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# Comprehensive Annual **FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

*Photo by Christian Kroll*



**Poudre River Public Library District**  
Finance Office  
301 East Olive Street  
Fort Collins, Colorado 80524

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**POUDRE RIVER PUBLIC LIBRARY DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**December 31, 2020**



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**Board of Trustees**

(As of December 31, 2020)

Becki Schulz, *President*

Fred Colby, *Vice President*

Matt Schild, *Secretary/Treasurer*

Amanda Quijano

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Jeremy Rose

Joe Wise

**Executive Director**

David Slivken

Prepared by:

Rachel Tand, CPA

Director of Finance and Business Operations

301 East Olive Street

Fort Collins, Colorado 80524

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# POUDRE RIVER PUBLIC LIBRARY DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED December 31, 2020

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## Introductory Section



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OLD TOWN LIBRARY 201 Peterson Street • Fort Collins, CO 80524

HARMONY LIBRARY 4616 S. Shields Street • Fort Collins, CO 80526

COUNCIL TREE LIBRARY 2733 Council Tree Ave. • Fort Collins, CO 80525

WEBSTER HOUSE ADMINISTRATION CENTER 301 E. Olive Street • Fort Collins, CO 80524



**POUDRE RIVER  
PUBLIC LIBRARY**  
DISTRICT

June 25, 2021

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

Dear Trustees:

I am pleased to submit to you the Comprehensive Annual Financial Report of Poudre River Public Library District (the District) for the year ended December 31, 2020.

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

The GFOA administers an award program for governments that prepare Comprehensive Annual Financial Reports in compliance with its guidelines. When successful, the submitting government is awarded a Certificate of Achievement for Excellence in Financial Reporting. The District received this award for 2019, and the District intends to submit the 2020 report to the GFOA for similar recognition.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "David Slivken".

David Slivken  
Executive Director

970.221.6740  
[www.PoudreLibraries.org](http://www.PoudreLibraries.org)

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WEBSTER HOUSE ADMINISTRATION CENTER 301 E. Olive Street • Fort Collins, CO 80524



June 25, 2021

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

State law requires that local governments publish audited financial statements within seven months of the close of each fiscal year. Poudre River Public Library District (the District) publishes this report to fulfill that requirement for the fiscal year ended December 31, 2020. Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

The certified public accounting firm BKD, LLP has issued an unmodified (“clean”) opinion on the District’s financial statements for the year ended December 31, 2020. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follow the independent auditor’s report and provide a narrative introduction as well as an overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

Established in 2006 by voter approval in compliance with state statute CRS 24-90-110, the District is an independent political subdivision of the State of Colorado. The District is governed by a seven-member board of trustees jointly appointed by Fort Collins City Council and Larimer County Board of County Commissioners. Trustees serve four-year terms and are limited to two consecutive terms. The District is primarily supported by a 3-mill property tax levy.

The District serves more than 207,900 people across 1,800 square miles in northern Larimer County, Colorado. Anchored by three library branches in Fort Collins, the District is dedicated to matching diverse District patrons’ needs and interests with exceptional opportunities for learning, intellectual stimulation and personal enjoyment. Library patrons are provided a wide range of library services including books, DVDs and other materials for business and pleasure, programming services for all ages, literacy services and meeting room availability.

The District’s operating departments, called Business Units, include Administration (the Executive Director’s office, Human Resources, Finance and the Answer Center), Combined Expenditures (Systems Administration and Facilities), Community Services, Communication, the operations of three library branches and Collection Services.

The Board of Trustees is required to adopt a final budget no later than December 15<sup>th</sup> of each fiscal year. The annual budget serves as a foundation for the District’s financial planning and control and is prepared

by fund and Business Unit. The Executive Director is specifically authorized to make budget transfers between operating accounts within a fund. Any transfer of budgeted funds related to a specifically approved capital project and any change in a fund's total budget require Board of Trustees approval.

### **Local Economy**

The District encompasses northern Larimer County, with the same boundaries as Poudre School District. Ninety-one percent of the District's population resides in Fort Collins. The remaining population resides in Timnath and the unincorporated rural and mountain communities of Bellvue, LaPorte, Livermore, Lower Rist Canyon, Poudre Park, Stove Prairie, Upper Poudre Canyon, Virginia Dale and Waverly.

Fort Collins has recently been ranked as the best place to live in America by both MarketWatch (October 2020) and Livability.com (2020) as well as the twenty-seventh best place for business and careers by Forbes (2019). The City also ranked second for Bloomberg's Brain Concentration Index in 2018.

According to the 2021 Colorado Business Economic Outlook published by the University of Colorado, the leading industries in northern Colorado are manufacturing, health care, construction, accommodation, food services and retail. The local workforce is diverse and highly educated, with 47% of residents holding bachelor degrees or higher. Colorado's unemployment rate has historically been one of the lowest in the country, though we were not immune to the economic impacts of the COVID-19 pandemic. The statewide unemployment rate in September 2020 was 6.4%. Within Larimer County, the unemployment rate rose from 2.7% in December 2019 to 6.1% in December 2020. Larimer County's per capita personal income was \$31,240 in 2020, down from \$37,711 in 2019.

Innovation, education and opportunity define Larimer County. The region is home to a variety of companies from burgeoning startups supported by the area's tech incubator, Innosphere, to global leaders in food and agriculture, energy and advanced manufacturing. Target industries include bioscience, software, hardware, clean energy and water innovation. Key technology and innovation manufacturers include Woodward, Inc., top brewer Anheuser-Busch and top craft breweries New Belgium Brewing Company and Odell Brewing Company. Other global manufacturers include Hewlett-Packard Enterprise, Inc., Otter Products and Tolmar, a leading pharmaceutical company.

More than 20% of the jobs in Larimer County are in local, state or federal government, which includes a broad range of public institutions such as local schools, public universities and hospitals. Colorado State University, the District's largest employer, is one of the country's leading research universities with strong emphasis on energy management and renewables, agricultural technology, cancer in animals, infectious diseases and atmospheric science.

According to the Colorado Association of Realtors, the Larimer County single-family home median sales price as of December 2020 was \$445,000, a 4.6% increase over the previous year. According to the Colorado Multi-Family Housing Vacancy and Rental Survey conducted by the University of Denver for the state's Division of Housing, average rent in Fort Collins was \$1,440 in the second quarter of 2020, up from \$1,279 in the second quarter of 2016. Affordable local housing continues to be a concern as the population grows and housing availability declines.

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

In 2019, management reviewed and updated the District's long-term Capital Replacement Plan. The purpose of this plan is to identify major capital replacement and repair needs for the District. Annual transfers from the District's General Fund to the Capital Projects Fund provide primary funding.

The District also enacted a new Master Plan effective in 2019, which includes a comprehensive facility plan and elements of our new Strategic Plan.

### **Relevant Financial Policies**

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

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

### **Major Initiatives**

In 2020, we continued work on the planning and design phase of a remodeling project for Old Town's lobby and second floor that we will complete in 2021. We also completed a major repair on the roof top HVAC units at Council Tree Library, which had significant hail damage from a 2019 storm. Finally, we hired a consultant to assist us with evaluating and preparing a request for proposal to replace the roof at Old Town Library.

In January 2019, the Board of Trustees adopted a new Strategic Plan for years 2019-2022. The plan identifies three focus areas called Learn & Discover, Meet & Collaborate and Reimagine the Future. The Library Leadership Team has developed desired actions and community impacts for each focus area that will inform and guide our decisions and projects for the duration of the Plan. A critical part of the Plan is to identify facility needs for our growing population and find creative solutions to maximize our community reach.

For the eighth year, the City of Fort Collins recognized the District as a ClimateWise Platinum Partner. The ClimateWise program assisted local businesses in reducing their greenhouse gas impacts. Platinum was the highest partner level and required the achievement of set goals to reduce the business' greenhouse gas impacts as well as educational meeting attendance and employee challenges. The City has now closed the ClimateWise program and is currently developing a new community action model.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Poudre River Public Library District for its comprehensive annual financial report for the fiscal year ended December 31, 2019. 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 will submit it to GFOA to determine its eligibility for another certificate.

I would like to thank Laura Carter, Tova Aragon and Matthew West of the District for their assistance in the preparation of this report and Ivana Ross for her ongoing contributions to the Finance Office. I also thank the members of the Board of Trustees for their leadership and support. The District contracts with the City of Fort Collins for support services including accounting and treasury management, and I express my appreciation to the members of the City's Finance Office for their service. Finally, I would like to thank the professionals at our external auditing firm, BKD, LLP.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rachel Tand". The signature is written in a cursive, flowing style.

Rachel Tand, CPA  
Director of Finance and Business Operations



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
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Reporting

Presented to

**Poudre River Public Library District  
Colorado**

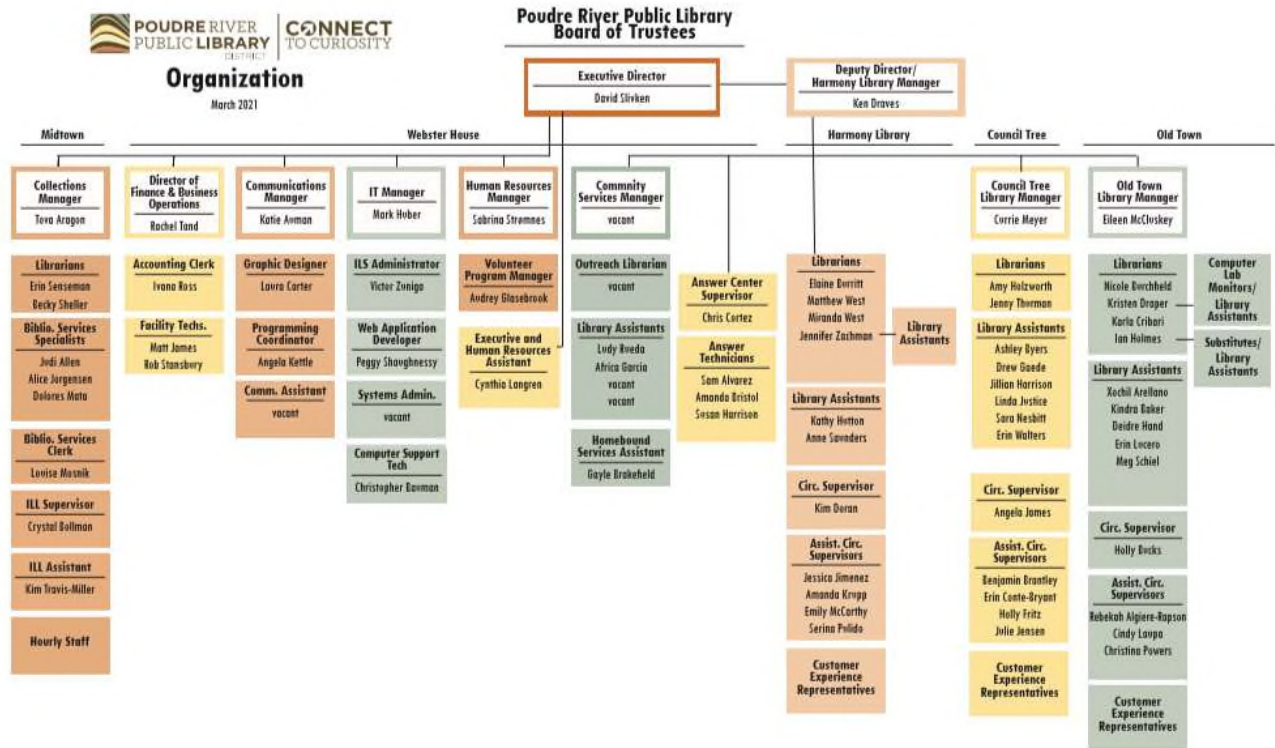
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

## Poudre River Public Library District Organization Chart (As of March 2021)



## Poudre River Public Library District Library Leadership Team (As of December 31, 2020)

**David Slivken**  
Tova Aragon  
Katie Auman  
Ken Draves  
Mark Huber  
Eileen McCluskey  
Currie Meyer  
Sabrina Stromnes  
Rachel Tand  
Johanna Ulloa

**Executive Director**  
Collections Manager  
Communications Manager  
Deputy Director  
Information Technology Manger  
Old Town Library Manager  
Council Tree Library Manager  
Human Resources Manager  
Director of Finance and Business Operations  
Community Services Manager

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## Financial Section



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## Independent Auditor's Report

Board of Trustees  
Poudre River Public Library District  
Fort Collins, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Poudre River Public Library District (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Trustees  
Poudre River Public Library District

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Poudre River Public Library District as of December 31, 2020, and the respective changes in financial position and budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The capital projects fund schedule of revenues, expenditures, and changes in fund balance budget and actual, and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The capital projects fund schedule of revenues, expenditures, and changes in fund balance, budget and actual 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees  
Poudre River Public Library District

The introductory and statistical sections as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*BKD, LLP*

Denver, Colorado  
June 25, 2021

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## Management's Discussion and Analysis (Unaudited)

Poudre River Public Library District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2020. In addition to this overview and analysis based on currently known facts, decisions and conditions, the District encourages readers to consider the information presented in the District's financial statements, which begin on page 30 of this report.

### Overall Financial Highlights

The assets of the District exceeded its liabilities and deferred inflows of resources at the end of the fiscal year ended December 31, 2020 by \$28,226,646 (net position). Of the net position balance, \$10,500,875 is unrestricted and available to meet the District's ongoing obligations in accordance with the District's fund designations and fiscal policies.

The District's overall net position increased by \$1,564,808 in 2020. The General Fund, the District's primary operating fund, reported a fund balance increase of \$499,402 on a current financial resource basis and an ending fund balance of \$4,221,451. The Capital Projects Fund reported a fund balance increase of \$1,852,586 on a current financial resource basis and an ending fund balance of \$6,956,742. The primary reason for the significant Capital Projects Fund balance increase was an inter-fund transfer of \$1,325,000 from the General Fund to the Capital Projects Fund for future facilities expansion, in addition to the annual transfer of \$500,000 in accordance with the Board approved capital reserve policy.

### Overview of the Financial Statements

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

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

### Government-wide Financial Statements and Analysis

The government-wide statements are designed to provide readers with a broad overview of the District's finances using the accrual basis of accounting, which is the basis of accounting used by most private-sector businesses.

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

The statement of activities presents information reflecting how the District's net position has changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave). The government-wide financial statements can be found on pages 30 and 31 of this report, and an analysis and summary of the statements is provided here.

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. As of December 31, 2020, assets exceeded liabilities and deferred inflows of resources by \$28,226,646. The following table reflects a condensed Statement of Net Position as of December 31 of 2020 and 2019. For more detailed information, see the Statement of Net Position on page 30 of this report.

**Condensed Statement of Net Position  
as of December 31, 2020 compared with 2019**

	<b>2020</b>	<b>2019</b>
Current and other assets	\$ 22,317,967	\$ 20,211,958
Capital assets	17,391,771	18,084,345
<b>Total assets</b>	<b>39,709,738</b>	<b>38,296,304</b>
Total liabilities	561,125	731,309
Deferred inflows of resources	10,921,967	10,903,156
Net Position:		
Invested in capital assets	17,391,771	18,084,345
Restricted	334,000	302,000
Unrestricted	10,500,875	8,275,493
<b>Total net position</b>	<b>\$ 28,226,646</b>	<b>\$ 26,661,838</b>

The investment in capital assets (e.g., land, library buildings, equipment and the collection of library materials) is the largest portion of the District’s net position, representing 62% of the total. The District uses these capital assets to provide library services to citizens; consequently, these assets are not available for future spending.

The restricted portion of the District’s net position, representing 1% of the total net position, includes resources that are subject to external restrictions on how they may be used. For 2020, \$334,000 is specifically restricted by Colorado state statute under the Taxpayer Bill of Rights (TABOR) to be set aside for emergencies. This amount may fluctuate each year based on fiscal year spending. The District’s unrestricted net position of \$10,500,875 represents the remaining 37% of total net position. The District has internally committed \$9,341,867 of this balance, and the remaining amount is unassigned.

The District’s total net position increased by \$1,564,808 during 2020. This increase was due to an overall decrease in General Fund expenditures. General Fund expenditures were \$1,434,209 less than budgeted expenditures due to significant savings from facility closures, program and service cancellations and staff hour reductions from the COVID-19 pandemic. The District transferred \$1,325,000 of the excess funds to the Capital Projects Fund to assist with future facility and equipment needs, in addition to \$500,000 under the capital reserve policy. For more detailed information, see the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual on page 32 of this report.

The table on the following page reflects a condensed summary of activities and changes in net position for the fiscal years ending December 31, 2020 and 2019. For more detailed information, see the Statement of Activities on page 31 of this report.

**Condensed Statement of Activities & Changes in Net Position  
For the fiscal years ended December 31, 2020 and 2019**

	2020	2019
Program revenues:		
Charges for services	\$ 40,245	\$ 128,888
Operating grants and contributions	225,222	181,990
Capital grants and contributions	-	10,100
General revenues:		
Property and specific ownership taxes	11,654,708	10,511,059
Investment earnings	197,975	307,603
Miscellaneous	64,143	72,670
Total Revenues	12,182,292	11,212,310
Expenses:		
Library Services	7,669,008	7,494,176
Administration	1,710,171	1,907,688
Depreciation	1,238,306	1,250,542
Total expenses	10,617,484	10,652,406
Change in net position	1,564,808	559,905
Net position - beginning	26,661,838	26,101,934
Net position - ending	\$ 28,226,646	\$ 26,661,838

**Fund Financial Statements and Analysis**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District accounts for all of its activities in two governmental funds, the General Fund and a Capital Projects Fund.

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

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures and changes in fund balances in the notes to the financial statements beginning on page 33 of this report.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the District's two funds, the General Fund and the Capital Projects Fund, to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 30-32 of this report and an analysis of the statements is provided here.

As noted previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District’s governmental funds reported an ending total fund balance of \$11,178,193. \$334,000 (3%) of the ending total fund balance is restricted to indicate that it is not available for new spending because it may only be spent for externally imposed specific purposes. \$10,844,193 (97%) of the ending total fund balance constitutes an unrestricted fund balance, which is available for spending at the government’s discretion.

Within the unrestricted fund balance, the Board of Trustees has internally committed \$6,956,742 in the Capital Projects Fund for capital improvements and facilities expansion. In the General Fund, the Board has internally committed \$2,374,000 for the maintenance of adequate working capital/operating reserves and \$11,125 for encumbrances related to purchase orders for products and services that have been ordered but not yet received or completed at year-end. The remaining unrestricted fund balance is unassigned.

General Fund 2020 actual expenditures of \$9,720,546 were below total budgeted expenditures by \$1,434,209. The District’s operating segments, or Business Units, were all below their final expenditure budgets. Actual revenue exceeded budgeted revenue by \$10,522, with the biggest positive variances in investment earnings, property tax revenue and miscellaneous revenue.

**Notes to the Financial Statements**

The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 33 of this report.

**Capital Assets**

The District’s investment in capital assets as of December 31, 2020 was \$17,391,771. Capital assets, net of depreciation, decreased \$692,574 from 2019 to 2020 due to delayed asset purchases from COVID-19 versus regular asset depreciation. The table on the following page summarizes capital assets by category for 2020 and 2019.

	2020	2019
Land	\$ 2,256,000	\$ 2,256,000
Construction in Progress	26,437	74,513
Buildings and Improvements	12,562,638	13,069,053
Machinery and Equipment	856,764	906,411
Library Materials Collection	1,689,933	1,778,368
<b>Total Capital Asset Book Value</b>	<b>\$ 17,391,771</b>	<b>\$ 18,084,345</b>

Significant Capital Asset activity in 2020 included additions to the District’s library materials collection, purchase of a new disc cleaning machine, completion of the HVAC repair at Council Tree, design work for the Old Town Library remodel and consulting work for the Old Town Library roof repair. We

disposed of the previous disc cleaning machine as well as the 2014 materials collection. Additional information on the District's capital assets is located on page 42 of this report.

### **Economic Factors**

The District is dependent on property tax as its primary source of revenue. Property values are reassessed every two years, with 2019 being the most recent reassessment year. In addition, Larimer County has seen an increase in building activity over the past several years, though some of the larger construction projects are subject to tax increment financing agreements. When tax increment financing agreements are in place, the District receives none or a portion of new tax revenue until the agreement is complete. The 2019 reassessment resulted in an overall 19% increase in gross taxable assessed property values within the District, reflected in 2020 property tax revenue. The total tax increment financing deducted from the District's revenue in 2020 was \$605,117.

In 2020, Colorado voted to repeal the Gallagher Amendment, which had set residential and non-residential property tax assessment rates in the state constitution since 1982. The vote allowed the Colorado State Legislature to freeze property tax assessments rates at the current rates of 7.15% for residential and 29% for non-residential properties. The vote also allowed the State Legislature to provide for future property tax assessment rate decreases through state law while requiring voter approval for any rate increases. The residential assessment rate had been consistently declining since the Gallagher Amendment passed, from 30% prior to 1983 to 7.15%, because the rate was structured to float against the 29% fixed non-residential assessment rate to achieve a specific balance. The disproportionate growth in Colorado residential property values over the past thirty years had forced the residential assessment rate to keep declining, which put a significant budget strain on smaller and rural communities and special districts. We believe that the repeal of the Gallagher Amendment will provide a more stable and consistent revenue stream for the District that better aligns with our population growth.

Another significant source of revenue for the District is specific ownership tax, which is a portion of the fees paid on vehicle licensing. This revenue fluctuates based on the level of new vehicle sales and other factors. The District collected \$54,989 less specific ownership tax in 2020 than in 2019.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position and results of operations of the District. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

### **Financial Contact**

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

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## Basic Financial Statements



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**Poudre River Public Library District  
Statement of Net Position and Governmental Funds Balance Sheet  
December 31, 2020**

	General Fund	Capital Projects Fund	Total	Adjustments (Note II)	Statement of Net Position
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,352,932	\$ 2,107,281	\$ 3,460,213	\$ -	\$ 3,460,213
Investments	2,996,540	4,837,598	7,834,138	-	7,834,138
Receivables					
Property taxes	10,921,967	-	10,921,967	-	10,921,967
Accounts	82,449	-	82,449	-	82,449
Accrued interest	7,337	11,863	19,200	-	19,200
Land	-	-	-	2,256,000	2,256,000
Construction in Progress	-	-	-	26,437	26,437
Other capital assets, net of accum. depreciation	-	-	-	15,109,334	15,109,334
Total assets	<b>\$ 15,361,225</b>	<b>\$ 6,956,742</b>	<b>\$ 22,317,967</b>	<b>\$ 17,391,771</b>	<b>\$ 39,709,738</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 111,945	\$ -	\$ 111,945	\$ -	\$ 111,945
Accrued wages payable	87,020	-	87,020	-	87,020
Accrued compensated absences	-	-	-	353,139	353,139
Sales tax payable	-	-	-	-	-
Unearned revenue	18,843	-	18,843	(9,822)	9,021
Total liabilities	217,808	-	217,808	343,318	561,125
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes	10,921,967	-	10,921,967	-	10,921,967
<b>FUND BALANCES</b>					
Restricted fund balance	334,000	-	334,000	(334,000)	-
Committed fund balance	2,385,125	6,956,742	9,341,867	(9,341,867)	-
Unassigned fund balance	1,502,326	-	1,502,326	(1,502,326)	-
Total fund balances	4,221,451	6,956,742	11,178,193	(11,178,193)	-
Total liabilities, deferred inflows of resources and fund balances	<b>\$ 15,361,225</b>	<b>\$ 6,956,742</b>	<b>\$ 22,317,967</b>		
<b>NET POSITION</b>					
Net Investment in Capital Assets				17,391,771	17,391,771
Restricted for Emergencies				334,000	334,000
Unrestricted				10,500,875	10,500,875
Total Net Position				<b>\$ 28,226,646</b>	<b>\$ 28,226,646</b>

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

**Poudre River Public Library District**  
**Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**For the fiscal year ended December 31, 2020**

	General Fund	Capital Projects Fund	Total	Adjustments (Note II)	Statement of Activities
<b>Expenditures</b>					
Personnel services	\$ 6,002,107	\$ -	\$ 6,002,107	\$ 104,427	\$ 6,106,535
Contractual services					
City support services	363,243	-	363,243	-	363,243
Treasurer fees	216,689	-	216,689	-	216,689
Other contractual	1,523,525	-	1,523,525	-	1,523,525
Commodities					
Collection development	522,851	-	522,851	(522,851)	-
Other commodities and capital outlay	1,092,130	99,936	1,192,066	(22,881)	1,169,185
Depreciation	-	-	-	1,238,306	1,238,306
Total Expenditures/Expenses	9,720,546	99,936	9,820,482	797,002	10,617,484
<b>Program Revenues</b>					
Charges for services	40,245	-	40,245	-	40,245
Operating grants and contributions	225,222	-	225,222	-	225,222
Capital grants and contributions	-	-	-	-	-
Total Program Revenues	265,466	-	265,466	-	265,466
<b>Net Program Expense</b>					<b><u>10,352,018</u></b>
<b>General Revenues</b>					
Property taxes	10,828,707	-	10,828,707	-	10,828,707
Specific ownership taxes	826,000	-	826,000	-	826,000
Earnings on investments	92,041	105,934	197,975	-	197,975
Miscellaneous	32,732	21,589	54,321	9,822	64,143
Transfers	(1,825,000)	1,825,000	-	-	-
Total General Revenues and Transfers	9,954,481	1,952,523	11,907,004	9,822	11,916,825
Excess (Deficiency) of Revenues and Transfers					
In Over Expenditures and Transfers Out	499,402	1,852,586	2,351,988	(2,351,988)	-
Change in Net Position				1,564,808	1,564,808
<b>Fund Balance / Net Position</b>					
Beginning of year	3,722,049	5,104,155	8,826,205		26,661,838
End of year	\$ 4,221,451	\$ 6,956,742	\$ 11,178,193		\$ 28,226,646

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

**Poudre River Public Library District  
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the fiscal year ended December 31, 2020**

	Actual	Budget (Original)	Budget (Final)	Variance
<b>Revenues</b>				
Property taxes	\$ 10,828,707	\$ 10,808,725	\$ 10,808,725	\$ 19,982
Fines and fees	32,395	95,000	95,000	(62,605)
Intergovernmental grants	85,753	78,700	78,700	7,053
Specific ownership taxes	826,000	825,000	825,000	1,000
Charges for service	7,850	25,000	25,000	(17,150)
Earnings on investments	92,041	50,000	50,000	42,041
Donations	139,469	141,000	141,000	(1,531)
Miscellaneous	32,732	11,000	11,000	21,732
<b>Total Operating Revenues</b>	<b>12,044,947</b>	<b>12,034,425</b>	<b>12,034,425</b>	<b>10,522</b>
<b>Expenditures</b>				
Library Administration	1,710,171	1,948,845	1,948,845	238,675
Combined Operations	1,086,264	1,302,591	1,302,591	216,328
Community Services	394,328	568,587	568,587	174,259
Communication	236,303	350,647	350,647	114,344
Old Town Library	1,495,752	1,732,913	1,732,913	237,161
Collection Services	2,608,958	2,771,991	2,771,991	163,033
Harmony Library	1,118,252	1,277,866	1,277,866	159,614
Council Tree Library	1,070,518	1,201,314	1,201,314	130,796
<b>Total Expenditures</b>	<b>9,720,546</b>	<b>11,154,755</b>	<b>11,154,755</b>	<b>1,434,209</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,324,402</b>	<b>879,670</b>	<b>879,670</b>	<b>1,444,731</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(1,825,000)	(500,000)	(1,825,000)	-
<b>Net Change in Fund Balance</b>	<b>499,402</b>	<b>379,670</b>	<b>(945,330)</b>	<b>1,444,731</b>
Fund Balance - January 1	3,722,049	3,722,049	3,722,049	-
<b>Fund Balance - December 31</b>	<b>\$ 4,221,451</b>	<b>\$ 4,101,719</b>	<b>\$ 2,776,719</b>	<b>\$ 1,444,731</b>

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

## Notes to the Financial Statements



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## **NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

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

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

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

The reporting entity of the District consists of its own legal entity and those organizations for which it is financially accountable. Entities for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are included in the reporting entity. As of December 31, 2020, no legal entities meet this criterion.

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Charges for services, amounts due from other governments and earnings on investments

associated with the current fiscal period are all considered susceptible to accrual. Other revenue items such as lost material fees are considered to be measurable and available only when the District receives the cash; as a result, they are not subject to accrual. Under accrual accounting, expenditures are generally recorded when a liability is incurred. However, compensated absences and incurred claims and judgments are recorded only when payment is due.

#### **D. Financial Statement Presentation**

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

The District reports all of its financial activity in two Governmental Funds, the General Fund and a Capital Projects Fund. The Capital Projects Fund holds resources that are internally committed for capital expansion, facility design, funding the Capital Replacement Plan and accumulating a capital reserve as established by the Board of Trustees. All other financial activity and resources are accounted for in the General Fund.

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

##### ***Assets – Cash and Investments***

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

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

##### ***Assets – Capital Assets***

The District reports capital assets at actual or estimated historical cost in the government-wide financial statements. A capital asset is an acquired or constructed asset with an initial individual cost of more than \$5,000 and an estimated useful life of greater than one year. The District capitalizes in aggregate the annual total addition of materials to the library collection and deletes it upon full depreciation in six years. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Normal maintenance and repair costs that do not add value or materially extend the lives of the assets are recorded as expenditures in the General Fund. All capital assets other than land, construction in progress and impaired assets are depreciated. Depreciation is computed using the straight-line method with the following estimated useful lives:

Buildings.....	30-50 years
Furnishings and equipment.....	5-15 years
Library materials collection.....	6 years

***Assets – Property Taxes Receivable***

Property taxes are levied for the following year no later than December 15 and are recorded as a receivable with a corresponding offset to deferred inflows of resources. Larimer County, Colorado bills and collects all property taxes for the District. Taxes are payable in the subsequent year as two installments in March and June or as one installment in April.

***Liabilities***

A significant portion of the District’s liabilities are compensated absences, which include earned but unused paid time off and earned but unused compensatory leave granted as a deferral of overtime pay. Compensated absences are reported as liabilities in the governmental funds only if they have matured. Unused sick pay is not reported as a liability in the governmental funds because it does not meet the criteria for accrual. The District considers compensated absences due within one year because the entire balance is available for unrestricted use or withdrawal by current employees.

There are two methods to delete or use compensated absences:

1. A current employee may use their accrued compensated absences for paid time off.
2. When an employee separates from the District, the District pays out the full value of their remaining unused accrued compensated absences upon termination.

***Deferred Inflows of Resources***

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents 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 governmental funds and the government-wide statements report a deferred inflow of resources for the property taxes receivable that will become an inflow in the year for which the taxes are levied.

***Fund Balance – Policies and Flow Assumptions***

In the fund financial statements, fund balances of the District’s governmental funds are classified as non-spendable, restricted, committed, assigned or unassigned. Management has been granted the authority to make fund balance assignments by the Board of Trustees.

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The restricted fund balance classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or enabling legislation. The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action (resolution) of the government’s highest level of decision-making authority, which is the District’s Board of Trustees. The assigned fund balance classification includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Finally, the unassigned fund balance classification includes any residual fund balance amounts.

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted (committed, assigned and unassigned) resources. In order to calculate how the amounts within each category will be reported, a flow assumption must be made about the order in which resources are considered to be applied. It is the District’s policy for all governmental funds to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance and finally unassigned fund balance.

GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. An overview of the District’s current fund balance classifications is shown below.

	General Fund	Capital Projects Fund	Total
<b>Fund Balances</b>			
<b>Restricted</b>			
Restricted for emergencies	\$ 334,000	\$ -	\$ 334,000
Restricted donation	-	-	-
Total Restricted	334,000	-	334,000
<b>Committed</b>			
Working capital	2,374,000	-	2,374,000
Encumbrances	11,125	-	11,125
Capital replacement and expansion	-	6,956,742	6,956,742
Total Committed	2,385,125	6,956,742	9,341,867
<b>Unassigned</b>			
Unassigned	1,502,326	-	1,502,326
<b>Total Fund Balance</b>	<b>\$ 4,221,451</b>	<b>\$ 6,956,742</b>	<b>\$ 11,178,193</b>

***Fund Balance – General Fund***

In the General Fund, the restricted fund balance includes an emergency reserve that is required to be set aside by the Colorado Taxpayer Bill of Rights (TABOR). This emergency reserve equals 3% of fiscal year spending; the actual restricted amount may fluctuate each year. There are no other restricted funds in the General Fund as of December 31, 2020.

The Board of Trustees has established, by resolution, a reserve for working capital equal to 20% of the subsequent year’s budgeted revenue that must be maintained in the General Fund as a committed fund balance to provide for the cash flow needs of the District. This practice will continue until Board action is taken to change these amounts. For 2020, that amount is \$2,374,000. In addition, \$11,125 is committed to fund 2020 purchase orders that were in process but not completed at year-end.

All spendable amounts that are not contained within other classifications are categorized as unassigned. The General Fund is the only fund to report an unassigned fund balance.

***Fund Balance – Capital Projects Fund***

In the Capital Projects Fund, the entire unrestricted fund balance is committed by the Board for capital replacement and capital expansion projects, so no other classifications are currently in use. The Board of Trustees has established, by resolution, a minimum annual transfer of \$250,000 from the General Fund to the Capital Projects Fund as a capital reserve primarily to fund the District’s Capital Replacement Plan. This annual transfer occurs within the current fiscal year and is included in the committed fund balance.

**F. Estimates**

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

**G. Rounding**

Due to rounding, some numbers may not appear to sum.

**NOTE II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Fund balances per Balance Sheet	\$ 11,178,193
Inclusion of capital assets which are not financial resources and therefore not reported in the funds	17,391,771
Inclusion of liability for compensated absences budgeted in the fund in future years	(353,139)
Reconciliation of revenue that met criteria for full accrual but not modified accrual	9,822
<b>Net Position per Statement of Net Position</b>	<b><u>\$ 28,226,646</u></b>
Net change in Fund Balances per Statement of Revenue, Expenditures and Change in Fund Balance	\$ 2,351,988
Inclusion of liability for Compensated Absences	(104,427)
Capitalization of current year addition to the library materials collection	522,851
Net capitalization of commodities and other capital outlays	22,881
Current depreciation of capital assets	(1,238,306)
Reconciliation of revenue that met criteria for full accrual but not modified accrual	9,822
<b>Change in Net Position per Statement of Activities</b>	<b><u>\$ 1,564,808</u></b>

**NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

***Budgetary Accounting and Control***

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

***Legal Level of Control***

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

***Lapsing Appropriations***

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

***Budgetary Procedures***

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

In 2020, the Board approved one supplemental budget resolution to transfer an additional \$1,325,000 from the General Fund to the Capital Projects Fund to add to the reserve for future facilities.

***Encumbrances***

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. The District had one open purchase order at the end of 2020 \$11,125 that were reclassified as committed fund

balance to accurately reflect our fund balances at year-end. This purchase order balance was related to a capital project and will be exhausted in 2021.

#### **NOTE IV. DETAILED FUND NOTES**

##### **A. Cash deposits with financial institutions**

The District's cash deposits are held in the name of and managed by the City of Fort Collins, with the exception of one District cash account that collects incoming cash and check deposits. This account is reconciled on a monthly basis, and balances exceeding \$20,000 are transferred to the City to be invested according to the City's standard investment process. All other cash deposits are included within the City's pooled cash accounts.

##### ***Custodial Credit Risk***

Custodial credit risk is the risk that, in the event of a failure of a financial institution or counterparty, the District would not be able to recover its deposits. Due to federal deposit insurance and the collateral used for the City's pooled cash accounts, no deposits for the District are exposed to custodial credit risk. At December 31, 2020, the bank balances and carrying amounts of the District's deposits were \$3,490,294 and \$3,460,213, respectively.

##### **B. Investments**

The District's investments are held in the name of and managed by the City of Fort Collins. As such, they are not evidenced by accounts or securities in the District's name that exist in physical or book entry form. The District has adopted the same investment policy as the City. These investment disclosures are for the District's share of the City's pooled investments. Investment policies are governed by Colorado statute and the District's own investment policies and procedures. District investments may include the following types of investments:

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

##### ***Custodial Credit Risk***

Custodial credit risk is the risk that, in the event of a failure of a financial institution or counterparty, the District would not be able to recover its investments. The District's investments are exposed to custodial credit risk, and the carrying amount of investments managed by the City of Fort Collins was \$7,834,138 as of December 31, 2020.

### ***Credit Risk***

The District's investment policy limits investment in corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs) at the time of purchase. The District places maximum limits on the amount the District may invest in any one issuer. Limits vary by investment type. More than 78% of the District's investments are in the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA). These investments were 21%, 24%, 16% and 17%, respectively, of the District's total investment as of December 31, 2020. All of these investments were rated AA+ by Standard and Poor's and AAA by Moody's.

### ***Interest Rate Risk***

The District's investment policy limits its exposure to fair value losses arising from rising interest rates with the following practices:

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

Based on the current rate environment, the District assumes all callable securities may not be called on the first call date. The District invests in various mortgage-backed securities and bonds in order to maximize yields. Mortgage-backed securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. If interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

### ***Fair Value Measurements***

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

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

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

Investment prices for the District's securities are reported by US Bank, the District's custodial bank. US Bank acquires its pricing data from Interactive Data, a third party provider, which provides global security evaluations and fair value pricing for fixed income securities. Their evaluations represent a good faith opinion as to what a buyer in the marketplace would pay for a security in a current sale. Interactive Data's evaluations are based on market data and evaluated pricing models that vary by asset class. These pricing models incorporate trade, bid and other market information as well as evaluated pricing applications that utilize benchmark curves, benchmarking of like securities, sector groupings and matrix pricing to prepare evaluations. In addition, model processes such as the Option Adjusted Spread model are used to assess interest rate impacts and develop prepayment scenarios. For each asset class, teams of

evaluators gather information from market sources and integrate relevant credit information, perceived market movements, and sector news into the evaluated pricing applications and models.

The District invests primarily in fixed income securities. The investments are valued at fair value at least monthly. The following fair value techniques were utilized in measuring the fair value of the District’s investments:

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

The District has no other investments meeting the fair value disclosure requirements of GASB Statement No. 72. As of December 31, 2020, the District had the following investments:

Investment Type	Credit Risk Rating S&P/Moody's	Fair Value Measurement Level	Fair Value	Investment Maturities		
				Up to 120 days	121 days to 5 years	More than 5 years
<i>Investments measured by fair value levels</i>						
<i>Instrumentality</i>						
Federal Farm Credit Bank (FFCB)	AA+/AAA	2	\$ 1,630,804	\$ 89,564	\$ 1,541,240	\$ -
Federal Home Loan Bank (FHLB)	AA+/AAA	2	1,871,003	-	1,871,003	-
Federal Home Loan Mortgage Corporation (FHLM)	AA+/AAA	2	1,291,347	-	1,291,347	-
Federal National Mortgage Association (FNMA)	AA+/AAA	2	1,322,268	-	1,322,268	-
Corporate bonds	AA+/AA1	2	420,744	-	420,744	-
Corporate bonds	AAA/AAA	2	498,132	-	498,132	-
Corporate bonds	AA+/AA3	2	61,687	-	61,687	-
Corporate bonds	AA-/AA3	2	111,269	-	111,269	-
Corporate bonds	AA+/AA2	2	186,189	74,842	111,347	-
Corporate bonds	AA+/AAA	2	323,537	-	323,537	-
Corporate bonds	AA/AA2	2	93,110	-	93,110	-
Marketable Certificates of Deposit			24,048	-	24,048	-
Total Library Share of City Investment Pool			\$7,834,138	\$164,406	\$7,669,732	\$ -
Percent of Total				2%	98%	

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

Cash and cash equivalents	\$ 3,460,213
Investments	\$ 7,834,138
<b>Total deposits and investments</b>	<b>\$ 11,294,351</b>

Note: Due to rounding, some numbers may not appear to sum.

In addition to investments held by the District, the Community Foundation of Northern Colorado owns an endowment fund comprised of donations made directly to the Foundation, for the benefit of the District. The purpose of the fund is to support District adult literacy programs. The Community Foundation holds the fund and makes it available to the District only by specific request, with withdrawals limited to 4.5% of the balance annually. Withdrawals not taken in a year add to the available distribution balance. Since 2000, there have been six withdrawals in the form of grants paid to the District, with the most recent grant paid in 2014. As of December 31, 2020, the balance in the endowment fund was \$332,535 and \$67,312 was available for distribution.

### C. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2020 is shown below.

	2020 Changes in Capital Assets				
	Beginning of Year	Additions	Transfers	Deletions	End of Year
<b>Capital assets, not being depreciated</b>					
Land	\$ 2,256,000	\$ -	\$ -	\$ -	\$ 2,256,000
Construction in process	74,514	10,462	(58,539)	-	26,437
<b>Total capital assets, not being depreciated</b>	<b>2,330,514</b>	<b>10,462</b>	<b>(58,539)</b>	<b>-</b>	<b>2,282,437</b>
<b>Capital assets, being depreciated</b>					
Buildings & Improvements	17,691,478	-	-	-	17,691,478
Machinery & Equipment	2,671,015	12,419	58,539	(13,990)	2,727,983
Library Materials Collection	3,724,125	522,851	-	(635,661)	3,611,314
<b>Total capital assets, being depreciated</b>	<b>24,086,618</b>	<b>535,270</b>	<b>58,539</b>	<b>(649,651)</b>	<b>24,030,775</b>
<b>Less accumulated depreciation</b>					
Buildings & Improvements	(4,622,425)	(506,416)	-	-	(5,128,840)
Machinery & Equipment	(1,764,605)	(120,604)	-	13,990	(1,871,218)
Library Materials Collection	(1,945,757)	(611,287)	-	635,661	(1,921,382)
<b>Total accumulated depreciation</b>	<b>(8,332,786)</b>	<b>(1,238,306)</b>	<b>-</b>	<b>649,651</b>	<b>(8,921,440)</b>
<b>Total capital assets being depreciated, net</b>	<b>15,753,832</b>	<b>(703,036)</b>	<b>58,539</b>	<b>-</b>	<b>15,109,334</b>
<b>Capital assets, net</b>	<b>\$ 18,084,345</b>	<b>\$ (692,574)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,391,771</b>

### D. Inter-fund Transfers

In 2020, \$500,000 was transferred from the General Fund to the Capital Projects Fund for the annual transfer based on the Board approved Capital Reserve Policy. The Board of Trustees also approved an additional transfer of \$1,325,000 to be used for future facilities expansion.

### E. Liabilities

The District had no long-term liabilities as of December 31, 2020. A significant portion of the District's current liabilities consists of compensated absences, for which a summary is shown below.

2020 Changes in Compensated Absences					
Beginning of Year	Additions Earned	Deletions Used	End of Year	Due Within One Year	
\$ 248,712	\$ 285,111	\$ (180,683)	\$ 353,139	\$ 353,139	

## NOTE V. OTHER INFORMATION

### A. Risk Management

#### *Property, Liability and Workers Compensation*

The District is exposed to various risks of loss related to theft, damage and destruction of assets, torts, errors and omissions, injuries to employees and natural disasters. The District purchases commercial insurance for risks of loss in excess of deductible amounts. Settlements did not exceed insurance coverage in 2018, 2019 or 2020.

### B. Retirement Commitment

#### *Money Purchase Plan 401(a)*

The District's benefited employees participate in the Poudre River Public Library District 401(a) Money Purchase Plan. As a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate six months from the date of employment and are fully vested upon initial participation. The plan requires employer contributions of 6.5% and employee contributions of 3% of base salary each pay period. Employee contributions are made with pretax or after tax dollars. Contributions made by the District as well as earnings on District and employee contributions are not taxable to the employee until they are withdrawn. Plan provisions and contribution requirements are established and may be amended by the District's Board of Trustees. In 2020, The City of Fort Collins transferred administration of the plan from ICMA Retirement Corporation to Nationwide. District and employee contributions to the plan were \$176,583 and \$73,914 within ICMA and \$75,422 and \$27,637 within Nationwide, respectively, for the year ended December 31, 2020.

### C. Related Party Transactions

Pursuant to an intergovernmental agreement with the City of Fort Collins, the District contracts for support services including accounting, budgeting, treasury management, accounts payable, payroll, human resources, purchasing and information technology. In 2020, the District paid the City \$363,243 for these services. The District also contracts with the City to provide operations services for janitorial and facilities maintenance billed on a usage basis.

#### *Health Insurance*

The District participates in the City of Fort Collins's self-insured health program, allowing District employees to pay the same benefit premiums as City employees. The District cost for employee health insurance, dental insurance, life insurance and disability insurance benefits in 2020 was \$825,686. All claims are paid by the City, and unpaid claims or claims incurred but not paid as of December 31, 2020 are recognized by the City and not passed through to the District.

### D. Legal Matters

#### *Tax, Spending, and Debt Limitations*

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

## **E. Relevant Accounting Standards**

In 2020, the District adopted GASB Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*, GASB Statement No. 90 *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* and GASB Statement No. 91 *Conduit Debt Obligations*. The adoption of these standards had no impact to the net position of the District.

The District also adopted GASB Implementation Guide No. 2018-1 *Implementation Guidance Update – 2018*, GASB Implementation Guide No. 2019-1 *Implementation Guidance Update – 2019*, and GASB Implementation Guide No. 2019-2 *Fiduciary Activities*. The adoption of these guides had no impact to the net position of the District.

The District plans to implement GASB Statement No. 87 *Leases* as well as its Implementation Guide 2019-3 *Leases* in 2021.

## **F. Significant Events**

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position and results of operations of the District. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

**Supplementary Information**



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**CONNECT**  
TO CURIOSITY

**Poudre River Public Library District**  
**Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the fiscal year ended December 31, 2020**

	2020 Actual	Project to Date	Budget (Original)	Budget (Final)	Budget Variance \$
<b>Revenues</b>					
Investment earnings	\$ 105,934	\$ -	\$ -	\$ -	\$ 105,934
Library Trust donations	-	-	-	-	-
Other donations	-	-	-	-	-
Miscellaneous	21,589	-	-	-	21,589
<b>Total Revenue</b>	<b>127,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,523</b>
<b>Expenditures / Expenses</b>					
Library Trust expenditures	-	-	-	-	-
Capital Replacement Plan - 2019	12,379	208,046	125,000	125,000	(70,667)
Capital Replacement Plan - 2020	87,557	87,557	580,000	580,000	492,443
<b>Total Expenditures</b>	<b>99,936</b>	<b>295,603</b>	<b>705,000</b>	<b>705,000</b>	<b>605,064</b>
Excess Revenue over Expenditures	27,586	-	(705,000)	(705,000)	732,586
<b>Other Financing Sources (Uses)</b>					
Transfers In	1,825,000	-	500,000	1,825,000	-
<b>Net Change in Fund Balance</b>	<b>1,852,586</b>	<b>-</b>	<b>(205,000)</b>	<b>1,120,000</b>	<b>732,586</b>
Fund Balance - January 1	5,104,155	-	5,104,155	5,104,155	-
<b>Fund Balance - December 31</b>	<b>\$ 6,956,742</b>	<b>-</b>	<b>4,899,155</b>	<b>6,224,155</b>	<b>732,586</b>

## Statistical Section



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**C**ONNECT  
TO CURIOSITY

## Statistical Section (Unaudited)

This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

<b>Contents</b>	<b>Page(s)</b>
<b>Financial Trends, Tables I – IV</b> These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	49-52
<b>Revenue Capacity, Tables V – VIII</b> These schedules contain information to help the reader assess the District’s most significant revenue source, local property tax.	53-56
<b>Debt Capacity, Table IX</b> These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the government’s ability to issue debt in the future.	57
<b>Demographic and Economic Information, Tables X – XI</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.	58-59
<b>Operating Information, Tables XII – XV</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.	60-63

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

Table I

**Poudre River Public Library District  
Government-wide Net Position by Component  
Last Ten Years**

<b>Year</b>	<b>Invested in Capital Assets</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
2011	19,560,485	1,116,351	5,629,043	26,305,879
2012	21,670,957	1,173,865	3,527,422	26,372,244
2013	21,473,763	1,169,916	3,836,031	26,479,710
2014	20,717,096	1,214,284	4,628,316	26,559,696
2015	20,668,506	1,325,805	4,962,232	26,956,543
2016	20,003,033	637,533	5,753,004	26,393,570
2017	19,434,854	350,097	6,474,556	26,259,507
2018	18,441,288	309,720	7,350,926	26,101,934
2019	18,084,345	302,000	8,275,493	26,661,838
2020	17,391,771	334,000	10,500,875	28,226,646

Table II

**Poudre River Public Library District  
Government-wide Changes in Net Position  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses - Governmental Activities</b>										
Administration	\$ 1,276,025	\$ 1,485,636	\$ 1,418,876	\$ 1,469,167	\$ 1,573,383	\$ 1,783,039	\$ 1,873,137	\$ 2,000,211	\$ 1,907,063	\$ 1,814,598
Combined Operations	2,239,840	2,392,320	2,600,986	2,704,706	2,643,214	2,671,937	2,585,779	2,920,233	2,607,226	2,401,626
Community Services	-	206,805	184,361	281,610	292,020	323,357	323,501	363,206	352,853	394,328
Communication (1)	-	-	-	-	-	-	-	-	-	236,303
Branch Operations & Services	3,590,605	3,542,410	3,437,871	3,195,668	3,283,506	3,619,046	3,575,903	3,690,015	3,815,534	3,684,522
Collection Services	929,001	1,037,774	1,102,184	1,203,493	1,421,889	1,521,889	1,700,585	1,915,540	1,801,551	2,086,107
Programming (2)	134,757	126,713	121,506	102,846	85,261	127,442	150,172	169,000	168,178	-
<b>Total Expenses</b>	<b>8,170,228</b>	<b>8,791,658</b>	<b>8,865,784</b>	<b>8,957,490</b>	<b>9,299,273</b>	<b>10,046,710</b>	<b>10,209,077</b>	<b>11,118,204</b>	<b>10,652,406</b>	<b>10,617,484</b>
<b>Program Revenues - Governmental Activities</b>										
Charges for Services	263,225	217,689	216,511	199,289	213,039	188,905	179,859	139,434	128,888	40,245
Operating Grants and Contributions	816,946	861,196	855,019	921,593	929,501	176,598	205,407	203,781	181,990	225,222
Capital Grants and Contributions	121,217	319,935	477,844	80,953	407,798	13,549	37,779	5,600	10,100	-
<b>Total Program Revenues</b>	<b>1,201,388</b>	<b>1,398,820</b>	<b>1,549,374</b>	<b>1,201,835</b>	<b>1,550,338</b>	<b>379,052</b>	<b>423,045</b>	<b>348,815</b>	<b>320,979</b>	<b>265,466</b>
<b>Net Program Expense</b>	<b>(6,968,840)</b>	<b>(7,392,838)</b>	<b>(7,316,390)</b>	<b>(7,755,655)</b>	<b>(7,748,935)</b>	<b>(9,667,658)</b>	<b>(9,786,032)</b>	<b>(10,769,389)</b>	<b>(10,331,427)</b>	<b>(10,352,018)</b>
<b>General Revenues</b>										
Property Taxes	6,894,331	6,903,435	6,889,765	7,150,978	7,389,426	8,365,443	8,695,120	9,578,657	9,630,069	10,828,707
Specific Ownership Taxes	450,904	489,732	526,141	610,183	672,359	706,176	847,663	876,611	880,989	826,000
Earnings on Investments	156,031	66,036	7,950	74,480	83,997	33,066	109,186	156,548	307,603	197,975
Miscellaneous	-	-	-	-	-	-	-	-	72,670	64,143
<b>Total General Revenue</b>	<b>7,501,266</b>	<b>7,459,203</b>	<b>7,423,856</b>	<b>7,835,641</b>	<b>8,145,782</b>	<b>9,104,685</b>	<b>9,651,969</b>	<b>10,611,816</b>	<b>10,891,332</b>	<b>11,916,825</b>
<b>Net Change in Financial Position</b>	<b>\$ 532,426</b>	<b>\$ 66,365</b>	<b>\$ 107,466</b>	<b>\$ 79,986</b>	<b>\$ 396,847</b>	<b>\$ (562,975)</b>	<b>\$ (134,063)</b>	<b>\$ (157,573)</b>	<b>\$ 559,905</b>	<b>\$ 1,564,808</b>

(1) Prior to 2020, Communication expenses were included in the Administration budget.

(2) Beginning in 2020, Programming expenses are allocated to individual Business Units instead of utilizing a separate Business Unit.

Table III

**Poudre River Public Library District  
Governmental Funds Fund Balances  
Last Ten Years**

<b>General Fund</b>					
<b>Fiscal Year</b>	<b>Non-spendable</b>	<b>Restricted</b>	<b>Committed</b>	<b>Unassigned</b>	<b>Total</b>
2011	0	974,701	1,672,900	1,679,052	4,326,653
2012	0	1,078,640	1,679,500	1,844,840	4,602,980
2013	0	1,126,931	1,748,600	1,950,516	4,826,047
2014	0	1,173,907	1,783,100	2,572,554	5,529,561
2015	0	1,285,428	1,817,600	2,924,557	6,027,585
2016	0	597,156	1,916,300	3,433,099	5,946,555
2017	0	309,720	2,119,000	1,828,053	4,256,773
2018	0	309,720	2,188,712	1,352,436	3,850,868
2019	0	302,000	2,421,590	998,459	3,722,049
2020	0	334,000	2,385,125	1,502,326	4,221,451

<b>Capital Projects Fund</b>					
<b>Fiscal Year</b>	<b>Non-spendable</b>	<b>Restricted</b>	<b>Committed</b>	<b>Unassigned</b>	<b>Total</b>
2011	0	141,650	2,472,969	0	2,614,619
2012	0	95,225	214,246	0	309,471
2013	0	42,985	355,567	0	398,552
2014	0	40,377	499,267	0	539,644
2015	0	40,377	441,732	0	482,109
2016	0	40,377	628,905	0	669,282
2017	0	40,377	2,756,462	0	2,796,839
2018	0	0	4,059,114	0	4,059,114
2019	0	0	5,104,155	0	5,104,155
2020	0	0	6,956,742	0	6,956,742

Note: The restricted amount shown in the Capital Projects Fund beginning in 2011 was found to be not restricted but committed in 2018 based on an analysis of the source of funding and has therefore been restated as committed for 2018 and going forward. See Note I, Section E for more information.

Table IV

**Poudre River Public Library District  
Change in Total Governmental Fund Balances  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes	\$ 7,345,235	\$ 7,393,167	\$ 7,415,906	\$ 7,761,161	\$ 8,061,785	\$ 9,071,619	\$ 9,542,783	\$ 10,455,268	\$ 10,511,039	\$ 11,654,708
Intergovernmental	775,657	829,248	1,061,307	821,037	855,778	73,185	89,115	51,373	79,707	83,753
Charges for services	225,857	207,636	204,353	191,453	209,159	187,951	175,760	138,434	128,888	40,245
Investment earnings	156,031	66,836	7,950	74,480	83,997	33,066	109,186	156,548	307,603	197,975
Donations	184,306	331,383	271,376	181,309	481,521	116,962	154,071	153,177	112,383	139,469
Miscellaneous	39,368	10,033	12,158	7,336	3,880	954	4,099	4,821	72,670	54,521
<b>Total Revenues</b>	<b>8,702,654</b>	<b>8,858,023</b>	<b>8,973,250</b>	<b>9,037,476</b>	<b>9,696,120</b>	<b>9,483,737</b>	<b>10,075,014</b>	<b>10,960,631</b>	<b>11,212,510</b>	<b>12,172,470</b>
<b>Expenditures</b>										
Administration	1,273,448	1,470,350	1,411,388	1,461,214	1,578,332	1,779,396	1,869,478	2,039,834	1,907,688	1,710,171
Combined Operations & Capital Outlay	3,581,360	3,622,129	1,841,188	1,312,378	1,891,908	1,321,016	1,400,714	1,393,473	1,700,063	1,186,200
Community Services	-	206,805	184,361	281,610	292,020	323,357	323,501	363,208	352,853	394,528
Communication (1)	-	-	-	-	-	-	-	-	-	236,503
Branch Operations & Services	3,590,605	3,542,410	3,437,871	3,195,668	3,283,506	3,619,046	3,575,903	3,690,015	3,815,534	3,684,522
Collection Services	1,580,149	1,718,437	1,664,788	1,839,154	2,124,604	2,207,337	2,317,471	2,448,734	2,351,772	2,608,958
Programming (2)	134,737	126,713	121,506	102,846	85,261	127,442	150,172	169,000	168,178	-
<b>Total Expenditures</b>	<b>10,160,319</b>	<b>10,886,844</b>	<b>8,661,102</b>	<b>8,192,870</b>	<b>9,255,631</b>	<b>9,377,594</b>	<b>9,637,239</b>	<b>10,104,261</b>	<b>10,296,088</b>	<b>9,820,482</b>
Excess (Deficiency) of Revenue over Expenditures	(1,457,665)	(2,028,821)	312,148	844,606	440,489	106,143	437,775	856,370	916,223	2,351,988
<b>Other Financing Sources</b>										
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (1,457,665)</b>	<b>\$ (2,028,821)</b>	<b>\$ 312,148</b>	<b>\$ 844,606</b>	<b>\$ 440,489</b>	<b>\$ 106,143</b>	<b>\$ 437,775</b>	<b>\$ 856,370</b>	<b>\$ 916,223</b>	<b>\$ 2,351,988</b>

(1): Prior to 2020, Communication expenditures were included in the Administration budget.

(2): Beginning in 2020, Programming expenditures are allocated to individual Business Units instead of utilizing a separate Business Unit.

Table V

**Poudre River Public Library District  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Years**

Assess. Collection		Residential Values		Commercial Values		Industrial Values	
Year	Year	Assessed	Est. Actual	Assessed	Est. Actual	Assessed	Est. Actual
2010	2011	1,259,202,080	15,819,034,900	732,166,260	2,524,697,200	228,702,680	788,629,200
2011	2012	1,248,223,550	15,681,472,500	720,259,430	2,483,639,490	224,725,190	774,913,690
2012	2013	1,259,178,730	15,819,107,400	730,268,070	2,518,152,190	217,196,580	748,953,130
2013	2014	1,314,078,500	16,508,716,500	739,226,900	2,549,046,660	246,953,580	851,563,680
2014	2015	1,347,244,860	16,925,375,200	736,629,610	2,550,434,310	272,079,420	938,204,680
2015	2016	1,579,496,347	19,842,902,800	856,105,958	2,952,089,110	290,354,151	1,001,221,170
2016	2017	1,615,484,343	20,295,013,700	863,693,386	2,978,252,560	347,890,460	1,199,622,210
2017	2018	1,835,515,094	25,493,267,100	979,154,351	3,376,393,840	347,143,976	1,197,048,140
2018	2019	1,879,970,106	26,110,697,600	995,779,568	3,433,722,190	329,150,483	1,135,001,600
2019	2020	2,203,845,074	30,822,796,300	1,105,313,974	3,811,426,960	333,779,821	1,150,964,850

Assess. Collection		Other Values (1)		Total Values		Ratio of Assessed to Est. Actual	Total Mill Levy
Year	Year	Assessed	Est. Actual	Assessed	Est. Actual		
2010	2011	186,789,980	640,087,805	2,406,861,000	19,772,449,105	12%	3.000
2011	2012	168,087,682	571,762,307	2,361,295,852	19,511,787,987	12%	3.000
2012	2013	161,282,018	546,845,650	2,367,925,398	19,633,058,370	12%	3.000
2013	2014	165,823,825	561,194,367	2,466,082,805	20,470,521,207	12%	3.000
2014	2015	170,823,340	566,894,245	2,526,777,230	20,980,908,435	12%	3.013
2015	2016	190,203,402	646,809,432	2,916,159,858	24,443,022,512	12%	3.024
2016	2017	178,711,811	614,648,749	3,005,780,000	25,087,537,219	12%	3.016
2017	2018	203,037,119	699,037,539	3,364,850,540	30,765,746,619	11%	3.034
2018	2019	189,696,155	651,818,292	3,394,596,312	31,331,239,682	11%	3.000
2019	2020	198,487,601	680,953,766	3,841,426,470	36,466,141,876	11%	3.000

(1) Other Values includes agricultural, natural resources, oil and gas, state assessed and vacant properties.  
 The actual value of property is reappraised every two years in odd-numbered years. The assessment rate is set by Colorado legislature.  
 Non-residential property is currently assessed at 29% of actual value and residential property is assessed at 7.15% of actual value.  
 Source: Larimer County Assessor's Office "2019 Report of Authorities by Value Type"

Table VI

**Poudre River Public Library District  
Direct and Overlapping Property Tax Rates  
Per \$1,000 of Assessed Value  
Last Ten Years**

<b>Taxing Authority</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Direct</b>										
Poudre River Public Library District	3.000	3.000	3.000	3.013	3.024	3.016	3.024	3.000	3.000	3.000
<b>Overlapping Governments</b>										
Larimer County	22.666	22.614	22.662	22.424	22.459	21.882	22.521	22.092	22.403	21.863
<b>Cities and Towns</b>										
Fort Collins	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797	9.797
Loveland	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564	9.564
Timnath	6.932	6.932	6.932	6.749	6.749	6.749	6.688	6.688	6.688	6.688
Windsor	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030	12.030
<b>School District</b>										
Poudre R-1	47.989	51.000	54.868	52.763	52.630	52.630	52.630	52.630	52.630	56.000
Thompson R2-J	41.643	42.310	40.884	40.416	40.268	38.393	38.349	36.315	47.428	43.838
<b>Fire Districts</b>										
	5.000 -	5.000 -	5.000 -	5.000 -	5.000 -	6.522 -	6.522 -	6.522 -	6.522 -	6.520 -
	21.142	21.142	21.151	21.199	21.142	21.142	21.142	21.142	21.142	21.142
<b>Other Special Districts</b>										
	0.398 -	0.463 -	0.472 -	0.142 -	0.142 -	0.142 -	0.142 -	0.142 -	0.142 -	0.142 -
	35.000	35.000	45.000	45.000	60.000	60.611	60.222	60.110	60.351	67.512

Source: Larimer County Assessor's Office "2019 Mill Levies by Tax Area and Authority"

Table VII

**Poudre River Public Library District  
Principal Property Taxpayers  
Current Year and Ten Years Ago, Based on Collection Year**

Principal Taxpayer	2011			2020		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Avago Technologies	\$ 22,875,937	3	1.0%	\$ 101,941,876	1	2.7%
Anheuser-Busch, Inc.	78,095,702	1	3.2%	49,042,008	2	1.3%
Ramco-Gershenson Properties	N/A			31,783,406	3	0.8%
Public Service Company of Colorado	15,737,300	6	0.7%	29,549,200	4	0.8%
Walton Foothills Holdings	N/A			22,509,762	5	0.6%
Anheuser-Busch Commercial	N/A			21,913,966	6	0.6%
Amcap Harmony LLC	N/A			15,674,993	7	0.4%
Woodward Governor Company	N/A			15,376,743	8	0.4%
Woodward Inc	N/A			14,153,957	9	0.4%
New Belgium Brewing Co Inc	N/A			13,683,033	10	0.4%
Qwest Corporation	23,919,933	2	1.0%	N/A		
Poudre Valley Health Care Inc	7,423,200	8	0.3%	N/A		
Front Range Retail Company	20,040,099	4	0.8%	N/A		
Hewlett Packard Co	17,687,367	5	0.7%	N/A		
FC Timberline	9,279,913	7	0.4%	N/A		
Intel Corporation	7,060,558	9	0.3%	N/A		
BNSF Railway Company	6,963,300	10	0.3%	N/A		

Source: Larimer County Assessor's Office

**Table VIII**

**Poudre River Public Library District  
Property Tax Levies and Collections  
Last Ten Years**

Assess. Year	Collect. Year	Total Tax Levy	Tax Collected within Fiscal Year Levied	Percent of Levy	Tax Collected in Subsequent Years	Total Tax Collected to Date	Percent of Levy
2010	2011	6,940,049	6,918,670	99.7%	(1,739)	6,916,931	99.7%
2011	2012	6,931,819	6,892,356	99.4%	(2,231)	6,890,125	99.4%
2012	2013	6,910,059	6,883,346	99.6%	(20,952)	6,862,394	99.3%
2013	2014	7,217,549	7,169,472	99.3%	(4,871)	7,164,601	99.3%
2014	2015	7,640,772	7,627,598	99.8%	(13,686)	7,613,912	99.6%
2015	2016	8,454,597	8,378,925	99.1%	(9,682)	8,369,243	99.0%
2016	2017	8,726,722	8,692,531	99.6%	(7,476)	8,685,055	99.5%
2017	2018	10,094,552	10,069,415	99.8%	(13,912)	10,055,502	99.6%
2018	2019	10,183,789	10,162,816	99.8%	(23,392)	10,139,424	99.6%
2019	2020	11,524,279	11,449,440	99.4%	-	11,449,440	99.4%

Source: Larimer County Assessor's Office "2019 Abstract of Assessments" and Treasurer's Office "2020 Statement of Collections"  
 Note: Tax Collected in Subsequent Years is net of corrections to prior tax roles.

Table IX

**Poudre River Public Library District  
Legal Debt Margin Information  
Last Ten Years**

	2011	2012	2013	2014	2015
Assessed valuation	\$ 2,406,861,000	\$ 2,361,295,852	\$ 2,367,925,398	\$ 2,466,082,805	\$ 2,526,777,230
Debt limitation - 1.5% of assessed value	36,102,915	35,419,438	35,518,881	36,991,242	37,901,658
Total debt, excluding compensated absences	-	-	-	-	-
<b>Legal debt margin</b>	<b>\$ 36,102,915</b>	<b>\$ 35,419,438</b>	<b>\$ 35,518,881</b>	<b>\$ 36,991,242</b>	<b>\$ 37,901,658</b>

	2016	2017	2018	2019	2020
Assessed valuation	\$ 2,916,159,858	\$ 3,005,780,000	\$ 3,364,850,540	\$ 3,394,596,312	\$ 3,841,426,470
Debt limitation - 1.5% of assessed value	43,742,398	45,086,700	50,472,758	50,918,945	57,621,397
Total debt, excluding compensated absences	-	-	-	-	-
<b>Legal debt margin</b>	<b>\$ 43,742,398</b>	<b>\$ 45,086,700</b>	<b>\$ 50,472,758</b>	<b>\$ 50,918,945</b>	<b>\$ 57,621,397</b>

Source: Assessed valuation - Larimer County Assessor's Office "2019 Report of Authorities by Value Type"

Source: Debt limitation - Colorado Revised Statutes 22-42-104

Table X

**Poudre River Public Library District  
Demographic and Economic Information  
Last Ten Years**

Year	Larimer County							
	Demographic and Economic Information				Household Information			
	Population	Per Capita Personal Income	Total Personal Income	Unemployment Rate	Total Households	Average Size	Median Age	K-12 School Enrollment
2011	305,350	29,170	8,907,059,500	5.6%	122,711	2.4	35.7	43,392
2012	310,960	29,818	9,272,205,280	5.5%	124,974	2.4	35.8	44,340
2013	316,357	30,279	9,578,973,603	5.6%	127,082	2.4	35.9	45,090
2014	324,149	30,422	9,861,260,878	5.2%	130,097	2.4	35.6	45,745
2015	333,473	30,768	10,260,297,264	5.2%	133,697	2.4	35.6	46,313
2016	339,182	32,047	10,869,765,554	4.4%	135,999	2.4	35.9	46,713
2017	344,267	32,658	11,243,071,686	3.3%	137,987	2.4	36.0	47,115
2018	350,842	36,050	12,647,854,100	2.9%	140,596	2.4	36.4	47,438
2019	356,938	37,711	13,460,488,918	2.7%	142,596	2.4	36.4	47,773
2020	363,138	31,240	11,344,431,120	6.1%	146,056	2.4	36.1	48,068

Sources: Colorado State Demography Office, Colorado Department of Education, Colorado LMI Gateway and US Census Bureau QuickFacts: Larimer County

Table XI

**Poudre River Public Library District  
Principal Employers  
Current Year and Ten Years Ago**

Employer	2011			2020		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Colorado State University	6,183	1	5.9%	7,696	1	4.9%
Poudre School District	3,546	2	3.4%	4,228	2	2.7%
Bank of Colorado	2,075	3	2.0%	2,400	3	1.5%
UC Health: Poudre Valley Hospital	2,029	4	1.9%	2,225	4	1.4%
Larimer County	1,600	5	1.5%	1,800	5	1.2%
Broadcom	N/A	N/A	N/A	1,747	6	1.1%
City of Fort Collins	1,148	8	1.1%	1,743	7	1.1%
Woodward, Inc.	1,175	7	1.1%	1,590	8	1.0%
Columbine Health Systems	1,365	6	1.3%	1,155	9	0.7%
Front Range Community College	495	9	0.5%	1,020	10	0.7%
Otter Products	269	10	0.3%	830	11	0.5%

Sources: BizWest Publications, City of Fort Collins, Colorado Department of Education and Colorado LMI Gateway

**Table XII**

**Poudre River Public Library District  
Full-time Equivalent District Employees by Function  
Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Old Town Library	28.85	24.50	27.00	26.70	28.25	27.30	26.95	30.60	25.52	25.51
Harmony Library	23.00	24.50	24.00	22.50	22.88	23.00	23.70	21.30	19.52	20.52
Council Tree Library	18.50	17.50	19.75	18.50	18.62	18.40	17.90	18.90	17.69	17.69
Administration	5.25	7.75	7.75	9.20	9.20	10.25	11.15	11.30	9.46	8.46
Facilities & Systems Administration	6.00	6.00	6.50	7.00	7.00	7.00	7.00	7.00	7.61	7.61
Communications	-	-	-	-	-	-	-	-	3.00	3.51
Community Services	-	3.00	3.00	4.50	5.25	5.50	5.00	5.65	5.95	7.96
Collection Services	7.00	8.00	8.00	8.50	8.80	8.80	8.80	10.30	11.41	11.41
<b>Total FTE Employees</b>	<b>88.60</b>	<b>91.25</b>	<b>96.00</b>	<b>96.90</b>	<b>100.00</b>	<b>100.25</b>	<b>100.50</b>	<b>105.05</b>	<b>100.16</b>	<b>102.67</b>

Source: Poudre River Public Library District

Note: Prior to 2012, Community Services was included in Old Town Library staffing. Prior to 2019, Communications was included in Administration staffing.

**Table XIII**

**Poudre River Public Library District  
Library Materials Purchased and Circulated  
Last Ten Years**

<b>Fiscal Year</b>	<b>Number of Volumes Owned</b>	<b>Number of AV Items Owned</b>	<b>Total Items Owned</b>	<b>Total Circulation</b>	<b>Turnover Rate (1)</b>	<b>Acquisition Cost</b>	<b>Net Book Value of Collections</b>
2011	351,661	52,977	404,638	3,275,627	8.10	651,148	3,141,143
2012	349,047	53,306	402,353	3,208,389	7.97	680,663	2,989,090
2013	349,535	52,251	401,786	3,133,110	7.80	562,604	2,714,929
2014	315,187	85,663	400,850	3,132,584	7.81	635,661	2,514,404
2015	362,411	109,555	471,966	3,226,900	6.84	834,577	2,382,542
2016	340,445	48,803	389,248	3,164,856	8.13	685,448	2,316,625
2017	316,480	49,333	365,813	3,041,983	8.32	659,487	2,261,102
2018	299,241	40,708	339,949	2,986,721	8.79	533,194	1,849,629
2019	293,058	39,448	332,506	2,916,869	8.77	550,221	1,778,368
2020	291,515	32,004	323,519	2,007,577	6.21	522,851	1,689,933

Source: Poudre River Public Library District

(1): Turnover rate is calculated as Total Circulation divided by Total Items Owned.

**Table XIV**

**Poudre River Public Library District  
Circulation by Location  
Last Ten Years**

<b>Fiscal year</b>	<b>Collection Department (1)</b>	<b>Old Town Library</b>	<b>Harmony Library</b>	<b>Council Tree Library</b>	<b>Remote Renewals</b>	<b>eMedia</b>	<b>Total Circulation</b>
2011	0	844,906	816,749	855,844	707,672	50,456	<b>3,275,627</b>
2012	0	775,408	794,935	814,133	729,527	94,386	<b>3,208,389</b>
2013	0	877,587	648,186	744,830	720,788	141,719	<b>3,133,110</b>
2014	23,790	751,524	642,710	672,284	716,255	326,021	<b>3,132,584</b>
2015	24,062	715,319	619,467	645,091	763,623	459,338	<b>3,226,900</b>
2016	22,675	676,610	577,602	605,961	773,501	508,507	<b>3,164,856</b>
2017	21,147	632,869	536,906	577,094	749,261	524,706	<b>3,041,983</b>
2018	21,539	613,733	495,767	557,614	697,206	600,862	<b>2,986,721</b>
2019	57,615	574,959	440,548	537,601	658,715	647,431	<b>2,916,869</b>
2020	35,720	297,754	213,123	290,879	374,224	795,877	<b>2,007,577</b>

Source - Poudre River Public Library District

(1): Prior to 2014, circulation processed by the Collection Department was included in Old Town Library's circulation.

Table XV

**Poudre River Public Library District  
Service Location Information  
As of December 31, 2020**

Location Name	Address	Sq. Ft.	Number of Full-time Equivalent Employees
<b>Libraries</b>			
Old Town Library	201 Peterson St. Fort Collins, CO 80524	39,400	25.51
Harmony Library	4616 South Shields Dr. Fort Collins, CO 80526	31,100	20.52
Council Tree Library	2733 Council Tree Ave. Fort Collins, CO 80525	16,600	17.69
<b>Administration</b>			
Webster House Administration Center	301 East Olive St. Fort Collins, CO 80524	10,550	25.53
Midtown	2401 Research Blvd Ste 101 Fort Collins, CO 80526	4,720	13.42
<b>Total</b>		<b>102,370</b>	<b>102.67</b>