

ARAPAHOE LIBRARY DISTRICT
Arapahoe County, Colorado

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2017

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Office of the State Auditor

June 6, 2018

**ARAPAHOE LIBRARY DISTRICT
COLORADO
Finance Office
12855 E. Adam Aircraft Circle
Englewood, Colorado 80112**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the year ended December 31, 2017

Board of Trustees

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Steve Oliver	Trustee

Executive Director
Oliver Sanidas

Prepared by:
Cherie Curtis
Accounting Supervisor

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TABLE OF CONTENTS

Introductory Section (Unaudited)

Director's Letter of Transmittal	5
Letter of Transmittal	7
GFOA Certificate of Achievement.....	13
Organizational Chart.....	14

Financial Section

Independent Auditors' Report	16
---	-----------

Management's Discussion and Analysis (Unaudited)	18
---	-----------

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position	27
Statement of Activities	28

Fund Financial Statements:

Governmental Funds:

Balance Sheet	29
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	31
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	32

Notes to the Basic Financial Statements	33
--	-----------

Required Supplementary Information (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	51
Notes to Required Supplementary Information	52

Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Arapahoe Library District Building Authority	53
---	----

**Statistical Section
(Unaudited)**

Financial Trends

Government-Wide Net Position by Component.....	55
Changes in Net Position – Governmental Activities	56
Fund Balances – Governmental Funds.....	57
Summary of Changes in Fund Balances – Governmental Funds.....	58

Revenue Capacity

Total Assessed Value & Estimated Actual Value of Property - by Type	59
Principal Property Taxpayers.....	60
Property Tax Levies & Collections	61

Debt Capacity

Ratio of Certificates of Participation Outstanding	62
--	----

Demographic and Economic Data

Demographic & Economic Statistics	63
Principal Employers.....	64

Operating Information

District Employees by Function.....	65
Library Materials Purchased & Circulated	66
Circulation Summary by Location	67



May 9, 2017

Board of Trustees
Arapahoe Library District
12855 E. Adam Aircraft Circle
Englewood, CO 80112

Dear Trustees:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Arapahoe Library District for the year ended December 31, 2017.

This is the nineteenth 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). Arapahoe Library District has received the GFOA Certificate of Achievement for Excellence in Financial Reporting each year since 1999. We will submit the 2017 CAFR for recognition again this year.

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

Sincerely,

Oliver Sanidas
Executive Director

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May 9, 2017

Members of the Board of Trustees
Arapahoe Library District
12855 E. Adam Aircraft Circle
Englewood, CO 80112

Dear Trustees:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Arapahoe Library District (Library District) for the year ended December 31, 2017. This report was prepared by the Finance Department to provide citizens, investors, grantor agencies and other interested parties with information on the financial condition of the Library District. It has been prepared in accordance with generally accepted accounting principles for governmental units as prescribed 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 Library District. The accuracy of the Library District financial statements and completeness and fairness of their presentation is the responsibility of Library District management. All disclosures necessary to enable the reader to gain an understanding of the Library District's financial activities have been included.

Colorado State Statutes require an annual audit by independent certified public accountants. This requirement is being met through engagement of the firm CliftonLarsonAllen LLP to audit the 2017 financial statements of the Library District. The independent auditor's examination is conducted in accordance with generally accepted auditing standards and provides an independent assessment that helps assure fair presentation of the Library District's financial position and results of operations. The auditor's report on the basic financial statements is included in the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Arapahoe Library District, established in 1966, 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 Library District is not considered to be a component unit of Arapahoe County, Colorado, and is financially, managerially and operationally independent, and meets the guidelines of GASB Statement No. 14, as amended by GASB Statement No. 80, *Blending Requirements for Certain Component Units*. The Library District has two component unit affiliations: the Arapahoe Library Friends Foundation, a discretely presented component unit which was organized to raise funds for the sole benefit of the Library District; and the Arapahoe Library District Building Authority, a blended component unit which was formed to finance construction of Library District facilities.

Arapahoe Library District provides library service to all of Arapahoe County, excluding the cities of Aurora, Englewood, and Littleton, where library service is provided by the city governments. A small piece of Adams County, which includes the Deer Trail School District, is also served by Arapahoe Library District, and the Library District receives some property tax support for that service.

There are eight library branch locations in the Library District service area, which covers over 700 square miles. The Davies branch is located in a public-school building in the town of Deer Trail and cooperatively serves both the students and the general public. The Library District owns seven facilities including Koelbel Library, Castlewood Library, Kelter Library, May Library, Smoky Hill Library, Sheridan Library, and the Support Services building. Space for the Southglenn Library branch is leased. The Library District also has a Mobile Library Services department located within the Koelbel Library, which provides mobile delivery to various locations throughout the Library District. Through an inter-governmental agreement, the Library District also staffs a small library facility located within the Arapahoe County Detention Center.

Departments that support library operations, including the Executive Offices, Human Resources, Finance, Facilities and Security, Digital Services, Library Materials Services, Communications, Programming and Partnerships are all housed in the Support Services building.

The Library District’s Board of Trustees consists of seven at large members. The members are appointed to three-year terms of office by the Board of Arapahoe County Commissioners and the Deer Trail School Board. Each term is renewable for one additional three-year term. The Library District’s Board convenes at monthly meetings and at any special meetings when deemed necessary. Board members are prohibited by law from receiving compensation for their services as trustees, although they may be reimbursed for necessary travel, training or miscellaneous expenses.

The Library District follows Colorado State Statutes in creating the annual budget. The budget serves as a foundation for the Library District’s financial operations and is adopted no later than December 15th each year. An annual budget was adopted for the General Fund on a modified accrual basis of accounting. The legal level of budgetary control is at the fund level. The budget also details expenses by function.

ECONOMIC CONDITION

The status of the economy was a constant conversation this year with topics including interest rates, unemployment rates, and the housing market. The economy continues to grow, the pace of growth is beginning to slow and continues to be uneven among the states. Gross domestic product (GDP), which is the value of the goods and services produced, increased by 2.3% nationally in 2017, up from a 1.5% increase in 2016 per the Commerce Department.

The public eye closely watched the Federal Reserve during the year waiting for an increase in short-term interest rates. The Federal Reserve had been expected to raise its benchmark interest rate a quarter point to a target range of 1.25% to 1.5% on December 13, 2017. The rate increase has short-term and long-term effects on investments that will continue to be revealed over several years. The Library District staggers investments over durations up to five years and as interest rates increase, the value of our long-term investments decrease because the market can invest in newer securities at higher interest rates than those the Library District is currently locked in to. However, as our securities mature in the near term, the Library District will also be able to invest in new securities with higher interest rates. The Library District's liquid cash balances benefited from actual and anticipated increases in interest rates during the year by showing an increase in interest income. As consumer confidence grows over the next few years, the Federal Open Market Committee is expected to increase interest rates to pace.

According to the U.S. Bureau of Labor Statistics, 2017 annual average unemployment rates decreased in 32 states and were little changed or unchanged in 18 states and the District of Columbia indicating overall national progression. The United States experienced positive changes in the unemployment rate which dropped from 4.9% in 2016 to 4.1% in 2017. Even more optimistic is Colorado's unemployment rate of 3.0% in 2017, a 0.3% decrease from the prior year, and 1.1% lower than the national average.

United States home prices rose 6.7% in 49 states (all except Mississippi) and the District of Columbia between the fourth quarter of 2016 and the fourth quarter of 2017. The top five areas in annual appreciation were: 1) District of Columbia 14.3%; 2) Washington 12.0%; 3) Idaho 11.5%; 4) Nevada 11.5% and 5) Utah 10.7% with Colorado ranking #6 at a 9.76% decrease over 2016. Overall, house prices rose 1.6% in the fourth quarter of 2017 according to the Federal Housing Finance Agency (FHFA) House Price Index (HPI).

Property taxes continue to be the Library District's largest revenue source and are analyzed critically when planning for operations and capital projects. Assessed values of residential and nonresidential property is a key component to determining the amount of funding Arapahoe Library District will receive both in the short-term budgeting process and in long range planning. For 2017, property tax revenues were based on 2016 property values. Therefore, 2016 being a reassessment year, the Library District's 2017 property tax revenues increased by 11.8%. With the recent increase in tax revenue, the Library District will continue its efforts to give back to our patrons with the vision of a literate, informed, and fulfilled community.

Long-term Financial Planning

Long range financial planning is vital in prioritizing implementation of strategic plan initiatives as well as capital needs of the Library District. A 10-year projection model is coupled with the strategic plan to aid management in short-term operational budgeting, identifying potential revenue streams, and prioritizing long term capital needs. Management reviews goals and carefully considers alternatives to ensure the Library District is providing the most resources available for our patrons in a fiscally responsible manner. The Library District budgeted for a surplus of revenues over expenditures. Increased property tax valuations and the increase in property tax revenue approved by the voters demonstrate the continued value of libraries felt by the community.

The Library District has policies and procedures which govern its operations 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 assets and resources of Arapahoe Library District. The Library District maintains a system of internal accounting controls to ensure that assets are safeguarded against loss, and that financial records are properly maintained and can be relied upon to produce accurate financial statements. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The oversight responsibilities for the financial operations of the Library District rest with the Board of Trustees (Board). Each month the Board is provided detailed financial information from the Finance Department, including a statement of revenues and expenditures and balance sheet. These items are noted on the consent agenda, which is 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. The Executive Director can authorize purchase orders up to \$100,000 and purchases more than that amount are submitted to the Board for approval. These, and other stipulations, are included in a revised Authorization of Expenditures Policy which was approved by the Board in 2016, as are all policies.

Segregation of duties is a guiding principle in the Finance Department. The Finance Department reviews all purchase orders, payment of invoices, and journal entries for compliance with Library District policies. The accounting system is carefully set up to allow rights for certain functions to the appropriate staff members only. Transactions are created and approved electronically through the enterprise resource planning (ERP) software, and all documentation is scanned and stored electronically indefinitely. The annual budgeting process is prepared using ERP software. Accountability is increased through this process by providing documentation of all departmental budgets with supporting detail and notes for all items requested, and through reporting of actual and budgeted elements for analysis.

Major Initiatives

Rebranding, Advisory Services, Space, Technology, Programming, Customer Service, Early Childhood Literacy and Services for Older Adults remain key objectives in the Library District's strategic plan. As the rebranding process continues to evolve, the Library District is embracing "Who We Are", which helps define what our purpose is and how we can deliver on this vision. "We're embracing all by bestowing deep respect upon everyone with whom we cross paths." In the spirit of deeply respecting the diverse community of which we are a part, the Arapahoe Libraries will offer an inclusive and welcoming environment to all members of our community by collaborating with various groups to offer services and staff that reflect diverse backgrounds and interests. To be more intentional in keeping these values in the forefront of everything we do – both internally and externally – we will develop an inclusivity vision statement and implementation plan. In 2018, the implementation plan will include the following six components: definition of inclusivity as it relates to Arapahoe Libraries, needs assessment, vision statement, goals, delegation of responsibilities and a statement of accountability.

Libraries are in a unique position to offer patrons customized recommendations on what to read, watch, listen to and view as they discover the richness of our vast collection. Not only do people look to us for this type of help, but it is one of our offerings that sets us apart from our competitors and helps libraries remain relevant in the lives of those we serve. To increase awareness about our advisory services, Arapahoe Libraries will offer an expanded program of vetted and personalized recommendations on books, movies, music, e-resources and more. The result will be an increase in the quality and quantity of advisory interactions between patrons and staff.

To live up to the promises made to our constituents in the 2015 election, we will serve as a champion for lifelong learning. Through providing updated books, technology and research materials so that our community is enriched by these resources. We will provide literacy-based programs and work with parents and caregivers to ensure our youngest patrons have a strong foundation in literacy and are school-ready. We will increase services for our aging population and provide a link to the outside world for our patrons who cannot visit the library in person. We will provide lifelong educational opportunities, support and training to help our patrons and the community grow in literacy skills, including cultural literacy and technological literacy.

To elevate Arapahoe Libraries as a leader and agent for change in the communities we serve, we will engage in a collaborative listening campaign and will seek opportunities to participate in community conversations for feedback about local issues beyond library matters. In addition, grass-roots research methods will reveal which library services and resources our community perceives as essential to help inform future strategic plan initiatives and activities. The Library District also will partner with outside organizations and entities with common goals to provide more robust services to our patrons.

Libraries play an integral role in the lives of our patrons by offering places for gathering, socializing, conducting business, learning and connecting. In the age of ubiquitous screens and social media, the library offers a collaborate space for human connection, and a way to connect with innumerable resources and support. To meet this great need, in addition to featuring our robust materials collection, Arapahoe Libraries will also further adapt library spaces to accommodate community gatherings, areas to collaborate and places to create. We will also look outside of our walls to how we can bring the library experience to the community. Eloise May Library branch will increase the current footprint and create a children's space separate from the rest of the library and should be completed in 2018.

As technology continues to change and outpace the market's ability to invest in all the new gadgets, the Library District has a unique opportunity to be able to provide these resources to the public with no financial risk to the end user. We were able to capitalize on this niche by creating a Maker Space at the Castlewood Library providing a space for patrons to try a multitude of tools and technology with the assistance of Library District staff at no cost. Our goal is to purchase products that are slightly out of reach of a typical household's income and bridge the gap by taking on costs and risks associated with early technology to be able to expose our patrons to these resources.

Finally, Arapahoe Library District will devote energy and resources to continuing areas in which we already excel: Programming, Customer Service, Early Childhood Literacy, and Services for Older Adults to educate, entertain, and create community. We have already made great strides in each of these areas, such as extensive training in customer service, obtaining Family Place Designations at our libraries, and offering our community creative programs that have introduced new patrons to Arapahoe Library District. These are crucial areas of strength we have identified as an organization and committing staff and financial resources to these areas is critical to ensure they continue to be successful. The Library District will continue to display outstanding and personalized service through strategic plan initiatives to reciprocate our appreciation for the community we serve.

AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Arapahoe Library District for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the eighteenth consecutive year that the Library District has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to the members of the staff of the Arapahoe Library District Finance Department who consistently and accurately contribute to the efficient operation of this office: Cherie Curtis, Merian Chen, Portia Hesseltine, Charmayne Sobon, Laura Chambers and Dana Shelley. It is only with the dedication and professionalism of these staff members that recognition from the GFOA has been possible.

Respectfully submitted,



Jennifer Mahin
Director of Finance
Arapahoe Library District



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Arapahoe Library District
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

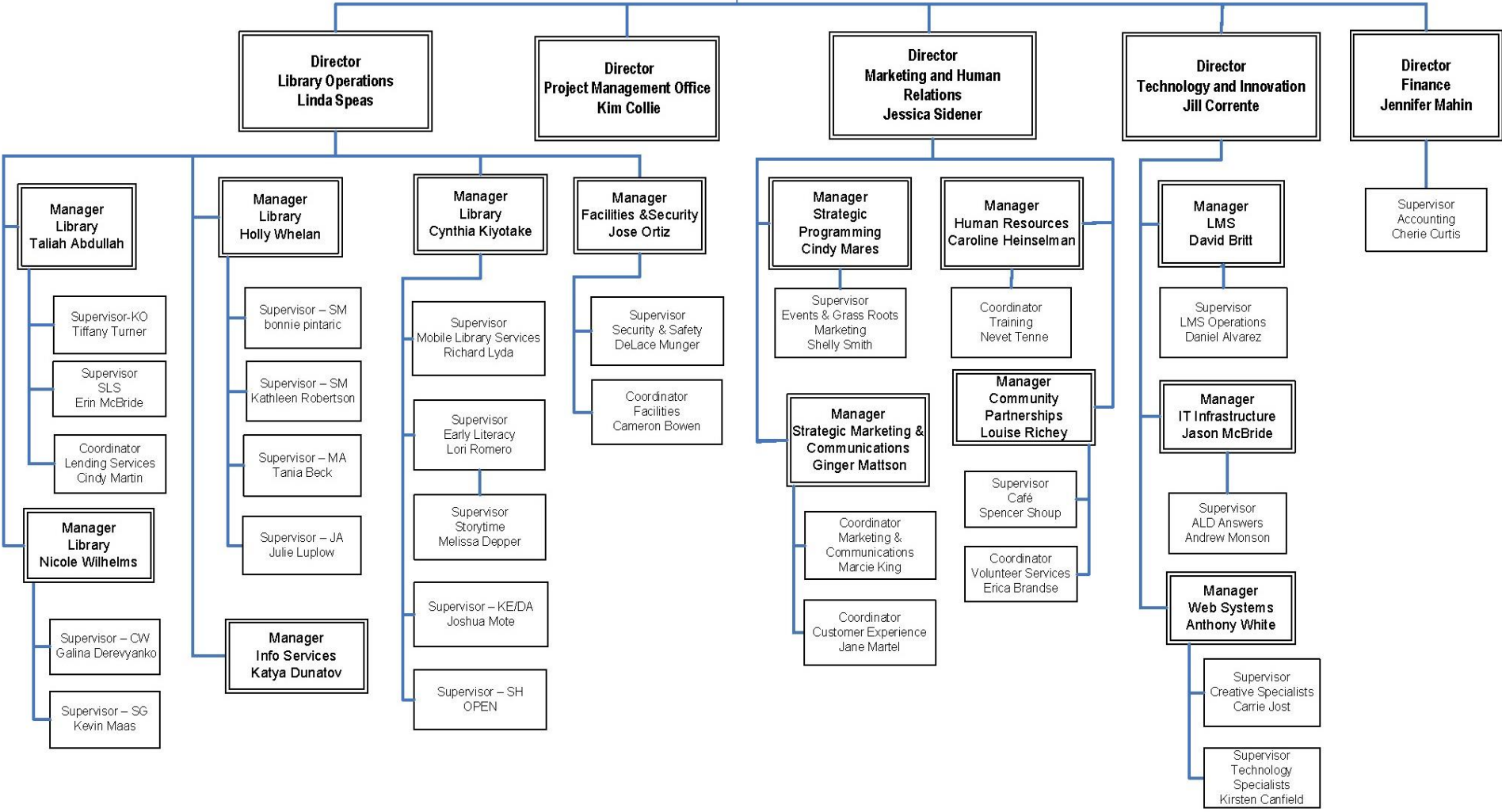
December 31, 2016

Christopher P. Morrell

Executive Director/CEO



**Executive Director
Oli Sanidas**



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Arapahoe Library District
Englewood, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, the major fund, and remaining fund information of Arapahoe Library District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, the major fund, and remaining fund information of Arapahoe Library District as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 18 - 26 and 51 - 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Arapahoe Library District's basic financial statements. The introductory section, Arapahoe Library District Building Authority budgetary comparison information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Arapahoe Library District Building Authority budgetary comparison 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 such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section 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.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
May 9, 2018

Arapahoe Library District, Colorado
Management's Discussion and Analysis
As of and For the Year Ended December 31, 2017

Within this section of the Arapahoe Library District (Library District) comprehensive annual financial report, management is pleased to provide this narrative discussion and analysis of the financial activities of the Library District for the calendar year ended December 31, 2017. The Library District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section, and are intended to be read in conjunction with them.

BASIC FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Library 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 Library District also includes in this report additional information to supplement the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements incorporate all of the Library District's governmental activities as well as activities of our component units: the Arapahoe Library District Building Authority (Authority) and the Arapahoe Library Friends Foundation (Foundation). Financial reporting at this level focuses on economic resources and 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. Because of the nature of the relationship between the Library District and the Authority, financial information for these two entities is blended and presented as governmental activity of the Library District; the Authority is presented as a special revenue fund of the Library District. Activities of the Foundation are discretely presented, meaning the transactions of the Foundation are presented separately from those of the Library District. Transactions between the primary government and discretely presented component units are not eliminated and may have a financial impact presented on the government-wide financial statements.

The government-wide financial statements include two basic statements: a statement of net position and a statement of activities. These statements provide both long-term and short-term information about the Library District's overall financial status. The statement of net position presents information on the Library District's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. One way to view this information is as an equation:

$$\text{Assets} + \text{Deferred Outflows of Resources} - \text{Liabilities} - \text{Deferred Inflows of Resources} = \text{Net Position}$$

Net position is displayed as (1) net investment in capital assets, (2) restricted and (3) unrestricted. Net investment in capital assets includes the cost of all capital assets less related accumulated depreciation less related debt; the calculation is shown in Note 9. Restricted net position includes amounts restricted for TABOR legislation and for debt service payments on outstanding certificates of participation. Any remaining net position is classified as unrestricted and is considered available for operations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Library District as a whole is improving or deteriorating. Evaluation of the overall health of the Library 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 financial statement is the statement of activities, which reports how the Library District's net position changed during the current calendar year. Because private businesses are motivated by profit, the format of their financial statements focus on revenues they generate. Local governments, however, are more interested in the services they provide; therefore presenting the cost of these services first is more logical. Arapahoe Library District is required to present expenses by function on the government-wide statement just as it is on the governmental fund statement of revenues, expenditures, and changes in fund balance. Additionally, interest expense is presented as a separate line of expense because the interest is a general cost of operating the Library District and is not specifically attributed to the ongoing existence of just a single function or program. Revenues in the statement of activities are presented as either program revenues or general revenues. Program revenues possess two specific characteristics: (1) they are related directly to the associated function, and would disappear if the function is eliminated, and (2) they come from sources other than taxes. General revenues depict the degree to which the Library District relies on sources of revenue other than program revenues, such as taxes and contributions.

The government-wide financial statements are presented on pages 27-28 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Library District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. Governmental funds are generally used to account for activities supported by taxes and intergovernmental revenues. The primary focus of the Library District's fund statements is on the only major governmental fund maintained: the general fund. Fund financial statements report short-term fiscal accountability focusing on the use of spendable resources and balance 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. Reconciliations are provided with both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance to assist the reader in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 29-32 of this report.

Notes To The Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to understanding the government-wide and fund financial statements. Key characteristics of the notes include descriptions of the Library District's financial policies, additional detail and explanations of amounts recognized in the financial statements, and additional information about financial position or inflows and outflows of resources that do not meet the criteria for recognition. The notes to the basic financial statements begin on page 33 of this report.

COMPARATIVE FINANCIAL ANALYSIS

The Library District's net position at December 31, 2017 is \$47,900,246. The following table provides a summary of the Library District's net position.

Summary of Net Position December 31, 2017				
Governmental Activities				
	2017		2016	
	Amount	Percentage of Total	Amount	Percentage of Total
Assets:				
Current Assets	\$ 56,646,001	61.3%	\$ 49,254,465	59.1%
Capital Assets	35,758,182	38.7%	34,068,996	40.9%
Total Assets	92,404,183	100.0%	83,323,461	100.0%
Total Deferred Outflows of Resources	272,966	100.0%	341,200	100.0%
Liabilities:				
Current Liabilities	3,998,151	34.9%	3,350,027	30.1%
Non-current Liabilities	7,461,189	65.1%	7,784,580	69.9%
Total Liabilities	11,459,340	100.0%	11,134,607	100.0%
Total Deferred Inflows of Resources	33,317,563	100.0%	29,692,072	100.0%
Net Position:				
Net Investment in				
Capital Assets	27,887,202	58.2%	25,995,196	60.7%
Restricted	1,017,042	2.1%	991,364	2.3%
Unrestricted	18,996,002	39.7%	15,851,422	37.0%
Total Net Position	\$ 47,900,246	100.0%	\$ 42,837,982	100.0%

Total net position of the Library District increased by \$5,062,264 or 11.8% during the year and unrestricted net position increased 19.8% from the previous year. This is reflective of the accumulation of net position from the voter approved 1.200 mill levy increase and corresponding increase in property tax revenue during the previous year.

The following table provides a summary of the Library District's changes in governmental activity.

Summary of Changes in Net Position
For the Year Ended December 31, 2017

Governmental Activities

	2017		2016	
	Amount	Percentage of Total	Amount	Percentage of Total
Revenues:				
Program:				
Charges for Services	\$ 486,360	1.4%	\$ 462,432	1.4%
Operating Grants and Contributions	599,860	1.8%	643,186	1.9%
Capital Grants and Contributions	-	0.0%	15,000	0.0%
General:				
Taxes	32,504,087	95.9%	31,886,920	95.7%
Other	320,975	0.9%	328,758	1.0%
Total Revenues	<u>33,911,282</u>	<u>100.0%</u>	<u>33,336,296</u>	<u>100.0%</u>
Program Expenses:				
Library Operations	8,989,304	31.2%	8,297,696	32.5%
Administrative and Executive Services	9,540,121	33.1%	8,325,786	32.6%
Digital and Library Material Services	7,871,893	27.3%	6,850,637	26.8%
Communications, Programming and Partnerships	2,090,545	7.2%	1,779,408	7.0%
Interest	357,155	1.2%	307,726	1.2%
Total Expenses	<u>28,849,018</u>	<u>100.0%</u>	<u>25,561,253</u>	<u>100.0%</u>
Change in Net Position	5,062,264		7,775,043	
Beginning Net Position	<u>42,837,982</u>		<u>35,062,939</u>	
Ending Net Position	<u>\$ 47,900,246</u>		<u>\$ 42,837,982</u>	

OVERALL FINANCIAL POSITION

As a whole, Arapahoe Library District's financial position in 2017 increased from 2016. Sources of revenue grew by \$574,986 during the year, primarily due to increased property taxes and specific ownership taxes.

The Library District is heavily reliant on taxes to support governmental operations. In 2017, taxes provide 95.9% of the Library District's total government-wide revenues, a slight increase compared with 95.7% in 2016. Program revenues cover approximately 3.2% of total government-wide operating expenses. This means the Library District's taxpayers and other general revenues support the remaining 96.8% of the governmental activities.

Total expenses increased by \$3,287,765 from 2016. Library Operations comprise 31.2% of the Library District's total government-wide expenses this year consistent with 32.5% in 2016. The Library Operations function continues to be a primary focus of the Library District, and is driven by the strategic plan and providing services for patrons. Approximately 33.1% of the Library District's 2017 expenses consist of Administrative and Executive Services consistent with 32.6% in 2016. Major district-wide supporting functions, including payroll taxes, benefits, and facility operations account for a large portion of the expenditures for this category.

The Library District's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources by \$47,900,246 (net position) at December 31, 2017. Total net position is comprised of the following:

- (1) Net Investment in Capital Assets of \$27,887,202 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
- (2) Net position of \$1,017,042 is restricted by constraints imposed from outside the Library District such as debt covenants, grantors, laws, or regulations. At December 31, 2017, \$289 is restricted for debt service and \$1,016,753 is restricted for TABOR.
- (3) Unrestricted net position of \$18,996,002 represents the portion available to maintain the Library District's continuing obligations to citizens and creditors.

GENERAL FUND

As discussed, 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. The Library District has one major governmental fund: the general fund.

Taxes total 95.9% of total general fund revenues in the current year consistent with 95.7% in calendar year 2016. Total taxes increased \$617,167 or 1.9% from 2016. This is due to increased assessed valuations for property taxes and an increase in the purchase of motor vehicles during 2017 compared to 2016.

Miscellaneous revenue increased \$55,196 or 32.1% from the prior year due to a purchase incentive program. Café Sales increased \$67,265 or 45.3%. The Library District operates two cafés: one within the Koelbel Library branch and one within the Smoky Hill Library branch. Changes in food and beverage items offered in the cafés as well as recent remodels has caused an increase in revenue.

The general fund showed an increase in investment income of \$122,170 at December 31, 2017 from 2016 due to improving market conditions and increased investment balances. The increase in interest rates combined with additional cash received from property taxes caused an increase in the amount of interest income the Library District earned on investments during the year.

Fines revenue decreased \$40,137 or 22.3% from prior year due to changes in the Library District's policies on levying fines in addition to a shift in how patrons use libraries resulting in decreased checkouts of traditional physical books and periodicals. Arapahoe Library District continues to experience demand for non-revenue generating resources such as collaborative working space, computer access, video and audio streaming, downloadable books and audio-visual, advisory services, programs, and access to cutting-edge technology.

The general fund accounts for regular operational expenditures of the Library District as well as capital outlay. In total, expenditures of the general fund increased by \$5,312,710 from the prior year. There are several items to note about current year expenditures.

- (1) Capital outlay increased by \$2,553,670 or 37.3% of the total change in expenditures due to expenditures relating to the May Branch library expansion project, a project to update the Library District's checkout systems to RFID technology, and the purchase of land financed by a capital lease.
- (2) Debt service increased slightly from the prior year due to the issuance of a capital lease for the purchase of land. Principal and interest payments for the Certificates of Participation are presented as expenditures of the Arapahoe Library District Building Authority rather than the general fund.
- (3) The remaining increase in expenditures relates to increased salary expenses, increased health insurance expenses, carpet replacement at multiple branches, and increased purchases of electronic library materials.

The Library District's general fund reports total ending fund balance of \$20,968,006 at December 31, 2017. Compared to the beginning fund balance of \$17,552,105, the total fund balance experienced an increase of \$3,415,901 during the current year. Property tax and specific ownership tax revenue accounts for the majority of the increase in fund balance. At December 31, 2017, total fund balance of the general fund is comprised of the following:

- (1) Nonspendable fund balance of \$1,002,191 is equivalent to the amount of prepaid items in the general fund.
- (2) Restricted fund balance totals \$1,016,753 and is comprised of amounts restricted for TABOR.
- (3) Assigned fund balance totals \$4,962,355 and includes \$803,206 of funds the Library District has budgeted in 2018 for self-insurance and \$4,159,149 of funds budgeted for capital projects in 2018.
- (4) Unassigned fund balance for the general fund is \$13,986,707 or 44.4% of total general fund expenditures.

In total, the Library District continues to maintain a healthy fund balance with \$13,986,707 or 66.7% of the total fund balance is unassigned or available for general operations at December 31, 2017. This is an increase of \$5,232,042 from the prior year unassigned fund balance amount of \$8,754,665.

BUDGETARY ANALYSIS

Arapahoe Library District had one amendment to the budget during the year, which budgeted a transfer of resources from the General Fund to the Arapahoe Library District Building Authority. Information containing actual activity compared with budgeted activity for the general fund is presented as other required supplementary information on the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.

Overall, total actual revenues exceeded expectations by \$1,465,750 in 2017. Of this, the most significant variance is specific ownership tax revenue, which is \$1,030,695 greater than budgeted. This is due to personal property purchases made throughout the Library District's service area being more than anticipated, and are a direct result of improved consumer confidence.

Property tax revenue exceeded budget due to an increase in the assessed valuation in the Library District's service area from when the budget was prepared and when the mill levy was certified. Café sales were originally included in the miscellaneous category, which is the reason for zero revenue budgeted for café sales and the revenue deficit in the miscellaneous category. Fines revenue shows a revenue deficit of \$70,448. As mentioned previously, this is due to changes in the Library District's policies on levying fines and decreased checkouts of revenue generating library materials, such as physical copies of books and periodicals.

Total expenditures are under budget by \$3,238,635 for the current year, or 9.3% of the total expenditure budget. Total variance in the current category is \$3,965,439 less than budget. Library Operations current expenditures were less than budget by a total of \$221,668 mostly due to under spending in salaries and wages during the year.

Administrative and Executive Services was under budget by \$1,116,168 during the year. Digital and Library Material Services was under budget by \$2,651,177. These categories were under budget primarily due to fewer capital expenditures than originally budgeted and some capital outlay items being categorized in capital outlay.

Debt Service reported in the general fund is over budget due to the principal and interest payments on the capital lease financing for the purchase of land, which was not included in the budget.

Capital Outlay was \$683,354 greater than budget for the year due to additional expenditures grouped in capital outlay that were originally budgeted in other categories. Total actual excess of revenues over expenditures in 2017 is \$4,704,385 more than budgeted for the year.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

At December 31, 2017, 38.7% of the total assets of the Library District are comprised of the net book value of capital assets for governmental activities compared to 40.9% at December 31, 2016. This slight reduction from prior year is because of the increase in property tax receivable resulting in a heavier weight of current assets when compared to total assets. The Library District uses these capital assets to provide services to its citizens in furnishing and assembling collection materials for eight library facilities in the Library District.

During 2017, the Library District incurred \$1,872,708 of construction costs related to the implementation of RFID tags, self-check stations, book drops, and sorters. The Library District entered into a capital financing arrangement for the purchase of \$1,015,000 in land. The Library District incurred \$596,474 for expansion of the children's section in the May Branch.

The Library District's net investment in capital assets for governmental activities as of December 31, 2017 is \$27,887,202. See Note 5 for additional information about changes in capital assets during the calendar year and Note 6 for information on related debt outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Percentage of Total	
	2017	2016	2017	2016
Non-depreciable Assets:				
Land	\$ 6,234,714	\$ 5,209,714	88.7%	89.7%
Land Improvements	47,633	-	0.7%	0.0%
Construction in Progress	620,976	468,976	8.8%	8.1%
Artwork and Collectibles	127,350	127,350	1.8%	2.2%
Total Non-depreciable	7,030,673	5,806,040	100.0%	100.0%
Depreciable Assets:				
Buildings	32,116,476	32,116,476	68.5%	71.4%
Property Improvements	3,932,747	3,836,017	8.4%	8.5%
Solar Energy	173,222	173,222	0.4%	0.4%
Equipment	2,880,553	1,013,872	6.1%	2.3%
Book Mobiles and Vans	542,899	502,640	1.2%	1.1%
Furniture and Fixtures	1,462,681	1,456,566	3.1%	3.2%
Computer Equipment	218,586	218,586	0.5%	0.5%
Books and Audio-Visual Materials	5,403,016	5,513,308	11.5%	12.3%
Intangibles	138,281	126,247	0.3%	0.3%
Total Depreciable Assets	46,868,461	44,956,934	100.0%	100.0%
Less Accumulated Depreciation	18,140,952	16,693,978		
Book Value - Depreciable Assets	28,727,509	28,262,956		
Percentage Depreciated	38.7%	37.1%		
Book Value - All Assets	\$ 35,758,182	\$ 34,068,996		

Long-term Debt

At the end of the calendar year, the Library District had total certificates of participation outstanding of \$7,155,000. As previously discussed, the Library District entered into a capital lease financing arrangement for the purchase of \$1,015,000 in land, of which \$988,946 in principal remained at the end of the year.

	Governmental Activities	
	December 31, 2017	December 31, 2016
Certificates of Participation:		
2008 Issue	\$ 2,625,000	\$ 2,835,000
2010 Issue	4,530,000	5,580,000
Capital Lease:	988,946	-
Total	\$ 7,155,000	\$ 8,415,000

See Note 6 for additional information about the Library District's long-term debt.

OTHER SIGNIFICANT INFORMATION

In 2018, Eloise May Library branch is in its final stages of construction adding 2,400 square feet creating a children's space. This expansion will include new children's book collections, computers, security cameras and skylights, along with a special event to host the opening of the children's space with remaining budget costs of \$68,150.

Deer Trail School District will be constructing a new school to be completed by the summer of 2019. Our Davies branch is located within the school; therefore, we will relocate to the new facility. We are in the beginning stages of design layout, and new furniture for our location.

Throughout the branches, there will be several facility projects estimating costs of \$281,000. New smaller projects related to the Arapahoe Libraries effort of inclusivity training for all staff, collection philosophy of offering new devices for checkout and expanding the Wi-Fi hotspots, leaders to determine community goals and inform strategic direction. Total budgeting for these programs estimate around \$120,000.

This financial report is designed to provide a general overview of the Library District's finances, comply with finance-related laws and regulations, and demonstrate the Library District's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Library District's Finance Department at 12855 E. Adam Aircraft Circle, Englewood, Colorado 80112.

**ARAPAHOE LIBRARY DISTRICT
STATEMENT OF NET POSITION
December 31, 2017**

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Arapahoe Library Friends Foundation</u>
Assets		
Current Assets:		
Cash and Investments	\$ 22,106,949	\$ 237,953
Restricted Cash and Investments	289	-
Accounts Receivable	215,788	684
Property Tax Receivable	33,320,784	-
Due from Arapahoe Library District	-	1,937
Prepaid Items	1,002,191	644
Total Current Assets	<u>56,646,001</u>	<u>241,218</u>
Noncurrent Assets:		
Nondepreciable Capital Assets	7,030,673	-
Depreciable Capital Assets, Net	28,727,509	-
Total Noncurrent Assets	<u>35,758,182</u>	<u>-</u>
Total Assets	<u>92,404,183</u>	<u>241,218</u>
Deferred Outflows of Resources		
Deferred Charge on Refunding	272,966	-
Total Deferred Outflows of Resources	<u>272,966</u>	<u>-</u>
Liabilities		
Current Liabilities:		
Due to Arapahoe Library Friends Foundation	1,937	-
Accounts Payable and Accrued Liabilities	2,424,391	5,342
Unearned Revenue	72,288	-
Compensated Absences Payable	140,709	-
Capital Lease	53,826	-
Certificates of Participation	1,305,000	-
Total Current Liabilities	<u>3,998,151</u>	<u>5,342</u>
Noncurrent Liabilities:		
Compensated Absence Payable	676,069	-
Capital Lease	935,120	-
Certificates of Participation	5,850,000	-
Total Noncurrent Liabilities	<u>7,461,189</u>	<u>-</u>
Total Liabilities	<u>11,459,340</u>	<u>5,342</u>
Deferred Inflows of Resources		
Property Tax	33,317,563	-
Total Deferred Inflows of Resources	<u>33,317,563</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	27,887,202	-
Restricted:		
Debt Service	289	-
TABOR Amendment	1,016,753	-
Unrestricted	18,996,002	235,876
Total Net Position	<u>\$ 47,900,246</u>	<u>\$ 235,876</u>

**ARAPAHOE LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Primary Government	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Primary Government:						
Governmental Activities:						
Library Operations	\$ 8,989,304	\$ 486,360	\$ 348,901	\$ -	\$ (8,154,043)	\$ -
Administrative and Executive Services	9,540,121	-	4,228	-	(9,535,893)	-
Digital and Library Material Services	7,871,893	-	143,732	-	(7,728,161)	-
Communications, Programming and Partnerships	2,090,545	-	102,999	-	(1,987,546)	-
Interest Expense	357,155	-	-	-	(357,155)	-
Total Governmental Activities	28,849,018	486,360	599,860	-	(27,762,798)	-
Component Unit:						
Arapahoe Library Friends Foundation	\$ 317,350	\$ 178,073	\$ 5,748	\$ -		(133,529)
General Revenues:						
Property Taxes					29,897,092	-
Specific Ownership Taxes					2,606,995	-
Investment Earnings					229,294	455
Unrestricted Grants and Contributions					-	189,511
Miscellaneous					91,681	-
Total General Revenues					<u>32,825,062</u>	<u>189,966</u>
Change in Net Position					5,062,264	56,437
Net Position - Beginning					42,837,982	179,439
Net Position - Ending					<u>\$ 47,900,246</u>	<u>\$ 235,876</u>

See accompanying notes to the basic financial statements

**ARAPAHOE LIBRARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017**

	<u>Major</u>	<u>Nonmajor Arapahoe Library District Building Authority</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>		
Assets			
Cash and Investments	\$ 22,106,949	\$ -	\$ 22,106,949
Restricted Cash and Investments	-	289	289
Accounts Receivable	215,788	-	215,788
Property Tax Receivable	33,320,784	-	33,320,784
Prepaid Items	1,002,191	-	1,002,191
Total Assets	<u>56,645,712</u>	<u>289</u>	<u>56,646,001</u>
Liabilities			
Accounts Payable and Accrued Liabilities	2,285,918	-	2,285,918
Unearned Revenue	72,288	-	72,288
Due to Arapahoe Library Friends Foundation	1,937	-	1,937
Total Liabilities	<u>2,360,143</u>	<u>-</u>	<u>2,360,143</u>
Deferred Inflows of Resources			
Property Tax	33,317,563	-	33,317,563
Total Deferred Inflows of Resources	<u>33,317,563</u>	<u>-</u>	<u>33,317,563</u>
Total Liabilities and Deferred Inflows of Resources	<u>35,677,706</u>	<u>-</u>	<u>35,677,706</u>
Fund Balance			
Nonspendable	1,002,191	-	1,002,191
Restricted:			
Debt Service	-	289	289
TABOR Amendment	1,016,753	-	1,016,753
Assigned:			
Self Insurance	803,206	-	803,206
Capital Projects	4,159,149	-	4,159,149
Unassigned	13,986,707	-	13,986,707
Total Fund Balance	<u>20,968,006</u>	<u>289</u>	<u>20,968,295</u>
Total Liabilities and Fund Balance	<u>\$ 56,645,712</u>	<u>\$ 289</u>	<u>\$ 56,646,001</u>

**ARAPAHOE LIBRARY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2017**

Total Governmental Fund Balance **\$ 20,968,295**

**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.

Cost	53,899,134
Less Accumulated Depreciation	(18,140,952)
	35,758,182

Long-term liabilities and related deferred items are not due and payable in the current period and therefore are not reported in the governmental fund balance sheet but are reported on the government-wide statement of net position.

Certificates of Participation	(7,155,000)
Capital Lease	(988,946)
Deferred Amount on Refunding	272,966
Accrued Interest	(21,036)
Self-Insurance Claims Incurred but not yet Reported	(117,437)
Compensated Absences	(816,778)
	(8,826,231)

Net Position of Governmental Activities **\$ 47,900,246**

ARAPAHOE LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	<u>Major</u>	<u>Nonmajor</u>	
		<u>Arapahoe</u>	
		<u>Library District</u>	<u>Total</u>
	<u>General Fund</u>	<u>Building</u>	<u>Governmental</u>
		<u>Authority</u>	<u>Funds</u>
Revenues			
Property Taxes	\$ 29,897,092	\$ -	\$ 29,897,092
Specific Ownership Taxes	2,606,995	-	2,606,995
Intergovernmental	492,633	-	492,633
Fines	139,552	-	139,552
Cafe Sales	215,670	-	215,670
Investment Earnings	228,938	356	229,294
Contributions - Arapahoe Library Friends Foundation	102,999	-	102,999
Miscellaneous	227,047	-	227,047
Repayment from Arapahoe Library District	-	1,533,074	1,533,074
Total Revenues	33,910,926	1,533,430	35,444,356
Expenditures			
Current:			
Library Operations	7,902,282	-	7,902,282
Administrative and Executive Services	10,563,556	18	10,563,574
Digital and Library Material Services	5,715,261	-	5,715,261
Communications, Programming and Partnerships	2,030,254	-	2,030,254
Debt Service:			
Principal	26,054	1,260,000	1,286,054
Interest	17,396	273,262	290,658
Capital Outlay	5,255,222	-	5,255,222
Total Expenditures	31,510,025	1,533,280	33,043,305
Excess of Revenues over Expenditures	2,400,901	150	2,401,051
Other Financing Sources			
Financing of Capital Lease	1,015,000	-	1,015,000
Total Other Financing Sources	1,015,000	-	1,015,000
Net change in Fund Balances	3,415,901	150	3,416,051
Fund Balances - Beginning	17,552,105	139	17,552,244
Fund Balances - Ending	\$ 20,968,006	\$ 289	\$ 20,968,295

**ARAPAHOE LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017**

Net Changes in Fund Balances - Governmental Fund **\$ 3,416,051**

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

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

Depreciation Expense	(3,374,539)
Capital Outlay	5,063,725

Repayment of long-term debt principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,286,054
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Governmental funds report the issuance of a capital lease as an other financing source, however it is presented as a long-term liability on the statement of net position	(1,015,000)
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Amortization costs related to refunding of debt are reported on the statement of activities but do not require use of current financial resources and are not reported as expenditures in the governmental fund statements.	(68,234)
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Accrued interest is reported in the statement of activities but is not reported as expenditures in governmental funds.	1,737
--	-------

Self insurance claims incurred but not reported are not due and payable in the current period and therefore, are not reported as liabilities in governmental funds	(117,437)
--	-----------

Compensated absences are reported in the statement of activities but are not reported as expenditures in governmental funds.	(130,093)
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Change in Net Position of Governmental Activities	<u><u>\$ 5,062,264</u></u>
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ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

Arapahoe Library District, Colorado (Library District) was formed April 5, 1966 by formal resolution of the Arapahoe County Commissioners and the Deer Trail School Board. The general objectives are to provide citizens of the region with library services for their education and recreation. A board of seven trustees appointed by the Arapahoe County Commissioners and approved by the Deer Trail School Board governs the Library District.

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

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

NOTE 1 - DEFINITION OF REPORTING ENTITY

Reporting Entity

The reporting entity is comprised of the primary government and component units that are included to ensure the financial statements are not misleading. The primary government of the Library District consists of all funds, departments, boards and agencies that are not legally separate from the Library District. Although the Arapahoe County Commissioners appoint the Library District Board of Trustees, the County is not financially accountable for the Library District; therefore, the Library District is not a component unit of the County.

Component units are legally separate organizations for which the Library District is financially accountable. The Library District is financially accountable for an organization if the Library District appoints a voting majority of the organization's governing board and (1) the Library District is able to significantly influence the programs or services performed or provided by the organizations, or (2) the Library District is legally entitled to or can otherwise access the organization's resources; the Library District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library District is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the Library District in that the Library District approves the budget, levies their taxes or issues their debt.

The Library District maintains two component units, one reported through blending and one reported discretely.

The following component unit is blended into the primary government's reporting entity since the sole purpose of this entity is to provide a financing mechanism for the Library District:

Arapahoe Library District Building Authority (Authority) - The Authority is a not-for-profit corporation originally formed to finance the construction of a new library in 1990. In 2001 and 2008, the Authority issued Certificates of Participation, and refinanced in 2010, to finance construction of public libraries and a support services facility. The Authority has leased these facilities to the Library District through a capital lease. At the end of the lease term, title to these facilities transfers to the Library District. The Authority is reported as a Special Revenue Fund.

The Library District reports one component unit discretely. The component unit column included on the government-wide financial statements identifies the financial data of the Library District's discretely presented component unit. The column is reported separately to emphasize that it is legally separate from the Library District.

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)

A description of the discretely presented component unit follows:

Arapahoe Library Friends Foundation, Inc. (Foundation) - The Foundation, which began operation in 1991, was formed exclusively for the benefit of, to perform the function of, or to carry out the charitable and educational purposes of Arapahoe Library District. The Library District maintains control of the Foundation in the following areas:

- The Board of Trustees of the Library District elects members of the Foundation's Board of Directors.
- Similarly, the Library District's Board of Trustees may remove any Director of the Foundation.
- The Foundation may not disburse funds for costs that have not been recommended by the Library District's Board of Trustees.

Audited information of the Arapahoe Library Friends Foundation, Inc. may be obtained by contacting the Foundation office at 12855 E. Adam Aircraft Circle, Englewood, CO 80112.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Library 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 Library District as a whole.

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Library District's governmental activities. Direct expenses are those expenses specifically associated with a service, program or department and are therefore clearly identifiable with a 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 a group of related 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 Library 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 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*.

ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes and other revenue sources not included with program revenues are reported as general revenues of the Library 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 Library District.

Fund Financial Statements

During the year, the Library District segregates transactions related to certain Library District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library District at this more detailed level. Fund financial statements are provided for governmental funds and include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

Fund Accounting - The Library 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 that are segregated for carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Library District uses one category of funds, governmental.

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 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 Library District reports the difference between governmental fund assets and liabilities and deferred inflows of resources as fund balance.

The Library District reports the following major governmental fund:

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

Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus where the aim of a set of financial statements is to report all inflows, outflows and balances affecting or reflecting the Library District's net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, the aim of a set of financial statements is to report the near-term (current) inflows, outflows and balances of expendable resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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 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 Library District, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Nonexchange Transactions - Nonexchange transactions in which the Library District receives value without directly giving equal value in return include property taxes, specific ownership taxes, grants and donations. On an accrual basis, revenue from property taxes and specific ownership taxes is recognized in the fiscal year for which the taxes are levied. Property taxes are assessed in one year for the subsequent year's budget. Therefore, a property tax receivable and a line item of an equal amount is reported as a deferred inflow of resources on the government-wide statement of net position.

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 Library District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Library District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions also must be available (i.e., collected within 60 days of year-end) before it can be recognized. Under the modified accrual basis, the following revenue sources are susceptible to accrual: property taxes, specific ownership taxes, investment earnings and federal and state grants. Property taxes are assessed in one year for the subsequent year's budget. Therefore, a property tax receivable and a line item of an equal amount is reported as a deferred inflow of resources on the governmental fund balance sheet.

Unearned Revenue - Unearned revenue is a liability that arises when resources are obtained before revenue recognition criteria, other than time recognition criteria, have been satisfied. Resources that are obtained before time recognition criteria have been satisfied are classified as deferred inflows of resources.

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.

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Equity

Cash, Cash Equivalents, and Investments

Investments are stated at fair value, which are determined primarily based on quoted prices. Amortized cost and net asset value (NAV), which both approximate fair value, are used for CSAFE and Colotrust, respectively.

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

Prepaid Items

Payments made to vendors for services (e.g., insurance, rents, library services) that will benefit periods beyond December 31, 2017 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as nonspendable, as this amount is not available for general appropriation.

Capital Assets

General capital assets result from expenditures in governmental funds. The Library 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 acquisition value as of the date received. The Library District maintains a capitalization threshold of five thousand dollars. 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 expensed.

The Library District capitalizes all library books and audio-visual materials. Annually, purchased additions are capitalized at cost and donated materials are capitalized at fair value as of the date donated. Damaged, disposed and lost materials are deleted from the inventory, using average cost.

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All reported capital assets are depreciated except for land, construction in progress, artwork and collectibles. Property improvements are depreciated over the lesser of the remaining useful lives of the related capital assets or 20 years. Property improvements in the form of leasehold improvements are amortized over the life of the related lease. 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:

<u>Description:</u>	<u>Estimated Life:</u>
Buildings	30 – 40 years
Property Improvements	20 years
Solar Energy	12 years
Furniture and Fixtures	10 years
Intangibles	10 years
Bookmobiles and Vans	4 – 8 years
Equipment	5 years
Computer Equipment	4 years
Library Books and Audio-Visual Materials	4 years

Compensated Absences

The Library District permits employees to accumulate earned but unused vacation, sick, holiday, personal, and compensatory benefits up to certain limits. The Library District pays the employees, upon termination, for their allowed accumulated leave. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only “*when due.*”

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. Certificates of participation are recognized as a liability in the governmental fund financial statements “*when due.*”

Accounts payable consists of current obligations to vendors for payment of goods and services incurred, and retainage payable as of December 31, 2017.

Debt Premiums, Discounts and Issuance Costs

On the government-wide statement of net position, debt premiums and discounts are netted against debt payable. On the government-wide statement of activities, debt premiums and discounts are deferred and amortized over the life of the debts using the straight-line method. Debt issuance costs are reported as an expense.

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

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that period. The Library District has only one item that qualifies for reporting in this category. This item is a deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is reported in the statement of net position and is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and the governmental balance sheet report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Library District reports a deferred inflow of resources relating to property tax revenue, which is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period in which they are collected.

Fund Equity

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

Fund Balance - Generally, fund balance represents the difference between current assets, deferred outflows of resources, current liabilities and deferred inflows of resources. The Library District classifies certain fund balances as nonspendable because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balances are reported as such when constraints placed on the use of the resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional legislation. Fund balance amounts classified as committed by the Library District may only be used for specific purposes imposed by resolution of the Board of Trustees and cannot be used for any other purpose unless the Board approves removal or changes to the specified use. Committed fund balance also includes contractual obligations of the Library District equivalent to the amount of resources the fund has committed specifically for satisfying those contractual requirements. Assigned fund balance includes amounts intended by the Board of Trustees to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification of the fund balance that has not been restricted, committed or assigned to specific purposes within the general fund and has not been assigned to another fund. The general fund should be the only fund that reports a positive unassigned fund balance. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Library District applies restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance/net position are available. The Library District first applies committed resources, then assigned resources, and finally unassigned resources when an expenditure is incurred for which any of those unrestricted classifications could be used.

The Library District’s Board of Trustees formally established a minimum fund balance policy in 2014 with the intent of maintaining a fund balance of approximately two months of non-capital general fund operating expenditures.

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net position is reported as unrestricted.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

Transfers between funds reported in the governmental activities column are eliminated, except for charges for interfund services that are equivalent to the services provided.

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 3 - DEPOSITS AND INVESTMENTS

Deposits

Deposits include bank accounts and certificates of deposit. The carrying amount of the Library District's deposits as of December 31, 2017 was \$3,270,494. The bank balances were \$3,286,073 of which \$250,000 was covered by Federal Deposit Insurance Corporation (FDIC) and \$3,036,073 was collateralized with securities held by the financial institutions' agents but not in the Library District's name. The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities 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. 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.

ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

Investments are governed by the Library District's investment policy and State statutes. Investments of the Library District may include:

- U.S. Treasury Obligations (bills, notes, and bonds)
- U.S. Government Agency Securities with highest rating category by a nationally recognized statistical rating organization (NRSRO)
- Certain Money Market and 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
- Certificates of Deposit in FDIC Insured Colorado Commercial Banks and Savings and Loan Associations with 102% collateral under PDPA over the \$250,000 FDIC insurance level
- Local Government Investment Pools regulated under CRS 24-75-701

The Library District's investments are subject to credit and interest rate risk as described below.

Credit Risk

In order to limit its exposure to credit risk, the Library District's investment policy provides for the investment of up to 65% of its investment portfolio with one investment type, with the remainder invested in other, above noted allowable investments. The portfolio is analyzed monthly, as required by the investment policy, to confirm compliance with policy and ensure appropriate investment management. State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, as amended, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

The Library District has invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and in the Colorado Surplus Asset Fund Trust (CSAFE). These investment vehicles are established for local government entities in Colorado to pool surplus funds for investment purposes by State statute. The Colorado Division of Securities administers and enforces the requirements of creating and operating the trusts. These funds operate similarly to a money market fund and each share is equal in value to \$1.00. Both trusts are rated AAAM by Standard and Poor's. Investments of the trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services to the trusts in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. The Library District's investment policy allows participation in such pools and has no control over the maturity of its holdings in the investment. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period for Colotrust.

Interest Rate Risk

State statutes limit investments to an original maturity of five years, unless the governing board authorizes the investment for a period in excess of these limits.

ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurement

GASB Accounting Standards require enhanced disclosures about assets and liabilities measured at fair values. Governments are required to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches:

The market approach – uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or group of assets and liabilities.

The cost approach – reflects the amount that would be required to replace the present service capacity of an asset.

The income approach – converts future amounts to a single current discounted amount.

The Library District uses the market approach to value investment assets. In addition to valuation techniques, the Library District is required to use a hierarchical framework that prioritizes the inputs used for valuing assets and liabilities measured at fair values. The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the fair value measurements of assets recognized in the accompanying statement of net position at fair value on a recurring basis and the level within the GASB fair value hierarchy in which the fair value measurements fall at December 31, 2017.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Governmental Activities:				
US Agencies	\$ 7,465,616	\$ -	\$ 7,465,616	\$ -
Total Investments by Fair Value Level	<u>7,465,616</u>	<u>\$ -</u>	<u>\$ 7,465,616</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
Governmental Activities:				
CSAFE	477,537			
Money Market Funds	57,448			
Total Investments Measured at Amortized Cost	<u>534,985</u>			
Investments Measured at Net Asset Value (NAV)				
Governmental Activities:				
Colotrust	10,832,489			
Total Investments Measured at NAV	<u>10,832,489</u>			
Total Investments	<u>\$ 18,833,090</u>			

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and Investment Reconciliation

	<u>Total</u>	<u>Credit Rating</u>	<u>Maturity</u>	
			<u>Less than 1 Year</u>	<u>1-5 Years</u>
Fund Reporting Level:				
Governmental Funds	\$ 22,106,949			
Governmental Funds - Restricted	<u>289</u>			
Total	<u>\$ 22,107,238</u>			
Per Note Disclosure Above:				
Deposits	\$ 3,270,494			
Petty Cash and Cash on Hand	<u>3,654</u>			
Total Cash	<u>3,274,148</u>			
Investments				
Local Government Investment Pools	11,310,026	AAAm	\$ 11,310,026	\$ -
Money Market Funds	57,448	AAAm	57,448	-
US Agencies:				
US Treasury Notes	5,970,006		2,230,539	3,739,467
Federal Home Loan Bank	496,775	AA+	-	496,775
Federal Home Loan Mortgage Corporation	<u>998,835</u>	AA+	<u>499,570</u>	<u>499,265</u>
Total Investments	<u>18,833,090</u>		<u>\$ 14,097,583</u>	<u>\$ 4,735,507</u>
Primary Government Total	<u>\$ 22,107,238</u>			

Restricted cash accounts are set aside for the repayment of Certificates of Participation and are maintained in separate accounts and their use is limited by the Certificates of Participation.

NOTE 4 - PROPERTY TAXES

Annual property taxes attach an enforceable lien on property as of January 1. 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.

ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 5,209,714	\$ 1,025,000	\$ -	\$ 6,234,714
Land Improvements	-	47,633	-	47,633
Construction in Progress	468,976	620,976	(468,976)	620,976
Artwork and Collectibles	127,350	-	-	127,350
Total Capital Assets Not Being Depreciated	5,806,040	1,693,609	(468,976)	7,030,673
Capital Assets Being Depreciated:				
Buildings	32,116,476	-	-	32,116,476
Property Improvements	3,836,017	96,730	-	3,932,747
Solar Energy	173,222	-	-	173,222
Equipment	1,013,872	2,035,412	(168,731)	2,880,553
Book Mobiles and Vans	502,640	40,259	-	542,899
Furniture and Fixtures	1,456,566	6,115	-	1,462,681
Computer Equipment	218,586	-	-	218,586
Books and Audio-Visual Materials	5,513,308	1,648,542	(1,758,834)	5,403,016
Intangibles	126,247	12,034	-	138,281
Total Capital Assets Being Depreciated	44,956,934	3,839,092	(1,927,565)	46,868,461
Total Capital Assets	50,762,974	5,532,701	(2,396,541)	53,899,134
Accumulated Depreciation:				
Buildings	(11,599,181)	(802,346)	-	(12,401,527)
Property Improvements	(701,328)	(210,524)	-	(911,852)
Solar Energy	(31,276)	(14,435)	-	(45,711)
Equipment	(841,130)	(407,702)	168,731	(1,080,101)
Book Mobiles and Vans	(465,227)	(16,544)	-	(481,771)
Furniture and Fixtures	(896,384)	(136,941)	-	(1,033,325)
Computer Equipment	(156,015)	(18,749)	-	(174,764)
Books and Audio-Visual Materials	(1,952,937)	(1,754,390)	1,758,834	(1,948,493)
Intangibles	(50,500)	(12,908)	-	(63,408)
Total Accumulated Depreciation	(16,693,978)	(3,374,539)	1,927,565	(18,140,952)
Book Value of Depreciable Capital Assets	28,262,956	464,553	-	28,727,509
Governmental Activities Capital Assets, Net	\$ 34,068,996	\$ 2,158,162	\$ (468,976)	\$ 35,758,182

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation Expense by Function:

Digital and Library Material Services	\$ 2,144,913
Library Operations	1,007,014
Administrative and Executive Services	198,909
Communications, Programming and Partnerships	<u>23,703</u>

Total Depreciation Expense	<u>\$ 3,374,539</u>
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NOTE 6 - LONG-TERM DEBT

Governmental Certificates of Participation

The Building Authority issues Certificates of Participation to provide funds for the acquisition and construction of major capital facilities. The following is a summary of the outstanding long-term debt issues at December 31, 2017:

Year Issued	Purpose	Interest Rate (%)	Interest Due Dates	Issue Date	Maturity Date	Authorized and Issued
2008	Certificates of Participation	3.99%	6/15, 12/15	3/11/2008	12/15/2027	\$ 4,370,000
2010	Refunding Certificates of Participation	2.87%	6/15, 12/15	10/7/2010	12/15/2021	\$ 11,260,000

Annual debt service requirements to amortize all Certificates of Participation obligations outstanding, as of December 31, 2017 follow.

Year	2008 Certificates of Participation		
	Principal	Interest	Total
2018	\$ 220,000	\$ 104,738	\$ 324,738
2019	230,000	95,960	325,960
2020	235,000	86,783	321,783
2021	245,000	77,406	322,406
2022	255,000	67,631	322,631
2023 - 2027	1,440,000	176,957	1,616,957
Total	<u>\$ 2,625,000</u>	<u>\$ 609,475</u>	<u>\$ 3,234,475</u>

Year	2010 Certificates of Participation		
	Principal	Interest	Total
2018	\$ 1,085,000	\$ 130,011	\$ 1,215,011
2019	1,115,000	98,872	1,213,872
2020	1,150,000	66,871	1,216,871
2021	1,180,000	33,866	1,213,866
Total	<u>\$ 4,530,000</u>	<u>\$ 329,620</u>	<u>\$ 4,859,620</u>

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Year	Total Certificates of Participation		
	Principal	Interest	Total
2018	1,305,000	234,749	1,539,749
2019	1,345,000	194,832	1,539,832
2020	1,385,000	153,654	1,538,654
2021	1,425,000	111,272	1,536,272
2022	255,000	67,631	322,631
2023 - 2027	1,440,000	176,957	1,616,957
Total	<u>\$ 7,155,000</u>	<u>\$ 939,095</u>	<u>\$ 8,094,095</u>

Advanced refunding

In October 2010, the Library District issued \$11,260,000 in Certificates of Participation to provide resources to purchase U.S. Government Series securities that were placed in escrow for the purpose of generating resources for full payment of the 2001 Certificates of Participation. The outstanding debt was defeased in 2011.

Eloise May Public Library

In 2008, the Library District began construction of a new library building and completed construction in 2009. To finance this construction, \$4,370,000 in Certificates of Participation were issued by the Authority on March 11, 2008. The debt is collateralized with the Castlewood Library owned by the Library District.

Capital Lease

In June 2017, the Library District entered into a 15 year capital lease agreement for \$1,015,000 to lease land for potential expansion. The Library District has the option of purchasing the land on December 15, 2020 or on any base rental payment date after that date. Ownership of the land is conveyed to the Library District at the end of the lease agreement.

Future minimum lease payments under this lease purchase agreement are as follows:

Year	Principal	Interest	Total
2018	\$ 53,826	\$ 33,073	\$ 86,899
2019	55,666	31,233	86,899
2020	57,569	29,330	86,899
2021	59,537	27,362	86,899
2022	61,572	25,326	86,899
2023 - 2027	340,914	93,579	434,493
2028 - 2032	359,862	31,182	391,044
Total	<u>\$ 988,946</u>	<u>\$ 271,085</u>	<u>\$ 1,260,032</u>

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Changes in Long-term Debt - Changes in the Library District's long-term obligations consist of the following for the year ended December 31, 2017:

	Outstanding 12/31/2016	Additions	Reductions	Outstanding 12/31/2017	Amounts Due In One Year
Governmental Activities:					
Compensated Absences	\$ 686,685	\$ 1,846,841	\$ (1,716,748)	\$ 816,778	\$ 140,709
Capital Lease	-	1,015,000	(26,054)	988,946	53,826
2008 Certificates of Participation	2,835,000	-	(210,000)	2,625,000	220,000
2010 Certificates of Participation	5,580,000	-	(1,050,000)	4,530,000	1,085,000
Total	<u>\$ 9,101,685</u>	<u>\$ 2,861,841</u>	<u>\$ (3,002,802)</u>	<u>\$ 8,960,724</u>	<u>\$ 1,499,535</u>

Compensated absences are expected to be liquidated using revenues from the General Fund.

NOTE 7 - OPERATING LEASES

Southglenn Public Library Lease

The Library District occupies rental space for Southglenn Public Library under an operating lease agreement; the lease agreement expires in July 2019. The lease began July 2009 and has an initial period of 10 years, with payments escalating during this period, and options for an additional 20 years renewable in five-year increments. The lease also requires the Library District to pay its proportionate share of operating costs.

Rent expenditures under the lease totaled \$262,186 for the year ended December 31, 2017. The Library District's proportionate share of common area maintenance costs were \$97,714 for the year.

Future minimum lease payments under this basic operating lease agreement follow:

Year	Amount Due
2018	\$ 274,303
2019	167,078
Total	<u>\$ 441,381</u>

Copiers and Printers Lease

The Library District entered into an agreement to lease copiers and printers under an operating lease agreement. The lease agreement that began April 2014 and expired in March 2017 was extended in March 2017 for an additional 24 months at a minimum monthly payment of \$5,879. The lessor reserves the right to increase the monthly lease payments up to 10% on March of each year. Rent expenditures under the lease totaled \$71,058 for the year ended December 31, 2017.

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 7 - OPERATING LEASES (CONTINUED)

Future minimum lease payments under this basic operating lease agreement follow.

Year	Amount Due
2018	\$ 70,547
2019	\$ 17,637
Total	<u>\$ 88,184</u>

Garage Lease

The Library District contracts to lease garage space for the Bookmobile under an operating lease agreement. A lease expiring April 2017 was for a 12 month term requiring monthly payments of \$1,050. The Library District incurred \$4,200 of rent expenditures in 2017 under this agreement.

The Library District entered into another operating lease agreement to lease garage space for the Bookmobile beginning May 2017 and expiring in April 2018. The lease has a term of 12 months and requires monthly payments of \$1,092. Rent expenditures under this lease totaled \$8,733 for the year ended December 31, 2017.

Future minimum lease payments under this basic operating lease agreement follow.

Year	Amount Due
2018	\$ 4,367
Total	<u>\$ 4,367</u>

NOTE 8 - PENSIONS

The Arapahoe Library District Money Purchase Plan, a defined contribution pension plan, is administered by the Library District. The authority for establishing and amending this plan and the related contribution requirements rests with the Library District Board of Trustees. All eligible Library District employees are required to participate after one year of continuous service. Contributions made by the employer were increased from 7% to 8% of covered payroll effective February 1, 2016. Employees can voluntarily contribute up to 100% of their salary, not to exceed the Internal Revenue Code Section 415 maximum. Employer contributions are vested at the rate of 20% per year.

During 2017, the Library District contributed \$799,708 for employees participating in the retirement plan during the year. Employees contributed \$88,816 to the plan in 2017.

**ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017**

NOTE 9 - 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, 2017 are as follows.

	Governmental Activities
Net Investment in Capital Assets:	
Cost of Capital Assets	\$ 53,899,134
Less Accumulated Depreciation	(18,140,952)
Book Value	35,758,182
Capital Related Debt	(8,143,946)
Capital Related Deferred Outflows of Resources	272,966
Net Investment in Capital Assets	\$ 27,887,202

NOTE 10 - RISK MANAGEMENT

The Library 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 Library District carries commercial insurance for the risks of loss, including worker’s compensation and employee accident insurance. There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the Library District’s insurance coverage during the past three years.

In 2014, the Library District established a self-funded health insurance plan to employees with excess coverage underwritten by a commercial carrier. Medical and prescription claims, as well as administrative costs, are paid for and funded by contributions made by the Library District and participating employees. All claims are reviewed and approved for payment by Anthem Blue Cross Blue Shield. Liabilities for retained risk claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Based on actuarial analysis of claims, liabilities include an estimate for claims that have been incurred but not reported (“IBNR”) at December 31, 2017. IBNR claims are recorded as a liability in the Governmental Activities on the Statement of Net Position.

The following is a summary of the changes in the balance of claims liabilities during 2017 and 2016.

	2017	2016
Unpaid Claims, Beginning of Year	\$ 83,850	\$ 107,693
New Claims Incurred, Including IBNR	1,719,117	1,381,787
Claim Payments	(1,685,530)	(1,405,630)
Unpaid Claims, End of Year	\$ 117,437	\$ 83,850

ARAPAHOE LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 11 - CONTINGENT LIABILITIES

The Library District has received federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Library District believes such disallowances, if any, will be immaterial.

NOTE 12 - TABOR Amendment

In 1992, a constitutional amendment, the taxpayer's bill of rights (commonly referred to as TABOR) was passed, limiting powers of public entities to borrow, tax and spend without a public vote. In 1995, the voters in the Library District approved a revenue increase for the Library District, effective in the 1996 budget year. As part of the tax and revenue ballot question, public approval also was given to remove the revenues of the Library District from the spending and growth provisions set forth in the TABOR amendment. The ballot question also included language, which effectively exempted the Library District from compliance with the 5.5% revenue budget limit described in the Colorado State Statutes.

The Library District reserved 3% of its annual qualifying revenues to comply with provisions of TABOR's emergency reserve requirements. This is reported as restricted net position and fund balance in the appropriate financial statements.

NOTE 13 - COMMITMENTS

The Library District has active goods and service commitments as of December 31, 2017. At year end, the Library District has contract obligations of \$2,962,565.

NOTE 14 - VOLUNTEER HOURS

Numerous volunteers have donated significant amounts of time to the Library District for library operations during the year. These services were not recorded in the financial statements in 2017 because they are not measurable and the Library District would not purchase the volunteered services if they were not donated.

**ARAPAHOE LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the Year Ended December 31, 2017**

	Budget		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 29,692,072	\$ 29,692,072	\$ 29,897,092	\$ 205,020
Specific Ownership Taxes	1,576,300	1,576,300	2,606,995	1,030,695
Intergovernmental	434,491	434,491	492,633	58,142
Fines	210,000	210,000	139,552	(70,448)
Cafe Sales	-	-	215,670	215,670
Investment Earnings	80,000	80,000	228,938	148,938
Contributions - Arapahoe Library				
Friends Foundation	100,000	100,000	102,999	2,999
Miscellaneous	352,313	352,313	227,047	(125,266)
Total Revenues	32,445,176	32,445,176	33,910,926	1,465,750
Expenditures				
Current:				
Library Operations	8,123,950	8,123,950	7,902,282	221,668
Administrative and Executive Services	11,679,724	11,679,724	10,563,556	1,116,168
Digital and Library Material Services	8,366,438	8,366,438	5,715,261	2,651,177
Communications, Programming and Partnerships	2,006,680	2,006,680	2,030,254	(23,574)
Debt Service:				
Principal	-	-	26,054	(26,054)
Interest	-	-	17,396	(17,396)
Capital Outlay	4,571,868	4,571,868	5,255,222	(683,354)
Total Expenditures	34,748,660	34,748,660	31,510,025	3,238,635
Excess (Deficiency) of Revenues Over Expenditures	(2,303,484)	(2,303,484)	2,400,901	4,704,385
OTHER FINANCING SOURCES (USES)				
Financing of Capital Lease	-	-	1,015,000	1,015,000
Transfers out	-	(22,739)	-	(22,739)
Total Other Financing Sources (Uses)	-	(22,739)	1,015,000	992,261
Net change in Fund Balance	(2,303,484)	(2,326,223)	3,415,901	5,696,646
Fund Balance - Beginning	17,143,567	17,552,105	17,552,105	-
Fund Balance - Ending	\$ 14,840,083	\$ 15,225,882	\$ 20,968,006	\$ 5,696,646

See accompanying note to the required supplementary information

**ARAPAHOE LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2017**

Note 1 – Budgetary Information

A budget for the General Fund is adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

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.

**ARAPAHOE LIBRARY DISTRICT
ARAPAHOE LIBRARY DISTRICT BUILDING AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the Year Ended December 31, 2017**

	Budget		Actual	Variance
	Original	Final		
Revenues				
Repayment from Arapahoe Library District	\$ 1,533,262	\$ 1,533,262	\$ 1,533,074	\$ (188)
Investment Earnings	65	65	356	291
Total Revenues	1,533,327	1,533,327	1,533,430	103
Expenditures				
Current:				
Administrative and Executive Services	50	22,789	18	22,771
Debt Service:				
Principal	1,260,000	1,260,000	1,260,000	-
Interest	273,262	273,262	273,262	-
Total Expenditures	1,533,312	1,556,051	1,533,280	22,771
Excess (Deficiency) of Revenues Over Expenditures	15	(22,724)	150	22,874
OTHER FINANCING SOURCES (USES)				
Transfers In	-	22,739	-	22,739
Total Other Financing Source (Uses)	-	22,739	-	22,739
Net change in Fund Balance	15	15	150	45,613
Fund Balance - Beginning	87	139	139	-
Fund Balance - Ending	\$ 102	\$ 154	\$ 289	\$ 45,613

**ARAPAHOE LIBRARY DISTRICT
STATISTICAL SECTION
(Unaudited)**

STATISTICAL SECTION INDEX

This part of the Arapahoe Library District's (Library District) 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.

Financial Trends

Pages 55 - 58

– These schedules contain trend information that may assist the reader in assessing the Library District's current financial performance by placing it in a historical perspective.

Revenue Capacity

Pages 59 - 61

– These schedules contain information that may assist the reader in assessing the viability of the Library District's most significant "own-source" revenue, property taxes.

Debt Capacity

Page 62

– This schedule presents information that may assist the reader in analyzing the affordability of the Library District's current levels of outstanding debt.

Demographic and Economic

Pages 63 - 64

– These schedules 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.

Operating Information

Pages 65 - 67

– These schedules contain service and capital asset indicators that can assist in understanding how the information in the Library District's financial statements relates to the services the Library District provides and the activities it performs.

**ARAPAHOE LIBRARY DISTRICT
GOVERNMENT-WIDE NET POSITION BY COMPONENT
Last Ten Calendar Years
(accrual basis of accounting)**

	For the Year Ended December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016 ²	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 17,521,307	\$ 21,689,943	\$ 21,376,703	\$ 21,345,932	\$ 20,478,414	\$ 20,524,707	\$ 24,256,969	\$ 25,062,805	\$ 25,995,196	\$ 27,887,202
Restricted	587,707	604,418	622,970	604,700	641,299	622,124	647,893	691,743	991,364	1,017,042
Unrestricted	14,378,351	12,417,131	13,429,506	15,335,654	14,742,005	14,134,535	10,310,304	9,308,391	15,851,422	18,996,002
Total Governmental Activities	<u>\$ 32,487,365</u>	<u>\$ 34,711,492</u>	<u>\$ 35,429,179</u>	<u>\$ 37,286,286</u>	<u>\$ 35,861,718</u>	<u>\$ 35,281,366</u>	<u>\$ 35,215,166</u>	<u>\$ 35,062,939</u>	<u>\$ 42,837,982</u>	<u>\$ 47,900,246</u>

Notes:

¹Accounting 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.

²The Library District experienced a significant increase in unrestricted net position due to a voter approved mill levy increase collectible in 2016.

Data Source:

Applicable years' comprehensive annual financial report.

**ARAPAHOE LIBRARY DISTRICT
CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES
Last Ten Calendar Years
(accrual basis of accounting)**

For the Year Ended December 31,

	2008	2009	2010	2011	2012 ²	2013 ²	2014 ³	2015 ⁴	2016 ⁵	2017
Expenses:										
Public Services ¹	\$ 14,056,625	\$ 14,122,513	\$ 16,698,721	\$ 16,247,236	\$ 18,077,186	\$ 16,877,836	\$	\$	\$	\$
Support Services:										
Administration ¹	2,845,725	2,495,488	2,359,373	2,362,407	2,701,290	2,799,845				
Digital ¹	1,325,168	1,425,195	1,413,727	1,375,287	1,308,088	1,436,656				
Library Materials ¹	1,504,707	2,212,778	2,105,915	1,540,047	1,541,816	1,404,456				
Library Operations							7,620,719	7,534,270	8,297,696	8,989,304
Administrative and Executive Services							7,461,475	7,552,624	8,325,786	9,540,121
Digital and Library Material Services							6,628,896	6,258,674	6,850,637	7,871,893
Communications, Programming and Partnerships							1,405,875	1,588,704	1,779,408	2,090,545
Interest and Fiscal Charges	841,790	806,648	749,035	530,526	447,198	482,108	379,626	344,300	307,726	357,155
Total Expenses	20,574,015	21,062,622	23,326,771	22,055,503	24,075,578	23,000,901	23,496,591	23,278,572	25,561,253	28,849,018
Program Revenues:										
Charges for Services:										
Public Services ¹	299,123	385,237	458,591	382,087	347,868	310,720				
Library Operations							297,067	219,570	314,027	486,360
Communications, Programming and Partnerships									148,405	-
Operating Grants and Contributions	399,323	499,730	579,293	501,745	525,550	599,243	549,806	563,028	643,186	599,860
Capital Grants and Contributions	25,000	16,000	89,709			50,000			15,000	-
Total Program Revenues	723,446	900,967	1,127,593	883,832	873,418	959,963	846,873	782,598	1,120,618	1,086,220
Net (Expense) Revenue	(19,850,569)	(20,161,655)	(22,199,178)	(21,171,671)	(23,202,160)	(22,040,938)	(22,649,718)	(22,495,974)	(24,440,635)	(27,762,798)
General Revenues:										
Taxes:										
Property	20,205,519	20,596,200	21,149,495	21,258,107	19,998,977	19,890,039	20,649,299	20,424,641	29,567,005	29,897,092
Specific Ownership	1,571,305	1,458,430	1,409,347	1,333,450	1,342,257	1,405,305	1,524,749	1,575,114	2,319,915	2,606,995
Investment Earnings	582,485	118,999	161,237	197,335	144,034	(222)	156,618	49,048	106,933	229,294
Miscellaneous	161,691	212,153	196,786	239,886	292,324	290,936	276,393	294,944	31,974	91,681
Gain on Disposal of Assets									189,851	-
Total General Revenues	22,521,000	22,385,782	22,916,865	23,028,778	21,777,592	21,586,058	22,607,059	22,343,747	32,215,678	32,825,062
Change in Net Position	\$ 2,670,431	\$ 2,224,127	\$ 717,687	\$ 1,857,107	\$ (1,424,568)	\$ (454,880)	\$ (42,659)	\$ (152,227)	\$ 7,775,043	\$ 5,062,264

Notes:

¹In 2014, the Library District updated functions to more accurately reflect operations. Therefore, these rows are shown as incomplete beginning in 2014.

²In 2012 and 2013, the assessed valuation of the Library District significantly decreased due to the economic recession causing a reduction in net position.

³During 2014, the Library District completed a product line restructure which created additional specialized employee positions. This restructure along with rebranding caused an increase in expenses and a reduction in net position.

⁴2015 was not a reassessment year for property taxes. Although expenses decreased from 2014, so did property tax revenue which caused a reduction in net position.

⁵The Library District experienced a significant increase in net position due to a voter approved mill levy increase collectible in 2016.

Data Source:

Applicable years' comprehensive annual financial report.

**ARAPAHOE LIBRARY DISTRICT
FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Calendar Years
(modified accrual basis of accounting)**

	For the Year Ended December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Nonspendable	\$	\$	\$	\$ 490,290	\$ 429,606	\$ 689,787	\$ 557,263	\$ 535,036	\$ 790,347	\$ 1,002,191
Restricted				604,700	641,299	622,124	647,893	691,743	991,225	1,016,753
Assigned				1,896,912	4,446,790	5,830,885	7,650,985	875,828	7,015,868	4,962,355
Unassigned				13,561,688	10,449,539	8,265,444	2,758,495	8,500,586	8,754,665	13,986,707
Reserved ¹	1,182,121	964,427	1,000,824							
Unreserved ¹	9,894,685	12,480,970	13,661,025							
Total General Fund	<u>11,076,806</u>	<u>13,445,397</u>	<u>14,661,849</u>	<u>16,553,590</u>	<u>15,967,234</u>	<u>15,408,240</u>	<u>11,614,636</u>	<u>10,603,193</u>	<u>17,552,105</u>	<u>20,968,006</u>
All Other Governmental Funds										
Restricted:										
Debt Service Fund ²									139	289
Unreserved:										
Capital Projects Fund ¹	4,241,200									
Total All Other Governmental Funds	<u>4,241,200</u>								<u>139</u>	<u>289</u>
Total Governmental Funds										
Nonspendable				490,290	429,606	689,787	557,263	535,036	790,347	1,002,191
Restricted				604,700	641,299	622,124	647,893	691,743	991,364	1,017,042
Assigned				1,896,912	4,446,790	5,830,885	7,650,985	875,828	7,015,868	4,962,355
Unassigned				13,561,688	10,449,539	8,265,444	2,758,495	8,500,586	8,754,665	13,986,707
Reserved ¹	1,182,121	964,427	1,000,824							
Unreserved ¹	14,135,885	12,480,970	13,661,025							
Total Governmental Funds	<u>\$ 15,318,006</u>	<u>\$ 13,445,397</u>	<u>\$ 14,661,849</u>	<u>\$ 16,553,590</u>	<u>\$ 15,967,234</u>	<u>\$ 15,408,240</u>	<u>\$ 11,614,636</u>	<u>\$ 10,603,193</u>	<u>\$ 17,552,244</u>	<u>\$ 20,968,295</u>

Note:

¹Classifications changed with the implementation of GASB 54, therefore this row is shown as incomplete beginning in 2011.

²Classifications changed with the implementation of GASB 61, therefore this row is new beginning in 2016.

Data Source:

Applicable years' comprehensive annual financial report.

ARAPAHOE LIBRARY DISTRICT
SUMMARY OF CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Last Ten Calendar Years
(modified accrual basis of accounting)

For the Year Ended December 31,

	2008	2009	2010	2011	2012 ⁴	2013 ⁵	2014 ⁵	2015 ⁶	2016 ^{7,8}	2017
Revenue Source										
Property Taxes	\$ 20,205,519	\$ 20,596,200	\$ 21,149,495	\$ 21,258,107	\$ 19,998,977	\$ 19,890,039	\$ 20,649,299	\$ 20,424,641	\$ 29,567,005	\$ 29,897,092
Specific Ownership Taxes	1,571,305	1,458,430	1,409,347	1,333,450	1,342,257	1,405,305	1,524,749	1,575,114	2,319,915	2,606,995
Intergovernmental	331,528	373,412	442,526	401,286	414,883	456,735	395,610	491,223	547,211	492,633
Fines	299,123	385,237	458,590	382,087	347,868	310,720	292,728	215,088	179,689	139,552
Contributions - Foundation	92,795	142,318	226,476	100,459	110,667	192,508	152,295	70,000	105,436	102,999
Investment Earnings	582,485	118,999	161,237	197,335	144,034	(222)	156,618	49,048	106,933	229,294
Cafe Sales									148,405	215,670
Repayment from Arapahoe Library										
District									1,540,791	1,533,074
Miscellaneous	161,691	212,153	168,533	268,139	292,324	290,936	282,633	301,231	171,851	227,047
Total Revenues	23,244,446	23,286,749	24,016,204	23,940,863	22,651,010	22,546,021	23,453,932	23,126,345	34,687,236	35,444,356
Current:										
Public Services ³	14,032,711	14,347,340	14,776,066	15,150,278	15,908,229	15,308,643				
Administration ³	2,711,989	2,287,611	2,111,335	2,122,886	2,689,114	2,640,436				
Digital ³	1,270,422	1,293,248	1,275,198	1,259,381	1,243,597	1,377,574				
Library Materials ³	1,492,221	2,193,171	2,101,632	1,526,689	1,534,724	1,409,924				
Library Operations							6,648,007	6,640,950	7,244,689	7,902,282
Administrative and Executive Services							7,344,145	7,271,808	9,561,273	10,563,574
Digital and Library Material Services							6,210,278	6,020,364	4,940,353	5,715,261
Communications, Programming and Partnerships							1,393,312	1,580,097	1,749,458	2,030,254
Capital Outlay	5,922,514	2,786,980	297,747	451,655	321,735	831,717	4,090,693	1,082,229	2,701,552	5,255,222
Debt Service										
Principal	1,340,000	1,440,000	1,510,000	995,000	1,090,000	1,120,000	1,155,000	1,195,000	1,230,000	1,286,054
Interest and Fees	830,904	811,008	727,774	543,233	449,968	416,721	382,560	347,340	310,860	290,658
Debt Issuance Costs	70,000		104,836							
Total Expenditures	27,670,761	25,159,358	22,904,588	22,049,122	23,237,367	23,105,015	27,223,995	24,137,788	27,738,185	33,043,305
Other Financing Sources and Uses										
Sale of Capital Assets										
Issuance of Certificates of Participation ²	4,370,000		11,260,000							1,015,000
Financing of Capital Lease										
Payment to Refund Debt Escrow			(11,155,164)							
Total Other Financing Sources	4,370,000		104,836							1,015,000
Net Change in Fund Balance	\$ (56,315)	\$ (1,872,609)	\$ 1,216,452	\$ 1,891,741	\$ (586,357)	\$ (558,994)	\$ (3,770,063)	\$ (1,011,443)	\$ 6,949,051	\$ 3,416,051
Debt Service as a Percentage of Noncapital Expenditures	10.3%	10.1%	10.4%	7.1%	6.7%	6.9%	7.2%	7.2%	6.2%	5.7%

Notes:

- ¹Includes all governmental fund types.
- ²The certificates of participation were issued to finance the construction of the Support Services building, Smoky Hill Library branch and Eloise May Library branch.
- ³In 2014, the Library District updated functions to more accurately reflect operations. Therefore, these rows are shown as incomplete beginning in 2014.
- ⁴In 2012, the assessed valuation of the Library District significantly decreased due to the economic recession, causing a reduction in fund balance.
- ⁵During 2013 and 2014, the Library District self-funded the construction of the stand alone Sheridan Library branch which caused a decrease in fund balance.
- ⁶During 2015, the Library District self-funded the remodel of the Koelbel Library branch, causing a decrease in fund balance.
- ⁷GASB 61 requires the Arapahoe Library Building Authority, whose transactions were previously eliminated through blending with the general fund, be presented as a debt service fund. This disaggregation caused an increase in Administrative and Executive Services expenditures in 2016.
- ⁸The Library District experienced a significant increase in fund balance due to a voter approved mill levy increase collectible in 2016.

Data Source:

Applicable years' comprehensive annual financial report.

ARAPAHOE LIBRARY DISTRICT
TOTAL ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY – BY TYPE
Last Ten Calendar Years

Budget Year	For the Year Ended December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed Value²										
Real Property	\$ 3,860,904,910	\$ 3,916,686,000	\$ 4,169,355,360	\$ 4,184,155,840	\$ 3,730,006,740	\$ 3,729,243,840	\$ 3,865,096,820	\$ 3,861,130,293	\$ 4,603,922,141	\$ 5,287,335,378
Personal Property	409,255,380	413,538,340	425,158,980	413,231,890	434,234,790	440,532,150	491,694,760	493,068,449	511,051,043	524,436,486
Total Assessed Value	\$ 4,270,160,290	\$ 4,330,224,340	\$ 4,594,514,340	\$ 4,597,387,730	\$ 4,164,241,530	\$ 4,169,775,990	\$ 4,356,791,580	\$ 4,354,198,742	\$ 5,114,973,184	\$ 5,811,771,864
Estimated Actual Value²										
Real Property	\$ 34,460,814,610	\$ 35,145,632,410	\$ 35,145,632,410	\$ 35,896,257,377	\$ 32,574,903,035	\$ 32,627,385,671	\$ 33,381,601,138	\$ 33,463,682,592	\$ 40,263,317,852	\$ 49,266,445,930
Personal Property	1,411,210,489	1,425,978,924	1,425,978,924	1,424,923,793	1,497,347,061	1,519,062,350	1,695,487,700	1,700,401,831	1,762,436,265	1,808,052,392
Total Estimated Actual Value	\$ 35,872,025,099	\$ 36,571,611,334	\$ 36,571,611,334	\$ 37,321,181,170	\$ 34,072,250,096	\$ 34,146,448,021	\$ 35,077,088,838	\$ 35,164,084,423	\$ 42,025,754,117	\$ 51,074,498,322
Direct Rate	4.827	4.783	4.869	4.981	4.903	4.861	4.794	5.916	5.926	5.885

Notes:

¹This table has been modified to reflect assessed values for the year in which taxes are collected. Assessments made in 2015 provide the tax base for taxes collected in 2016.

²Years prior to 2014 were modified to reflect the total Assessed Value and Estimated Actual Value of the Library District instead of the net taxable values, as shown in prior years' comprehensive annual financial reports.

Data Source:

The Arapahoe County and Adams County Assessors.

**ARAPAHOE LIBRARY DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
Calendar Years Ended December 31, 2017 and 2008**

2017			
Principal Taxpayer	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value
Public Service Co of Colorado	\$ 70,492,870	1	1.21%
Cellco Partnership FKA Verizon Wireless	43,084,520	2	0.74%
Qwest Corporation	40,677,500	3	0.70%
Greenwood Property Crop	32,332,970	4	0.56%
Denver CB Center 2 LLC	28,502,940	5	0.49%
GPI Plaza Tower LP	25,265,090	6	0.43%
Galleria Acquisition Inc	19,005,710	7	0.33%
United Launch Alliance	17,273,107	8	0.30%
KBSIII Village Center Station LLC	17,006,760	9	0.29%
CSHV Denver Tech Center LLC	16,033,520	10	0.28%
Total Principal Taxpayers	309,674,987		5.33%
All Other Taxpayers	5,502,096,877		94.67%
Total Assessed Valuation	\$ 5,811,771,864		100.00%

2008			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Qwest Corporation	\$ 53,088,800	1	12.77%
Verizon Wireless	41,971,680	2	10.09%
Xcel Enery	33,612,710	3	8.08%
Greenwood Property Corp	29,000,010	4	6.97%
Property Colorado OBJLW	22,330,010	5	5.37%
Columbia Heathone LLC	21,750,010	6	5.23%
Verizon Wireless	15,911,320	7	3.83%
Crescent Peakeview Tower	13,050,000	8	3.14%
FSP Greenwood Plaza Corp	12,760,000	9	3.07%
National Digital Television	12,266,120	10	2.95%
Total Principal Taxpayers	255,740,660		6.81%
All Other Taxpayers	3,502,074,210		93.19%
Total Assessed Valuation	\$ 3,757,814,870		100.00%

Note:

¹This table has been modified to reflect assessed values for the year in which taxes are collected. Assessments made in 2016 provide the tax base for taxes collected in 2017.

Data Source:

Arapahoe County Tax Assessor and applicable years' comprehensive annual financial report.

**ARAPAHOE LIBRARY DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years**

Collection Year	For the Year Ended December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Current Tax Levy	\$ 20,545,597	\$ 20,888,398	\$ 21,843,060	\$ 22,110,501	\$ 20,439,050	\$ 20,150,543	\$ 20,846,762	\$ 20,573,473	\$ 29,820,756	\$ 29,729,455
Current Tax Collections	20,409,843	20,714,530	21,544,538	21,258,107	20,122,320	19,977,797	20,677,398	20,463,590	29,581,002	29,898,739
Percentage of Current Tax Levy Collected	99.3%	99.2%	98.6%	96.1%	98.5%	99.1%	99.2%	99.5%	99.2%	100.6%
Delinquent Tax Collections²	(204,323)	(118,330)	(395,043)	(405,962)	(123,343)	(87,758)	(28,099)	(38,949)	(13,997)	(1,647)
Total Tax Collections	<u>\$ 20,205,520</u>	<u>\$ 20,596,200</u>	<u>\$ 21,149,495</u>	<u>\$ 20,852,145</u>	<u>\$ 19,998,977</u>	<u>\$ 19,890,039</u>	<u>\$ 20,649,299</u>	<u>\$ 20,424,641</u>	<u>\$ 29,567,005</u>	<u>\$ 29,897,092</u>
Ratio of Total Tax Collections to Total Tax Levy	98.3%	98.6%	96.8%	94.3%	97.8%	98.7%	99.1%	99.3%	99.1%	100.6%

Notes:

¹GASB Statement No. 44 requires that delinquent tax collections be applied to the year levied. However, this information is currently not available.

²Abatements and appeals were greater than the delinquent property taxes received for the years presented; therefore, these balances are negative.

Data Source:

Arapahoe County and Adams County Certification of Tax Levies and Distribution reports.

**ARAPAHOE LIBRARY DISTRICT
RATIO OF CERTIFICATES OF PARTICIPATION OUTSTANDING
Last Ten Calendar Years**

<u>Year</u>	<u>Certificates of Participation</u>	<u>Percentage of Personal Income</u>	<u>Estimated Population</u>	<u>Total Debt Per Capita</u>
2008	\$ 17,565,000	0.06%	542,039	\$ 32
2009	\$ 16,125,000	0.05%	552,461	\$ 29
2010	\$ 15,200,000	0.05%	563,161	\$ 27
2011	\$ 14,205,000	0.05%	574,577	\$ 25
2012	\$ 13,115,000	0.04%	585,845	\$ 22
2013	\$ 11,995,000	0.04%	596,051	\$ 20
2014	\$ 10,840,000	0.03%	608,128	\$ 18
2015	\$ 9,645,000	0.03%	618,821	\$ 16
2016	\$ 8,415,000	0.03%	631,096	\$ 13
2017	\$ 8,143,946	0.02%	643,052	\$ 13

Data Source:

Applicable years' comprehensive annual financial report and the Bureau of Economic Analysis.

**ARAPAHOE LIBRARY DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years**

Year	Estimated Population ^{1,2}	Personal Income ^{1,2}	Per Capita Personal Income ^{1,2}	Unemployment Rate		
				Arapahoe County ³	State of Colorado ³	United States ⁴
2008	542,039	\$ 27,639,660,000	\$ 50,992	4.9%	4.9%	5.8%
2009	552,461	\$ 29,343,839,000	\$ 53,115	7.3%	7.5%	9.3%
2010	563,161	\$ 28,046,617,000	\$ 49,802	8.6%	8.8%	9.6%
2011	574,577	\$ 28,593,916,000	\$ 49,765	8.3%	8.3%	8.9%
2012	585,845	\$ 31,372,499,000	\$ 53,551	7.7%	7.8%	8.1%
2013	596,051	\$ 33,366,825,000	\$ 55,980	6.6%	6.6%	7.4%
2014	608,128	\$ 32,751,491,000	\$ 53,856	4.9%	4.9%	6.2%
2015	618,821	\$ 34,835,883,000	\$ 56,294	3.7%	3.8%	5.3%
2016	631,096	\$ 33,160,632,000	\$ 52,545	3.1%	3.3%	4.9%
2017	643,052	\$ 34,689,868,000	\$ 54,452	3.2%	3.0%	4.1%

Notes and Data Sources:

¹Data in these columns reflect the prior year's final numbers, as the listed years' data was unavailable at the time this report was issued. Data source is the Bureau of Economic Analysis.

²Beginning in 2015, data for the Library District's coverage area is no longer available. Prior years' numbers were updated to reflect all of Arapahoe County for consistency.

³Numbers in these columns were updated to reflect final unemployment rates. Data source is the Colorado Department of Labor and Employment.

⁴Numbers in this column were updated to reflect final unemployment rates. Data source is the Bureau of Labor and Statistics.

**ARAPAHOE LIBRARY DISTRICT
PRINCIPAL EMPLOYERS
For the Calendar Years DECEMBER 31, 2017 and 2008**

2017			
Employer	Number of Employees	Rank	Percentage of Major County Employers
Comcast	8,500	1	2.56%
Cherry Creek School District	8,200	2	2.47%
Aurora Public Schools	5,800	4	1.75%
Century Link	4,600	3	1.39%
Raytheon Company	2,600	5	0.78%
Littleton School District #6	2,100	6	0.63%
Columbia HCA Medical Center of Aurora	2,000	7	0.60%
Arapahoe County	2,000	8	0.60%
Columbia HCA Swedish	1,800	9	0.54%
Arrow Electronics	1,700	10	0.51%
Total Principal Employers' Employees	39,300		11.83%
All Other Employees	292,200		88.14%
Total Employees	331,500		100.00%

2008			
Employer	Number of Employees	Rank	Percentage of Major County Employers
Cherry Creek School District	7,721	1	2.71%
Aurora Public Schools	4,676	2	1.64%
City of Aurora	3,561	3	1.25%
Littleton School District	2,561	4	0.90%
Great West Life	2,419	5	0.85%
Raytheon Company	2,153	6	0.76%
Arapahoe County	1,936	7	0.68%
Qwest	1,795	8	0.63%
Oppenheimer Management	1,581	9	0.56%
Columbia HCA	1,573	10	0.55%
Total Principal Employers' Employees	29,976		10.53%
All Other Employees	254,663		89.47%
Total Employees	284,639		100.00%

Data Source:

Various sources including Denver Business Journal, Metro Denver EDC, Arapahoe County, and CDLE Labor Market Information.

**ARAPAHOE LIBRARY DISTRICT
DISTRICT EMPLOYEES BY FUNCTION
Last Ten Calendar Years**

<u>Support Services</u>									
<u>Year</u>	<u>Public Services²</u>	<u>Administrative Services²</u>	<u>Library Materials Services²</u>	<u>Digital Services²</u>	<u>Library Operations</u>	<u>Administrative and Executive Services</u>	<u>Digital and Library Material Services</u>	<u>Communications, Programming and Partnerships</u>	<u>Total</u>
2008	159.00	42.75	25.00	10.00					236.75
2009	159.87	43.50	22.00	11.00					236.37
2010	159.93	42.50	18.50	10.50					231.43
2011	158.55	42.00	22.50	10.50					233.55
2012	180.36	15.00	22.75	11.00					229.11
2013	159.97	25.75	18.00	9.00					212.72
2014					138.93	27.75	34.50	17.50	218.68
2015					137.50	26.50	35.50	20.90	220.40
2016					155.43	26.98	40.40	25.41	248.22
2017					164.80	14.19	47.27	27.47	253.73

Notes:

¹These are full time equivalent numbers.

²In 2014, the Library District updated functions to more accurately reflect operations. Therefore, these rows are shown as incomplete beginning in 2014.

Data Source:

Arapahoe Library District Human Resources.

**ARAPAHOE LIBRARY DISTRICT
LIBRARY MATERIALS PURCHASED AND CIRCULATED
Last Ten Calendar Years**

Year	Number of Volumes Owned	Number of AV Items Owned	Total Items Owned	Acquisition Cost of Collections	Net Book Value of Collections¹	Number of Items Circulated³	Turn-over Rate²
2008	446,266	158,454	604,720	\$ 7,731,947	\$ 5,487,309	4,665,538	7.72
2009	421,877	166,545	588,422	\$ 7,087,790	\$ 6,655,768	5,227,817	8.88
2010	424,750	162,515	587,265	\$ 7,596,857	\$ 5,713,338	5,425,531	9.24
2011	408,954	156,386	565,340	\$ 8,027,141	\$ 5,601,957	4,888,299	8.65
2012	363,451	134,426	497,877	\$ 7,132,354	\$ 4,655,476	4,858,924	9.76
2013	326,614	119,058	445,672	\$ 6,408,805	\$ 4,049,514	4,009,826	9.00
2014	278,326	122,150	400,476	\$ 5,989,890	\$ 3,734,038	3,697,367	9.23
2015	238,029	124,642	362,671	\$ 5,585,312	\$ 3,525,337	3,568,692	9.84
2016	219,253	123,505	342,758	\$ 5,513,308	\$ 3,560,371	3,294,470	9.61
2017	206,925	122,809	329,734	\$ 5,403,013	\$ 2,454,482	3,095,149	9.39

Notes:

¹GASB Statement 34, implemented in 2002, requires that capital assets be depreciated. The Library District's collection of books and audio-visual

²Turn-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.

³The number of items circulated only reflects collection items that the Library District owns and excludes items that are downloadable and streamed.

Data Source:

Applicable years' comprehensive annual financial report and Arapahoe Library District's Library Operations Department.

**ARAPAHOE LIBRARY DISTRICT
CIRCULATION SUMMARY BY LOCATION
Last Ten Calendar Years**

Year	Castlewood Branch Library	Davies Branch Library	May Branch Library	Kelver Branch Library	Koelbel Branch Library	Sheridan Branch Library	Smoky Hill Branch Library	Southglenn Branch Library	Electronic Resources⁴	Mobile Library Services^{3,5}	Homebound Program⁶	Interlibrary Loans	Detention Center¹
2008	686,714	65,001	264,407	143,316	1,229,174	112,427	1,402,894	501,850		44,993	7,266	14,900	119,388
2009	682,459	68,786	592,450	150,112	1,330,612	113,729	1,463,423	512,588		50,754	6,745	15,426	124,507
2010	625,290	63,977	627,445	135,343	1,268,613	100,492	1,557,508	645,720		90,175	8,090	13,124	131,558
2011	539,654	31,711	448,106	77,796	881,635	48,498	1,127,476	493,564	152,975	140,003		6,901	151,898
2012	523,735	29,809	422,272	79,326	837,535	54,632	1,083,442	464,090	310,205	135,418		7,175	132,382
2013	494,230	27,880	407,732	66,668	694,577	54,509	968,364	437,808	441,709	103,136		7,378	110,749
2014	470,633	30,554	377,715	56,729	585,662	56,863	881,418	412,871	867,847	98,090		6,301	103,727
2015	450,041	30,600	361,344	53,497	521,711	84,781	882,488	385,761	1,046,628	85,490		7,649	119,079
2016	406,651	31,279	340,902	49,966	517,312	77,901	846,923	365,592	1,100,235	89,514		8,130	113,380
2017	365,341	24,914	317,559	44,386	506,261	76,019	821,607	340,597	1,130,196	86,850		6,824	121,365

Notes:

¹A small satellite facility located in the Arapahoe County Detention Center opened in 1992. Library District employees staff the facility, but these costs are fully reimbursed by the Arapahoe County Sheriff's Office. The computers, collections and operating facilities are provided by Arapahoe County Sheriff's Office.

²The Library District began floating the collection in 2010. Circulation numbers are for the location the item was checked out and not necessarily by the owning library.

³An additional bookmobile began operations in 2010.

⁴Includes downloadable audiobooks, eBooks, videos and music. The introduction of music streaming in 2014 resulted in a substantial increase in circulation in this category.

⁵Includes Child & Family Library Services and Homebound Delivery Program beginning in 2011.

⁶As of 2011, statistics for the Homebound Delivery Program are included in the Mobile Library Services category.

Data Source:

Applicable years' comprehensive annual financial report and Arapahoe Library District's Library Operations Department.