debt, borrowing of funds, and major contracts. The Executive Director has the authority to negotiate and sign regular operational contracts, and to approve expenditure of funds.

Segregation of duties is a guiding principle in the Finance Office. For example, the staff members who count the cash and prepare the deposit slips do not take the deposits to the bank, nor are they authorized to record the deposits in the accounting system. Only the Chief Financial Officer and the Executive Director are authorized to initiate wire transfers or banking transactions.

The Chief Financial Officer approves payment of invoices and journal entries. The accounting system is carefully set up to allow rights for certain functions to the appropriate staff members only. Bank reconciliations are processed by the Chief Financial Officer, and the Senior Accountant reviews and initials them to indicate agreement.

Limitations of the internal controls can occur internally due to the size of the Finance Office. Segregation of duties and careful identification of roles and permissions in the accounting software system have been carefully identified and implemented, but in a small office where cross-training and covering for other tasks is often essential, sometimes the internal controls are compromised for the greater need to get the checks out, or make the deposit in a timely manner, or process the payroll expediently. We do have processes for checking procedures after the fact, although timeliness is often not possible due to other responsibilities.

Cash collection was updated through installation of self-check terminals in all locations in 2012, reducing the amount of cash that was processed through cash registers throughout the District. In 2013 we eliminated nearly all cash registers by implementing a locked bag collection process at

all facilities for the minimal amount of cash now collected for sale of items and small transactions which can't be processed through self-service. The accuracy and oversight of cash collections has been enhanced by these methods.

The current auditing firm for the District, Swanhorst & Co., annually hires a consultant to review the internal controls and security of both the IT and Finance operations as a part of the financial audit. This security audit has proven to be very valuable in identifying areas where improvements can be made. We have implemented a number of these recommendations, and will continue to do so. Specific focus of the 2016 audit included a comprehensive review of district's IT network and its overall functionality.

### **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pueblo City-County Library District for its comprehensive Annual financial report (CAFR) for the fiscal year ended December 31, 2015. This was the seventh year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the GFOA requirements for excellence and we are submitting it for review to determine its eligibility for another certificate.

I would like to express my appreciation to the Library District Finance Office staff, Jeanette Cortez, Darlene Sherwood and Loretta McDaniel, who have consistently and accurately contributed to the efficient operation of the Finance Office. I would also like to extend special thanks to the dedicated professionals at Swanhorst & Co. LLC, our external auditing firm.

Finally, I wish to thank Jon Walker, Executive Director, and the members of the Board of Trustees for their leadership and support.

Respectfully submitted,



Sherri L. Baca, CPA  
Chief Financial Officer  
Pueblo City-County Library District

**ADMINISTRATIVE TEAM**

Jon Walker ..... Executive Director  
Sara Rose..... Chief Operating Officer  
Sherri Baca..... Chief Financial Officer  
Midori Clark..... Director of Community Relations and Development  
Charles Hutchins.....Director of Information Technology  
Jill Deulen.....Director of Technical Services and Collection Development

**MANAGERS**

Terri Daly.....Human Resources Manager  
Janina Goodwin.....Rawlings Library Manager  
Amberlyn Russell.....Circulation/ Library @ the Y Manager  
Kayci Barnett .....Giodone Library Manager  
Andrew Bregar.....Lamb Library Manager  
Alicia Griebel.....Barkman Library Manager  
Maria Kramer.....Youth Services Manager  
Diann Logie .....Lucero Library Manager  
Sarah McDonnell .....Greenhorn Valley Library Manager  
Alan Rocco.....Facilities Superintendent  
Amy Martin..... Reference/Readers Advisory Manager  
Kim Dillon .....Pueblo West Library Manager  
Maria Tucker.....Special Collections and Museum Services Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

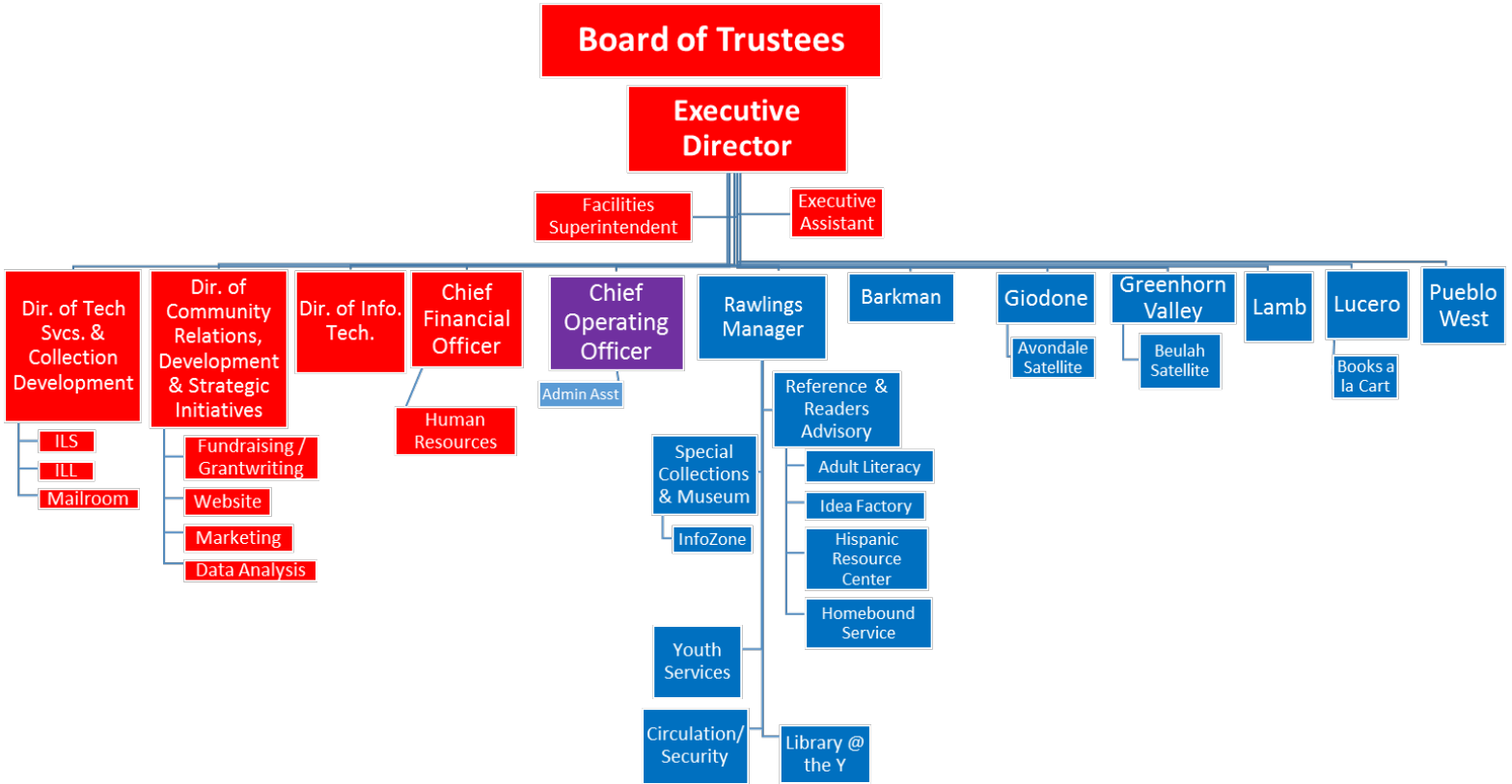
**Pueblo City-County Library District  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

# ORGANIZATIONAL CHART



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Board of Trustees  
Pueblo City-County Library District  
Pueblo, Colorado

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pueblo City-County Library District as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Pueblo City-County Library District, 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.

#### Auditors' 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 auditors' 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 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pueblo City-County Library District as of December 31, 2016, and the respective changes in financial position 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 and the required supplementary information listed in the table of contents 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 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 Matters (Other Information)**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pueblo City-County Library District’s basic financial statements. The introductory section, supplementary information, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections 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.



June 16, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Pueblo City-County Library District (the District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the calendar year ended December 31, 2016. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Financial Highlights

- The District's assets exceeded its liabilities by \$22,392,807 (net position) for the calendar year reported.
- Total net position is comprised of the following:
  - (1) Net investment in Capital assets of \$24,197,032 includes property, materials and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of \$1,185,406 is restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations. Included in that amount is \$815,176 restricted for debt service.
  - (3) Unrestricted net position of (\$2,989,631) represents the portion available to maintain the District's continuing obligations to citizens and creditors. As of December 31, 2015, the District implemented GASB Statement No. 68. The District restated beginning net position because GASB 68 is retroactive. As of December 31, 2016, the District's proportionate share of the Colorado Public Employees' Retirement Association (PERA) Net Pension Liability was \$7,259,931. This amount is included in the unrestricted net position which caused a negative position.
- The District's general fund reported total ending fund balance of \$2,543,319 this year. This compares to the prior year ending fund balance of \$2,549,587 showing a decrease of \$6,268 during the current year.
- At the end of the current calendar year, committed, restricted, unassigned and nonspendable fund balances for all governmental funds were \$4,262,509 or 42.7% of total governmental fund expenditures.
- Overall, the District continues to maintain a strong financial position.

These financial highlights are explained in more detail in the "financial analysis" section of this document.

### Overview of the Financial Statements

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements.

#### *Government-wide Financial Statements*

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

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities and deferred inflows and outflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation

of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of Library District infrastructure, in addition to the financial information provided in this report.

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

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by property taxes. Governmental activities include general library operations.

The government-wide financial statements are presented immediately following this analysis.

### ***Fund Financial Statements***

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

The District has the following fund types:

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

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

The basic governmental funds financial statements are presented on pages 33-36 of this report.

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

The basic fiduciary fund financial statements can be found on pages 37 and 38 of this report.

### ***Notes To The Basic Financial Statements***

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 39 of this report.

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

On page 63, the budget to actual comparison for the general fund is presented as required supplementary information.

*Supplementary Information*

As discussed, the District reports major funds in the basic financial statements. The budgetary comparisons for the capital projects fund is presented in a supplementary information section of this report beginning on page 66.

The District's net position at 12/31/16 is \$22,392,807. The following table provides a summary of the District's net position:

<b>Summary of Net Position</b>				
<b>December 31,</b>				
<b>Government Activities</b>				
	<b>2016</b>		<b>2015</b>	
	<b>Amount</b>	<b>Percentage of Total</b>	<b>Amount</b>	<b>Percentage of Total</b>
<b>Assets:</b>				
Current assets	\$ 13,389,650	28.2%	\$ 13,138,817	26.6%
Capital assets	34,055,079	71.8%	36,224,304	73.4%
<b>Total assets</b>	<b>47,444,729</b>	<b>100.0%</b>	<b>49,363,121</b>	<b>100.0%</b>
Deferred Outflows of Resources	1,637,888	100.0%	795,209	100.0%
<b>Liabilities:</b>				
Current liabilities	844,077	4.7%	761,076	4.6%
Long-term liabilities	16,986,979	95.3%	15,783,240	95.4%
<b>Total liabilities</b>	<b>17,831,056</b>	<b>100.0%</b>	<b>16,544,316</b>	<b>100.0%</b>
Deferred Inflows of Resources	8,858,754	100.0%	8,751,055	100.0%
<b>Net position:</b>				
Net Investment in capital assets	24,197,032	108.0%	25,898,666	104.0%
Restricted	1,185,406	5.3%	1,230,851	5.0%
Unrestricted	(2,989,631)	-13.4%	(2,266,558)	-9.1%
<b>Total net position</b>	<b>\$ 22,392,807</b>	<b>100.0%</b>	<b>\$ 24,862,959</b>	<b>100.0%</b>

The District continues to maintain a high current ratio. The current ratio is a liquidity and efficiency ratio that measures ability to pay off short-term liabilities with current assets. To make the ratio more meaningful, property taxes receivable can be eliminated for governmental activities resulting in current assets of \$4,556,633. Current liabilities are \$844,077. As a result, the current ratio for the District overall is 5.40 to 1 at December 31, 2016 compared with 5.77 to 1 at December 31, 2015.

The District reported positive balances in net position for governmental activities in the current and prior year. Net position decreased by \$1,431,917 for governmental activities in the current year (including the effect of GASB 68). The District's overall financial position decreased during calendar year 2016 by 6.1%.

Approximately 71.8% of the District's total assets are comprised of capital assets at December 31, 2016 compared to 73.4% at December 31, 2015. The District uses these capital assets to provide services to its citizens.

The following table provides a summary of the District's changes in governmental activities net position:

	<b>Summary of Changes in Net Position</b>			
	<b>Government Activities</b>			
	<b>2016</b>		<b>2015</b>	
	<b>Amount</b>	<b>Percentage of Total</b>	<b>Amount</b>	<b>Percentage of Total</b>
Revenues:				
Program:				
Charges for services	\$ 176,275	1.7%	\$ 175,254	1.7%
Operating grants	171,644	1.7%	173,836	1.7%
Capital grants	4,333	0.0%	192,577	1.9%
General:				
Taxes	9,496,296	94.1%	9,302,408	92.8%
Other	244,112	2.4%	177,972	1.8%
Total revenues	<u>10,092,660</u>	<u>100.0%</u>	<u>10,022,047</u>	<u>100.0%</u>
Program Expenses:				
Public Services	11,180,655	97.0%	10,525,062	96.8%
Interest on long-term debt	343,922	3.0%	353,217	3.2%
Total expenses	<u>11,524,577</u>	<u>100.0%</u>	<u>10,878,279</u>	<u>100.0%</u>
Change in net assets	(1,431,917)		(856,232)	
Beginning net assets	<u>23,824,724</u>		<u>25,719,191</u>	
Ending net assets	<u>\$ 22,392,807</u>		<u>\$ 24,862,959</u>	

## REVENUES

The District is heavily reliant on taxes to support governmental operations. Taxes provided 94.1% of the District's total revenues in 2016, as compared to 92.8% in 2015. Revenues increased in 2016 from 2015 by \$70,613 due primarily to an increase in property taxes collected.

Also, note that program revenues cover only 3.5% of governmental operating expenses. This means that the government's taxpayers and the District's other general revenues fund 96.5% of the governmental activities. As a result, the general economy and the changes in both residential and commercial property values have a major impact on the District's revenue streams.

## EXPENSES

As a single-purpose governmental entity, there is really only one function of the Pueblo City-County Library District, and all internal departments serve to support that function – library service to the public. The only functional category segregated for purposes of the Statement of Activities is that of the debt service for repayment of the Certificates of Participation. Through the year 2012, the annual payment was for interest only, as presented on the Statement of Activities.

The 2016 interest on long-term debt amounted to 3.0% of the total District expenses. Depreciation expense of \$1,964,642 on the District's capital assets is included in total expenses.

## Financial Analysis of the District's Funds

### *Governmental funds*

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$4,262,509 in 2016. Of this year-end total, \$1,986,593 is unassigned, indicating availability for continuing District service requirements. The total fund balance at the end of 2015 was \$4,165,345. The increase in fund balance from 2015 to 2016 is \$97,164 attributable to an increase in property taxes and moderate capital spending.

Nonspendable fund balance of \$248,138 is available only for prepaid items. The restricted fund balance includes \$308,588 emergency reserve requirement pursuant to the TABOR constitutional amendment, \$24,252 contributed by the Rawlings Foundation and available only for upgrades and maintenance of the InfoZone museum, \$1,390 in distributions from the Chamberlain Fund to purchase books and equipment, \$36,000 for capital projects, and \$815,176 restricted for debt service. Committed fund balance of \$842,372 holds Replacement Plan funding for future building, equipment and technology upgrades and improvements. The unassigned fund balance holds the remainder of funds available for operating the library. The total combined fund balance represents 42.7% of annual combined expenditures. This is a very healthy fund balance, and exceeds the Pueblo City-County Library fund balance policy requirement to maintain 20% of annual operating expense in fund balance.

### *General Fund*

The general fund is the District's primary operating fund and the largest source of day-to-day service delivery. The general fund balance at December 31, 2016 is \$2,543,319, a decrease of \$6,268 from the previous year.

Expenditures show an increase of \$49,469 or 0.5% over the prior year. This increase relates primarily to increases in personnel and operating expenses. The only capital assets that are budgeted and expensed out of the General Fund are collection items – books, audiovisual materials, laptops and tablets.

### *Capital Projects Fund*

The capital projects fund holds all expenditure activity for purchase of capital assets through the library replacement plan, including furniture, fixtures, and equipment, major building repair and improvements, and computer equipment. Purchase of land, construction of buildings and related expenses are also included in this fund, as well as renovations and upgrades to the InfoZone News Museum located on the fourth floor of the Rawlings Library.

Fund balance at December 31, 2016 is \$1,717,800 an increase of \$105,544. This increase reflects the activity within the Library Replacement Plan, specifically a transfer from the General Fund of \$200,000.

## **Budgetary Highlights – General Fund**

Actual revenues were over budget by \$92,617. Property taxes were over budget by \$10,301, while specific ownership taxes came in over budget by \$62,746. A positive variance with budget was reflected in fees, fines and sales which ended the year \$22,795 above revenue projections. This reflects the conservative budgeting for collection of overdue fees.

In total, revenue for 2016 came in above projections by 1.0%. In 2015, revenues were less than forecast by 0.13%.

All appropriated expenditures were under-spent by a total of \$178,350, or 1.8% of the budget. More detailed information about budget to actual comparisons can be found following the notes to the financial statements, in the section entitled REQUIRED SUPPLEMENTARY INFORMATION, beginning on page 62.

The surplus of revenues over expenditures for 2016 was \$193,732. Projected deficit was \$77,235, so we ended the year with \$270,967 more than had been anticipated.

**Capital Assets and Debt Administration**

*Capital Assets*

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2016, was \$34,055,079. See Note 2D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. For the year ended December 31, 2016, prior year financial statements were restated to more accurately report library books and audio visual materials using information from the existing perpetual inventory system. The following table provides a summary of capital asset activity:

	<b>Capital Assets</b>			
	<b>Governmental Activities</b>		<b>Percentage of Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Non-depreciable assets:				
Land	\$ 2,216,032	\$ 2,216,032	96%	96%
Construction in Progress	\$ -	\$ -	0%	0%
Artwork and Collectibles	87,780	87,780	4%	4%
Total non-depreciable	<u>2,303,812</u>	<u>2,303,812</u>	<u>100%</u>	<u>100%</u>
Depreciable assets:				
Buildings	34,809,476	34,720,377	78%	78%
Furniture and fixtures	1,194,687	1,185,815	3%	3%
Vehicles	115,673	110,983	0%	0%
Computer equipment	1,008,231	1,037,373	2%	2%
Other equipment	1,453,544	1,449,882	3%	3%
Computer software	161,217	161,217	0%	0%
Library books and audio visual materials	<u>5,725,513</u>	<u>5,707,970</u>	<u>13%</u>	<u>13%</u>
Total depreciable assets	44,468,341	44,373,617	100%	100%
Less accumulated depreciation	<u>12,717,074</u>	<u>11,491,360</u>		
Book value - depreciable assets	<u>31,751,267</u>	<u>32,882,257</u>		
Percentage depreciated	<u>29%</u>	<u>26%</u>		
Book value - all assets	<u>\$ 34,055,079</u>	<u>\$ 35,186,069</u>		

At December 31, 2016, the depreciable capital assets for governmental activities were depreciated 29%, as compared to 26% at December 31, 2015.

### ***Long-Term Debt***

On October 10, 2007, the District issued \$6,000,000 in Certificates of Participation with interest rates of 5.0% and 5.25%. The proceeds from the sale of the 2007 certificates financed the Pueblo West Library renovation and addition. In September of 2012, the District issued \$11,410,000 in Certificates of Participation to refund the original \$6,000,000 issue and secure an addition \$5,410,000 to design, build and furnish three new library buildings. The average coupon rate on the new issue is 3.281%, a significant savings over the 2007 issue, which translated to a savings of nearly \$1,000,000 over the repayment term. See Note 2E for outstanding long-term debt issues and annual requirements.

### **Economic Conditions Affecting the District**

Information included in this section was compiled from several sources, including the Bureau of Labor Statistics, the Colorado Department of Labor and Employment, the US Dept. of Commerce, the Colorado Department of Local Affairs, and the Pueblo County GIS Department.

The population of Pueblo County was 141,472 in the year 2000 and increased to 165,123 in 2016, an increase of 16.7% in that 16-year span. Pueblo County's growth rate in 2016 was 1.2% lagging 0.5% behind the growth rate of the state of Colorado. Pueblo County is ranked 9<sup>th</sup> among the top ten most populous counties in Colorado.

In 2015, the unemployment rate in Pueblo, Colorado Metropolitan Statistical Area was 5.1%, but the average unemployment rate for 2016 decreased to 4.0%, which was still higher than the state of Colorado and lower than the national rate. The average unemployment rate in for Colorado in 2016 was 3.3%, and the national average unemployment rate was 4.9%. The Western Census Region of the United States, consisting of the 13 western most states, posted an unemployment rate of 5.3% to begin 2016 and had a 0.6% drop in unemployment during the year. The labor force in Pueblo at the end of December 2016 totaled 73,100—2.5% of the 2,908,400 in Colorado. This was comprised of 70,100 employed and 3,000 unemployed.

The American Community Survey (ACS) conducted by the US Census Bureau shows the median per capita income for Colorado was 32,217 between the years 2011-2015. The last 12 month per capita income (in 2015 dollars) in Pueblo County and Pueblo city were \$22,191 and \$20,093 respectively. The 2012-2016 American Community Survey will be released on December 27, 2017. In 2015, the percentage of Pueblo County residents below the poverty level is 19.8%; Colorado is at 12.0%, and the US statistic is 13.5%. In 2015, Colorado ranked 11<sup>th</sup> in the nation for the percentage of people who had incomes below the poverty line (\$24,250 for a family of four). Pueblo remains at a lower income level than most of the counties throughout the state. However, a bright spot continues to be Pueblo County's low cost of living.

Livability.com is a website that celebrates America's best cities to live and visit. Pueblo has been listed in the top 10 best cities for Book Lovers, Historic Preservation, best food festival, and best foodie cities out of the entire country. Although these metrics are not scientifically or quantitatively measured, they do point to the fact that Pueblo is a solid community that is vigorous and viable. The top 8 reasons to move to Pueblo include: climate, outdoor recreation, local parks, Pueblo Riverwalk, Pueblo chilies, the Sangre de Cristo Arts Center, Colorado State University-Pueblo and affordable real estate. In 2012, Pueblo was ranked 9<sup>th</sup> in the top 10 least expensive urban areas in the cost of living index.

The District is funded primarily by property tax revenues, and 2016 was not a revaluation year for property taxes, so significant increases were not anticipated. Overall, property tax increased by 1.9% in 2016. The percentage increase in 2013 was 8.9%, illustrating the change in valuation. State assessed utilities in 2013 resulted in a \$700,000 increase, which enabled us to move forward with building projects. Even though our annual percentage increase was negligible, that ongoing \$700,000 increase continues to provide operational costs moving forward.

Overall, the economic health of Pueblo County is relatively stable. Perhaps the biggest indicator for Pueblo City-County Library District is the confidence and encouragement of our patrons, who continue to acknowledge and appreciate the services provided to them by our District.

**Contacting the District's Financial Management**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the District's Finance Office at 100 E. Abriendo Avenue, Pueblo, Colorado 81004.

**Pueblo City-County Library District, Colorado**  
**Statement of Net Position**  
**December 31, 2016**

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Pueblo Library Foundation</b>
<b>Assets</b>		
Cash and Investments (Note 2A)	\$ 3,380,690	\$ 107,941
Restricted Cash and Investments (Note 2A)	815,176	-
Receivables:		
Accounts	76,629	11,703
Property Taxes (Note 2B)	8,833,017	-
Prepaid Expenses	248,138	354
Note Receivable (Note 2C)	36,000	-
Capital Assets: (Note 2D)		
Nondepreciable	2,303,812	-
Depreciable, Net	31,751,267	-
<b>Total Assets</b>	<b>47,444,729</b>	<b>119,998</b>
<b>Deferred Outflows of Resources</b>		
Loss on Debt Refunding, Net of Accumulated Amortization	99,034	-
Pensions, Net of Accumulated Amortization (Note 2I)	1,538,854	-
<b>Total Deferred Outflows of Resources</b>	<b>1,637,888</b>	<b>-</b>
<b>Liabilities</b>		
Accounts Payable	201,616	671
Accrued Liabilities	92,508	-
Accrued Interest Payable	28,667	-
Noncurrent Liabilities: (Note 2E)		
Due Within One Year	521,286	-
Due in More Than One Year	9,727,048	-
Net Pension Liability (Note 2I)	7,259,931	-
<b>Total Liabilities</b>	<b>17,831,056</b>	<b>671</b>
<b>Deferred Inflows of Resources</b>		
Property Taxes (Note 2B)	8,833,017	-
Pensions, Net of Accumulated Amortization (Note 2I)	25,737	-
<b>Total Deferred Inflows of Resources</b>	<b>8,858,754</b>	<b>-</b>
<b>Net Position</b>		
Net Investment in Capital Assets (Note 2G)	24,197,032	-
Restricted for Tabor Amendment (Note 3B)	308,588	-
Restricted for InfoZone Museum	24,252	-
Restricted for Books & Equipment (Chamberlain Fund)	1,390	17,500
Restricted for Capital Projects	36,000	37,111
Restricted for Debt Service	815,176	-
Restricted for Other Foundation Programs	-	6,841
Unrestricted	(2,989,631)	57,875
<b>Total Net Position</b>	<b>\$ 22,392,807</b>	<b>\$ 119,327</b>

See accompanying notes to the financial statements

**Pueblo City-County Library District, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>	
		<u>Charges for Services, Sales and Fines</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
					<u>Governmental Activities</u>	<u>Pueblo Library Foundation</u>
<b>Primary Government</b>						
<b>Governmental Activities</b>						
Library Services	\$ 11,180,655	\$ 176,275	\$ 171,644	\$ 4,333	\$ (10,828,403)	\$ -
Interest on Long-Term Debt	343,922	-	-	-	(343,922)	-
<b>Total Governmental Activities</b>	<u>\$ 11,524,577</u>	<u>\$ 176,275</u>	<u>\$ 171,644</u>	<u>\$ 4,333</u>	<u>(11,172,325)</u>	<u>-</u>
<b>Component Unit</b>						
Pueblo Library Foundation	<u>\$ 43,734</u>	<u>\$ -</u>	<u>\$ 77,675</u>	<u>\$ 12,750</u>	<u>-</u>	<u>46,691</u>
<b>General Revenues</b>						
					8,743,618	-
					752,678	-
					30,770	2,414
					213,342	-
					<u>9,740,408</u>	<u>2,414</u>
					(1,431,917)	49,105
					<u>23,824,724</u>	<u>70,222</u>
					<u>\$ 22,392,807</u>	<u>\$ 119,327</u>

See accompanying notes to the financial statements

**Pueblo City-County Library District, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Special Revenue</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and Investments	\$ 2,489,421	\$ 885,173	\$ 6,096	\$ 3,380,690
Restricted Cash and Investments	-	815,176	-	815,176
Receivables:				
Accounts	75,835	-	794	76,629
Property Taxes	8,833,017	-	-	8,833,017
Prepaid Items	248,138	-	-	248,138
Note Receivable	-	36,000	-	36,000
<b>Total Assets</b>	<u>\$ 11,646,411</u>	<u>\$ 1,736,349</u>	<u>\$ 6,890</u>	<u>\$ 13,389,650</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	177,567	18,549	5,500	201,616
Accrued Liabilities	92,508	-	-	92,508
<b>Total Liabilities</b>	<u>270,075</u>	<u>18,549</u>	<u>5,500</u>	<u>294,124</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	8,833,017	-	-	8,833,017
<b>Fund Balances</b>				
Nonspendable - Prepaid Items	248,138	-	-	248,138
Restricted - Tabor Amendment	308,588	-	-	308,588
Restricted - InfoZone Museum	-	24,252	-	24,252
Restricted - Books & Equipment (Chamberlain Fund)	-	-	1,390	1,390
Restricted - Capital Projects	-	36,000	-	36,000
Restricted - Debt Service	-	815,176	-	815,176
Committed - Library Replacement Plan	-	842,372	-	842,372
Unassigned	1,986,593	-	-	1,986,593
<b>Total Fund Balances</b>	<u>2,543,319</u>	<u>1,717,800</u>	<u>1,390</u>	<u>4,262,509</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 11,646,411</u>	<u>\$ 1,736,349</u>	<u>\$ 6,890</u>	<u>\$ 13,389,650</u>

See accompanying notes to the financial statements

**Pueblo City-County Library District, Colorado**  
*Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2016*

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**Total Governmental Fund Balances** \$ 4,262,509

**Amounts reported for governmental activities in the  
statement of net position are different because:**

Capital assets used in governmental activities are not current financial resources and therefore are not reported at the fund financial reporting level.

Total Capital Assets	\$ 46,772,153	
Less Accumulated Depreciation	(12,717,074)	34,055,079

Liabilities and related items are not due and payable in the current period and therefore are not reported in the funds.

Net Pension Liability	\$ (7,259,931)	
Pension Deferred Outflows of Resources	1,538,854	
Pension Deferred Inflows of Resources	(25,737)	
Compensated Absences and Related Benefits	(291,253)	
Certificates of Participation	(9,650,000)	
Debt Issue Premium	(307,081)	
Loss on Debt Refunding	99,034	
Accrued Interest Payable	(28,667)	(15,924,781)

**Total Net Position of Governmental Activities** \$ 22,392,807

See accompanying notes to the financial statements

**Pueblo City-County Library District, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Special Revenue</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property Taxes	\$ 8,743,618	\$ -	\$ -	\$ 8,743,618
Specific Ownership Taxes	752,678	-	-	752,678
Grants and Contributions	165,280	4,333	6,364	175,977
Fees, Fines and Sales	176,275	-	-	176,275
Investment Earnings	21,519	9,227	24	30,770
Miscellaneous	184,467	28,875	-	213,342
<b>Total Revenues</b>	<u>10,043,837</u>	<u>42,435</u>	<u>6,388</u>	<u>10,092,660</u>
<b>Expenditures</b>				
<i>Current:</i>				
Library Support	9,037,455	-	5,500	9,042,955
<i>Capital Outlay</i>	-	139,891	-	139,891
<i>Debt Service:</i>				
Principal	455,000	-	-	455,000
Interest	357,650	-	-	357,650
<b>Total Expenditures</b>	<u>9,850,105</u>	<u>139,891</u>	<u>5,500</u>	<u>9,995,496</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>193,732</u>	<u>(97,456)</u>	<u>888</u>	<u>97,164</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	200,000	-	200,000
Transfers Out	(200,000)	-	-	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(6,268)	102,544	888	97,164
<b>Fund Balances, Beginning of Year</b>	<u>2,549,587</u>	<u>1,615,256</u>	<u>502</u>	<u>4,165,345</u>
<b>Fund Balances, End of Year</b>	<u>\$ 2,543,319</u>	<u>\$ 1,717,800</u>	<u>\$ 1,390</u>	<u>\$ 4,262,509</u>

See accompanying notes to the financial statements

**Pueblo City-County Library District, Colorado**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2016**

**Net Change in Fund Balances - Total Governmental Funds** \$ 97,164

**Amounts reported for governmental activities in the statement of activities are different because:**

Governmental funds report capital outlays as expenditures in the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation expense exceeded capital outlay and disposals in the current period.

Capital Outlay	\$ 834,429		
Depreciation Expense	(1,964,642)		
Loss on Disposal of Capital Assets	(777)		(1,130,990)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in net pension liability, pension-related deferred outflows of resources, pension-related deferred inflows of resources, and compensated absences in the current year.

Change in Net Pension Liability	(1,667,439)		
Change in Pension-Related Deferred Outflows of Resources	849,281		
Change in Pension-Related Deferred Inflows of Resources	(25,500)		
Change in Compensated Absences	(23,161)		(866,819)

Repayments of long-term debt are reported as expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.

455,000

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Change in Accrued Interest Payable	1,137		
Amortization of Loss on Debt Refunding	(6,602)		
Amortization of Premium	19,193		13,728

**Change in Net Position of Governmental Activities** \$ (1,431,917)

See accompanying notes to the financial statements

**Pueblo City-County Library District, Colorado**  
*Statement of Fiduciary Net Position*  
*J.T. Nesbitt Employee Trust Fund*  
*December 31, 2016*

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<b>Assets</b>	
Cash on Hand	\$ 224
Cash in Bank	3,979
Investments	
Local Government Investment Pool	<u>4,205</u>
<b>Total Assets</b>	<u><u>\$ 8,408</u></u>
<b>Net Position</b>	
Held in Trust for Employee Benefits	
Nonexpendable	\$ 3,000
Expendable	<u>5,408</u>
<b>Total Net Position</b>	<u><u>\$ 8,408</u></u>

See accompanying notes to the financial statements

**Pueblo City-County Library District, Colorado**  
**Statement of Changes in Fiduciary Net Position**  
**J.T. Nesbitt Employee Trust Fund**  
**For the Year Ended December 31, 2016**

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<b>Additions</b>	
Fundraising	\$ 3,710
Interest	<u>228</u>
<b>Total Additions</b>	<u>3,938</u>
<b>Deductions</b>	
Employee Activities	<u>3,410</u>
<b>Change in Net Position</b>	528
<b>Net Position, Beginning of Year</b>	<u>7,880</u>
<b>Net Position, End of Year</b>	<u><u>\$ 8,408</u></u>

See accompanying notes to the financial statements

**Pueblo City-County Library District, Colorado**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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**Pueblo City-County Library District, Colorado**  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

The Pueblo City-County Library District (the District) was established July 15, 1968, through a joint resolution of the City of Pueblo and Pueblo County, Colorado. Prior to this time, the City of Pueblo was maintaining and operating a public library. On January 27, 1969, a resolution was passed ratifying the original resolution, and setting forth an agreement which transferred use of the land, building, plants, equipment, facilities, books, periodicals and other library materials to the District. Members of the Board of Trustees of the District are appointed by the City Council and the Board of County Commissioners. The Board of Trustees is comprised of seven members. Each year, the Board of Trustees certifies the mill levy to the Board of County Commissioners, who then levy taxes upon the area encompassed by the District.

The mission of the District is to serve as a foundation for our community by offering welcoming, well equipped and maintained facilities, outstanding collections and well-trained employees who provide expert service encouraging the joy of reading, supporting lifelong learning and presenting access to information from around the world.

***Note 1 - Summary of Significant Accounting Policies***

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

***1-A. Reporting Entity***

The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. Although the Pueblo County Commissioners and the Pueblo City Council appoint the District Board of Trustees, neither entity is financially accountable for the District; therefore, the District is not a component unit of either the City or the County. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the District in that the District approves the budget, levies their taxes or issues their debt.

The Pueblo Library Foundation (the Foundation) was established to operate exclusively for charitable, scientific, literary or educational purposes for the benefit of the District, including providing resources for the development, maintenance and operation of the District to the extent not normally met by public funding. The Foundation's seven-member Board of Directors is appointed by the District's Board of Trustees. The Foundation is included in the District's financial statements as a discretely presented component unit. Separate financial statements for the Foundation may be obtained by contacting the District.

**Pueblo City-County Library District, Colorado**  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

***Note 1 - Summary of Significant Accounting Policies (Continued)***

***1-B. Basis of Presentation***

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

***Government-wide Financial Statements*** - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole. Individual funds are not displayed.

The statement of net position presents the financial position of the governmental activities of the District at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function.

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

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

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

The major individual governmental funds are reported in separate columns. The fiduciary fund is not included in the government-wide financial statements.

**Pueblo City-County Library District, Colorado**  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

***Note 1 - Summary of Significant Accounting Policies (Continued)***

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

***Governmental Funds*** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The District reports the difference between governmental fund assets and liabilities as fund balance. The following are the District's major governmental funds:

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

***Capital Projects Fund*** – The capital projects fund is used to account for financial resources to be used for the acquisition, renovation or construction of major capital facilities, as well as the acquisition of capital assets. Funding for the capital projects fund is primarily through transfers from the general fund and debt proceeds.

***Fiduciary Funds*** – Fiduciary Funds account for assets held by the District in a trustee capacity for individuals, private organizations, other governments and other entities. The District's fiduciary fund is a private purpose trust fund that reports a trust arrangement that benefits the District's employees. The employees of the District were given \$3,000 by a library patron. The donor stipulated that the contributions be invested and that the earnings only be used for employee social activities. Fundraising events, such as pot luck meals and sale of snack items, are held throughout the year to replenish this fund.

***1-C. Measurement Focus***

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

**Pueblo City-County Library District, Colorado**  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

***Note 1 - Summary of Significant Accounting Policies (Continued)***

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

***1-D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The trust fund is also prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of certain deferred inflows of resources, and in the presentation of expenses versus expenditures.

***Revenues – Exchange Transactions*** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, “available” means expected to be received within 60 days of year-end.

***Revenues – Non-exchange Transactions*** - Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, specific ownership taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Property taxes are assessed in one year for the subsequent years’ budget. Recognition for the levy made in 2015 is revenue for the 2016 budget year. Therefore, a property tax receivable and deferred inflows of resources of an equal amount are reported in the financial statements at year-end.

Revenue from grants and contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days of year-end) before it can be recognized.

**Pueblo City-County Library District, Colorado**  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

***Note 1 - Summary of Significant Accounting Policies (Continued)***

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

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

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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

***1-E. Assets, Liabilities and Fund Equity***

***1-E-1 Receivables***

All receivables are reported net of an allowance for uncollectibles, where applicable.

***1-E-2 Prepaid Items***

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

***1-E-3 Capital Assets***

General capital assets are those assets that result from expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at the acquisition value on the date received. The District maintains a capitalization threshold of one thousand dollars except for library books and audio visual materials, which are all capitalized regardless of cost. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

All reported capital assets are depreciated except for land, construction in progress, and art and collectibles. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method except for library books and audio visual materials that use the group method over the following useful lives:

Description	Estimated Lives
Buildings	40 years
Furniture and fixtures	10 years
Vehicles	4 years
Computer equipment	4 years
Other equipment	5 years
Computer software	3 years
Library books and audio visual materials	5 years

The District capitalizes library books and audio visual materials. Annually, purchased additions are capitalized at cost and damaged and lost materials are deleted from the inventory, using average cost.

**1-E-4 Compensated Absences**

It is the District’s policy to permit all employees to accumulate a limited amount of earned but unused sick leave, which can be carried over up to a maximum of 120 days. Pay-out of accrued sick leave upon termination was eliminated through a change to the policy effective on January 2, 2011. Vacation leave benefits are earned during the current year and up to 336 hours can be carried over. Any accumulation over this amount is lost. Sick and vacation leaves are earned based on years of service and job classification.

The vacation leave liability is reported on the government-wide financial statements. Governmental funds report this liability at the fund reporting level only “when due.”

**1-E-5 Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported as liabilities in the government-wide financial statements. In the governmental funds, the face amount of debt is reported as other financing sources.

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

**Pueblo City-County Library District, Colorado**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**1-E-6 Debt Premiums and Discounts**

In the government-wide statement of net position, premiums and discounts are netted against debt payable. In the government-wide statement of activities, debt premiums and discounts are amortized over the life of the debt using the straight-line method.

At the governmental fund reporting level, debt premiums and discounts are reported as other financing sources and uses, separately from the face amount of the debt issued.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

**1-E-7 Pensions**

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the LGDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the LGDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**1-E-8 Equity**

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Equity for the government-wide financial statements is classified as "net position."

**Fund Balance** – Generally, fund balance represents the difference between the current assets and current liabilities. There are four categories of Fund Balance which are categorized for specific purposes. Nonspendable fund balances hold net resources that cannot be spent because of their form. Prepaid items fall into this category. Restricted fund balances have externally enforceable limitations on use. The Tabor Amendment for emergency reserves is categorized as restricted fund balance in the General Fund; contributions from the Rawlings Foundation which are earmarked for upgrades to the InfoZone Museum are restricted in the Capital Projects Fund; and, distributions from the Chamberlain Fund are restricted in the Special Revenue Fund. Committed fund balances have self-imposed limitations imposed by the highest level of decision making. The Library Replacement Plan, shown as committed, is carried in the Capital Projects fund, and was approved through a resolution passed by the Board of Trustees to maintain a capital asset replacement fund.

**Pueblo City-County Library District, Colorado**  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

***Note 1 - Summary of Significant Accounting Policies (Continued)***

In 2011, the Board of Trustees passed a fund balance policy which requires 20% of operating expenditures be maintained in the total fund balance at the end of the year. The District has not established a formal policy for its use of restricted and unrestricted (committed and unassigned) fund balance. It is the District's practice that, if expenditures are incurred, the District uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed amounts then unassigned amounts.

***Net Position*** - Net position represents the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

***1-E-9 Estimates***

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

***Note 2 - Detailed Notes on All Funds***

***2-A. Deposits and Investments***

***Deposits***

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2016, the District had bank deposits of \$469,495 collateralized with securities held by the financial institutions' agents but not in the District's name.

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 2 - Detailed Notes on All Funds (Continued)**

**Investments**

Investments of the District are limited by State statutes, commensurate with the District’s investment policy, and may include:

- U.S. Treasury Obligations (bills, notes, and bonds)
- U.S. Government Agency Securities
- SEC Registered Money Market Mutual Funds
- Bankers’ Acceptances of certain banks
- Commercial Paper limited to securities with highest rating category by at least two nationally recognized rating agencies at time of purchase
- Written Repurchase Agreements collateralized by certain authorized securities
- Local Government Investment Pools regulated under CRS 24-75-701

The District’s investments at December 31, 2016, were as follows:

Investment Type	Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5	Fair Value
Local Government Investment Pools	AAAm	\$ 2,060,337	\$ -	\$ 2,060,337
Money Market Funds	AAAm	874,458	-	874,458
U.S. Treasury Notes	N/A	401,366	-	401,366
Total		<u>\$ 3,336,161</u>	<u>\$ -</u>	<u>\$ 3,336,161</u>

**Fair Value Measurements**

The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2016, the District’s investments in CSAFE and the money market funds were reported at the net asset value per share, measured at amortized cost. The U.S. Treasury securities and Colotrust were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

The District’s investments are subject to risk as described below:

**Interest Rate Risk**

State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 2 - Detailed Notes on All Funds (Continued)**

**Credit Risk**

State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission’s Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations. At December 31, 2016, the District had \$874,458 invested in the Colorado Statewide Investment Program, which invests in the PFM Funds Government Select Series Money Market Fund, and the Fidelity Treasury Money Market Fund, both rated AAAM by Standard and Poor’s.

**Concentration of Credit Risk**

State statutes do not limit the amount the District may invest in one issuer of investment securities, except for corporate securities.

**Local Government Investment Pools**

At December 31, 2016, the District had \$1,754,024 and \$306,313 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission’s Rule 2a-7, with each share valued at \$1. The pools are rated AAAM by Standard and Poor’s. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments.

**Cash and Investment Reconciliation**

Reporting Level:	
Cash and Investments	\$ 3,380,690
Restricted Cash and Investments	815,176
Fiduciary Fund	8,408
Total	\$ 4,204,274
Per Note Disclosure Above:	
Cash on hand	\$ 5,785
Deposits	862,328
Investments	3,336,161
Total	\$ 4,204,274

**Pueblo City-County Library District, Colorado**  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

***Note 2 - Detailed Notes on All Funds (Continued)***

***Restricted Cash and Investments***

At December 31, 2016, the Capital Projects Fund held debt proceeds of \$815,176 restricted by the 2012 Certificates of Participation agreement for debt service.

***2-B. Property Taxes***

Annual property taxes are levied by the Pueblo County Assessor's offices on assessed valuation as of January 1, and attach as an enforceable lien on the property at that time. Generally, property taxes are levied on December 15 for the subsequent year's operations. Taxpayers may pay property taxes in two equal installments. One-half of the taxes due will become delinquent March 1, after which date interest will be added as provided by law. The remaining half will become delinquent June 16. If the entire annual tax is paid on or before April 30, no interest is added.

***2-C. Note Receivable***

At December 31, 2013, the District held approximately 8 acres of land available for resale. The land held for resale was reported at cost, of \$120,000. On January 31, 2014, the District sold the land for \$120,000. The District received \$60,000 in cash and entered into a \$60,000 non-interest bearing promissory note with the purchaser. Payments of \$12,000 are due annually on January 31, from 2015 through 2019. At December 31, 2016, the balance of the promissory note was \$36,000.

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 2 - Detailed Notes on All Funds (Continued)**

**2-D. Capital Assets**

Capital asset activity for the year ended December 31, 2016, is summarized below.

	Restated Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,216,032	\$ -	\$ -	\$ 2,216,032
Art and Collectibles	87,780	-	-	87,780
Total Capital Assets, Not Being Depreciated	<u>\$ 2,303,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,303,812</u>
Capital Assets, Being Depreciated:				
Buildings	\$ 34,720,377	\$ 89,099	\$ -	\$ 34,809,476
Furniture and Fixtures	1,185,815	12,499	3,627	1,194,687
Vehicles	110,983	4,690	-	115,673
Computer Equipment	1,037,373	23,216	52,358	1,008,231
Other Equipment	1,449,882	3,662	-	1,453,544
Computer Software	161,217	-	-	161,217
Library Books and Audio Visual Materials	5,707,970	701,263	683,720	5,725,513
Total Capital Assets, Being Depreciated	<u>\$ 44,373,617</u>	<u>\$ 834,429</u>	<u>\$ 739,705</u>	<u>\$ 44,468,341</u>
Total Capital Assets	<u>\$ 46,677,429</u>	<u>\$ 834,429</u>	<u>\$ 739,705</u>	<u>\$ 46,772,153</u>
Accumulated Depreciation:				
Buildings	\$ 7,511,146	\$ 752,693	\$ -	\$ 8,263,839
Furniture and Fixtures	894,507	54,212	2,850	945,869
Vehicles	107,920	4,040	-	111,960
Computer Equipment	750,699	97,828	52,358	796,169
Other Equipment	755,985	266,829	-	1,022,814
Computer Software	161,217	-	-	161,217
Library Books and Audio Visual Materials	1,309,886	789,040	683,720	1,415,206
Total Accumulated Depreciation	<u>\$ 11,491,360</u>	<u>\$ 1,964,642</u>	<u>\$ 738,928</u>	<u>\$ 12,717,074</u>
Book Value of Depreciable Capital Assets	<u>\$ 32,882,257</u>	<u>\$ (1,130,213)</u>	<u>\$ 777</u>	<u>\$ 31,751,267</u>
Governmental Activities Capital Assets, Net	<u>\$ 35,186,069</u>	<u>\$ (1,130,213)</u>	<u>\$ 777</u>	<u>\$ 34,055,079</u>

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 2 - Detailed Notes on All Funds (Continued)**

**2-E. Long-Term Debt**

**Certificates of Participation** - The following is a summary of the outstanding long-term debt issue at December 31, 2016:

<u>Year Issued</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Interest Due Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>
2012	Certificates of Participation	2.00-5.00	6/1, 12/1	9/27/2012	12/1/2032	\$11,410,000

On September 27, 2012, the Pueblo City-County Library District issued \$11,410,000 Certificates of Participation, Series 2012, to finance the acquisition and construction of three new library facilities and to refund the outstanding Certificates of Participation, Series 2007, originally issued to finance a portion of the construction of an addition to the Pueblo West Library. Interest payments are due semi-annually in June and December. Principal payments are due annually in December, through 2032.

Annual debt service requirements as of December 31, 2016, follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 465,000	\$ 344,000	\$ 809,000
2018	475,000	334,700	809,700
2019	495,000	315,700	810,700
2020	510,000	303,326	813,326
2021	525,000	288,025	813,025
2022-2026	2,885,000	1,168,550	4,053,550
2027-2031	3,510,000	539,437	4,049,437
2032	785,000	27,475	812,475
Total	<u>\$ 9,650,000</u>	<u>\$ 3,321,213</u>	<u>\$ 12,971,213</u>

**Changes in Long-term Debt** - Changes in the District's long-term obligations consisted of the following for the year ended December 31, 2016:

	<u>Balance 12/31/2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2016</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 268,092	\$ 245,177	\$ 222,016	\$ 291,253	\$ 56,286
2012 Certificates of participation	10,105,000	-	455,000	9,650,000	465,000
2012 Premium	326,274	-	19,193	307,081	-
Total	<u>\$ 10,699,366</u>	<u>\$ 245,177</u>	<u>\$ 696,209</u>	<u>\$ 10,248,334</u>	<u>\$ 521,286</u>

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 2 - Detailed Notes on All Funds (Continued)**

The compensated absences liability will be paid from the fund from which the employees' salaries are paid (i.e., currently the general fund).

**2-F. Operating Leases**

The District has a lease for the Barkman Branch site for a term of ninety-nine years from April 1, 1990 to March 31, 2089, with a full rental of \$99 which was paid in 1990.

The District leases storage space under an agreement which is classified as an operating lease. This lease had an initial period of ten years from November 1, 2001 to October 31, 2011, and has been renewed through December 31, 2021. Rent expense for the year ended December 31, 2016 was \$21,630. Future minimum lease payments under this agreement are as follows:

<u>Year Ended December 31,</u>		
2017	\$	33,144
2018		33,144
2019		33,144
2020		33,144
2021		<u>33,144</u>
 Total	 \$	 <u><u>165,720</u></u>

**2-G. Net Investment in Capital Assets**

The "net investment in capital assets" amounts reported on the government-wide statement of net position as of December 31, 2016, are as follows:

Net Investment in Capital Assets:		
Cost of Capital Assets	\$	46,772,153
Less: Accumulated Depreciation		<u>(12,717,074)</u>
Book Value		34,055,079
Capital Related Debt		(9,650,000)
Debt Premium		(307,081)
Loss on Debt Refunding		<u>99,034</u>
 Net Investment in Capital Assets	 \$	 <u><u>24,197,032</u></u>

**Pueblo City-County Library District, Colorado**  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

***Note 2 - Detailed Notes on All Funds (Continued)***

***2-H. Interfund Transactions***

During the year ended December 31, 2016, the General Fund provided \$200,000 to the Capital Projects Fund to replenish the library replacement plan reserve.

***2-I. Defined Benefit Pension Plan***

***General Information***

*Plan Description* - The District contributes to the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the LGDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided* - The LGDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary or the amount allowed by applicable federal regulations.

Retirees may elect to withdraw their contributions upon termination of employment, and may be eligible to receive a matching amount if five years of service credit is earned and certain other criteria is met. Retirees who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) as established by State statutes. Retirees who began employment before January 1, 2007, receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average consumer price index for the prior calendar year. Retirees that began employment after January 1, 2007, receive an annual increase of the lesser of 2% or the average consumer price index for the prior calendar year, with certain limitations.

Disability benefits are available for plan participants once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum twenty years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving benefits.

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 2 - Detailed Notes on All Funds (Continued)**

*Contributions* - The District and eligible employees are required to contribute to the LGDTF at rates established under Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees is 8% of covered salaries. The District's contribution rate was 13.7% of covered salaries for the past three years. However, a portion of the District's contribution (1.02% of covered salaries) is allocated for the Health Care Trust Fund (See Note 2-J). The District's contributions to the LGDTF for the year ending December 31, 2016, were \$513,170, equal to the required contributions.

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

At December 31, 2016, the District reported a net pension liability of \$7,259,931, representing its proportionate share of the net pension liability of the LGDTF. The net pension liability was measured at December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Changes in assumptions and other inputs since the prior measurement date did not significantly affect the total pension liability. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year ended December 31, 2015, relative to the contributions of all participating employers. At December 31, 2015, the District's proportion was 0.6590464635%, which was an increase of 0.0350995678% from its proportion measured at December 31, 2014.

For the year ended December 31, 2016, the District recognized pension expense of \$1,336,520. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,542	\$ -
Changes of assumptions and other inputs		25,737
Net difference between projected and actual earnings on plan investments	1,019,642	-
Changes in proportion	33,707	-
Contributions subsequent to the measurement date	474,963	-
<b>Total</b>	<b>\$ 1,538,854</b>	<b>\$ 25,737</b>

District contributions subsequent to the measurement date of \$474,963 will be recognized as a reduction of the net position liability in the subsequent year.

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 2 - Detailed Notes on All Funds (Continued)**

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

<u>Year Ended December 31,</u>		
2017	\$	383,667
2018		365,154
2019		289,333
		289,333
Total	\$	1,038,154

*Actuarial assumptions* - The actuarial valuation as of December 31, 2014, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Price inflation	2.8%
Real wage growth	1.1%
Wage inflation	3.9%
Salary increases, including wage inflation	3.9% - 10.85%
Long-term investment Rate of Return, net of plan investment expenses, including price inflation	7.5%
Future post-retirement benefit increases:	
Hired prior to 1/1/07	2%
Hired after 12/31/06	ad hoc

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years.

The actuarial assumptions used in the December 31, 2014, valuation were based on the results of an actuarial experience study for the period January 1, 2008, through December 31, 2011, adopted by PERA's governing board on November 13, 2012, and an economic assumption study adopted by PERA's governing board on November 15, 2013, and January 17, 2014.

The long-term expected rate of return on plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 2 - Detailed Notes on All Funds (Continued)**

The most recent analysis of the long-term expected rate of return was presented to the PERA governing board on November 15, 2013, and included the target allocation and best estimates of geometric real rates of return for each major asset class, as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	26.76%	5.00%
U.S. Equity - Small Cap	4.40%	5.19%
Non U.S. Equity - Developed	22.06%	5.29%
Non U.S. Equity - Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Government/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	<u>100.00%</u>	

*Discount rate* - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the employer contributions will be made at rates specified in State statutes, which are currently fixed at 13.7% through 2017. When the actuarially determined funding ratio reaches 103%, the employer contribution rate will decrease 0.5% each year to a minimum of 10%. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments to current participants. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. In addition, the discount rate did not change from the prior measurement date.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension liability	<u>\$11,130,214</u>	<u>\$ 7,259,931</u>	<u>\$ 4,049,913</u>

**Pueblo City-County Library District, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Note 2 - Detailed Notes on All Funds (Continued)**

*Pension Plan Fiduciary Net Position* - Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**2-J. Post-Employment Healthcare Benefits**

*Plan Description* - The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment healthcare plan administered by the PERA. The HCTF provides a health care premium subsidy to PERA benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained as described previously.

*Funding Policy* - The District is required to contribute at a rate of 1.02% of covered salaries for all PERA participants. No employee contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The District's apportionment to the HCTF for the years ended December 31, 2016, 2015, and 2014 was \$38,207, \$36,735, and \$34,873, respectively, equal to the required amounts for each year.

**2-K. Restatement**

During the year ended December 31, 2016, the District established an inventory system for its library books and audio visual materials, which are reported as capital assets in the financial statements. As a result, capital assets and net position of the governmental activities at December 31, 2015, were restated to reflect the balances in the inventory system, as follows.

	Capital Assets	Governmental Activities
Net Position, December 31, 2015, as Originally Stated	\$ 36,224,304	\$ 24,862,959
Library Books and Audio Visual Materials	(1,392,037)	(1,392,037)
Accumulated Depreciation	353,802	353,802
Net Position, December 31, 2015, as Restated	\$ 35,186,069	\$ 23,824,724

**Pueblo City-County Library District, Colorado**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

*Note 3 - Other Notes*

**3-A. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for the risks of loss, including worker's compensation and employee accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**3-B. Tabor Amendment**

In 1992, a constitutional amendment (commonly referred to as TABOR) was passed in the State of Colorado, limiting powers of public entities to borrow, tax and spend without a public vote. In November 1995, the voters in the District approved a mill levy increase for the District, effective in the 1996 budget year. The mill levy was increased from 3.5 mills to 5.25 mills. As part of the tax and revenue ballot question, public approval also was given to remove the revenues of the District from the spending and growth provisions set forth in the TABOR amendment.

It is the opinion of the District that the spending revenue limitations of the TABOR amendment do not apply to the District as a result of the passage of the ballot issue listed above.

The District restricted 3% of its qualifying annual expenditures to comply with provisions of TABOR's emergency reserve requirements. This reserve is reported as restricted fund balance in the general fund in the amount of \$308,588.

**3-C. Tax-Exempt Status**

The Internal Revenue Service has determined the District to be a not-for-profit organization exempt from income taxes under Code Section 501(c)(3).

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## REQUIRED SUPPLEMENTARY INFORMATION

**Pueblo City-County Library District, Colorado**  
**Required Supplementary Information**  
*Schedule of Proportionate Share of the Net Pension Liability and Contributions*  
**Public Employees' Retirement Association of Colorado Local Government Division Trust Fund**  
**December 31, 2016**

	<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
<b>PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>			
District's Proportion of the Net Pension Liability	0.6590464635%	0.6239468957%	0.6184143176%
District's Proportionate Share of the Net Pension Liability	\$ 7,259,931	\$ 5,592,492	\$ 5,089,061
District's Covered-Employee Payroll	\$ 3,742,879	\$ 3,418,950	\$ 3,299,298
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	194%	164%	154%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77%	81%	78%
	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
<b>DISTRICT CONTRIBUTIONS</b>			
Statutorily Required Contributions	\$ 474,963	\$ 456,698	\$ 433,523
Contributions in Relation to the Statutorily Required Contributions	<u>(474,963)</u>	<u>(456,698)</u>	<u>(433,523)</u>
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 3,745,767	\$ 3,601,482	\$ 3,418,950
Contributions as a Percentage of Covered-Employee Payroll	12.68%	12.68%	12.68%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See the accompanying Independent Auditors' Report

**Pueblo City-County Library District, Colorado**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Property Taxes	\$ 8,733,317	\$ 8,743,618	\$ 10,301
Specific Ownership Taxes	689,932	752,678	62,746
Grants and Contributions	350,991	165,280	(185,711)
Fees, Fines and Sales	153,480	176,275	22,795
Investment Earnings	16,300	21,519	5,219
Miscellaneous	7,200	184,467	177,267
<b>Total Revenues</b>	<b>9,951,220</b>	<b>10,043,837</b>	<b>92,617</b>
<b>Expenditures</b>			
<i>Current:</i>			
Salaries and Wages	3,977,918	3,987,054	(9,136)
PERA	554,975	532,006	22,969
Employee Benefits	606,240	581,489	24,751
Books, Periodicals, Non-print, Processing Programs	1,353,329	1,345,487	7,842
Rental	151,100	185,262	(34,162)
Contractual Library Services	24,778	25,100	(322)
Treasurers' Fees	666,093	524,544	141,549
Office Supplies	131,000	130,980	20
Utilities and Insurance	94,672	85,445	9,227
Building Maintenance	610,814	549,844	60,970
Vehicle Maintenance	367,518	390,504	(22,986)
Community Relations	6,000	5,892	108
Postage and Shipping	65,000	56,983	8,017
Friends' Grants - Expenditures	25,000	26,992	(1,992)
Courier Service	8,116	29,742	(21,626)
Information Technology	62,000	62,490	(490)
<i>Debt Service:</i>	511,252	517,641	(6,389)
Principal	455,000	455,000	-
Interest	357,650	357,650	-
<b>Total Expenditures</b>	<b>10,028,455</b>	<b>9,850,105</b>	<b>178,350</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(77,235)</b>	<b>193,732</b>	<b>270,967</b>
<b>Other Financing Sources (Uses)</b>			
Transfer Out to Capital Projects Fund	(200,000)	(200,000)	-
<b>Net Change in Fund Balance</b>	<b>(277,235)</b>	<b>(6,268)</b>	<b>270,967</b>
<b>Fund Balance, Beginning of Year</b>	<b>2,454,783</b>	<b>2,549,587</b>	<b>94,804</b>
<b>Fund Balance, End of Year</b>	<b>\$ 2,177,548</b>	<b>\$ 2,543,319</b>	<b>\$ 365,771</b>

See the accompanying Independent Auditors' Report

**Pueblo City-County Library District, Colorado**  
***Notes to Required Supplementary Information***  
***For the Year Ended December 31, 2016***

***Note 1 – Budgetary Information***

The District adopts an annual operating budget for all funds. The budgets are adopted on a basis consistent with GAAP.

The budget calendar is driven by Colorado State Statute (29-1-108(4), C.R.S.), as well as internal planning for completion of every phase. Typically the budget process begins in July, with analysis and updates to the Annual Plan to set objectives, goals, strategies and budgetary impact for all libraries and departments. This information becomes an intrinsic part of the overall budget process.

On or before October 15<sup>th</sup> the proposed budget is submitted to the Board of Trustees, a “Notice of Budget” is published in the newspaper, and copies of the proposed budget are distributed to the four public libraries so that the budget is available for public inspection and comment.

In November a public hearing is held, at a time and place identified in the published notice. The public is invited to provide budgetary comment until the December board meeting, at which time the budget will be formally adopted, funds appropriated, and the mill levy resolution passed. The December meeting is not scheduled until the final assessed valuation figures are received from the county assessor. The deadline for receipt of this information is December 10<sup>th</sup>. The certification of mill levy is due to the Board of County Commissioners by December 15<sup>th</sup>.

No later than 30 days following the start of the fiscal year, a certified copy of the adopted budget must be filed with the Division of Local Government.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the individual fund level. Any change in the total budget for each fund requires approval of the Board of Trustees. Management is authorized to make transfers between line items within a fund.

All unexpended annual appropriations lapse at year-end.

## SUPPLEMENTARY INFORMATION

**Pueblo City-County Library District, Colorado**  
**Budgetary Comparison Schedule**  
**Capital Projects Fund**  
**For the Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Grants and Contributions	\$ 9,258	\$ 4,333	\$ (4,925)
Investment Earnings	100	9,227	9,127
Insurance Proceeds	-	28,875	28,875
<b>Total Revenues</b>	<u>9,358</u>	<u>42,435</u>	<u>33,077</u>
<b>Expenditures</b>			
Capital outlay			
InfoZone Expenditures	49,334	23,104	26,230
Information Technology	38,000	26,728	11,272
Furniture and Fixtures	-	39,819	(39,819)
Building Improvements	65,100	50,240	14,860
<b>Total Expenditures</b>	<u>152,434</u>	<u>139,891</u>	<u>12,543</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(143,076)	(97,456)	45,620
<b>Other Financing Sources</b>			
Transfers In From General Fund	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	56,924	102,544	45,620
<b>Fund Balance, Beginning of Year</b>	<u>1,616,858</u>	<u>1,615,256</u>	<u>(1,602)</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 1,673,782</u></u>	<u><u>\$ 1,717,800</u></u>	<u><u>\$ 44,018</u></u>

See the accompanying Independent Auditors' Report

**Pueblo City-County Library District, Colorado**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Grants and Contributions	\$ 10,000	\$ 6,364	\$ (3,636)
Investment Earnings	8	24	16
<b>Total Revenues</b>	<u>10,008</u>	<u>6,388</u>	<u>(3,620)</u>
<b>Expenditures</b>			
Library Support	<u>10,000</u>	<u>5,500</u>	<u>4,500</u>
<b>Total Expenditures</b>	<u>10,000</u>	<u>5,500</u>	<u>4,500</u>
<b>Net Change in Fund Balance</b>	8	888	880
<b>Fund Balance, Beginning of Year</b>	<u>313</u>	<u>502</u>	<u>189</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 321</u></u>	<u><u>\$ 1,390</u></u>	<u><u>\$ 1,069</u></u>

See the accompanying Independent Auditors' Report

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**Pueblo City-County Library District, Colorado**  
**Statistical Section**  
**(Unaudited)**

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This part of the Pueblo Library District’s comprehensive annual financial report presents detailed information as a context for understanding this year’s financial statements, note disclosures, and supplementary information. This information is unaudited.

<b><u>Contents</u></b>	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These exhibits contain trend information that may assist the reader in assessing the Library District’s current financial performance by placing it in a historical perspective.	I - V
<b>Revenue Capacity</b> These exhibits contain information that may assist the reader in assessing the viability of the Library District’s most significant “own-source” revenue, property taxes.	VI - IX
<b>Debt Capacity</b> These exhibits contain information that may assist the reader in analyzing the affordability of the Library District’s current levels of outstanding debt and the Library District’s ability to issue additional debt in the future.	X - XIII
<b>Demographic and Economic Information</b> These exhibits present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Library District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among library districts.	XIV – XV
<b>Operating Information</b> These exhibits contain service and capital asset indicators that can provide an understanding of how the information in the Library District’s financial statements relates to the services the Library District provides and the activities it performs.	XVI – XVIII

***Data Source:***

Unless otherwise noted, the information in these exhibits is derived from the comprehensive annual financial report for the applicable year.

**Pueblo City-County Library District, Colorado**  
**Government-wide Net Position by Component <sub>1</sub> (Unaudited)**  
*Last Ten Calendar Years*  
*(accrual basis of accounting)*

	<u>December 31, 2007</u>	<u>December 31, 2008</u>	<u>December 31, 2009</u>	<u>December 31, 2010</u>
Governmental activities				
Net investment in capital assets	\$ 23,980,233	\$ 27,117,600	\$ 27,804,631	\$ 27,066,385
Restricted	344,674	220,785	239,181	247,595
Unrestricted	2,859,269	4,581,045	3,114,521	3,671,115
Total	<u>\$ 27,184,176</u>	<u>\$ 31,919,430</u>	<u>\$ 31,158,333</u>	<u>\$ 30,985,095</u>
Governmental activities				
Net investment in capital assets	88.2%	85.0%	89.2%	87.4%
Restricted	1.3%	0.7%	0.8%	0.8%
Unrestricted	10.5%	14.4%	10.0%	11.8%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

*Notes:*

Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Colorado or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the Library District. There are no restrictions currently reported as a result of enabling legislation.

The District implemented GASB Statement No. 68 effective January 1, 2015. As of December 31, 2016, the District's proportionate share of the Net Pension Liability was \$7,259,931. This amount is included in the unrestricted net position.

**Data Source:**

Applicable years' comprehensive annual financial report.

<u>December 31, 2011</u>	<u>December 31, 2012</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2015</u>	<u>December 31, 2016</u>
\$ 26,602,810	\$ 25,640,514	\$ 25,454,927	\$ 26,573,350	\$ 25,898,666	\$ 24,197,032
502,525	1,283,866	1,846,951	1,263,412	1,230,851	1,185,406
4,063,850	4,057,682	3,386,592	2,537,967	(2,266,558)	(2,989,631)
<u>\$ 31,169,185</u>	<u>\$ 30,982,062</u>	<u>\$ 30,688,470</u>	<u>\$ 30,374,729</u>	<u>\$ 24,862,959</u>	<u>\$ 22,392,807</u>
85.3%	82.8%	83.0%	87.5%	104.2%	108.1%
1.6%	4.1%	6.0%	4.2%	5.0%	5.3%
13.0%	13.1%	11.0%	8.3%	-9.2%	-13.4%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

**Pueblo City-County Library District, Colorado**  
*Changes in Net Position - Governmental Activities (Unaudited)*  
*Last Ten Calendar Years*  
*(accrual basis of accounting)*

	<u>December 31, 2007</u>	<u>December 31, 2008</u>	<u>December 31, 2009</u>	<u>December 31, 2010</u>
<b>Expenses</b>				
Governmental activities:				
Library Services	\$ 7,618,044	\$ 7,344,448	\$ 8,120,764	\$ 8,107,051
Interest	75,163	331,064	323,169	323,169
<b>Total Expenses</b>	<u>7,693,207</u>	<u>7,675,512</u>	<u>8,443,933</u>	<u>8,430,220</u>
<b>Program Revenues</b>				
Charges for services, sales and fines	\$ 142,987	\$ 144,332	\$ 94,965	\$ 106,945
Operating grants and contributions	149,100	48,577	145,789	143,263
Capital grants and contributions	-	434,755	63,750	-
<b>Total Program Revenues</b>	<u>292,087</u>	<u>627,664</u>	<u>304,504</u>	<u>250,208</u>
<b>Net (Expense)/Revenue</b>	<u>(7,401,120)</u>	<u>(7,047,848)</u>	<u>(8,139,430)</u>	<u>(8,180,012)</u>
<b>General Revenues:</b>				
Property taxes levied for library purposes	\$ 5,685,681	\$ 6,341,679	\$ 6,501,274	\$ 7,118,422
Specific ownership tax	700,536	719,232	661,851	626,834
Grants not restricted for specific purposes	-	-	-	-
Investment earnings	277,195	224,121	26,498	50,414
Miscellaneous	475,782	-	188,710	211,104
<b>Total General Revenues</b>	<u>7,139,194</u>	<u>7,285,032</u>	<u>7,378,333</u>	<u>8,006,774</u>
<b>Change in Net Position</b>	<u>\$ (261,926)</u>	<u>\$ 237,184</u>	<u>\$ (761,097)</u>	<u>\$ (173,238)</u>

**Data Source:**

Applicable years' comprehensive annual financial report.

<u>December 31, 2011</u>	<u>December 31, 2012</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2015</u>	<u>December 31, 2016</u>
\$ 8,072,539	\$ 9,033,639	\$ 9,873,567	\$ 10,092,677	\$ 10,525,062	\$ 11,180,655
300,731	208,768	370,451	361,934	353,217	343,922
<u>8,373,270</u>	<u>9,242,407</u>	<u>10,244,018</u>	<u>10,454,611</u>	<u>10,878,279</u>	<u>11,524,577</u>
\$ 117,282	\$ 214,279	\$ 218,008	\$ 167,693	\$ 175,254	\$ 176,275
124,947	41,714	101,277	61,692	173,836	171,644
143,998	192,918	184,603	554,721	192,577	4,333
<u>386,227</u>	<u>448,911</u>	<u>503,888</u>	<u>784,106</u>	<u>541,667</u>	<u>352,252</u>
<u>(7,987,043)</u>	<u>(8,793,496)</u>	<u>(9,740,130)</u>	<u>(9,670,505)</u>	<u>(10,336,612)</u>	<u>(11,172,325)</u>
\$ 7,307,351	\$ 7,804,163	\$ 8,493,998	\$ 8,493,206	\$ 8,582,963	\$ 8,743,618
612,037	623,435	644,217	670,065	719,445	752,678
-	-	136,729	-	-	-
32,305	42,427	40,264	38,844	14,376	30,770
219,440	136,348	131,330	154,649	163,596	213,342
<u>8,171,133</u>	<u>8,606,373</u>	<u>9,446,538</u>	<u>9,356,764</u>	<u>9,480,380</u>	<u>9,740,408</u>
\$ 184,090	\$ (187,123)	\$ (293,592)	\$ (313,741)	\$ (856,232)	\$ (1,431,917)

**Pueblo City-County Library District, Colorado**  
*Changes in Net Position - Governmental Activities - Percentage of Total (Unaudited)*  
*Last Ten Calendar Years*  
*(accrual basis of accounting)*

	<u>December 31, 2007</u>	<u>December 31, 2008</u>	<u>December 31, 2009</u>	<u>December 31, 2010</u>
<b>Expenses</b>				
Governmental activities:				
Library Services	99.0%	95.7%	96.2%	96.2%
Interest	1.0%	4.3%	3.8%	3.8%
<b>Total Expenses</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Program Revenues</b>				
Charges for services, sales and fines	49.0%	23.0%	31.2%	42.7%
Operating grants and contributions	51.0%	7.7%	47.9%	57.3%
Capital grants and contributions	0.0%	69.3%	20.9%	0.0%
<b>Total Program Revenues</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<b>General Revenues:</b>				
Property taxes levied for library purposes	79.6%	87.1%	88.1%	88.9%
Specific ownership tax	9.8%	9.9%	9.0%	7.8%
Grants not restricted for specific purposes	0.0%	0.0%	0.0%	0.0%
Investment earnings	3.9%	3.1%	0.4%	0.6%
Miscellaneous	6.7%	0.0%	2.6%	2.6%
<b>Total General Revenues</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

**Data Source:**

Applicable years' comprehensive annual financial report.

<u>December 31, 2011</u>	<u>December 31, 2012</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2015</u>	<u>December 31, 2016</u>
96.4%	97.7%	96.4%	96.5%	96.8%	97.0%
3.6%	2.3%	3.6%	3.5%	3.2%	3.0%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
30.4%	47.7%	43.3%	21.4%	32.4%	50.0%
32.4%	9.3%	20.1%	7.9%	32.1%	48.7%
37.3%	43.0%	36.6%	70.7%	35.6%	1.2%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
89.4%	90.7%	90.0%	90.8%	90.5%	89.8%
7.5%	7.2%	6.8%	7.2%	7.6%	7.7%
0.0%	0.0%	1.4%	0.0%	0.0%	0.0%
0.4%	0.5%	0.4%	0.4%	0.2%	0.3%
2.7%	1.6%	1.4%	1.6%	1.7%	2.2%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

**Pueblo City-County Library District, Colorado**  
**Fund Balances - Governmental Funds (Unaudited)**  
**Last Ten Calendar Years**  
*(modified accrual basis of accounting)*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
<i>Reserved</i>	\$ 1,086,325	\$ 397,198	\$ 455,605	\$ 477,034
<i>Unreserved</i>	1,635,587	2,478,802	653,323	1,621,260
Non-Spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 2,721,912</u>	<u>\$ 2,876,000</u>	<u>\$ 1,108,928</u>	<u>\$ 2,098,294</u>
General Fund Percentage Change	7.5%	5.7%	-61.4% <sup>2</sup>	89.2%
All Other Governmental Funds				
<i>Reserved</i>	\$ 6,646,513 <sup>1</sup>	\$ -	\$ -	\$ -
<i>Unreserved, reported in:</i>				
<i>Special Revenue funds</i>	55,732	61,408	40,369	44,176
<i>Capital Projects funds</i>	-	2,068,076	2,657,602	2,151,470
Restricted - Capital Projects Fund	-	-	-	-
Restricted - Special Revenue Fund	-	-	-	-
Committed - Capital Projects Fund	-	-	-	-
Unassigned	-	-	-	-
Total Governmental Funds	<u>\$ 6,702,245</u>	<u>\$ 2,129,484</u>	<u>\$ 2,697,971</u>	<u>\$ 2,195,646</u>
All Governmental Funds				
Percentage Change	-1.1%	-68.2%	26.7%	-18.6%

- <sup>1</sup> Certificates of Participation issued for expansion and new construction of Pueblo West Library - 2006-2009.  
<sup>2</sup> Transferred library replacement plan account from general fund to capital project fund - reclassification.  
<sup>3</sup> Implementation of new GASB 54 Fund Balance presentation. Prior designations are shown from 2002 - 2010; new presentation will be illustrated going forward.  
<sup>4</sup> Refunded 2007 debt; secured additional funding for construction of three new libraries - 2012 - 2014.

**Data Source:**

Applicable years' comprehensive annual financial reports and general purpose financial statements.

Exhibit IV

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<sup>3</sup> \$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	179,303	341,545	258,766	314,462	339,831	248,138
	256,611	274,545	298,315	304,078	300,383	308,588
	1,536,845	-	-	-	-	-
	-	-	-	-	-	-
	1,113,436	3,207,149	2,722,465	2,292,000	1,909,373	1,986,593
	<u>\$ 3,086,195</u>	<u>\$ 3,823,239</u>	<u>\$ 3,279,546</u>	<u>\$ 2,910,540</u>	<u>\$ 2,549,587</u>	<u>\$ 2,543,319</u>
	47.1%	23.9%	-14.2%	-11.3%	-12.4%	-0.2%
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	211,034	4,964,236	5,235,727	1,052,133	929,966	875,428
	34,880	38,657	653	3,201	502	1,390
	1,370,794	902,149	809,747	228,738	685,290	842,372
	-	-	-	-	-	-
	<u>\$ 1,616,708</u>	<u>\$ 5,905,042</u>	<u>\$ 6,046,127</u>	<u>\$ 1,284,072</u>	<u>\$ 1,615,758</u>	<u>\$ 1,719,190</u>
	-26.4%	265.3%	2.4%	-78.8%	25.8%	6.4%

**Pueblo City-County Library District, Colorado**  
**Summary of Changes in Fund Balances - Governmental Funds (Unaudited)**  
**Last Ten Calendar Years**  
*(modified accrual basis of accounting)*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Revenues</b>				
Property taxes	\$ 5,685,681	\$ 6,341,679	\$ 6,501,274	\$ 7,118,422
Specific ownership taxes	700,536	719,232	661,851	626,834
Grants and contributions	401,108	48,577	134,207	229,180
Gifts and donations	93,678	277,918	75,332	28,842
Fees, fines and sales	142,987	78,514 <sup>3</sup>	94,965	106,945
Investment earnings	280,115	224,121	26,498	50,414
Miscellaneous	127,176	62,655	191,930	96,345
<b>Total Revenues</b>	<u>7,431,281</u>	<u>7,752,696</u>	<u>7,686,057</u>	<u>8,256,982</u>
<b>Expenditures</b>				
Library Support	6,882,290	7,243,058	6,977,443	7,321,230
Capital outlay	340,252	4,572,168 <sup>1</sup>	1,595,249	136,761
Debt issuance costs	242,376	-	-	-
Debt service principal	-	-	-	-
Debt service interest	76,163	356,143	311,950	311,950
<b>Total Expenditures</b>	<u>7,541,081</u>	<u>12,171,369</u>	<u>8,884,642</u>	<u>7,769,941</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(109,800)</u>	<u>(4,418,673)</u>	<u>(1,198,585)</u>	<u>487,041</u>
<b>Other Financing Sources (Uses)</b>				
Debt issued	6,280,477	-	-	-
Debt Premium	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Transfers in	-	302,000	2,027,429	382,952
Transfers out	-	(302,000)	(2,027,429)	(382,952)
<b>Total Other Financing Sources (Uses)</b>	<u>6,280,477 <sup>2</sup></u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 6,170,677</u>	<u>\$ (4,418,673)</u>	<u>\$ (1,198,585)</u>	<u>\$ 487,041</u>
Debt services as a percentage of non-capital expenditures	0.00%	4.92%	4.47%	4.26%

**Notes:**

<sup>1</sup> Certificates of participation were issued to fund renovation and expansion of the Pueblo West Library.

<sup>2</sup> Certificates of participation were issued to refund 2007 debt and build three new libraries.

<sup>3</sup> Prior to 2008, Copier income was included with Fines. In 2008 copier income was included with miscellaneous.

**Data Source:**

Applicable years' comprehensive annual financial report.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 7,307,351	\$ 7,804,163	\$ 8,493,998	\$ 8,493,206	\$ 8,582,963	\$ 8,743,618
612,037	623,435	644,217	670,065	719,445	752,678
95,595	210,574	351,941	616,413	366,413	175,977
173,350	24,058	26,065	-	-	-
117,282	193,857	179,897	167,693	175,254	176,275
32,305	42,427	40,264	38,844	14,376	30,770
219,440	156,770	169,441	154,649	163,596	213,342
<u>8,557,360</u>	<u>9,055,284</u>	<u>9,905,823</u>	<u>10,140,870</u>	<u>10,022,047</u>	<u>10,092,660</u>
7,372,276	7,859,313	8,061,612	8,931,838	9,001,086	9,042,955
464,171	2,186,240	1,438,069	5,529,843	238,678	139,891
-	122,131	-	-	-	-
-	-	425,000	435,000	445,000	455,000
311,950	224,197	383,750	375,250	366,550	357,650
<u>8,148,397</u>	<u>10,391,881</u>	<u>10,308,431</u>	<u>15,271,931</u>	<u>10,051,314</u>	<u>9,995,496</u>
<u>408,963</u>	<u>(1,336,597)</u>	<u>(402,608)</u>	<u>(5,131,061)</u>	<u>(29,267)</u>	<u>97,164</u>
-	11,410,000 <sup>2</sup>	-	-	-	-
-	383,853	-	-	-	-
-	(6,155,975) <sup>2</sup>	-	-	-	-
-	100,000	1,341,500	203,500	392,000	200,000
-	(100,000)	(1,341,500)	(203,500)	(392,000)	(200,000)
<u>-</u>	<u>5,637,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 408,963</u>	<u>\$ 4,301,281</u>	<u>\$ (402,608)</u>	<u>\$ (5,131,061)</u>	<u>\$ (29,267)</u>	<u>\$ 97,164</u>
4.23%	2.81%	9.12%	8.99%	8.92%	8.87%

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**Pueblo City-County Library District**  
**Property Tax Levies and Collections**  
*Last ten calendar years*  
*(Unaudited)*

*Exhibit VI*

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 5,686,850	\$ 5,685,681	99.98%	\$ 1,130	\$ 5,686,811	100.00%
2008	6,372,512	6,341,679	99.52%	8,641	6,350,320	99.65%
2009	6,566,348	6,501,274	99.01%	6,162	6,507,436	99.10%
2010	7,071,319	7,118,422	100.67%	74,164	7,192,586	101.71%
2011	7,323,657	7,307,351	99.78%	4,339	7,311,690	99.84%
2012	7,832,972	7,800,388	99.58%	3,775	7,804,163	99.63%
2013	8,513,442	8,493,998	99.77%	3,161	8,497,159	99.81%
2014	8,515,249	8,493,206	99.74%	766	8,493,972	99.75%
2015	8,589,026	8,571,984	99.80%	(2,035)	8,569,949	99.78%
2016	8,750,818	8,728,727	99.75%	1,444	8,730,171	99.76%

**Notes:**

- <sup>1</sup> In 2010, and in previous years, taxes collected exceeded 100% of taxes levied, due to a tax sale held by the County in November. Proceeds of that sale were distributed to taxing entities, resulting in an increase over what was originally levied.
- <sup>2</sup> Collections in subsequent years can be negative due to cancellations, refunds, abatements or changes to the assessed valuation of properties within the taxing district.

**Data Source:**

Pueblo County Assessor and Office of Budget and Finance

**Pueblo City-County Library District**  
*Direct and Overlapping Property Tax Rates*  
*Last ten fiscal years*  
*(Per \$1,000 of Assessed Value)*  
*(Unaudited)*

	2007	2008	2009	2010
<b>Direct</b>				
Pueblo City-County Library District	5.250	5.261	5.302	5.413
<b>Overlapping Governments</b>				
Pueblo County	26.999	26.999	29.619	30.388
Library	1.073	0.954	0.844	0.734
Animal Shelter	0.835	0.755	0.655	0.555
<b>City and Towns Rates</b>				
Boone	17.880	9.670	12.058	14.466
Pueblo	15.633	15.633	15.633	15.633
Rye	5.609	5.488	6.771	6.888
<b>School Districts</b>				
Edison 54J	36.357	38.814	37.525	36.207
Fowler R4J	39.896	38.183	37.511	37.389
Pueblo 60	42.587	39.152	36.629	38.811
Pueblo 70	48.831	41.873	40.804	39.297
<b>Improvement &amp; Service Districts</b>				
Avondale Water & Sanitation	10.641	10.641	10.641	10.641
Bandera Blvd. Special Improvement	5.000	5.000	5.000	5.000
Beulah Ambulance District	-	7.000	7.000	7.000
Colorado City Cemetery	1.147	1.071	1.071	1.071
Colorado City Metro	17.967	16.646	17.967	17.967
Edison Fire Protection District	-	9.000	9.000	9.000
Fowler Rural Fire	4.635	4.546	4.109	4.057
Lower Arkansas Valley Water Conservancy	1.502	1.502	1.502	1.502
Midway Ranches Fire Protection District	-	-	-	-
Pine Drive Water	13.812	14.776	14.391	14.352
Pueblo Rural Fire	24.268	24.268	24.268	24.268
Pueblo West Metro	20.193	20.193	20.193	20.193
Rye Fire	10.036	10.036	10.036	10.036
South Point Special Improvement	5.000	5.000	5.000	5.000
Southeastern Water Conservancy	0.941	0.915	0.940	0.947
St. Charles Mesa Sanitation	4.250	4.064	4.090	4.250
Thunder Village Special District	-	-	5.000	5.000
West Park Fire	5.346	5.433	5.433	5.433

**Data Source:**

Pueblo County Abstract of Assessment

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**Year Taxes are Payable**


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2011	2012	2013	2014	2015	2016
5.268	5.293	5.258	5.262	5.255	5.282
29.793	30.090	30.750	30.769	30.710	30.867
0.624	0.514	0.404	0.294	0.184	0.074
0.455	0.355	0.255	0.155	0.055	-
15.621	15.867	16.613	17.397	17.397	17.397
15.633	15.633	15.633	15.633	15.633	15.633
6.972	6.972	6.972	6.972	6.972	6.972
36.104	37.044	37.861	37.340	40.834	36.502
37.263	36.123	36.098	34.953	33.500	33.595
34.324	36.032	35.573	35.347	35.234	35.392
39.297	39.243	39.033	39.653	39.995	40.242
10.641	10.641	10.641	10.641	10.641	10.641
3.000	3.000	3.000	3.000	3.000	3.000
7.000	13.500	13.500	13.500	13.500	22.500
1.071	1.071	1.071	1.071	1.071	1.071
17.967	17.967	17.967	17.967	17.967	17.967
9.000	9.000	9.000	9.000	9.000	9.000
3.900	3.777	3.410	3.310	2.770	2.940
1.502	1.502	1.503	1.503	1.503	1.503
18.760	18.760	18.760	18.760	18.760	15.000
15.115	15.196	16.348	15.999	15.369	15.060
24.268	24.268	24.268	24.268	24.268	24.268
20.193	20.193	20.193	20.193	19.838	20.239
10.036	10.036	10.036	10.036	10.036	15.536
5.000	5.000	5.000	5.000	5.000	5.000
0.947	0.944	0.940	0.940	0.941	0.940
4.250	4.190	4.250	4.250	4.019	4.250
5.000	5.000	5.000	5.000	5.000	5.000
5.433	5.433	5.433	5.433	5.433	5.433

**Pueblo City-County Library District**  
*Assessed Value and Actual Value of Taxable Property*  
*(in thousands of dollars)*  
*(Unaudited)*

<b>Fiscal Year Ended December 31,</b>	<b>Vacant Unimproved Land</b>	<b>Residential Property</b>	<b>Natural Resources</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Agricultural Property</b>	<b>Public Utilities</b>
2007	\$ 58,304	\$ 542,161	\$ 1,674	\$ 247,349	\$ 108,087	\$ 10,731	\$ 118,276
2008	78,048	611,510	2,420	271,278	117,003	10,457	125,655
2009	77,017	626,504	2,800	284,856	128,941	10,563	129,353
2010	75,388	626,002	2,959	298,026	185,283	10,332	152,191
2011	63,728	592,631	2,690	301,583	243,564	11,635	343,290
2012	62,804	596,087	2,685	300,801	226,488	11,222	469,730
2013	53,676	564,333	2,986	303,331	217,626	12,901	513,052
2014	52,973	569,106	2,948	303,058	221,464	13,055	518,630
2015	50,853	593,218	2,878	303,355	240,991	15,788	516,128
2016	50,591	600,069	3,002	307,413	225,716	18,565	514,857

**Notes:**

Property in Pueblo County is reassessed once every two years, in odd-numbered years. The county assessed residential property at various rates from 1997 at 10.35% to 2016 at 7.96% of actual value. All other property was assessed at 29% of actual value. Actual taxable value is obtained from the prior year Abstract of Assessment for the fiscal year for which levied. Tax rates are per \$1,000 of assessed value.

**Source Data:**

Pueblo Abstract of Assessment

*Exhibit VIII*

<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Exempt Property Assessed Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
\$ 1,086,582	5.250	\$ 8,671,580	\$ 116,798	12.530%
1,216,371	5.261	9,766,507	123,006	12.455%
1,260,034	5.302	10,530,161	124,404	11.966%
1,350,181	5.413	10,376,477	129,829	13.012%
1,559,121	5.268	11,353,178	152,654	13.733%
1,669,817	5.293	11,154,788	155,686	14.970%
1,667,905	5.258	10,894,765	163,999	15.309%
1,681,234	5.262	11,053,408	163,795	15.210%
1,723,211	5.255	11,349,117	168,456	15.184%
1,720,213	5.282	11,154,895	167,045	15.421%

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**Pueblo City-County Library District**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Principal Taxpayer	2016			2007		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Public Service Co. of CO (Excel Energy Company)	\$ 222,230,400	1	12.92%	\$ 50,889,270	1	4.18%
Black Hills Colorado	\$ 71,012,300	2	4.13%	\$ 8,984,380	4	
GCC Rio Grande Inc.	\$ 69,612,373	3	4.05%			0.00%
Intermountain Rural Electric	\$ 48,891,600	4	2.84%			
Black Hills Colorado IPP LLC	\$ 42,686,800	5	2.48%			
EVRAZ (Rocky Mountain Steel Mills )	\$ 24,719,408	6	1.44%	\$ 50,893,900	2	
Union Pacific Railroad	\$ 20,845,669	7	1.21%			0.00%
Qwest Corporation (U.S. West Communications)	\$ 19,298,200	8	1.12%	\$ 20,279,300	3	1.67%
BNSF Railroad	\$ 18,476,900	9	1.14%	\$ 7,933,460	5	0.65%
Holy Cross Electric Association, Inc.	\$ 17,230,000	10	1.00%			
Union Pacific Corp				\$ 7,508,530	6	0.62%
Wheel & Brake				\$ 7,413,860	7	0.61%
Trane Company in Pueblo				\$ 7,224,640	8	0.59%
CF&I Steel, LP				\$ 6,548,280	9	0.54%
Walmart Real Estate Business				\$ 6,031,110	10	0.50%
Total Top Ten Principal Taxpayers	<u>\$ 555,003,650</u>		<u>32.26%</u>	<u>\$ 173,706,730</u>		<u>14.28%</u>
Total Assessed Valuation	<u>\$ 1,720,213,128</u>		<u>100.00%</u>	<u>\$ 1,216,370,410</u>		<u>100.00%</u>

**Data Source:**

Pueblo County Assessor's Office

**Pueblo City-County Library District**  
**Legal Debt Limit Information**  
**December 31, 2016**  
**(Unaudited)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed valuation	<u>\$ 1,086,582,000</u>	<u>\$ 1,216,371,000</u>	<u>\$ 1,260,034,000</u>	<u>\$ 1,350,181,000</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 16,298,730</u>	<u>\$ 18,245,565</u>	<u>\$ 18,900,510</u>	<u>\$ 20,252,715</u>
Certificates of Participation (1)	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>
Legal debt limit less COP debt	<u>\$ 10,298,730</u>	<u>\$ 12,245,565</u>	<u>\$ 12,900,510</u>	<u>\$ 14,252,715</u>
Total net debt applicable to the limit as a percentage of debt limit	37%	33%	32%	30%

NOTE:

(1) Certificates of Participation are not generally included as debt for purposes of calculating legal debt limits (Colorado Revised Statute 22-42-104). However, they are included here to present the most conservative analysis of debt allowable which remains available.

**Legal Debt Margin Calculation for Fiscal Year 2016**

Assessed valuation	<u>\$ 1,720,213,128</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 25,803,197</u>
Debt applicable to limit: Certificates of Participation (1)	<u>\$ 9,650,000</u>
Legal debt limit less COP debt	<u>\$ 16,153,197</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>\$ 1,559,121,000</u>	<u>\$ 1,669,817,000</u>	<u>\$ 1,667,905,000</u>	<u>\$ 1,681,234,000</u>	<u>\$ 1,723,211,000</u>	<u>\$ 1,720,213,128</u>
<u>\$ 23,386,815</u>	<u>\$ 25,047,255</u>	<u>\$ 25,018,563</u>	<u>\$ 25,218,510</u>	<u>\$ 25,848,165</u>	<u>\$ 25,803,197</u>
<u>\$ 6,000,000</u>	<u>\$ 11,410,000</u>	<u>\$ 10,985,000</u>	<u>\$ 10,550,000</u>	<u>\$ 10,105,000</u>	<u>\$ 9,650,000</u>
<u>\$ 17,386,815</u>	<u>\$ 13,637,255</u>	<u>\$ 14,033,563</u>	<u>\$ 14,668,510</u>	<u>\$ 15,743,165</u>	<u>\$ 16,153,197</u>
26%	46%	44%	42%	39%	37%

**Pueblo City-County Library District**  
**Ratio of Outstanding Debt by Type**  
*Last ten fiscal years*  
*(Unaudited)*

*Exhibit XI*

<u>Year ended December 31,</u>		<u>Certificates of Participation</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita</u>
2007	(1) \$	6,278,051	0.1874%	40.58
2008		6,266,832	0.1842%	39.97
2009		6,255,613	0.1407%	39.39
2010		6,244,394	0.1323%	38.87
2011		6,233,175	0.1295%	38.54
2012	(3)	11,793,853	0.2384%	73.06
2013		11,349,660	0.2124%	70.35
2014		10,895,467	0.2039%	67.54
2015		10,431,274	0.1914%	63.76
2016		9,957,081	0.1747%	60.30

**NOTES:**

- (1) In October of 2007, \$6,000,000 in Certificates of Participation were issued.
- (2) Personal Income data as reported by the Bureau of Economic Analysis, US Department of Commerce for Pueblo County, Colorado.
- (3) In September of 2012, \$11,410,000 in Certificates of Participation were issued; \$6,000,000 refunded old debt; additional \$5,410,000 will finance building of three new libraries.

**Pueblo City-County Library District**  
**Ratio of Annual Debt Service Expenditures For**  
**Certificates of Participation to**  
**General Fund Expenditures**  
**Last ten fiscal years**  
**(Unaudited)**

*Exhibit XII*

<u>Year ended December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of total Debt Service to total General Fund Expenditures</u>
2007	\$ -	(1) \$ 75,163	\$ 75,163	\$ 7,618,044	0.99%
2008	-	356,143	356,143	7,344,448	4.85%
2009	-	311,950	311,950	7,289,393	4.28%
2010	-	311,950	311,950	7,633,180	4.09%
2011	-	311,950	311,950	7,684,226	4.06%
2012	-	(2) 224,197	224,197	8,079,410	2.77%
2013	425,000	383,750	808,750	8,870,362	9.12%
2014	435,000	375,250	810,250	9,742,088	8.32%
2015	445,000	366,550	811,550	9,800,636	8.28%
2016	455,000	357,650	812,650	9,850,105	8.25%

**NOTES:**

- (1) In October of 2007, \$6,000,000 in Certificates of Participation were issued. The debt service for the first five years, 2007 through 2011, is interest only. In 2012 principal payments will be added. Final payment will be made in November 2031.
- (2) In September of 2012, the 2007 COPS issue was refunded through a new issue of \$11,410,000 to refinance the original debt and provide funds to build three new libraries.

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**Pueblo City-County Library District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2016**  
**(Unaudited)**

*Exhibit XIII*

	<b>Governmental Activities Debt</b>	<b>Percentage Applicable</b>	<b>Share of Overlapping Debt</b>
Direct Debt			
Pueblo City-County Library District	\$ 9,650,000		
Overlapping Debt:			
City of Pueblo	\$ 24,355,013	100%	\$ 24,355,013
County of Pueblo	\$ 87,763,437	100%	\$ 87,763,437
Pueblo West Metropolitan District	\$ 767,460	100%	\$ 767,460
School District #60 - Pueblo City Schools	\$ 56,669,864	100%	\$ 56,669,864
School District #70	\$ 95,131,355	100%	\$ 95,131,355
Subtotal, Overlapping Debt	\$ 264,687,129		\$ 264,687,129
Total Direct and Overlapping Debt			\$ 274,337,129

Source: Individual governmental entities located within the geographic boundaries of Pueblo County.

The overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Library District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses of the County of Pueblo. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore is responsible for repaying the debt of each overlapping government.

The overlapping percentage is estimated using taxable assessed property values by determining the portion of another governmental entity's taxable assessed value that is within Pueblo County's boundaries. All of the entities are located within the geographic boundaries of Pueblo County.

**Pueblo City-County Library District**  
*Demographic and Economic Statistics*  
*Last ten calendar years*  
*(Unaudited)*

<b>Year</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Education Level Percent High School Graduates</b>
2007	154,712	\$ 3,350,443	\$ 21,656	36.4	86.1%
2008	156,781	3,402,618	21,703	36.3	86.9%
2009	158,804	4,444,600	28,357	36.3	87.8%
2010	160,630	4,720,695	21,044	38.0	77.7%
2011	161,718	4,815,084	30,194	37.5	75.7%
2012	161,422	4,946,411	21,482	39.1	73.3%
2013	161,320	5,343,150	21,609	39.3	76.9%
2014	161,875	5,427,408	21,940	39.6	77.3%
2015	163,591	5,449,642	22,229	38.0	77.3%
2016	165,123	5,698,107	22,590	37.6	73.9%

**Data Sources:**

Colorado Department of Local Affairs, Demography Section  
Colorado Department of Education, Enrollment  
Colorado Department of Labor and Employment  
Pueblo Regional Building Department

School Enrollment	Unemployment Rate	Commercial Construction		Residential Construction	
		No. Of Units	Estimated Costs (thousands of dollars)	No. Of Units	Estimated Costs (thousands of dollars)
27,559	5.5%	98	\$ 56,915	664	\$ 112,955
27,749	7.5%	64	169,825	400	66,188
27,659	8.3%	34	31,162	186	30,545
27,256	10.5%	38	38,058	209	43,270
26,848	10.2%	52	14,995	160	22,467
26,799	10.6%	38	67,185	180	34,808
27,247	9.6%	31	16,687	159	28,934
27,247	6.4%	74	32,653	147	26,169
27,247	4.9%	79	38,386	236	51,146
26,996	4.1%	101	40,621	273	47,047

**Pueblo City-County Library District**  
**Top Ten Principal Employers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

*Exhibit XV*

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Pueblo, CO (MSA) Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Pueblo, CO (MSA) Total Employment</b>
Pueblo City Schools	3,312	1	4.72%	2,400	1	3.50%
Parkview Medical Center	2,744	2	3.91%	1,538	2	2.24%
St. Mary Corwin Hospital	1,400	3	2.00%	1,228	3	1.79%
Evrax Inc. (Rocky Mtn Steel)	1,153	4	1.64%	780	9	1.14%
Loaf n' Jug	1,100	5	1.57%	-		0.00%
Pueblo County	1,058	6	1.51%	1,020	6	1.49%
Convergys	1,000	7	1.43%	1,000	7	1.46%
Wal-Mart Stores	1,000	8	1.43%	755	10	1.10%
Trane	965	9	1.38%	1,000	8	1.46%
Colorado Mental Health Institute	953	10	1.36%	1,041	5	1.52%
School District #70	-		0.00%	1,200	4	1.75%
<b>Total</b>	<u>14,685</u>		<u>20.95%</u>	<u>11,962</u>		<u>17.45%</u>

**Data Source:**

Pueblo County GIS Department  
City of Pueblo  
US Department of Labor, Bureau of Labor Statistics

**Pueblo City-County Library District**  
*Miscellaneous Statistical Data*  
**Library Materials Purchased and Circulated**  
*Last ten calendar years*  
*(Unaudited)*

<b>Fiscal Year</b>	<b>Number of volumes owned</b>	<b>Number of AV items owned</b>	<b>Total items owned</b>	<b>Acquisition cost of collections</b>	<b>Net book value of collections <sup>1</sup></b>	<b>Number of items circulated</b>	<b>Turn-over rate <sup>2</sup></b>
2007	445,276	55,176	500,452	\$ 7,919,653	\$ -	1,173,097	2.34
2008	459,745	60,839	520,584	8,111,016	4,549,170	1,313,434	2.52
2009	450,572	65,745	516,317	8,293,424	4,546,378	1,460,495	2.83
2010	444,223	90,300	534,523	8,554,059	4,701,459	1,716,076	3.21
2011 <sup>3</sup>	403,581	82,076	485,657	8,187,221	4,971,027	1,680,454	3.46
2012	337,927	139,477	477,404	7,885,413	5,000,144	1,808,956	3.79
2013	331,451	143,501	474,952	7,892,222	4,994,625	1,640,626	3.45
2014	330,512	147,813	478,325	7,095,551	4,197,954	2,484,858	5.19
2015	349,807	132,979	482,786	7,100,007	5,436,319	2,918,125	6.04
2016 <sup>4</sup>	250,143	80,298	330,441	5,725,513	4,310,306	2,559,661	7.75

## NOTES:

- <sup>1</sup> GASB Statement 34 requires that capital assets be depreciated - this was implemented in 2003. Determination was made in 2008 that the District's collection of books and audio-visual materials is considered a capital asset, therefore subject to depreciation. Collections have an estimated useful life of 5 years. Net book value represents total acquisition cost of circulating materials less accumulated depreciation to date.
- <sup>2</sup> Turn-over rate is the number of times an item is checked out. This is an average of all publicly circulating items in the total collection.
- <sup>3</sup> A major weeding project was undertaken in 2011 to clean up the collection and eliminate those materials that were no longer circulating. This resulted in an overall reduction in items owned, but vastly improved the circulation rate.
- <sup>4</sup> For the year ended December 31, 2016, prior year financial statements were restated to more accurately report library books and audio visual materials using information from the existing perpetual inventory system.

**Pueblo City-County Library District**  
**Miscellaneous Statistical Data**  
**Schedule of Service Locations**  
**December 31, 2016**  
**(Unaudited)**

<b>LIBRARIES:</b>	<b>Address</b>	<b>Owned (O) Leased (L)</b>	<b>Square feet</b>	<b>Number of employees <sup>1</sup></b>	<b>Operating budget</b>
Barkman Public Library	1300 Jerry Murphy Rd. Pueblo, CO 81001	O	7,100	5.45	\$ 448,062
Lucero Library	1315 7th St. E. Pueblo, CO 81001	O	7,500	5.70	\$ 675,358
Greenhorn Valley Library	Cibola Drive Colorado City, CO 81006	O	7,500	4.70	\$ 437,633
Lamb Public Library	2525 W. Pueblo Blvd. Pueblo, CO 81005	O	10,500	5.60	\$ 443,163
Library @ the Y	3200 Spaulding Pueblo, CO 81008	L <sup>2</sup>	1,183	1.00	\$ 79,217
Giodone Library	24655 US Highway 50 E. Pueblo, CO 81006	O	7,500	4.30	\$ 446,955
Pueblo West Library	298 S. Joe Martinez Blvd. Pueblo West, CO 81007	O	28,500	7.40	\$ 1,147,208
Rawlings Public Library	100 E. Abriendo Ave. Pueblo, CO 81004	O	110,000	32.70	\$ 2,981,996
<b><u>SUPPORT SERVICES:</u></b>					
Community Relations	100 E. Abriendo Avenue Pueblo, CO 81004	O	<sup>3</sup>	5.50	\$ 503,399
Director's Office	100 E. Abriendo Avenue Pueblo, CO 81004	O	<sup>3</sup>	2.00	\$ 349,976
Facilities Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	<sup>3</sup>	5.50	\$ 311,430
Finance Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	<sup>3</sup>	3.50	\$ 416,196
Human Resources Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	<sup>3</sup>	2.00	\$ 159,088
Information Technology Dept.	100 E. Abriendo Avenue Pueblo, CO 81004	O	<sup>3</sup>	4.50	\$ 837,623
Technical Services Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	<sup>3</sup>	8.50	\$ 588,702

**NOTES:**

<sup>1</sup> Numbers of employees refers to total Full Time Equivalents (FTE), not actual numbers of employees. Since this is not a required statistical table, a full 10-year presentation of employees is not presented. It may be considered in future years.

<sup>2</sup> Located in the YMCA facility

<sup>3</sup> Square footage for this location is included in the Rawlings Library square footage number.

**Pueblo City-County Library District**  
*Miscellaneous Statistical Data*  
**Circulation Summary by Location**  
*Last ten calendar years*  
 (Unaudited)

<b>Fiscal Year</b>	<b>Rawlings Library</b>	<b>Barkman Library</b>	<b>Lamb Library</b>	<b>Pueblo West Library <sup>1</sup></b>	<b>Lucero Library <sup>4</sup></b>	<b>Greenhorn Valley Library</b>	<b>Giodone Library</b>	<b>Library @ the Y <sup>3</sup></b>	<b>Outreach Services <sup>2</sup></b>
2005	612,286	122,720	121,873	143,270				-	28,797
2006	619,145	130,927	129,995	156,107				-	28,643
2007	649,757	144,918	143,693	170,049				-	32,340
2008	741,901	177,223	186,135	147,217				-	30,479
2009	766,650	182,866	205,436	251,655				932	26,478
2010	828,356	206,821	245,223	351,135				7,447	41,472
2011	843,987	206,527	244,687	360,124				8,256	45,154
2012	835,100	227,992	236,008	435,872				15,322	58,662
2013	852,309	187,662	194,040	330,983				19,428	56,204
2014	1,266,213	374,509	320,267	419,000	12,256	15,219	14,024	22,146	41,224
2015	1,384,593	364,176	340,384	423,633	183,369	89,114	109,071	23,785	-
2016	1,184,527	326,878	340,593	379,151	135,521	74,890	95,437	22,664	-

**NOTES:**

- <sup>1</sup> In 2009 the Pueblo West Library opened - formerly the White Library, it was expanded from 5,000 sf to 28,000 sf. The expansion was funded with Certificates of Participation issued in 2006. This facility was closed for several months in 2008 during construction, resulting in lower circulation.
- <sup>2</sup> Outreach ended in 2014. Circulation numbers were absorbed in other areas as follows: Regent, a nursing home book depository until 2007; Books-in-the-Park, a summer outdoor reading and craft program, absorbed by Rawlings; Books-a-la-Cart, a mobile book delivery program introduced in 2009, absorbed by Lucero; and Homebound delivery service, absorbed by each respective branch.
- <sup>3</sup> The Library @ the Y is a small branch located within the new YMCA building, which opened to the public in 2009.
- <sup>4</sup> The Lucero, Greenhorn Valley and Giodone Libraries were all built and added in 2014. These buildings replaced seven of the Satellite locations, recorded in Outreach Services.

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