



ARAPAHOE  
LIBRARIES

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2021



Arapahoe Library District  
12855 E Adam Aircraft Circle  
Englewood, CO 80112

[arapahoelibraries.org](http://arapahoelibraries.org)  
303-LIBRARY (303-542-7279)

**ARAPAHOE LIBRARY DISTRICT**  
**Arapahoe County, Colorado**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Year Ended December 31, 2021**

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

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the year ended December 31, 2021

**Board of Trustees**

|                           |                |
|---------------------------|----------------|
| Steve Oliver .....        | President      |
| Katie Schroeder .....     | Vice President |
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**Executive Director  
Oliver Sanidas**

**Prepared by:  
Tom Salazar  
Accounting Supervisor**

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June 14, 2022

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

Dear Trustees:

I am pleased to submit to you the Annual Comprehensive Financial Report of the Arapahoe Library District for the year ended December 31, 2021.

This is the twenty-third year that an annual financial report has been submitted to you in the Annual Comprehensive Financial Report format, in accordance with the guidelines of the Government Finance Officers Association (GFOA). Arapahoe Library District has received the GFOA Certificate of Achievement for Excellence in Financial Reporting each year since 1999. We will submit the 2021 Annual Comprehensive Financial Report for recognition again this year.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Oliver Sanidas', written in a cursive style.

Oliver Sanidas  
Executive Director



June 14, 2022

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

Dear Trustees:

We are pleased to submit to you the Annual Comprehensive Financial Report of Arapahoe Library District (Library District) for the year ended December 31, 2021. This report was prepared by the Finance Department to provide citizens, investors, grantor agencies and other interested parties with information on the financial condition of the Library District. It has been prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board (GASB), and meets the requirements of the State of Colorado Auditor's Office.

To the best of our knowledge, the enclosed information is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the Library District. The accuracy of the Library District financial statements and completeness and fairness of their presentation is the responsibility of Library District management. All disclosures necessary to enable the reader to gain an understanding of the Library District's financial activities have been included.

Colorado State Statutes require an annual audit by independent certified public accountants. This requirement is being met through engagement of the firm CliftonLarsonAllen LLP to audit the 2021 financial statements of the Library District. The independent auditor's examination is conducted in accordance with generally accepted auditing standards and provides an independent assessment that helps assure fair presentation of the Library District's financial position and results of operations. The auditor's report on the basic financial statements is included in the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

Arapahoe Library District, established in 1966, is considered to be a “library district” which is a separate legal entity and was created through Colorado State Statute C.R.S. 24-90-110. The Library District is not considered to be a component unit of Arapahoe County, Colorado, and is financially, managerially and operationally independent, and meets the guidelines of GASB Statement No. 14, as amended by GASB Statement No. 80, *Blending Requirements for Certain Component Units*. The Library District has two component unit affiliations: the Arapahoe Library Friends Foundation, a discretely presented component unit which was organized to raise funds for the sole benefit of the Library District; and the Arapahoe Library District Building Authority, a blended component unit which was formed to finance construction of Library District facilities.

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

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

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

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

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

## **ECONOMIC CONDITION**

As 2021 ends, the US economy is facing new challenges post COVID-19. Though unemployment rates have dropped back to 2017-2019 levels, people voluntarily leaving their jobs and inflation offset some of these economic gains. Monthly unemployment peaked at 14.8% in April of 2020, but has steadily decreased since, ending at 4.2% in November of 2021. However, the quits rate hit a 20-year high in 2021 when 3% of employees overall quit their jobs. Specifically in the leisure and hospitality sector, the quit rate peaked at 6.4% in November 2021. This resulted in more job openings, peaking at 11.1 million in July 2021, compared to a monthly average of 4.6 million from 2000-2020. With inflation at a 40-year high, the average real hourly earnings decreased in 2021. Gross domestic product (GDP), the most common measure for the growth of the economy, increased by 5.7%. The S&P stock index rose more than 25% in 2021, hitting new highs.

The U.S. Bureau of Labor Statistics reported that average annual unemployment rates fell in 2021 in all regions, divisions, and states. Employment-population ratios increased across all regions and divisions, though not every state. "The U.S. jobless rate declined by 2.8 percentage points from the prior year to 5.3 percent, and the national employment-population ratio rose by 1.6 points to 58.4 percent."

The U.S. Bureau of Economic Analysis states that "Real GDP increased 5.7% in 2021 compared with a decrease of 3.4% in 2020. The increase in real GDP in 2021 reflected increases in all major subcomponents, led by personal consumption expenditures (PCE)." The trade deficit continues to increase, up 27% from 2020.

According to the Federal Housing Finance Agency (FHFA) House Price Index (HPI), house prices rose 17.5 percent from Q4 2020 to Q4 2021, with prices increasing in all 50 states and the District of Columbia. House prices have risen for 38 consecutive quarters, since September 2011. Again in 2021, house prices nationwide recorded the largest annual increase in the history of the index. "These quick price gains may be counterbalanced as mortgage rates increase. Affordability is a broader concern as available supply remains limited," noted William Doerner PhD., Supervisory Economist in the Research and Statistics Division. In particular, house prices in the Mountain division posted a 23.1% gain, the strongest in the country for 17 consecutive quarters.

The Federal Reserve kept interest rates near zero throughout 2021, but in March of 2022 they increased the federal funds rate to a range of 0.25% -0.5% to help combat rising inflation. Inflation averaged 7% for 2021, the largest 12-month gain since June of 1982.

With the largest revenue source coming from property taxes, the Library District analyzes when to plan additional capital projects, the effects of the continuous operational costs from those projects, and the overall operations of all libraries. The key components to determining the amount that is funded for short-term budgeting and long-range planning relates to the assessed values of residential and nonresidential property. For 2021, property tax revenues (based on 2020 property values) were basically flat, though anticipated to be up 4% in 2022. Our projects and events planned for 2022 will strive to provide our patrons with the exceptional services and facilities they have come to expect. This will include a remodel of our Sheridan facility, potential redesign and re-use of our administrative building to accommodate the community, new self-check units in the libraries, and continued efforts to make our libraries more accessible and inclusive.

## ***Long-Term Financial Planning***

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

The Library District has policies and procedures, which govern its operations to ensure effective cash management, compliance with governmental accounting regulations, and good business practice. The objectives of these policies and procedures are commensurate with our district-wide goals to effectively manage the assets and resources of Arapahoe Library District. The Library District maintains a system of internal accounting controls to ensure that assets are safeguarded against loss, and that financial records are properly maintained and can be relied upon to produce accurate financial statements. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The oversight responsibilities for the financial operations of the Library District rest with the Board of Trustees (Board). Each month the Board is provided detailed financial information from the Finance Department, including a statement of revenues and expenditures and balance sheet. These items are noted on the consent agenda, which is subject to a vote for approval. The Board is responsible for all budgetary resolutions and approvals, and for setting the mill levy annually. The Board is also responsible for approval of any real estate transactions, bonded debt, borrowing of funds, and major contracts.

The Executive Director has the authority to negotiate and sign regular operational contracts, and to approve expenditure of funds. The Executive Director can authorize purchase orders up to \$100,000 and purchases more than that amount are submitted to the Board for approval. These, and other stipulations, are included in a revised Authorization of Expenditures Policy, which was approved by the Board in 2016, as are all policies.

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

## **2021 YEAR IN REVIEW**

The 2021 Strategic Plan centered on 5 major themes -

1. Operational Transition in response to COVID 19:
  - How can we adapt our current spaces to continue serving our community's need while keeping everyone safe?
2. Remote Library Services:
  - Deliver services in a manner that does not require face-to-face contact (digital inclusion).
3. Inclusivity and Equity:
  - Nurturing inclusion, diversity and equity in all aspects of our service.
4. Innovation:
  - Embrace an experimental mindset, develop innovative opportunities.
5. Financial Stability:
  - Look critically at all expenditures, manage within our budget.

These were the focus areas for our initiatives in 2021.

### **OPERATIONAL TRANSITION AND REMOTE LIBRARY SERVICES INITIATIVES**

- Mailed 250 "Play and Learn at Home" early literacy kits to homes each month.
- Created a pen pal program for teens and residents at the Holly Creek Independent Living complex.
- Continuation of Grab and Go's – A hybrid virtual and in-person program for children, teen, and adult patrons. 4,400 kits distributed!
- Offered 320 virtual programs, and 336 virtual and in-person computer classes.
- After much success, continued to offer Chromebooks and internet hotspots for English Language Acquisition students.
- Held the first Design a Bookmark Contest for young patrons for a chance to win prizes and have their bookmarks printed and available at Arapahoe Libraries.
- Invited patrons to vote for their favorite Disney song through social media and online. Over the course of several weeks, results were narrowed down and updated on the website, and a random winner was selected to win a themed prize.
- Hosted Parenting Strategies, a monthly virtual program connecting parents with early childhood specialists in our community.
- Hosted the Castlewood unveiling, which provided a virtual stroll through newly renovated Castlewood Library while patrons could hear and ask about the changes that have taken place.
- Launched the "Library Babies" initiative, which offers a kit by mail including two librarian-selected board books, an "I'm a Library Baby!" tote bag and a booklet of rhymes, songs and bounces perfect for helping little ones begin their journey to becoming a reader and library lover.
- Offered digital media stations for patron use and a new webpage was created with appointment options and online tutorials.

- Doubled home delivery patrons during COVID to serve nearly 80 patrons in the Arapahoe Libraries service area.
- Offered teen patrons the Six Word Story Contest and nearly 100 stories were submitted in age categories 12-14 and 15-18 years. A total of eight won a prize and 159 votes were cast by patrons to select two fan favorites.
- Installed first patron “Zoom” room, at Southglenn Library.
- Completed flexible work environments project through the operationalization of providing furniture and technology to hybrid and remote staff members.
- Organized 90 outreach events (virtual and in-person) reaching nearly 17,000 people, including 62 school visits.
- 1,362 chats and 1,332 escalated phone calls from ALD Answers.

Despite all these great initiatives, we were very excited when the libraries were able to re-open in early 2021. This allowed for the District to...

- Resume indoor library visits in assisted living facilities.
- Allow patrons inside the bookmobile.
- Allow for in-person rummage wagon programs for residents in memory care units.
- Reinstate Blood Drives at Smoky Hill Library.
- Launch a “summer in nature” series of hands-on outdoor nature programs for our youngest patrons and their families.
- Offer fun, drop-in “Literacy Spot” activities for young children in children’s areas.
- Resume in-person storytimes at libraries, with more afternoon and evening storytimes to help accommodate parent/caregiver schedules.
- Host the Kelter grand opening celebration featuring a ribbon-cutting ceremony, staff library tours and live music from The Radio Band.
- Open a new Makerspace at Castlewood Library to the public, including a new webpage with appointment options and online tutorials.
- Host the first-ever off-site Friends of Arapahoe Libraries book sale at the Streets at Southglenn, generating a net total of \$42,000 in revenue.
- Host Voter Services Polling Centers at Kelter and Smoky Hill libraries.

And so much more!

## INCLUSIVITY AND SOCIAL JUSTICE INITIATIVES

- Awarded membership as a Silver Leader for the Environmental Leadership Program (ELP). ELP is a statewide environmental program that recognizes member organizations that voluntarily go beyond environmental compliance and remain committed to implementing continuous environmental improvements.
- Formed partnership between Mobile Library Services and the City of Centennial to deliver care packages to residents at assisted living facilities
- Kicked off monthly inclusivity topics districtwide campaign. Topics that were selected by the Inclusivity Topics Displays committee include Black History Month, Women's History Month and Discover Your Heritage. Promotional highlights included a feature on the homepage, collection display signs, social media posts, eBlasts and digital signs in libraries.
- Kicked off a new partnership with Food Bank of the Rockies with a mobile food pantry site at Kelter Library. Serving 50 families from the Byers community, this partnership helps Arapahoe County residents who are food insecure or are facing financial hardship.
- Acknowledging that art work plays a role in the experience patrons have visiting our libraries, we hired art consultants NINE dot ARTS and held visioning sessions with staff to begin planning artwork packages for the libraries. The art goals selected for Castlewood Library include approachable, diverse, inclusive, inspiring, colorful and engaging art, and the art goals for Kelter Library include community-minded, inspiring, colorful, approachable and vibrant art.
- Hired and trained additional staff to allow for more community resources in the libraries to assist patrons.
- Partnered with Tri-County Health Department to provide equitable access to vaccines at Eloise May Library, with translation services for Spanish, Arabic and Russian speakers.
- Conducted a community conversation about race and ethnicity in partnership with Colorado Humanities, facilitated by Dr. Elizabeth Parks, dialogue and diversity specialist for the Center for Public Deliberation and assistant professor of communication studies at Colorado State University.
- Created a website form for patrons to share their definition of diversity. A total of 90 entries were collected and displayed on the homepage for all website users to see and reflect on as well as being shared on social media.
- Partnered with Tri-County Health Department to host air quality sensors at Sheridan, Eloise May and Smoky Hill libraries as part of the Love My Air program. The Love My Air program works to improve outdoor air quality by increasing air pollution awareness and expanding air quality monitoring. The mission of Love My Air is to empower communities to live better and longer by reducing air pollution and limiting exposure through behavior change, advocacy and community engagement.
- Participated in a grant with the Public Library Association and National Center for Families Learning on how to better understand ways libraries can serve Latinx patrons. Completed two community conversations with Latinx families in Sheridan to better understand why families do or do not use the library, what families want to see in the library, and what they believe might make a difference in strengthening the community
- Wrapped up the first round of executive interviews, which is part of the Community Engagement work. The purpose of the executive interviews is to have conversations with various community leaders to strengthen relationships, learn about current challenges, and discuss the various issues constituents are facing.

- Launched the Summer Reading Reimagined program. A free book was offered to children and teens and we handed out more than 15,000 books, including titles in Spanish and Russian. Connections were built through patrons participating in the BINGO activity and the neighborhood collage.
- Updated brand colors on the website to meet Web Content Accessibility 2.0 Guidelines for contrast accessibility. This change allowed for more options when choosing colored background for text while remaining readable for those with low-vision issues.
- Provided 11 grassroots marketing booths at a variety of community events beginning in June through the end of the year.
- Launched a partnership with Special Olympics Colorado with a Leadership Council training on what it is like to live with an intellectual impairment.
- Led a group of Sheridan community members and community partners to organize an outdoor market on July 31. The goals of this project were to address food insecurity in Sheridan, provide an economic opportunity for Sheridan families, and to host a fun, engaging event for the community.
- Hosted annual early literacy speaker, Richard Louv, on Zoom. Richard is a foremost expert on “nature-deficit disorder” which he describes in his book Last Child in the Woods: Saving Our Children from Nature-Deficit Disorder. More than 100 attendees from all over the world were online for his presentation.
- Launched partnership with Sheridan Health Services (Project SOUL) to provide telehealth services at Sheridan Library.
- Completed the first-ever assessment of the languages and language services offered by Arapahoe Libraries, after a year-long study undertaken by staff across the district and led by our language librarians. The team also provided a tool for determining the addition or subtraction of services and an exhaustive list of ways we can improve our services to members of our diverse language communities.
- Completed the first-ever assessment of teen services in Arapahoe Libraries by looking at current offerings and assessing gaps. This team will be operationalized so that there will continue to be focused work on teen services.
- Created manager of diversity, equity and inclusion position to create internal capacity and expertise to continue to move this work forward for the organization.
- Launched the Inclusion Gallery, a photo exhibit of Special Olympics athletes, at the Smoky Hill Library art gallery. This is a result of a partnership between Special Olympics Colorado and Arapahoe Libraries.
- Provided a variety of virtual and in-person services for youth, teen and adult patrons in English, Spanish and Russian.
- Hosted a traveling exhibit in the Southglenn Interaction Lab with Museo de las Americas called ¿Cómo te llamas? during November and December. Geared toward younger audiences, this exhibit celebrates the history, utility, and cultural impact of llamas through artwork and artifacts.
- Granted a district-wide Family Place Libraries designation for all Arapahoe Libraries. This designation signifies that we meet specific criteria and are seen as community centers for literacy, early childhood development, parent education and engagement, family support and community information.

## **INNOVATION AND FINANCIAL STABILITY INITIATIVES**

- Installed and implemented library lockers for holds at all eight physical library locations.
- Installed centralized sorting system at the administration building, which centralizes the material processing to one location and result in added patron-focused time for library staff.
- Launched BiblioEmail, an email marketing tool that offers seamless integration with our website. Allows for visual, personalized emails tailored to patron preferences, such as age groups, genres, topics, events and more.
- Launched eCard, which is a method of receiving a full-access library card through an online application available on our website.
- Added self-checkout as a function to our mobile app ArapApp, on iOS and Android.
- Tested first “library kiosk” unit at support services building with the ability to hold a small collection and accept returns.
- Reduce turnover and ensure equity within library positions through a comprehensive compensation study and pay equity analysis, along with work on career opportunities, and future staffing plans. Revised paid family leave program, and issued a one-time discretionary equity bonus for 260 employees.

## **FUTURE INITIATIVES**

- Replacing self-check units inside of libraries in January 2022.
- Design and remodel of Sheridan Library.
- Potential re-design of Administrative Building to allow for community events and for patrons to use the facility.
- Finalization of multi-year wayfinding sign initiative, with consistent interior and exterior branded library signage.
- Continue work on Initiatives relating to Remote Library Services, Equity, Innovation, and Service to Patrons as aligned with the 2022 Strategic Plan.

## **AWARDS AND ACKNOWLEDGEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Arapahoe Library District for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the twenty-second consecutive year that the Library District has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Jennifer Mahin".

Jennifer Mahin  
Director of Finance  
Arapahoe Library District



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

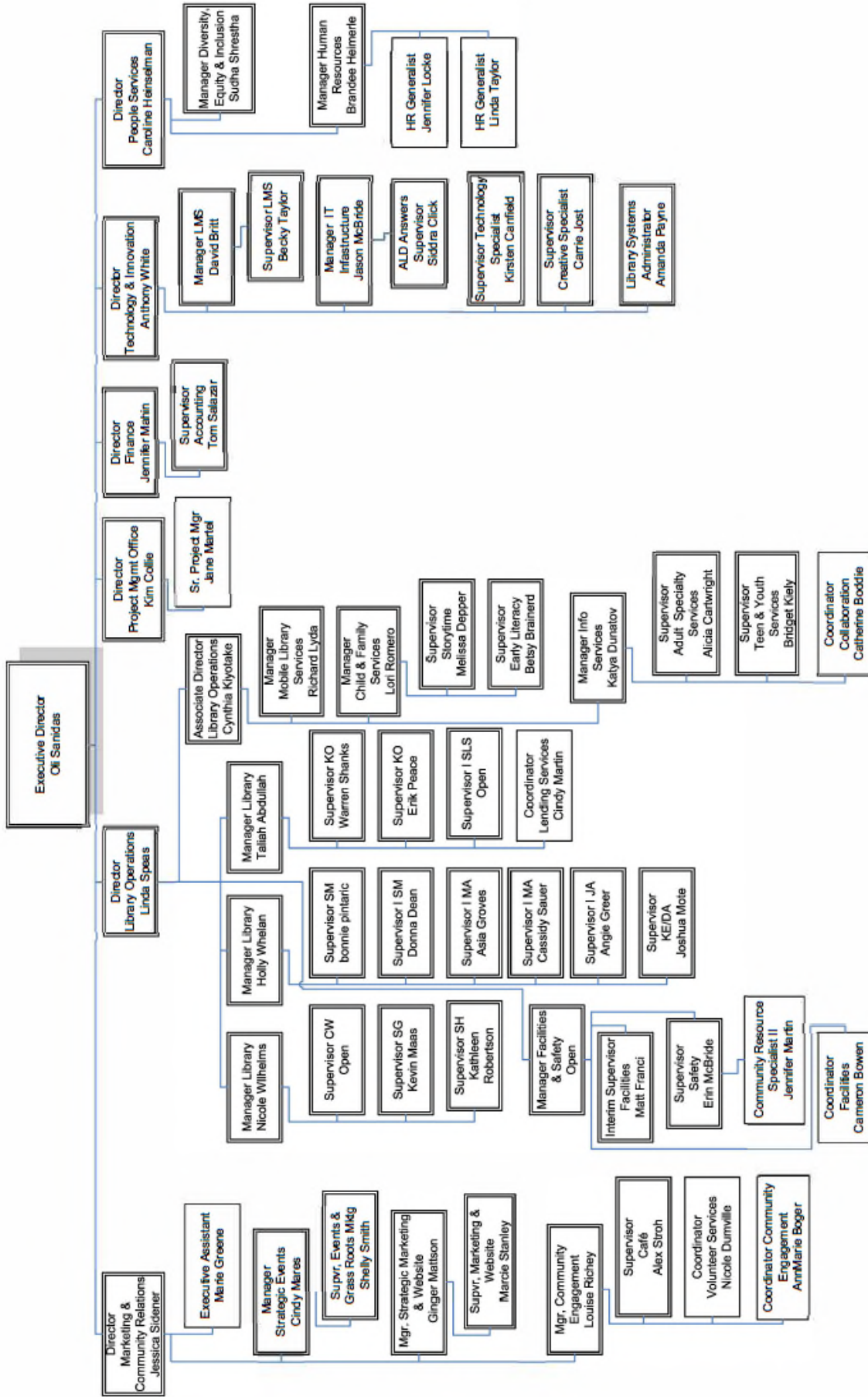
**Arapahoe Library District  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO





## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Arapahoe Library District  
Englewood, Colorado

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, the major fund, and remaining fund information of Arapahoe Library District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Arapahoe Library District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, the major fund, and remaining fund information of Arapahoe Library District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Arapahoe Library District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Arapahoe Library District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Arapahoe Library District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Arapahoe Library District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and General Fund budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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

Board of Trustees  
Arapahoe Library District

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Arapahoe Library District's basic financial statements. The budgetary comparison schedule for the Arapahoe Library District Building Authority is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the budgetary comparison schedule for the Arapahoe Library District Building Authority is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
June 14, 2022

**Arapahoe Library District, Colorado  
Management's Discussion and Analysis  
As of and For the Year Ended December 31, 2021**

Within this section of the Arapahoe Library District (Library District) annual comprehensive financial report, management is pleased to provide this narrative discussion and analysis of the financial activities of the Library District for the calendar year ended December 31, 2021. The Library District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section, and are intended to be read in conjunction with them.

**BASIC FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

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

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

Net position is displayed as (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Net investment in capital assets includes the cost of all capital assets less related accumulated depreciation less related debt; the calculation is shown in Note 9. Restricted net position includes amounts restricted for TABOR legislation and for debt service payments on outstanding certificates of participation. Any remaining net position is classified as unrestricted and is considered available for operations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Library District as a whole is improving or deteriorating. Evaluation of the overall health of the Library District would extend to other nonfinancial factors, such as diversification of the taxpayer base or the condition of Library District infrastructure, in addition to the financial information provided in this report.

The second government-wide financial statement is the statement of activities, which reports how the Library District's net position changed during the current calendar year. Because private businesses are motivated by profit, the format of their financial statements focus on revenues they generate. Local governments, however, are more interested in the services they provide; therefore presenting the cost of these services first is more logical. Arapahoe Library District is required to present expenses by function on the government-wide statement just as it is on the governmental fund statement of revenues, expenditures, and changes in fund balance. Additionally, interest expense is presented as a separate line of expense because the interest is a general cost of operating the Library District and is not specifically attributed to the ongoing existence of just a single function or program. Revenues in the statement of activities are presented as either program revenues or general revenues. Program revenues possess two specific characteristics: (1) they are related directly to the associated function, and would disappear if the function is eliminated, and (2) they come from sources other than taxes. General revenues depict the degree to which the Library District relies on sources of revenue other than program revenues, such as taxes and contributions.

The government-wide financial statements are presented on pages 29-30 of this report.

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Library District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. Governmental funds are generally used to account for activities supported by taxes and intergovernmental revenues. The primary focus of the Library District's fund statements is on the only major governmental fund maintained: the general fund. Fund financial statements report short-term fiscal accountability focusing on the use of spendable resources and balance of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Reconciliations are provided with both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance to assist the reader in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 31-34 of this report.

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

The accompanying notes to the basic financial statements provide information essential to understanding the government-wide and fund financial statements. Key characteristics of the notes include descriptions of the Library District's financial policies, additional detail and explanations of amounts recognized in the financial statements, and additional information about financial position or inflows and outflows of resources that do not meet the criteria for recognition. The notes to the basic financial statements begin on page 35 of this report.

## COMPARATIVE FINANCIAL ANALYSIS

The Library District's net position at December 31, 2021 is \$81,336,135. The following table provides a summary of the Library District's net position.

Summary of Net Position  
December 31, 2021  
Governmental Activities

|                                      | 2021          |                        | 2020          |                        |
|--------------------------------------|---------------|------------------------|---------------|------------------------|
|                                      | Amount        | Percentage<br>of Total | Amount        | Percentage<br>of Total |
| Assets:                              |               |                        |               |                        |
| Current Assets                       | \$ 83,992,258 | 63.7%                  | \$ 77,971,316 | 61.8%                  |
| Capital Assets                       | 47,780,466    | 36.3%                  | 48,125,119    | 38.2%                  |
| Total Assets                         | 131,772,724   | 100.0%                 | 126,096,435   | 100.0%                 |
| Total Deferred Outflows of Resources | -             | 100.0%                 | 68,261        | 100.0%                 |
| Liabilities:                         |               |                        |               |                        |
| Current Liabilities                  | 2,858,637     | 29.1%                  | 5,537,756     | 42.8%                  |
| Non-current Liabilities              | 6,978,559     | 70.9%                  | 7,388,912     | 57.2%                  |
| Total Liabilities                    | 9,837,196     | 100.0%                 | 12,926,668    | 100.0%                 |
| Total Deferred Inflows of Resources  | 40,599,393    | 100.0%                 | 38,204,669    | 100.0%                 |
| Net Position:                        |               |                        |               |                        |
| Net Investment in                    |               |                        |               |                        |
| Capital Assets                       | 40,917,407    | 50.3%                  | 38,825,027    | 51.7%                  |
| Restricted                           | 1,261,320     | 1.6%                   | 1,277,705     | 1.7%                   |
| Unrestricted                         | 39,157,408    | 48.1%                  | 34,930,627    | 46.6%                  |
| Total Net Position                   | \$ 81,336,135 | 100.0%                 | \$ 75,033,359 | 100.0%                 |

Total net position of the Library District increased by \$6,302,776 or 8.4% during the year and unrestricted net position increased 12.1% from the previous year.

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

Summary of Changes in Net Position  
For the Year Ended December 31, 2021  
Governmental Activities

|   | 2021                 |                        | 2020                 |                        |
|---|----------------------|------------------------|----------------------|------------------------|
|   | Amount               | Percentage<br>of Total | Amount               | Percentage<br>of Total |
| Revenues:                                       |                      |                        |                      |                        |
| Program:  |                      |                        |                      |                        |
| Charges for Services                            | \$ 94,618            | 0.2%                   | \$ 93,098            | 0.2%                   |
| Operating Grants and Contributions              | 355,748              | 0.8%                   | 1,003,311            | 2.3%                   |
| General:  |                      |                        |                      |                        |
| Taxes   | 41,428,672           | 98.6%                  | 41,337,749           | 96.0%                  |
| Other   | 157,187              | 0.4%                   | 616,901              | 1.4%                   |
| <b>Total Revenues</b>                           | <b>42,036,225</b>    | <b>100.0%</b>          | <b>43,051,059</b>    | <b>100.0%</b>          |
| Program Expenses:                               |                      |                        |                      |                        |
| Library Operations                              | 12,069,110           | 33.9%                  | 9,897,582            | 30.9%                  |
| Administrative and Executive Services           | 11,590,257           | 32.4%                  | 10,701,883           | 33.4%                  |
| Digital and Library Material Services           | 9,511,774            | 26.6%                  | 8,999,323            | 28.1%                  |
| Communications, Programming<br>and Partnerships | 2,265,099            | 6.3%                   | 2,151,310            | 6.7%                   |
| Interest  | 297,209              | 0.8%                   | 272,237              | 0.9%                   |
| <b>Total Expenses</b>                           | <b>35,733,449</b>    | <b>100.0%</b>          | <b>32,022,335</b>    | <b>100.0%</b>          |
| Change in Net Position                          | 6,302,776            |                        | 11,028,724           |                        |
| Beginning Net Position                          | 75,033,359           |                        | 64,004,635           |                        |
| Ending Net Position                             | <u>\$ 81,336,135</u> |                        | <u>\$ 75,033,359</u> |                        |

**OVERALL FINANCIAL POSITION**

As a whole, Arapahoe Library District's financial position in 2021 increased from 2020. Sources of revenue decreased by \$1,014,834 during the year, primarily due to \$304,000 in Coronavirus Relief Funds received in 2020, a decrease in interest income, and a decrease in Foundation contributions.

The Library District is heavily reliant on taxes to support governmental operations. In 2021, taxes provided 98.6% of the Library District's total government-wide revenues which was an increase from 96.0% in 2020. Program revenues cover approximately 1.1% of total government-wide expenses. This means the Library District's taxpayers and other general revenues support the remaining 98.7% of the governmental activities.

Total expenses increased by \$3,711,114 from 2020. Library Operations comprise 33.9% of the Library District's total government-wide expenses this year compared with 30.9% in 2020. The Library Operations function continues to be a primary focus of the Library District and is driven by the strategic plan and providing services for patrons. Approximately 32.4% of the Library District's 2021 expenses consist of Administrative and Executive Services compared with 33.4% in 2020. Major district-wide supporting functions, including payroll taxes, benefits, and facility operations account for a large portion of the expenditures for this category.

The Library District's assets exceed its liabilities and deferred inflows of resources by \$81,336,135 (net position) at December 31, 2021. Total net position is comprised of the following:

- (1) Net Investment in Capital Assets of \$40,917,407 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
- (2) Net position of \$1,261,320 is restricted by constraints imposed from outside the Library District such as debt covenants, grantors, laws, or regulations. At December 31, 2021, \$1,261,320 is restricted for TABOR.
- (3) Unrestricted net position of \$39,157,408 represents the portion available to maintain the Library District's continuing obligations to citizens and creditors.

## **GENERAL FUND**

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The Library District has one major governmental fund: the general fund.

Taxes total 98.6% of total general fund revenues in the current year which is an increase from 96.0% in 2020. Total taxes increased \$90,923 or 0.2% from 2020.

Intergovernmental revenue decreased \$450,483 or 57.8% relating primarily to a federal COVID-19 relief grant for \$304,000 received during 2020.

Miscellaneous revenue increased \$12,491 or 7.3% from the prior year due to increased book sales compared to 2020. Café Sales increased by \$5,469 or 10.6% as the cafes were limited for most of the year due to COVID-19. The Library District normally operates two cafés: one within the Koelbel Library branch and one within the Smoky Hill Library branch.

The general fund had a significant decrease in investment income of \$474,353 or 96.8% during 2021 from 2020 due to the impact of COVID-19 on market conditions which led to decreased interest rates.

The general fund accounts for regular operational expenditures of the Library District as well as capital outlay. In total, expenditures of the general fund decreased by \$5,630,369 from the prior year. There are a couple of items to note about current year expenditures:

- (1) Capital outlay decreased by \$10,217,037 or 75.4% compared to last year as the Castlewood branch renovation and new library branch in Byers, Colorado were completed in early 2021.
- (2) Debt service remained consistent with the prior year. Principal and interest payments for the Certificates of Participation are presented as expenditures of the Arapahoe Library District Building Authority rather than the general fund. Payments for the capital leases for land and site are recorded in the general fund.

The Library District's general fund reports total ending fund balance of \$41,290,550 at December 31, 2021. Compared to the beginning fund balance of \$36,315,465, the total fund balance experienced an increase of \$4,975,085 during the current year. Property tax revenue accounts for the majority of the increase in fund balance.

At December 31, 2021, total fund balance of the general fund is comprised of the following:

- (1) Nonspendable fund balance of \$798,982 is equivalent to the amount of prepaid items in the general fund.
- (2) Restricted fund balance totals \$1,261,320 and is comprised of amounts restricted for TABOR.
- (3) Assigned fund balance totals \$4,921,263 and includes \$621,263 of funds the Library District has budgeted in 2022 for self-insurance and \$4,300,000 of funds budgeted for capital projects in future years.
- (4) Unassigned fund balance for the general fund is \$34,308,985 or 92.5% of total general fund expenditures.

In total, the Library District continues to maintain a healthy fund balance with \$34,308,985 or 83.1% of the total fund balance being unassigned or available for general operations at December 31, 2021. This is an increase of \$4,841,525 from the prior year unassigned fund balance amount of \$29,467,460.

## **BUDGETARY ANALYSIS**

The District had one budget amendment for the year ended December 31, 2021 which changed appropriations within the General Fund but did not increase total budgeted expenditures. Information containing actual activity compared with budgeted activity for the general fund is presented as other required supplementary information on the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.

Overall, total actual revenues exceeded expectations by \$2,107,194 in 2021. Of this, the most significant variance is property taxes, which is \$1,714,220 greater than budgeted due to a conservative estimate of the potential impact of COVID-19 on property tax collections. Specific ownership tax revenues exceeded budget by \$526,681. This is based on motor vehicle sales that the Library District estimates but does not have control over.

Investment earnings were \$134,415 less than budgeted due to market conditions with low interest rates. Café sales were included in the miscellaneous category in the adopted budget, which is the reason for zero revenue budgeted for café sales. After combining café sales with miscellaneous revenues, miscellaneous revenue was \$50,320 less than budgeted revenue.

Total expenditures are under budget by \$1,398,492 for the current year, or 3.8% of the total expenditure budget. Total variance in the current expenditures category is \$1,170,240 less than budget. Library Operations current expenditures were greater than budget by a total of \$690,125 due to salaries and wages being over budget by \$215,217 due to board approved equity adjustment which was awarded to a large portion of the library staff. Equipment and non-capital projects were over budget by \$374,702 due to timing of project expenditures, and literacy and outreach were over budget by \$128,705 due to an increase in outreach activity. Training expenses were less than budget by \$28,499 due primarily to staff attending less expensive virtual training as a result of COVID-19.

Administrative and Executive Services was over budget by \$729,833 which is due mainly to salaries being over budget by \$1,044,813 as a result of the board approved equity adjustment and benefits being over budget by \$352,234 due to increase in medical cost as a result of larger claims expense and increase in doctor's visits due to COVID-19. Additionally, equipment and noncapital projects were under budget by \$552,990 due to the timing of expenditures for equipment and noncapital projects. Digital and Library Material Services was under budget by \$1,652,124 primarily due to decreased expenditures for physical library materials versus more spending on digital collections according to budgeted amounts all as a result of lingering effects of COVID-19. Communications, Programming, and Partnerships actual expenditures were \$938,074 less than budgeted due to salaries and wages being under budget by \$465,754, communications being under budget by \$190,298 training under budget by \$184,435 and all other categories being under budget by \$97,587.

Debt Service reported in the general fund is over budget due to the principal and interest payments on the capital lease financing for the purchase of land and the site lease, which were not included as separate line items in the budget. Capital Outlay was \$666,714 less than budget for the year based on the timing of budgeted capital projects. Actual net change in fund balance in 2021 is \$3,505,686 more than budgeted for the year.

## **CAPITAL ASSETS AND LONG-TERM DEBT**

### **Capital Assets**

At December 31, 2021, 36.4% of the total assets of the Library District are comprised of the net book value of capital assets for governmental activities compared to 38.2% at December 31, 2020. The Library District uses these capital assets to provide services to its citizens in furnishing and assembling collection materials for eight library facilities in the Library District.

During 2021, the Library District made a reclassification from construction in progress to Buildings in the amount of \$8,456,078 for the completion of the Kelper Library. Additionally, reclassifications totaling \$7,666,643 were made from Buildings to Property Improvements to properly classify Building Improvements/ Remodels.

The Library District's net investment in capital assets for governmental activities as of December 31, 2021 is \$40,917,407. See Note 5 for additional information about changes in capital assets during the calendar year.

The following table provides a summary of capital asset activity.

|                                  | Capital Assets          |                      | Percentage of Total |               |
|----------------------------------|-------------------------|----------------------|---------------------|---------------|
|                                  | Governmental Activities |                      |                     |               |
|                                  | 2021                    | 2020                 | 2021                | 2020          |
| Non-depreciable Assets:          |                         |                      |                     |               |
| Land                             | \$ 6,319,894            | \$ 6,368,894         | 84.7%               | 41.4%         |
| Land Improvements                | 586,472                 | 296,499              | 7.9%                | 1.9%          |
| Construction in Progress         | 377,380                 | 8,603,702            | 5.1%                | 55.9%         |
| Artwork and Collectibles         | 174,830                 | 127,350              | 2.3%                | 0.8%          |
| Total Non-depreciable            | <u>7,458,576</u>        | <u>15,396,445</u>    | <u>100.0%</u>       | <u>100.0%</u> |
| Depreciable Assets:              |                         |                      |                     |               |
| Buildings                        | 38,270,467              | 37,258,927           | 58.4%               | 66.8%         |
| Property Improvements            | 14,455,209              | 6,369,102            | 22.1%               | 11.4%         |
| Solar Energy                     | 173,222                 | 173,222              | 0.3%                | 0.3%          |
| Signage                          | 53,771                  | -                    | 0.1%                | 0.0%          |
| Equipment                        | 4,854,718               | 4,079,560            | 7.4%                | 7.3%          |
| Book Mobiles and Vans            | 555,166                 | 581,916              | 0.8%                | 1.0%          |
| Furniture and Fixtures           | 2,049,599               | 1,948,592            | 3.1%                | 3.5%          |
| Computer Equipment               | 209,804                 | 312,392              | 0.3%                | 0.6%          |
| Books and Audio-Visual Materials | 4,632,133               | 4,855,954            | 7.1%                | 8.7%          |
| Intangibles                      | 232,781                 | 227,510              | 0.4%                | 0.4%          |
| Total Depreciable Assets         | <u>65,486,870</u>       | <u>55,807,175</u>    | <u>100.0%</u>       | <u>100.0%</u> |
| Less Accumulated Depreciation    | <u>25,164,980</u>       | <u>23,078,501</u>    |                     |               |
| Book Value - Depreciable Assets  | <u>40,321,890</u>       | <u>32,728,674</u>    |                     |               |
| Percentage Depreciated           | <u>38.4%</u>            | <u>41.4%</u>         |                     |               |
| Book Value - All Assets          | <u>\$ 47,780,466</u>    | <u>\$ 48,125,119</u> |                     |               |

### **Long-Term Debt**

At the end of the calendar year, the Library District had certificates of participation outstanding of \$1,695,000. The Library District's outstanding capital lease financing arrangement for the purchase of land had \$762,348 in principal remaining at the end of the year. The Library District's outstanding capital lease financing arrangement for the building site had \$4,245,215 in principal remaining at the end of the year. The Library District made the final payment of the 2010 Certificates of Participation during 2021.

|                                | Governmental Activities |                     |
|--------------------------------|-------------------------|---------------------|
|                                | December 31, 2021       | December 31, 2020   |
| Certificates of Participation: |                         |                     |
| 2008 Issue                     | \$ 1,695,000            | \$ 1,940,000        |
| 2010 Issue                     | -                       | 1,180,000           |
| Capital Lease - Land           | 762,348                 | 821,885             |
| Capital Lease - Site           | 4,245,215               | 4,503,553           |
| Total                          | <u>\$ 6,702,563</u>     | <u>\$ 8,445,438</u> |

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

## **OTHER SIGNIFICANT INFORMATION**

### **2022 AT A GLANCE**

Replace approximately 30 Self Check stations across 8 physical libraries. The self-check stations provide patrons the ability to checkout items without staff member assistance.

Due Diligence work continues on a possible New Americans Center to be located on the Eloise May Property, The Center would provide dedicated space for classes on language learning and citizenship classes for a large new immigrant population that Eloise May Library serves.

New Phone System – work has begun on researching and testing a new phone system that will better service staff that works from home. Project includes the replacement of 250+ phones in the district and training staff on the new system.

New Ticketing and CRM Software – replace the current ticketing system with a more robust Ticketing and CRM system that supports ticket tracking, knowledge base searching, multi-channel submissions, CRM tracking.

Smoky Hill Library – Replace Capital Equipment that has exceeded its useful life in particular the replacement of Boilers and Chillers. Additionally, the Elevator is needing to be modernized and work to achieve this will begin with replacing cabling and if necessary, the entire Elevator could possibly be replaced.

Sheridan Library Remodel – Due to the small square footage of Sheridan as it grows busier it has become important to consider the allocation of its square footage and ergonomics and ease of access. This remodel will adapt library space to optimize use for community gatherings, and collaboration and creation, while maintaining the functionality to effectively feature our collection and offer spaces to study and read.

Signage Projects – Work continues on the development, design and implementation solutions for district wide wayfinding signage, collection signage, mural guidelines, and guidelines for the acceptance of donated artwork. Specific completed or ongoing district wide projects include: Monument and Exterior Signs at Koelbel, Smoky Hill and Eloise May, Exterior Signs at Sheridan, Southglenn, Art Work Collections at Castlewood, Kelter, Koelbel, and Southglenn.

Due diligence work continues on the potential re-design of administrative building to allow for community events and for patrons to use the facility.

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

**ARAPAHOE LIBRARY DISTRICT  
STATEMENT OF NET POSITION  
December 31, 2021**

|  | <u>Primary Government<br/>Governmental<br/>Activities</u> | <u>Component Unit<br/>Arapahoe Library<br/>Friends Foundation</u> |
|--|---|---|
| <b>Assets</b>                              |   |   |
| Current Assets:                            |   |   |
| Cash and Investments                       | \$ 41,770,009   | \$ 323,702  |
| Accounts Receivable                        | 823,874   | -   |
| Property Tax Receivable                    | 40,599,393  | -   |
| Due from Arapahoe Library District         | -   | 4,655   |
| Prepaid Items                              | 798,982   | -   |
| <b>Total Current Assets</b>                | <u>83,992,258</u>   | <u>328,357</u>  |
| Noncurrent Assets:                         |   |   |
| Nondepreciable Capital Assets              | 7,458,576   | -   |
| Depreciable Capital Assets, Net            | 40,321,890  | -   |
| <b>Total Noncurrent Assets</b>             | <u>47,780,466</u>   | <u>-</u>  |
| <b>Total Assets</b>                        | <u><b>131,772,724</b></u>                                 | <u><b>328,357</b></u>   |
| <b>Liabilities</b>                         |   |   |
| Current Liabilities:                       |   |   |
| Accounts Payable and Accrued Liabilities   | 2,127,401   | 833   |
| Due to Arapahoe Library Friends Foundation | 4,655   | -   |
| Unearned Revenue                           | 2,472   | -   |
| Compensated Absences Payable               | 143,746   | -   |
| Capital Leases                             | 325,363   | -   |
| Certificates of Participation              | 255,000   | -   |
| <b>Total Current Liabilities</b>           | <u>2,858,637</u>  | <u>833</u>  |
| Noncurrent Liabilities:                    |   |   |
| Compensated Absence Payable                | 856,359   | -   |
| Capital Lease                              | 4,682,200   | -   |
| Certificates of Participation              | 1,440,000   | -   |
| <b>Total Noncurrent Liabilities</b>        | <u>6,978,559</u>  | <u>-</u>  |
| <b>Total Liabilities</b>                   | <u><b>9,837,196</b></u>                                   | <u><b>833</b></u>   |
| <b>Deferred Inflows of Resources</b>       |   |   |
| Property Tax                               | 40,599,393  | -   |
| <b>Total Deferred Inflows of Resources</b> | <u><b>40,599,393</b></u>                                  | <u>-</u>  |
| <b>Net Position</b>                        |   |   |
| Net Investment in Capital Assets           | 40,917,407  | -   |
| Restricted:                                |   |   |
| TABOR Amendment                            | 1,261,320   | -   |
| Unrestricted                               | 39,157,408  | 327,524   |
| <b>Total Net Position</b>                  | <u><b>\$ 81,336,135</b></u>                               | <u><b>\$ 327,524</b></u>  |

**ARAPAHOE LIBRARY DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2021**

| Functions   | Expenses          | Charges for<br>Services | Program Revenues<br>Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions | Net (Expense) Revenue and<br>Changes in Net Position |
|---|-------------------|-------------------------|--|--|--|
| Primary Government:<br>Governmental Activities:               |                   |                         |  |  | Primary<br>Government                                |
| Library Operations  |                   |                         |  |  | Governmental<br>Activities                           |
| Administrative and Executive Services                         |                   |                         |  |  | Component<br>Unit                                    |
| Digital and Library Material Services                         |                   |                         |  |  |  |
| Communications, Programming and<br>Partnerships               |                   |                         |  |  |  |
| Interest Expense  |                   |                         |  |  |  |
| <b>Total Governmental Activities</b>                          | <b>35,733,449</b> | <b>94,618</b>           | <b>355,748</b>   | <b>(297,209)</b>                       | <b>(35,283,083)</b>                                  |
|   |                   |                         |  |  |  |
| <b>Component Unit:</b><br>Arapahoe Library Friends Foundation |                   |                         |  |  | <b>(60,804)</b>                                      |
|   |                   |                         |  |  |  |
| <b>General Revenues:</b>                                      |                   |                         |  |  |  |
| Property Taxes  |                   |                         |  |  | 38,701,765   |
| Specific Ownership Taxes                                      |                   |                         |  |  | 2,726,907  |
| Investment Earnings   |                   |                         |  |  | 15,587   |
| Unrestricted Grants and Contributions                         |                   |                         |  |  | 20   |
| Miscellaneous   |                   |                         |  |  | 109,512  |
| Total General Revenues  |                   |                         |  |  | 141,600  |
| Change in Net Position  |                   |                         |  |  | 2,194  |
| Net Position - Beginning                                      |                   |                         |  |  | 41,585,859   |
| <b>Net Position - Ending</b>                                  |                   |                         |  |  | <b>50,922</b>  |
|   |                   |                         |  |  | 276,602  |
|   |                   |                         |  |  | <b>\$ 81,336,135</b>                                 |
|   |                   |                         |  |  | <b>\$ 327,524</b>                                    |

**ARAPAHOE LIBRARY DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2021**

|  | <u>Major</u>                | <u>Nonmajor</u>         |                             |
|--|-----------------------------|-------------------------|-----------------------------|
|  |                             | <u>Arapahoe</u>         |                             |
|  |                             | <u>Library District</u> | <u>Total</u>                |
|  | <u>General Fund</u>         | <u>Building</u>         | <u>Governmental</u>         |
|  |                             | <u>Authority</u>        | <u>Funds</u>                |
| <b>Assets</b>  |                             |                         |                             |
| Cash and Investments                                       | \$ 41,770,009               | \$ -                    | \$ 41,770,009               |
| Accounts Receivable  | 823,874                     | -                       | 823,874                     |
| Property Tax Receivable                                    | 40,599,393                  | -                       | 40,599,393                  |
| Prepaid Items  | 798,982                     | -                       | 798,982                     |
| <b>Total Assets</b>  | <b><u>83,992,258</u></b>    | <b><u>-</u></b>         | <b><u>83,992,258</u></b>    |
| <b>Liabilities</b>   |                             |                         |                             |
| Accounts Payable and Accrued Liabilities                   | 2,095,188                   | -                       | 2,095,188                   |
| Due to Arapahoe Library Friends Foundation                 | 4,655                       | -                       | 4,655                       |
| Unearned Revenue   | 2,472                       | -                       | 2,472                       |
| <b>Total Liabilities</b>                                   | <b><u>2,102,315</u></b>     | <b><u>-</u></b>         | <b><u>2,102,315</u></b>     |
| <b>Deferred Inflows of Resources</b>                       |                             |                         |                             |
| Property Tax   | 40,599,393                  | -                       | 40,599,393                  |
| <b>Total Deferred Inflows of Resources</b>                 | <b><u>40,599,393</u></b>    | <b><u>-</u></b>         | <b><u>40,599,393</u></b>    |
| <b>Total Liabilities and Deferred Inflows of Resources</b> | <b><u>42,701,708</u></b>    | <b><u>-</u></b>         | <b><u>42,701,708</u></b>    |
| <b>Fund Balance</b>  |                             |                         |                             |
| Nonspendable   | 798,982                     | -                       | 798,982                     |
| Restricted:  |                             |                         |                             |
| TABOR Amendment  | 1,261,320                   | -                       | 1,261,320                   |
| Assigned:  |                             |                         |                             |
| Self Insurance   | 621,263                     | -                       | 621,263                     |
| Capital Projects   | 4,300,000                   | -                       | 4,300,000                   |
| Unassigned   | 34,308,985                  | -                       | 34,308,985                  |
| <b>Total Fund Balance</b>                                  | <b><u>41,290,550</u></b>    | <b><u>-</u></b>         | <b><u>41,290,550</u></b>    |
| <b>Total Liabilities and Fund Balance</b>                  | <b><u>\$ 83,992,258</u></b> | <b><u>\$ -</u></b>      | <b><u>\$ 83,992,258</u></b> |

**ARAPAHOE LIBRARY DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2021**

**Total Governmental Fund Balance** **\$ 41,290,550**

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

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

|                               |              |
|-------------------------------|--------------|
| Cost                          | 72,945,446   |
| Less Accumulated Depreciation | (25,164,980) |
|                               | 47,780,466   |

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

|                               |             |
|-------------------------------|-------------|
| Certificates of Participation | (1,695,000) |
| Capital Lease - Land          | (762,348)   |
| Capital Lease - Site          | (4,245,215) |
| Accrued Interest              | (32,213)    |
| Compensated Absences          | (1,000,105) |
|                               | (7,734,881) |

**Net Position of Governmental Activities** **\$ 81,336,135**

**ARAPAHOE LIBRARY DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2021

|  | <u>Major</u>         | <u>Nonmajor</u>         |                      |
|--|----------------------|-------------------------|----------------------|
|  |                      | <u>Arapahoe</u>         |                      |
|  |                      | <u>Library District</u> | <u>Total</u>         |
|  | <u>General Fund</u>  | <u>Building</u>         | <u>Governmental</u>  |
|  |                      | <u>Authority</u>        | <u>Funds</u>         |
| <b>Revenues</b>  |                      |                         |                      |
| Property Taxes   | \$ 38,701,765        | \$ -                    | \$ 38,701,765        |
| Specific Ownership Taxes                               | 2,726,907            | -                       | 2,726,907            |
| Intergovernmental                                      | 328,573              | -                       | 328,573              |
| Cafe Sales   | 56,987               | -                       | 56,987               |
| Investment Earnings                                    | 15,585               | 2                       | 15,587               |
| Contributions - Arapahoe Library Friends<br>Foundation | 59,517               | -                       | 59,517               |
| Miscellaneous  | 182,789              | -                       | 182,789              |
| Repayment from Arapahoe Library District               | -                    | 1,534,302               | 1,534,302            |
| <b>Total Revenues</b>                                  | <b>42,072,123</b>    | <b>1,534,304</b>        | <b>43,606,427</b>    |
| <b>Expenditures</b>                                    |                      |                         |                      |
| Current:   |                      |                         |                      |
| Library Operations                                     | 10,546,026           | -                       | 10,546,026           |
| Administrative and Executive Services                  | 13,098,874           | -                       | 13,098,874           |
| Digital and Library Material Services                  | 7,441,152            | -                       | 7,441,152            |
| Communications, Programming and<br>Partnerships        | 2,239,238            | -                       | 2,239,238            |
| Debt Service:  |                      |                         |                      |
| Principal  | 317,875              | 1,425,000               | 1,742,875            |
| Interest   | 120,587              | 111,272                 | 231,859              |
| Capital Outlay   | 3,333,286            | -                       | 3,333,286            |
| <b>Total Expenditures</b>                              | <b>37,097,038</b>    | <b>1,536,272</b>        | <b>38,633,310</b>    |
| <b>Net Change in Fund Balance</b>                      | <b>4,975,085</b>     | <b>(1,968)</b>          | <b>4,973,117</b>     |
| Fund Balances - Beginning                              | 36,315,465           | 1,968                   | 36,317,433           |
| <b>Fund Balances - Ending</b>                          | <b>\$ 41,290,550</b> | <b>\$ -</b>             | <b>\$ 41,290,550</b> |

**ARAPAHOE LIBRARY DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2021**

**Net Changes in Fund Balances - Governmental Fund** **\$ 4,973,117**

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

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

|                             |             |
|-----------------------------|-------------|
| Depreciation Expense        | (3,957,428) |
| Capital Outlay              | 3,673,934   |
| Net Book Value of Disposals | (61,159)    |

|   |          |
|---|----------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. | (35,900) |
|---|----------|

|  |           |
|--|-----------|
| Repayment of long-term debt principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 1,742,875 |
|--|-----------|

|   |          |
|---|----------|
| Amortization costs related to refunding of debt are reported on the statement of activities but do not require use of current financial resources and are not reported as expenditures in the governmental fund statements. | (68,261) |
|---|----------|

|  |       |
|--|-------|
| Accrued interest is reported in the statement of activities but is not reported as expenditures in governmental funds. | 2,911 |
|--|-------|

|  |        |
|--|--------|
| Compensated absences are reported in the statement of activities but are not reported as expenditures in governmental funds. | 32,687 |
|--|--------|

|  |                                   |
|--|-----------------------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b><u><u>\$ 6,302,776</u></u></b> |
|--|-----------------------------------|

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

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

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

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

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

**Reporting Entity**

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

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

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

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

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

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

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 1 – DEFINITION OF REPORTING ENTITY (CONTINUED)**

A description of the discretely presented component unit follows:

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

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

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

***Government-Wide Financial Statements***

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Library District as a whole.

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

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

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

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***Fund Financial Statements***

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

***Fund Accounting*** – The Library District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts that are segregated for carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The Library District uses one category of funds, governmental.

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

The Library District reports the following major governmental fund:

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

***Measurement Focus***

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

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

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of Accounting***

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

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

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

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

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

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

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Assets, Liabilities, and Fund Equity***

***Cash, Cash Equivalents, and Investments***

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

***Receivables***

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

***Prepaid Items***

Payments made to vendors for services (e.g., insurance, rents, library services) that are greater than ten thousand dollars and will benefit periods beyond December 31, 2021 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as nonspendable, as this amount is not in spendable form.

***Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value as of the date received. The Library District maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

All reported capital assets are depreciated except for land, construction in progress, artwork, and collectibles. Property improvements are depreciated over the lesser of the remaining useful lives of the related capital assets or 20 years. Property improvements in the form of leasehold improvements are amortized over the life of the related lease. Depreciation is computed using the straight-line method, except for library books and audio-visual materials that use the group method, over the following useful lives:

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

***Compensated Absences***

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

***Accrued Liabilities and Long-Term Obligations***

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

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

Accounts payable consists of current obligations to vendors for payment of goods and services incurred as of December 31, 2021.

***Debt Premiums, Discounts, and Issuance Costs***

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

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

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Deferred Outflows and Inflows of Resources***

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that period. The Library District does not have any items that qualifies for reporting in this category in 2021.

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

***Fund Equity***

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

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

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

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**Interfund Activity**

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

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

**Estimates**

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

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**Deposits**

Deposits include bank accounts and certificates of deposit. The carrying amount of the Library District's deposits as of December 31, 2021 was \$1,691,876. The bank balances were \$1,958,443 of which \$250,000 was covered by Federal Deposit Insurance Corporation (FDIC) and \$1,708,443 was collateralized with securities held by the financial institutions' agents but not in the Library District's name. The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits.

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***Investments***

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

- U.S. Treasury Obligations (bills, notes, and bonds)
- U.S. Government Agency Securities with highest rating category by a nationally recognized statistical rating organization (NRSRO)
- Certain Money Market and Mutual Funds
- Bankers' Acceptances of certain banks
- Commercial Paper limited to securities with highest rating category by at least two nationally recognized rating agencies at time of purchase
- Written Repurchase Agreements collateralized by certain authorized securities
- Certificates of Deposit in FDIC Insured Colorado Commercial Banks and Savings and Loan Associations with 102% collateral under PDPA over the \$250,000 FDIC insurance level
- Local Government Investment Pools regulated under CRS 24-75-701

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

***Credit Risk***

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

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

***Interest Rate Risk***

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

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***Fair Value Measurement***

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

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

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

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

The Library District uses the market approach to value investment assets. In addition to valuation techniques, the Library District is required to use a hierarchal framework that prioritizes the inputs used for valuing assets and liabilities measured at fair values. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

The following table presents the fair value measurements of assets recognized in the accompanying statement of net position at fair value on a recurring basis and the level within the GASB fair value hierarchy in which the fair value measurements fall at December 31, 2021.

| Investments by Fair Value Level               | <u>Total</u>         | <u>Level 1</u> | <u>Level 2</u>      | <u>Level 3</u> |
|---|----------------------|----------------|---------------------|----------------|
| Governmental Activities:                      |                      |                |                     |                |
| US Agencies                                   | \$ 8,035,903         | \$ -           | \$ 8,035,903        | \$ -           |
| Total Investments by Fair Value Level         | <u>8,035,903</u>     | <u>\$ -</u>    | <u>\$ 8,035,903</u> | <u>\$ -</u>    |
| Investments Measured at Amortized Cost        |                      |                |                     |                |
| Governmental Activities:                      |                      |                |                     |                |
| CSAFE   | 501,288              |                |                     |                |
| Total Investments Measured at Amortized Cost  | <u>501,288</u>       |                |                     |                |
| Investments Measured at Net Asset Value (NAV) |                      |                |                     |                |
| Governmental Activities:                      |                      |                |                     |                |
| ColoTrust                                     | 31,491,900           |                |                     |                |
| Total Investments Measured at NAV             | <u>31,491,900</u>    |                |                     |                |
| Total Investments                             | <u>\$ 40,029,091</u> |                |                     |                |

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***Cash and Investment Reconciliation***

|                          | Total                | Credit Rating | Maturity             |                     |
|--------------------------|----------------------|---------------|----------------------|---------------------|
|                          |                      |               | Less Than 1 Year     | 1-5 Years           |
| Deposits                 | \$ 1,740,918         |               |                      |                     |
| Total Cash               | <u>1,740,918</u>     |               |                      |                     |
| Investments              |                      |               |                      |                     |
| ColoTrust                | 31,491,900           | AAA           | \$ 31,491,900        | \$ -                |
| CSAFE                    | 501,288              | AAA           | 501,288              | -                   |
| US Agencies:             |                      |               |                      |                     |
| US Treasury Notes        | 4,096,074            | AA+           | 514,610              | 3,581,464           |
| Federal Home Loan Bank   | 2,524,594            | AA+           | 1,520,025            | 1,004,569           |
| Federal Farm Credit Bank | 1,415,235            | AA+           | 851,425              | 563,810             |
| Total Investments        | <u>40,029,091</u>    |               | <u>\$ 34,879,248</u> | <u>\$ 5,149,843</u> |
| Primary Government Total | <u>\$ 41,770,009</u> |               |                      |                     |

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

**NOTE 4 – PROPERTY TAXES**

Annual property taxes attach an enforceable lien on property as of January 1. Generally, property taxes are levied on December 15 for the subsequent year's operations. Taxpayers may pay property taxes in two equal installments. One-half of the taxes due will become delinquent March 1, after which date interest will be added as provided by law.

The remaining half will become delinquent June 16. If the entire annual tax is paid on or before April 30, no interest is added.

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

|  | Balance<br>12/31/2020 | Reclassification | Additions           | Deletions             | Balance<br>12/31/2021 |
|--|-----------------------|------------------|---------------------|-----------------------|-----------------------|
| Governmental Activities:                           |                       |                  |                     |                       |                       |
| Capital Assets Not Being Depreciated:              |                       |                  |                     |                       |                       |
| Land   | \$ 6,368,894          | \$ -             | \$ -                | \$ (49,000)           | \$ 6,319,894          |
| Land Improvements                                  | 296,499               | -                | 289,973             | -                     | 586,472               |
| Construction in Progress                           | 8,603,702             | -                | 377,380             | (8,603,702)           | 377,380               |
| Artwork and Collectibles                           | 127,350               | -                | 47,480              | -                     | 174,830               |
| <b>Total Capital Assets Not Being Depreciated</b>  | <b>15,396,445</b>     | <b>-</b>         | <b>714,833</b>      | <b>(8,652,702)</b>    | <b>7,458,576</b>      |
| Capital Assets Being Depreciated:                  |                       |                  |                     |                       |                       |
| Buildings  | 37,258,927            | (7,666,643)      | 8,912,505           | (234,322)             | 38,270,467            |
| Property Improvements                              | 6,369,102             | 7,666,643        | 419,464             | -                     | 14,455,209            |
| Solar Energy                                       | 173,222               | -                | -                   | -                     | 173,222               |
| Signage  | -                     | -                | 53,771              | -                     | 53,771                |
| Equipment  | 4,079,560             | -                | 859,905             | (84,747)              | 4,854,718             |
| Book Mobiles and Vans                              | 581,916               | -                | 18,146              | (44,896)              | 555,166               |
| Furniture and Fixtures                             | 1,948,592             | -                | 116,819             | (15,812)              | 2,049,599             |
| Computer Equipment                                 | 312,392               | -                | -                   | (102,588)             | 209,804               |
| Books and Audio-Visual Materials                   | 4,855,954             | -                | 1,176,922           | (1,400,743)           | 4,632,133             |
| Intangibles  | 227,510               | -                | 5,271               | -                     | 232,781               |
| <b>Total Capital Assets Being Depreciated</b>      | <b>55,807,175</b>     | <b>-</b>         | <b>11,562,803</b>   | <b>(1,883,108)</b>    | <b>65,486,870</b>     |
| <b>Total Capital Assets</b>                        | <b>71,203,620</b>     | <b>-</b>         | <b>12,277,636</b>   | <b>(10,535,810)</b>   | <b>72,945,446</b>     |
| Accumulated Depreciation:                          |                       |                  |                     |                       |                       |
| Buildings  | (14,804,823)          | 1,227,862        | (882,491)           | 234,322               | (14,225,130)          |
| Property Improvements                              | (1,800,858)           | (1,227,862)      | (732,204)           | -                     | (3,760,924)           |
| Solar Energy                                       | (89,016)              | -                | (14,435)            | -                     | (103,451)             |
| Signage  | -                     | -                | (448)               | -                     | (448)                 |
| Equipment  | (2,458,103)           | -                | (645,273)           | 84,747                | (3,018,629)           |
| Book Mobiles and Vans                              | (507,551)             | -                | (28,392)            | 32,737                | (503,206)             |
| Furniture and Fixtures                             | (1,373,495)           | -                | (117,675)           | 15,812                | (1,475,358)           |
| Computer Equipment                                 | (252,017)             | -                | (23,451)            | 102,588               | (172,880)             |
| Books and Audio-Visual Materials                   | (1,669,625)           | -                | (1,489,781)         | 1,400,743             | (1,758,663)           |
| Intangibles  | (123,013)             | -                | (23,278)            | -                     | (146,291)             |
| <b>Total Accumulated Depreciation</b>              | <b>(23,078,501)</b>   | <b>-</b>         | <b>(3,957,428)</b>  | <b>1,870,949</b>      | <b>(25,164,980)</b>   |
| <b>Book Value of Depreciable Capital Assets</b>    | <b>32,728,674</b>     | <b>-</b>         | <b>7,605,375</b>    | <b>(12,159)</b>       | <b>40,321,890</b>     |
| <b>Governmental Activities Capital Assets, Net</b> | <b>\$ 48,125,119</b>  | <b>\$ -</b>      | <b>\$ 8,320,208</b> | <b>\$ (8,664,861)</b> | <b>\$ 47,780,466</b>  |

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

Depreciation Expense by Function:

|   |                            |
|---|----------------------------|
| Digital and Library Material Services         | \$ 2,061,218               |
| Library Operations                            | 1,612,076                  |
| Administrative and Executive Services         | 265,884                    |
| Communications, Programming, and Partnerships | 18,250                     |
| Total Depreciation Expense                    | <u><u>\$ 3,957,428</u></u> |

**NOTE 6 – LONG-TERM DEBT**

***Governmental Certificates of Participation***

The Building Authority issues Certificates of Participation to provide funds for the acquisition and construction of major capital facilities. The following is a summary of the outstanding long-term debt issues at December 31, 2021:

| <u>Year Issued</u> | <u>Purpose</u>                | <u>Interest Rate (%)</u> | <u>Interest Due Dates</u> | <u>Issue Date</u> | <u>Maturity Date</u> | <u>Authorized and Issued</u> |
|--------------------|-------------------------------|--------------------------|---------------------------|-------------------|----------------------|------------------------------|
| 2008               | Certificates of Participation | 3.99%                    | 6/15, 12/15               | 3/11/2008         | 12/15/2027           | \$ 4,370,000                 |

Annual debt service requirements to amortize the Certificates of Participation obligations outstanding, as of December 31, 2021 follows:

| <u>Year</u> | <u>2008 Certificates of Participation</u> |                          |                            |
|-------------|---|--------------------------|----------------------------|
|             | <u>Principal</u>                          | <u>Interest</u>          | <u>Total</u>               |
| 2022        | \$ 255,000                                | \$ 67,631                | \$ 322,631                 |
| 2023        | 265,000                                   | 57,456                   | 322,456                    |
| 2024        | 275,000                                   | 46,883                   | 321,883                    |
| 2025        | 290,000                                   | 35,910                   | 325,910                    |
| 2026        | 300,000                                   | 24,339                   | 324,339                    |
| 2027        | 310,000                                   | 12,369                   | 322,369                    |
| Total       | <u><u>\$ 1,695,000</u></u>                | <u><u>\$ 244,588</u></u> | <u><u>\$ 1,939,588</u></u> |

***Advanced Refunding***

In October 2010, the Library District issued \$11,260,000 in Certificates of Participation to provide resources to purchase U.S. Government Series securities that were placed in escrow for the purpose of generating resources for full payment of the 2001 Certificates of Participation. The 2010 Certificates of Participation were repaid during the year ended December 31, 2021.

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

***Eloise May Public Library***

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

***Capital Leases***

In June 2017, the Library District entered into a 15-year capital lease agreement for \$1,015,000 to lease land for potential expansion. The Library District has the option of purchasing the land on December 15, 2020 or on any base rental payment date after that date. Ownership of the land is conveyed to the Library District at the end of the lease agreement. The leased land is reported at \$1,015,000 within the Library District's capital assets as of December 31, 2021.

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

| Year      | Principal         | Interest          | Total             |
|-----------|-------------------|-------------------|-------------------|
| 2022      | \$ 61,572         | \$ 25,326         | \$ 86,898         |
| 2023      | 63,677            | 23,221            | 86,898            |
| 2024      | 65,855            | 21,044            | 86,899            |
| 2025      | 68,106            | 18,793            | 86,899            |
| 2026      | 70,434            | 16,464            | 86,898            |
| 2027-2031 | 389,979           | 44,514            | 434,493           |
| 2032      | 42,725            | 724               | 43,449            |
| Total     | <u>\$ 762,348</u> | <u>\$ 150,086</u> | <u>\$ 912,434</u> |

In September 2020, the Library District entered into a 15-year capital lease agreement for \$4,503,553 in which the Library District conveyed a leasehold interest in the Sheridan Library property for a lump-sum payment used to finance a portion of the costs of a new library facility in Byers, Colorado. The Library District has the option of purchasing the leasehold interest on March 22, 2021 or on any base rental payment date after that date. The lump-sum payment was used to finance part of \$8,912,505 in buildings with \$148,542 in accumulated depreciation on the associated building as of December 31, 2021.

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

| Year      | Principal           | Interest          | Total               |
|-----------|---------------------|-------------------|---------------------|
| 2022      | \$ 263,791          | \$ 87,772         | \$ 351,563          |
| 2023      | 269,360             | 82,203            | 351,563             |
| 2024      | 275,046             | 76,517            | 351,563             |
| 2025      | 280,853             | 70,711            | 351,564             |
| 2026      | 286,782             | 64,782            | 351,564             |
| 2027-2031 | 1,527,315           | 230,501           | 1,757,816           |
| 2032-2035 | 1,342,068           | 64,185            | 1,406,253           |
| Total     | <u>\$ 4,245,215</u> | <u>\$ 676,671</u> | <u>\$ 4,921,886</u> |

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

**Changes in Long-Term Debt** – Changes in the Library District’s long-term obligations consist of the following for the year ended December 31, 2021:

|                                    | Outstanding<br>12/31/2020 | Additions           | Reductions            | Outstanding<br>12/31/2021 | Amounts Due<br>In One Year |
|------------------------------------|---------------------------|---------------------|-----------------------|---------------------------|----------------------------|
| Governmental Activities:           |                           |                     |                       |                           |                            |
| Compensated Absences               | \$ 1,032,792              | \$ 2,489,606        | \$ (2,522,293)        | \$ 1,000,105              | \$ 143,746                 |
| Capital Lease - Land               | 821,885                   | -                   | (59,537)              | 762,348                   | 61,572                     |
| Capital Lease - Site               | 4,503,553                 | -                   | (258,338)             | 4,245,215                 | 263,791                    |
| 2008 Certificates of Participation | 1,940,000                 | -                   | (245,000)             | 1,695,000                 | 255,000                    |
| 2010 Certificates of Participation | 1,180,000                 | -                   | (1,180,000)           | -                         | -                          |
| Total                              | <u>\$ 9,478,230</u>       | <u>\$ 2,489,606</u> | <u>\$ (4,265,168)</u> | <u>\$ 7,702,668</u>       | <u>\$ 724,109</u>          |

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

**NOTE 7 – OPERATING LEASES**

***Southglenn Public Library Lease***

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

Rent expenditures under the lease totaled \$299,678 for the year ended December 31, 2021. The Library District’s proportionate share of common area maintenance costs were \$108,425 for the year.

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

| Year  | Amount<br>Due     |
|-------|-------------------|
| 2022  | \$ 312,937        |
| 2023  | 312,937           |
| 2024  | 156,469           |
| Total | <u>\$ 782,343</u> |

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 7 – OPERATING LEASES (CONTINUED)**

***Copiers and Printers Lease***

The Library District entered into an agreement to lease copiers and printers under an operating lease agreement in April 2014. This lease agreement has been extended multiple times, with the most recent extension in July 2021 for three additional years with a minimum monthly payment of \$4,720. Lease expenditures under the lease totaled \$60,103 for the year ended December 31, 2021, including charges for additional copies in excess of the amount included in the minimum monthly payment.

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

| Year  | Amount<br>Due     |
|-------|-------------------|
| 2022  | \$ 56,640         |
| 2023  | 56,640            |
| 2024  | 28,320            |
| Total | <u>\$ 141,600</u> |

**NOTE 8 – DEFINED CONTRIBUTION PLAN**

The Arapahoe Library District Money Purchase Plan, a defined contribution retirement plan, is administered by the Library District. The authority for establishing and amending this plan and the related contribution requirements rests with the Library District Board of Trustees. All eligible Library District employees are automatically enrolled on the next enrollment date following one year of continuous service. Contributions made by the employer were 8% of covered payroll during the year ended December 31, 2021. Employees can voluntarily contribute up to 100% of their salary, not to exceed the Internal Revenue Code Section 415 maximum. Employer contributions are vested at the rate of 20% per year.

During 2021, the Library District contributed \$1,128,667 for employees participating in the retirement plan during the year along with \$27,115 in forfeitures. Employees contributed \$59,770 to the plan in 2021.

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2021**

**NOTE 9 – NET INVESTMENT IN CAPITAL ASSETS**

The “net investment in capital assets” amount reported on the government-wide statement of net position as of December 31, 2021 is as follows:

|                                   | Governmental<br>Activities |
|-----------------------------------|----------------------------|
| Net Investment in Capital Assets: |                            |
| Cost of Capital Assets            | \$ 72,945,446              |
| Less Accumulated Depreciation     | (25,164,980)               |
| Book Value                        | 47,780,466                 |
| <br>                              |                            |
| Capital Related Debt              | (6,702,563)                |
| Capital Related Accounts Payable  | (160,496)                  |
| Net Investment in Capital Assets  | \$ 40,917,407              |

**NOTE 10 – RISK MANAGEMENT**

The Library District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Library District carries commercial insurance for the risks of loss, including worker’s compensation and employee accident insurance. There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the Library District’s insurance coverage during the past three years.

In 2014, the Library District established a self-funded health insurance plan to employees with excess coverage underwritten by a commercial carrier. Medical and prescription claims, as well as administrative costs, are paid for and funded by contributions made by the Library District and participating employees. All medical claims are reviewed and approved for payment by Meritain Health Inc. All pharmacy claims are reviewed and approved for payment by MedOne LLC. Liabilities for retained risk claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Based on actuarial analysis of claims, liabilities include an estimate for claims that have been incurred but not reported (IBNR) at December 31, 2021.

The following is a summary of the changes in the balance of claims liabilities during 2021 and 2020.

|                                     | 2021        | 2020        |
|-------------------------------------|-------------|-------------|
| Unpaid Claims, Beginning of Year    | \$ 187,677  | \$ 103,443  |
| New Claims Incurred, Including IBNR | 2,288,379   | 1,910,480   |
| Claim Payments                      | (2,277,401) | (1,826,246) |
| Unpaid Claims, End of Year          | \$ 198,655  | \$ 187,677  |

**NOTE 11 – CONTINGENT LIABILITIES**

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

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2021**

**NOTE 12 – TABOR AMENDMENT**

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

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

**NOTE 13 – COMMITMENTS**

The Library District has active goods and service commitments as of December 31, 2021. At year end, the Library District has contract obligations of \$4,041,906.

**NOTE 14 – VOLUNTEER HOURS**

Numerous volunteers have donated significant amounts of time to the Library District for library operations during the year. These services were not recorded in the financial statements in 2021 because they are not measurable and the Library District would not purchase the volunteered services if they were not donated.

**ARAPAHOE LIBRARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET  
AND ACTUAL  
For the Year Ended December 31, 2021**

|  | <u>Original<br/>Budget</u>  | <u>Final<br/>Budget</u>     | <u>Actual</u>               | <u>Variance</u>            |
|--|-----------------------------|-----------------------------|-----------------------------|----------------------------|
| <b>Revenues</b>                                  |                             |                             |                             |                            |
| Property Taxes                                   | \$ 36,987,545               | \$ 36,987,545               | \$ 38,701,765               | \$ 1,714,220               |
| Specific Ownership Taxes                         | 2,200,226                   | 2,200,226                   | 2,726,907                   | 526,681                    |
| Intergovernmental                                | 287,062                     | 287,062                     | 328,573                     | 41,511                     |
| Cafe Sales                                       | -                           | -                           | 56,987                      | 56,987                     |
| Investment Earnings                              | 150,000                     | 150,000                     | 15,585                      | (134,415)                  |
| Contributions - Arapahoe Library                 |                             |                             |                             |                            |
| Friends Foundation                               | 50,000                      | 50,000                      | 59,517                      | 9,517                      |
| Miscellaneous                                    | 290,096                     | 290,096                     | 182,789                     | (107,307)                  |
| <b>Total Revenues</b>                            | <b><u>39,964,929</u></b>    | <b><u>39,964,929</u></b>    | <b><u>42,072,123</u></b>    | <b><u>2,107,194</u></b>    |
| <b>Expenditures</b>                              |                             |                             |                             |                            |
| Current:   |                             |                             |                             |                            |
| Library Operations                               | 9,855,901                   | 9,855,901                   | 10,546,026                  | (690,125)                  |
| Administrative and Executive Services            | 12,369,041                  | 12,369,041                  | 13,098,874                  | (729,833)                  |
| Digital and Library Material Services            | 9,093,276                   | 9,093,276                   | 7,441,152                   | 1,652,124                  |
| Communications, Programming, and<br>Partnerships | 3,177,312                   | 3,177,312                   | 2,239,238                   | 938,074                    |
| Debt Service:                                    |                             |                             |                             |                            |
| Principal  | -                           | -                           | 317,875                     | (317,875)                  |
| Interest   | -                           | -                           | 120,587                     | (120,587)                  |
| Capital Outlay                                   | 4,000,000                   | 4,000,000                   | 3,333,286                   | 666,714                    |
| <b>Total Expenditures</b>                        | <b><u>38,495,530</u></b>    | <b><u>38,495,530</u></b>    | <b><u>37,097,038</u></b>    | <b><u>1,398,492</u></b>    |
| <b>Net Change in Fund Balance</b>                | <b><u>1,469,399</u></b>     | <b><u>1,469,399</u></b>     | <b><u>4,975,085</u></b>     | <b><u>3,505,686</u></b>    |
| Fund Balance - Beginning                         | 36,315,465                  | 36,315,465                  | 36,315,465                  | -                          |
| <b>Fund Balance - Ending</b>                     | <b><u>\$ 37,784,864</u></b> | <b><u>\$ 37,784,864</u></b> | <b><u>\$ 41,290,550</u></b> | <b><u>\$ 3,505,686</u></b> |

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended December 31, 2021**

***Note 1 – Budgetary Information***

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

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

All unexpended annual appropriations lapse at year-end.

**ARAPAHOE LIBRARY DISTRICT  
ARAPAHOE LIBRARY DISTRICT BUILDING AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET  
AND ACTUAL  
For the Year Ended December 31, 2021**

|  | <u>Original and<br/>Final Budget</u> | <u>Actual</u>    | <u>Variance</u> |
|--|--------------------------------------|------------------|-----------------|
| <b>Revenues</b>                          |                                      |                  |                 |
| Repayment from Arapahoe Library District | \$ 1,536,272                         | \$ 1,534,302     | \$ (1,970)      |
| Investment Earnings                      | 900                                  | 2                | (898)           |
| <b>Total Revenues</b>                    | <u>1,537,172</u>                     | <u>1,534,304</u> | <u>(2,868)</u>  |
| <b>Expenditures</b>                      |                                      |                  |                 |
| Current:                                 |                                      |                  |                 |
| Administrative and Executive Services    | 100                                  | -                | 100             |
| Debt Service:                            |                                      |                  |                 |
| Principal                                | 1,425,000                            | 1,425,000        | -               |
| Interest                                 | 111,272                              | 111,272          | -               |
| <b>Total Expenditures</b>                | <u>1,536,372</u>                     | <u>1,536,272</u> | <u>100</u>      |
| <b>Net Change in Fund Balance</b>        | <u>800</u>                           | <u>(1,968)</u>   | <u>(2,768)</u>  |
| Fund Balance - Beginning                 | -                                    | 1,968            | 1,968           |
| <b>Fund Balance - Ending</b>             | <u>\$ 800</u>                        | <u>\$ -</u>      | <u>\$ (800)</u> |

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

**STATISTICAL SECTION INDEX**

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

**Financial Trends** **Pages 57 – 60**

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

**Revenue Capacity** **Pages 61 – 63**

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

**Debt Capacity** **Page 64**

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

**Demographic and Economic** **Pages 65 – 66**

– These schedules present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Library District operates, and (2) to provide information that facilitates comparisons of financial statement information over time and among library districts.

**Operating Information** **Pages 67 – 69**

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

**ARAPAHOE LIBRARY DISTRICT**  
**GOVERNMENT-WIDE NET POSITION BY COMPONENT<sup>1</sup>**  
**Last Ten Calendar Years**  
**(accrual basis of accounting)**

|                                      | For the Year Ended December 31, |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--------------------------------------|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                      | 2012                            | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 |
| <b>Governmental Activities</b>       |                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets     | \$ 20,478,414                   | \$ 20,524,707        | \$ 24,256,969        | \$ 25,062,805        | \$ 25,995,196        | \$ 27,887,202        | \$ 29,894,242        | \$ 32,407,324        | \$ 38,825,027        | \$ 40,917,407        |
| Restricted                           | 641,299                         | 622,124              | 647,893              | 691,743              | 991,364              | 1,017,042            | 1,123,335            | 1,139,738            | 1,277,705            | 1,261,320            |
| Unrestricted                         | 14,742,005                      | 14,134,535           | 10,310,304           | 9,308,391            | 15,851,422           | 18,996,002           | 24,821,705           | 30,457,573           | 34,929,730           | 39,157,408           |
| <b>Total Governmental Activities</b> | <b>\$ 35,861,718</b>            | <b>\$ 35,281,366</b> | <b>\$ 35,215,166</b> | <b>\$ 35,062,939</b> | <b>\$ 42,837,982</b> | <b>\$ 47,900,246</b> | <b>\$ 55,839,282</b> | <b>\$ 64,004,635</b> | <b>\$ 75,032,462</b> | <b>\$ 81,336,135</b> |

**Notes:**

<sup>1</sup>Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Colorado or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the Library District.

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

**Data Source:**

Applicable years' annual comprehensive financial report.

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

For the Year Ended December 31,

|   | 2012                  | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                 | 2021                |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| <b>Expenses:</b>                              |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Public Services <sup>1</sup>                  | \$ 18,077,186         | \$ 16,877,836       | \$                  | \$                  | \$                  | \$                  | \$                  | \$                  | \$                   | \$                  |
| Support Services:                             |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Administration <sup>1</sup>                   | 2,701,290             | 2,799,845           |                     |                     |                     |                     |                     |                     |                      |                     |
| Digital <sup>1</sup>                          | 1,308,088             | 1,436,656           |                     |                     |                     |                     |                     |                     |                      |                     |
| Library Materials <sup>1</sup>                | 1,541,816             | 1,404,456           | 7,620,719           | 7,534,270           | 8,297,696           | 8,989,304           | 9,657,051           | 9,890,297           | 9,897,582            | 12,069,110          |
| Library Operations                            |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Administrative and Executive Services         |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Digital and Library Material Services         |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Communications, Programming, and Partnerships |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Interest and Fiscal Charges                   | 447,198               | 482,108             | 1,405,875           | 1,588,704           | 1,779,408           | 2,090,545           | 2,218,909           | 2,113,034           | 2,151,310            | 2,265,099           |
|   |                       |                     | 379,626             | 344,300             | 307,726             | 357,155             | 332,649             | 290,777             | 272,237              | 297,209             |
| <b>Total Expenses</b>                         | <b>24,075,578</b>     | <b>23,000,901</b>   | <b>23,496,591</b>   | <b>23,278,572</b>   | <b>25,561,253</b>   | <b>28,849,018</b>   | <b>29,593,152</b>   | <b>30,208,815</b>   | <b>32,022,335</b>    | <b>35,733,449</b>   |
| <b>Program Revenues:</b>                      |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Charges for Services:                         |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Public Services <sup>1</sup>                  | 347,868               | 310,720             | 297,067             | 219,570             | 314,027             | 486,360             | 376,477             | 375,702             | 93,098               | 94,618              |
| Library Operations                            |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Communications, Programming, and Partnerships |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Operating Grants and Contributions            |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Capital Grants and Contributions              | 525,550               | 599,243             | 549,806             | 563,028             | 643,186             | 599,860             | 818,826             | 532,720             | 1,003,311            | 355,748             |
|   |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
|   |                       | 50,000              |                     |                     | 15,000              |                     |                     |                     |                      |                     |
| <b>Total Program Revenues</b>                 | <b>873,418</b>        | <b>959,963</b>      | <b>846,873</b>      | <b>782,598</b>      | <b>1,120,618</b>    | <b>1,086,220</b>    | <b>1,195,303</b>    | <b>908,422</b>      | <b>1,096,409</b>     | <b>450,366</b>      |
| <b>Net (Expense) Revenue</b>                  | <b>(23,202,160)</b>   | <b>(22,040,938)</b> | <b>(22,649,718)</b> | <b>(22,495,974)</b> | <b>(24,440,635)</b> | <b>(27,762,798)</b> | <b>(28,397,849)</b> | <b>(29,300,393)</b> | <b>(30,925,926)</b>  | <b>(35,283,083)</b> |
| <b>General Revenues:</b>                      |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Taxes:  |                       |                     |                     |                     |                     |                     |                     |                     |                      |                     |
| Property                                      | 19,998,977            | 19,890,039          | 20,649,299          | 20,424,641          | 29,567,005          | 29,897,092          | 33,220,436          | 33,800,563          | 38,543,388           | 38,701,765          |
| Specific Ownership                            | 1,342,257             | 1,405,305           | 1,524,749           | 1,575,114           | 2,319,915           | 2,606,995           | 2,472,158           | 2,703,734           | 2,794,361            | 2,726,907           |
| Investment Earnings                           | 144,034               | (222)               | 156,618             | 49,048              | 106,933             | 229,294             | 580,070             | 871,498             | 489,949              | 15,587              |
| Miscellaneous                                 | 292,324               | 290,936             | 276,393             | 294,944             | 31,974              | 91,681              | 64,221              | 89,951              | 126,952              | 141,600             |
| Gain on Disposal of Assets                    |                       |                     |                     |                     | 189,851             |                     |                     |                     |                      |                     |
| <b>Total General Revenues</b>                 | <b>21,777,592</b>     | <b>21,586,058</b>   | <b>22,607,059</b>   | <b>22,343,747</b>   | <b>32,215,678</b>   | <b>32,825,062</b>   | <b>36,336,885</b>   | <b>37,465,746</b>   | <b>41,954,650</b>    | <b>41,585,859</b>   |
| <b>Change in Net Position</b>                 | <b>\$ (1,424,568)</b> | <b>\$ (454,880)</b> | <b>\$ (42,659)</b>  | <b>\$ (152,227)</b> | <b>\$ 7,775,043</b> | <b>\$ 5,062,264</b> | <b>\$ 7,939,036</b> | <b>\$ 8,165,353</b> | <b>\$ 11,028,724</b> | <b>\$ 6,302,776</b> |

**Notes:**

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

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

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

<sup>4</sup>2015 was not a reassessment year for property taxes. Although expenses decreased from 2014, so did property tax revenue which caused a reduction in net position.

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

**Data Source:**

Applicable years' annual comprehensive financial report.

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

For the Year Ended December 31,

|   | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ 429,606           | \$ 689,787           | \$ 557,263           | \$ 535,036           | \$ 790,347           | \$ 1,002,191         | \$ 939,834           | \$ 957,527           | \$ 1,054,626         | \$ 798,982           |
| Restricted                                | 641,299              | 622,124              | 647,893              | 691,743              | 991,225              | 1,016,753            | 1,122,271            | 1,137,781            | 1,275,737            | 1,261,320            |
| Assigned                                  | 4,446,790            | 5,830,885            | 7,650,985            | 875,828              | 7,015,868            | 4,962,355            | 6,355,625            | 15,074,711           | 4,517,642            | 4,921,263            |
| Unassigned                                | 10,449,539           | 8,265,444            | 2,758,495            | 8,500,586            | 8,754,665            | 13,986,707           | 18,533,716           | 14,354,152           | 29,466,563           | 34,308,985           |
| Reserved <sup>1</sup>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Unreserved <sup>1</sup>                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Total General Fund</b>                 | <b>\$ 15,967,234</b> | <b>\$ 15,408,240</b> | <b>\$ 11,614,636</b> | <b>\$ 10,603,193</b> | <b>\$ 17,552,105</b> | <b>\$ 20,968,006</b> | <b>\$ 26,951,446</b> | <b>\$ 31,524,171</b> | <b>\$ 36,314,568</b> | <b>\$ 41,290,550</b> |
| <b>All Other Governmental Funds</b>       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Restricted:                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Debt Service Fund <sup>2</sup>            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Unreserved:                               |                      |                      |                      |                      | 139                  | 289                  | 1,064                | 1,957                | 1,968                | -                    |
| Capital Projects Fund <sup>1</sup>        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Total All Other Governmental Funds</b> |                      |                      |                      |                      | <b>139</b>           | <b>289</b>           | <b>1,064</b>         | <b>1,957</b>         | <b>1,968</b>         | <b>-</b>             |
| <b>Total Governmental Funds</b>           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              | 429,606              | 689,787              | 557,263              | 535,036              | 790,347              | 1,002,191            | 939,834              | 957,527              | 1,054,626            | 798,982              |
| Restricted                                | 641,299              | 622,124              | 647,893              | 691,743              | 991,364              | 1,017,042            | 1,123,335            | 1,139,738            | 1,277,705            | 1,261,320            |
| Assigned                                  | 4,446,790            | 5,830,885            | 7,650,985            | 875,828              | 7,015,868            | 4,962,355            | 6,355,625            | 15,074,711           | 4,517,642            | 4,921,263            |
| Unassigned                                | 10,449,539           | 8,265,444            | 2,758,495            | 8,500,586            | 8,754,665            | 13,986,707           | 18,533,716           | 14,354,152           | 29,466,563           | 34,308,985           |
| Reserved <sup>1</sup>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Unreserved <sup>1</sup>                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Total Governmental Funds</b>           | <b>\$ 15,967,234</b> | <b>\$ 15,408,240</b> | <b>\$ 11,614,636</b> | <b>\$ 10,603,193</b> | <b>\$ 17,552,244</b> | <b>\$ 20,968,295</b> | <b>\$ 26,952,510</b> | <b>\$ 31,526,128</b> | <b>\$ 36,316,536</b> | <b>\$ 41,290,550</b> |

**Note:**

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

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

**Data Source:**

Applicable years' annual comprehensive financial report.

**ARAPAHOE LIBRARY DISTRICT**  
**SUMMARY OF CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS<sup>1</sup>**  
**Last Ten Calendar Years**  
**(modified accrual basis of accounting)**

|  | For the Year Ended December 31, |                     |                       |                       |                     |                     |                     |                     |                     |                     |
|--|---------------------------------|---------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2012                            | 2013                | 2014                  | 2015                  | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                |
| <b>Revenue Source</b>  | \$ 19,998,977                   | \$ 19,890,039       | \$ 20,649,299         | \$ 20,424,641         | \$ 29,567,005       | \$ 29,897,092       | \$ 33,220,436       | \$ 33,800,563       | \$ 38,543,388       | \$ 38,701,765       |
| Property Taxes   | 1,342,257                       | 1,405,305           | 1,524,749             | 1,575,114             | 2,319,915           | 2,606,995           | 2,472,158           | 2,703,734           | 2,794,361           | 2,726,907           |
| Specific Ownership Taxes                                       | 414,883                         | 456,735             | 395,610               | 491,223               | 547,211             | 492,633             | 692,298             | 451,531             | 779,056             | 328,573             |
| Intergovernmental  | 347,868                         | 310,720             | 292,728               | 215,088               | 179,689             | 139,552             | 3,454               | -                   | -                   | -                   |
| Fines  | 110,667                         | 192,508             | 152,295               | 70,000                | 105,436             | 102,999             | 122,350             | 77,200              | 186,589             | 59,517              |
| Contributions - Foundation                                     | 144,034                         | (222)               | 156,618               | 49,048                | 106,933             | 229,294             | 580,070             | 871,498             | 489,949             | 15,587              |
| Investment Earnings  |                                 |                     |                       |                       | 148,405             | 215,670             | 236,956             | 242,461             | 51,518              | 56,987              |
| Cafe Sales   |                                 |                     |                       |                       | 1,540,791           | 1,533,074           | 1,539,748           | 1,538,654           | 1,534,302           | 1,534,302           |
| Repayment from Arapahoe Library District                       |                                 |                     |                       |                       | 171,851             | 227,047             | 204,467             | 227,181             | 170,298             | 182,789             |
| Miscellaneous  | 292,324                         | 290,936             | 282,633               | 301,231               | 34,687,236          | 35,444,356          | 39,071,937          | 39,913,999          | 44,563,813          | 43,606,427          |
| <b>Total Revenues</b>  | <b>22,651,010</b>               | <b>22,546,021</b>   | <b>23,453,932</b>     | <b>23,126,345</b>     | <b>34,687,236</b>   | <b>35,444,356</b>   | <b>39,071,937</b>   | <b>39,913,999</b>   | <b>44,563,813</b>   | <b>43,606,427</b>   |
| <b>Current:</b>  |                                 |                     |                       |                       |                     |                     |                     |                     |                     |                     |
| Public Services <sup>2</sup>                                   | 15,908,229                      | 15,308,643          |                       |                       |                     |                     |                     |                     |                     |                     |
| Administration <sup>2</sup>                                    | 2,689,114                       | 2,640,436           |                       |                       |                     |                     |                     |                     |                     |                     |
| Digital <sup>2</sup>   | 1,243,597                       | 1,377,574           |                       |                       |                     |                     |                     |                     |                     |                     |
| Library Materials <sup>2</sup>                                 | 1,534,724                       | 1,409,924           |                       |                       |                     |                     |                     |                     |                     |                     |
| Library Operations   |                                 |                     | 6,648,007             | 6,640,950             | 7,244,689           | 7,902,282           | 8,368,740           | 8,889,755           | 8,779,003           | 10,546,026          |
| Administrative and Executive Services                          |                                 |                     | 7,344,145             | 7,271,808             | 9,561,273           | 10,563,574          | 11,067,520          | 10,808,356          | 11,557,687          | 13,098,874          |
| Digital and Library and Material Services                      |                                 |                     | 6,210,278             | 6,020,364             | 4,940,353           | 5,715,261           | 5,968,167           | 5,969,166           | 6,820,568           | 7,441,152           |
| Communications, Programming, and Partnerships                  |                                 |                     | 1,393,312             | 1,580,097             | 1,749,458           | 2,030,254           | 2,218,267           | 2,142,303           | 1,932,927           | 2,239,238           |
| <b>Capital Outlay</b>  | 321,735                         | 831,717             | 4,090,693             | 1,082,229             | 2,701,552           | 5,255,222           | 3,838,380           | 5,904,071           | 13,550,323          | 3,333,286           |
| <b>Debt Service</b>  |                                 |                     |                       |                       |                     |                     |                     |                     |                     |                     |
| Principal  | 1,090,000                       | 1,120,000           | 1,155,000             | 1,195,000             | 1,230,000           | 1,286,054           | 1,358,826           | 1,400,666           | 1,442,569           | 1,742,875           |
| Interest and Fees  | 449,968                         | 416,721             | 382,560               | 347,340               | 310,860             | 290,658             | 267,822             | 226,064             | 182,984             | 231,859             |
| <b>Total Expenditures</b>                                      | <b>23,237,367</b>               | <b>23,105,015</b>   | <b>27,223,995</b>     | <b>24,137,788</b>     | <b>27,738,185</b>   | <b>33,043,305</b>   | <b>33,087,722</b>   | <b>35,340,381</b>   | <b>44,266,061</b>   | <b>38,633,370</b>   |
| <b>Other Financing Sources and Uses</b>                        |                                 |                     |                       |                       |                     |                     |                     |                     |                     |                     |
| Financing of Capital Lease                                     | -                               | -                   | -                     | -                     | -                   | 1,015,000           | -                   | -                   | 4,503,553           | -                   |
| <b>Total Other Financing Sources</b>                           | <b>-</b>                        | <b>-</b>            | <b>-</b>              | <b>-</b>              | <b>-</b>            | <b>1,015,000</b>    | <b>-</b>            | <b>-</b>            | <b>4,503,553</b>    | <b>-</b>            |
| <b>Net Change in Fund Balance</b>                              | <b>\$ (586,357)</b>             | <b>\$ (558,994)</b> | <b>\$ (3,770,063)</b> | <b>\$ (1,011,443)</b> | <b>\$ 6,949,051</b> | <b>\$ 3,416,051</b> | <b>\$ 5,984,215</b> | <b>\$ 4,573,618</b> | <b>\$ 4,791,305</b> | <b>\$ 4,973,117</b> |
| <b>Debt Service as a Percentage of Noncapital Expenditures</b> | 6.7%                            | 6.9%                | 7.2%                  | 7.2%                  | 6.2%                | 5.6%                | 5.6%                | 5.5%                | 5.2%                | 5.6%                |

**Notes:**

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

**Data Source:**

Applicable years' annual comprehensive financial report.

**ARAPAHOE LIBRARY DISTRICT**  
**TOTAL ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY – BY TYPE<sup>1</sup>**  
**Last Ten Calendar Years**

For the Year Ended December 31.

| Budget Year Assessed Value <sup>2</sup>   | 2012                     | 2013                     | 2014                     | 2015                     | 2016                     | 2017                     | 2018                     | 2019                     | 2020                     | 2021                     |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Real Property                             | \$ 3,730,006,740         | \$ 3,729,243,840         | \$ 3,865,096,820         | \$ 3,861,130,293         | \$ 4,603,922,141         | \$ 5,287,335,378         | \$ 5,365,087,544         | \$ 6,224,884,240         | \$ 6,240,770,950         | \$ 6,692,828,887         |
| Personal Property                         | 434,234,790              | 440,532,150              | 491,694,760              | 493,068,449              | 511,051,043              | 524,436,486              | 535,080,912              | 578,566,816              | 559,564,700              | 566,323,082              |
| <b>Total Assessed Value</b>               | <b>\$ 4,164,241,530</b>  | <b>\$ 4,169,775,990</b>  | <b>\$ 4,356,791,580</b>  | <b>\$ 4,354,198,742</b>  | <b>\$ 5,114,973,184</b>  | <b>\$ 5,811,771,864</b>  | <b>\$ 5,900,168,456</b>  | <b>\$ 6,803,451,056</b>  | <b>\$ 6,800,335,650</b>  | <b>\$ 7,259,151,969</b>  |
| <b>Estimated Actual Value<sup>2</sup></b> |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| Real Property                             | \$ 32,574,903,035        | \$ 32,627,385,671        | \$ 33,381,601,138        | \$ 33,463,662,592        | \$ 40,263,317,852        | \$ 49,266,445,930        | \$ 49,932,727,090        | \$ 57,905,553,743        | \$ 58,409,390,898        | \$ 62,537,351,007        |
| Personal Property                         | 1,497,347,061            | 1,519,062,350            | 1,695,487,700            | 1,700,401,831            | 1,762,436,265            | 1,808,052,392            | 1,845,110,324            | 2,010,608,728            | 1,962,108,907            | 1,952,379,393            |
| <b>Total Estimated Actual Value</b>       | <b>\$ 34,072,250,096</b> | <b>\$ 34,146,448,021</b> | <b>\$ 35,077,088,838</b> | <b>\$ 35,164,064,423</b> | <b>\$ 42,025,754,117</b> | <b>\$ 51,074,498,322</b> | <b>\$ 51,777,837,414</b> | <b>\$ 59,916,162,471</b> | <b>\$ 60,371,499,805</b> | <b>\$ 64,489,730,400</b> |
| <b>Direct Rate</b>                        | 4.903                    | 4.861                    | 4.794                    | 5.916                    | 5.926                    | 5.885                    | 5.845                    | 5.846                    | 5.810                    | 5.790                    |

**Notes:**

<sup>1</sup>This table has been modified to reflect assessed values for the year in which taxes are collected. Assessments made in 2020 provide the tax base for taxes collected in 2021.  
<sup>2</sup>Years prior to 2014 were modified to reflect the total Assessed Value and Estimated Actual Value of the Library District instead of the net taxable values, as shown in prior years' annual comprehensive financial reports.

**Data Source:**  
The Arapahoe County and Adams County Assessors.

**ARAPAHOE LIBRARY DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
Calendar Years Ended December 31, 2021 and 2012**

|  | <b>2021</b>                               |             |   |
|--|---|-------------|---|
| <b>Principal Taxpayer</b>                  | <b>Taxable Assessed Value<sup>1</sup></b> | <b>Rank</b> | <b>Percentage of Total Taxable Assessed Value</b> |
| Public Service Co of Colorado Property Tax | \$ 108,980,290                            | 1           | 1.60%   |
| Verizon Wireless                           | 41,020,850                                | 2           | 0.60%   |
| Granite Place LLC                          | 37,578,780                                | 3           | 0.55%   |
| Fiddlers Green Circle LP                   | 33,938,410                                | 4           | 0.50%   |
| Greenwood Property Corp                    | 33,495,000                                | 5           | 0.49%   |
| Village Center Station II LLC              | 33,264,160                                | 6           | 0.49%   |
| GPI Plaza Tower LP                         | 25,559,150                                | 7           | 0.38%   |
| QWEST Corp Property Tax                    | 23,453,800                                | 8           | 0.34%   |
| 6200 S Quebec LLC                          | 23,245,530                                | 9           | 0.34%   |
| DCS Owner LLC                              | 22,416,710                                | 10          | 0.33%   |
| <b>Total Principal Taxpayers</b>           | <b>382,952,680</b>                        |             | <b>5.63%</b>                                      |
| <b>All Other Taxpayers</b>                 | <b>6,417,382,970</b>                      |             | <b>94.37%</b>                                     |
| <b>Total Assessed Valuation</b>            | <b>\$ 6,800,335,650</b>                   |             | <b>100.00%</b>                                    |

|  | <b>2012</b>                   |             |   |
|--|-------------------------------|-------------|---|
| <b>Principal Taxpayer</b>                  | <b>Taxable Assessed Value</b> | <b>Rank</b> | <b>Percentage of Total Taxable Assessed Value</b> |
| Public Service Co of Colorado Property Tax | \$ 51,408,130                 | 1           | 1.23%   |
| Cellco Partnership FKA                     | 51,391,550                    | 2           | 1.23%   |
| Qwest Corporation                          | 43,716,400                    | 3           | 1.05%   |
| Greenwood Property Corp                    | 28,420,000                    | 4           | 0.68%   |
| GPI Plaza Tower LP                         | 18,415,000                    | 5           | 0.44%   |
| National Digital Television                | 13,394,340                    | 6           | 0.32%   |
| IKEA Property, Inc                         | 12,180,000                    | 7           | 0.29%   |
| Palazzo Verdi                              | 11,507,470                    | 8           | 0.28%   |
| 5251 DTC Parkway LLC                       | 11,223,000                    | 9           | 0.27%   |
| CSHV Denver Tech Center LLC                | 10,730,010                    | 10          | 0.26%   |
| <b>Total Principal Taxpayers</b>           | <b>252,385,900</b>            |             | <b>6.06%</b>                                      |
| <b>All Other Taxpayers</b>                 | <b>3,913,570,320</b>          |             | <b>93.94%</b>                                     |
| <b>Total Assessed Valuation</b>            | <b>\$ 4,165,956,220</b>       |             | <b>100.00%</b>                                    |

**Note:**

<sup>1</sup>This table reflects the assessed values for the year in which taxes are collected. Assessments made in 2020 provide the tax base for taxes collected in 2021.

**Data Source:**

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

**ARAPAHOE LIBRARY DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS<sup>1</sup>  
Last Ten Calendar Years**

|   | For the Year Ended December 31, |               |               |               |               |               |               |               |               |               |
|---|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Collection Year   | 2012                            | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
| <b>Current Tax Levy</b>                                 | \$ 20,439,050                   | \$ 20,150,543 | \$ 20,846,762 | \$ 20,573,473 | \$ 29,820,756 | \$ 29,729,455 | \$ 33,971,009 | \$ 38,874,556 | \$ 38,984,356 | \$ 41,427,952 |
| <b>Current Tax Collections</b>                          | 20,122,320                      | 19,977,797    | 20,677,398    | 20,463,590    | 29,581,002    | 29,898,739    | 33,207,461    | 33,831,408    | 38,615,062    | 38,795,893    |
| <b>Collected</b>  | 98.5%                           | 99.1%         | 99.2%         | 99.5%         | 99.2%         | 100.6%        | 97.8%         | 87.0%         | 99.1%         | 93.6%         |
| <b>Delinquent Tax Collections<sup>2</sup></b>           | (123,343)                       | (87,758)      | (28,099)      | (38,949)      | (13,997)      | (1,647)       | (12,974)      | (30,845)      | (71,676)      | (94,128)      |
| <b>Total Tax Collections</b>                            | \$ 19,998,977                   | \$ 19,890,039 | \$ 20,649,299 | \$ 20,424,641 | \$ 29,567,005 | \$ 29,897,092 | \$ 33,194,487 | \$ 33,800,563 | \$ 38,543,386 | \$ 38,701,765 |
| <b>Ratio of Total Tax Collections to Total Tax Levy</b> | 97.8%                           | 98.7%         | 99.1%         | 99.3%         | 99.1%         | 100.6%        | 97.7%         | 86.9%         | 98.9%         | 93.4%         |

**Notes:**

<sup>1</sup>GASB Statement No. 44 requires that delinquent tax collections be applied to the year levied. However, this information is currently not available.  
<sup>2</sup>Abatements and appeals were greater than the delinquent property taxes received for the years presented; therefore, these balances are negative.

**Data Source:**  
 Arapahoe County and Adams County Certification of Tax Levies and Distribution reports.

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

| <b>Year</b> | <b>Certificates of<br/>Participation and<br/>Capital Leases</b> | <b>Percentage of<br/>Personal Income</b> | <b>Estimated<br/>Population</b> | <b>Total Debt<br/>Per Capita</b> |
|-------------|---|--|---------------------------------|----------------------------------|
| 2012        | \$ 13,115,000   | 0.04%                                    | 585,845                         | \$ 22                            |
| 2013        | \$ 11,995,000   | 0.04%                                    | 596,051                         | \$ 20                            |
| 2014        | \$ 10,840,000   | 0.03%                                    | 608,128                         | \$ 18                            |
| 2015        | \$ 9,645,000  | 0.03%                                    | 618,821                         | \$ 16                            |
| 2016        | \$ 8,415,000  | 0.03%                                    | 631,096                         | \$ 13                            |
| 2017        | \$ 8,143,946  | 0.02%                                    | 636,949                         | \$ 13                            |
| 2018        | \$ 6,785,120  | 0.02%                                    | 643,052                         | \$ 11                            |
| 2019        | \$ 5,384,454  | 0.01%                                    | 651,215                         | \$ 8                             |
| 2020        | \$ 8,445,438  | 0.02%                                    | 656,590                         | \$ 13                            |
| 2021        | \$ 6,702,563  | 0.02%                                    | 657,452                         | \$ 10                            |

**Data Source:**

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

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

| <b>Year</b> | <b>Estimated<br/>Population<sup>1,2</sup></b> | <b>Personal Income<sup>1,2</sup></b> | <b>Per Capita<br/>Personal<br/>Income<sup>1,2</sup></b> | <b>Unemployment Rate</b>               |  |                                      |
|-------------|---|--------------------------------------|---|--|--|--------------------------------------|
|             |   |                                      |   | <b>Arapahoe<br/>County<sup>3</sup></b> | <b>State of<br/>Colorado<sup>3</sup></b> | <b>United<br/>States<sup>4</sup></b> |
| 2012        | 585,845                                       | \$ 31,372,499,000                    | \$ 53,551   | 7.7%                                   | 7.8%                                     | 8.1%                                 |
| 2013        | 596,051                                       | \$ 33,366,825,000                    | \$ 55,980   | 6.6%                                   | 6.6%                                     | 7.4%                                 |
| 2014        | 608,128                                       | \$ 32,751,491,000                    | \$ 53,856   | 4.9%                                   | 4.9%                                     | 6.2%                                 |
| 2015        | 618,821                                       | \$ 34,835,883,000                    | \$ 56,294   | 3.7%                                   | 3.8%                                     | 5.3%                                 |
| 2016        | 631,096                                       | \$ 33,160,632,000                    | \$ 52,545   | 3.1%                                   | 3.3%                                     | 4.9%                                 |
| 2017        | 636,949                                       | \$ 35,106,133,000                    | \$ 55,116   | 3.2%                                   | 3.0%                                     | 4.1%                                 |
| 2018        | 643,052                                       | \$ 36,423,679,000                    | \$ 56,642   | 2.8%                                   | 3.3%                                     | 3.9%                                 |
| 2019        | 651,215                                       | \$ 39,190,019,000                    | \$ 60,180   | 3.2%                                   | 2.5%                                     | 3.6%                                 |
| 2020        | 656,590                                       | \$ 42,334,967,000                    | \$ 64,477   | 6.6%                                   | 6.6%                                     | 6.2%                                 |
| 2021        | 657,452                                       | \$ 43,846,410,000                    | \$ 66,691   | 4.2%                                   | 4.1%                                     | 4.0%                                 |

**Notes and Data Sources:**

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

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

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

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

**ARAPAHOE LIBRARY DISTRICT  
PRINCIPAL EMPLOYERS  
For the Calendar Years DECEMBER 31, 2021 and 2012**

| <b>Employer</b>                             | <b>2021</b>                    |             |   |
|---|--------------------------------|-------------|---|
|   | <b>Number of<br/>Employees</b> | <b>Rank</b> | <b>Percentage of<br/>Major County<br/>Employers</b> |
| Cherry Creek School District No 5           | 8,000                          | 1           | 2.43%   |
| Aurora Public Schools                       | 5,400                          | 2           | 1.64%   |
| City of Aurora                              | 3,100                          | 3           | 0.94%   |
| Empower Retirement                          | 2,800                          | 4           | 0.85%   |
| Raytheon Company                            | 2,400                          | 5           | 0.73%   |
| Littleton School District #6                | 2,300                          | 6           | 0.70%   |
| Arapahoe County                             | 2,100                          | 7           | 0.64%   |
| Columbia HCA Swedish                        | 1,900                          | 8           | 0.58%   |
| Centura Health                              | 1,700                          | 9           | 0.52%   |
| Columbia HCA Medical Ctr of Aurora          | 1,500                          | 10          | 0.46%   |
| <b>Total Principal Employers' Employees</b> | <b>31,200</b>                  |             | <b>9.49%</b>  |
| <b>All Other Employees</b>                  | <b>297,400</b>                 |             | <b>90.51%</b>                                       |
| <b>Total Employees</b>                      | <b>328,600</b>                 |             | <b>100.00%</b>                                      |

| <b>Employer</b>                             | <b>2012</b>                    |             |   |
|---|--------------------------------|-------------|---|
|   | <b>Number of<br/>Employees</b> | <b>Rank</b> | <b>Percentage of<br/>Major County<br/>Employers</b> |
| Cherry Creek School District No 5           | 7,700                          | 1           | 2.70%   |
| Aurora Public Schools                       | 5,300                          | 2           | 1.86%   |
| City of Aurora                              | 3,500                          | 3           | 1.23%   |
| Raytheon Company                            | 2,400                          | 4           | 0.84%   |
| Littleton School District #6                | 2,300                          | 5           | 0.81%   |
| Arapahoe County                             | 1,900                          | 6           | 0.67%   |
| Qwest Corporation                           | 1,800                          | 7           | 0.63%   |
| Columbia HCA Swedish                        | 1,700                          | 8           | 0.60%   |
| Jeppsen Sanderson                           | 1,500                          | 9           | 0.53%   |
| Echosphere                                  | 1,500                          | 10          | 0.53%   |
| <b>Total Principal Employers' Employees</b> | <b>29,600</b>                  |             | <b>10.38%</b>                                       |
| <b>All Other Employees</b>                  | <b>255,500</b>                 |             | <b>89.62%</b>                                       |
| <b>Total Employees</b>                      | <b>285,100</b>                 |             | <b>100.00%</b>                                      |

**Data Source:**

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

**ARAPAHOE LIBRARY DISTRICT  
DISTRICT EMPLOYEES BY FUNCTION<sup>1</sup>  
Last Ten Calendar Years**

| Year | Public Services <sup>2</sup> | Administrative Services <sup>2</sup> | Library Materials Services <sup>2</sup> | Digital Services <sup>2</sup> | Library Operations | Administrative and Executive Services | Digital and               |  |  | Total  |
|------|------------------------------|--------------------------------------|---|-------------------------------|--------------------|---------------------------------------|---------------------------|--|--|--------|
|      |                              |                                      |   |                               |                    |                                       | Library Material Services | Communications, Programming and Partnerships |  |        |
| 2012 | 180.36                       | 15.00                                | 22.75                                   | 11.00                         |                    |                                       |                           |  |  | 229.11 |
| 2013 | 159.97                       | 25.75                                | 18.00                                   | 9.00                          |                    |                                       |                           |  |  | 212.72 |
| 2014 |                              |                                      |   |                               | 138.93             | 27.75                                 | 34.50                     | 17.50  |  | 218.68 |
| 2015 |                              |                                      |   |                               | 137.50             | 26.50                                 | 35.50                     | 20.90  |  | 220.40 |
| 2016 |                              |                                      |   |                               | 155.43             | 26.98                                 | 40.40                     | 25.41  |  | 248.22 |
| 2017 |                              |                                      |   |                               | 164.80             | 14.19                                 | 47.27                     | 27.47  |  | 253.73 |
| 2018 |                              |                                      |   |                               | 175.73             | 12.50                                 | 47.53                     | 33.05  |  | 268.80 |
| 2019 |                              |                                      |   |                               | 175.70             | 17.50                                 | 53.65                     | 29.25  |  | 276.10 |
| 2020 |                              |                                      |   |                               | 177.52             | 17.50                                 | 50.15                     | 30.12  |  | 275.29 |
| 2021 |                              |                                      |   |                               | 192.58             | 20.50                                 | 45.85                     | 34.25  |  | 293.18 |

**Notes:**

<sup>1</sup>These are full time equivalent numbers.

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

**Data Source:**

Arapahoe Library District Human Resources.

**ARAPAHOE LIBRARY DISTRICT**  
**LIBRARY MATERIALS PURCHASED AND CIRCULATED<sup>2</sup>**  
 Last Ten Calendar Years

| Year | Number of Volumes Owned | Number of AV Items Owned | Total Items Owned | Acquisition Cost of Collections | Net Book Value of Collections <sup>1</sup> | Number of Items Circulated <sup>3</sup> | Turn-over Rate <sup>2</sup> |
|------|-------------------------|--------------------------|-------------------|---------------------------------|--|---|-----------------------------|
|      |                         |                          |                   |                                 |  |   |                             |
| 2012 | 363,451                 | 134,426                  | 497,877           | \$ 7,132,354                    | \$ 4,655,476                               | 4,858,924                               | 9.76                        |
| 2013 | 326,614                 | 119,058                  | 445,672           | \$ 6,408,805                    | \$ 4,049,514                               | 4,009,826                               | 9.00                        |
| 2014 | 278,326                 | 122,150                  | 400,476           | \$ 5,989,890                    | \$ 3,734,038                               | 3,697,367                               | 9.23                        |
| 2015 | 238,029                 | 124,642                  | 362,671           | \$ 5,585,312                    | \$ 3,525,337                               | 3,568,692                               | 9.84                        |
| 2016 | 219,253                 | 123,505                  | 342,758           | \$ 5,513,308                    | \$ 3,560,371                               | 3,294,470                               | 9.61                        |
| 2017 | 206,925                 | 122,809                  | 329,734           | \$ 5,403,013                    | \$ 2,454,482                               | 3,095,149                               | 9.39                        |
| 2018 | 219,253                 | 123,505                  | 342,758           | \$ 5,513,306                    | \$ 3,560,369                               | 3,294,470                               | 9.61                        |
| 2019 | 204,040                 | 103,002                  | 307,042           | \$ 4,943,309                    | \$ 3,088,738                               | 3,893,803                               | 12.68                       |
| 2020 | 197,865                 | 94,827                   | 292,692           | \$ 4,855,954                    | \$ 3,186,329                               | 1,480,632                               | 5.06                        |
| 2021 | 188,936                 | 90,375                   | 279,311           | \$ 4,632,134                    | \$ 3,089,314                               | 2,351,104                               | 8.42                        |

**Notes:**

<sup>1</sup>GASB Statement 34 requires that capital assets be depreciated. The Library District's collection of books and audio-visual materials is considered a capital asset. Net book value represents total acquisition cost of circulating materials less accumulated depreciation to date.

<sup>2</sup>Turn-over rate is the number of times an item is checked out. This is an average of all publicly circulating items in the total collection.

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

**Data Source:**

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

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

| Year              | Castlewood Branch |        | Davies Branch |        | May Branch |        | Kelver Branch |         | Koelbel Branch |         | Sheridan Branch |         | Smoky Hill Branch |        | Southglenn Branch |        | Mobile Library Services <sup>4</sup> |                       | Interlibrary Loans | Detention Center <sup>1</sup> |
|-------------------|-------------------|--------|---------------|--------|------------|--------|---------------|---------|----------------|---------|-----------------|---------|-------------------|--------|-------------------|--------|--------------------------------------|-----------------------|--------------------|-------------------------------|
|                   | Library           | Branch | Library       | Branch | Library    | Branch | Library       | Branch  | Library        | Branch  | Library         | Branch  | Library           | Branch | Library           | Branch | Library                              | Services <sup>4</sup> |                    |                               |
| 2012              | 523,735           | 29,809 | 422,272       | 79,326 | 837,535    | 54,632 | 1,083,442     | 464,090 | 310,205        | 135,418 | 7,175           | 132,382 |                   |        |                   |        |                                      |                       |                    |                               |
| 2013              | 494,230           | 27,880 | 407,732       | 66,668 | 694,577    | 54,509 | 968,364       | 437,808 | 441,709        | 103,136 | 7,378           | 110,749 |                   |        |                   |        |                                      |                       |                    |                               |
| 2014              | 470,633           | 30,554 | 377,715       | 56,729 | 585,662    | 56,863 | 881,418       | 412,871 | 867,847        | 98,090  | 6,301           | 103,727 |                   |        |                   |        |                                      |                       |                    |                               |
| 2015              | 450,041           | 30,600 | 361,344       | 53,497 | 521,711    | 84,781 | 882,488       | 385,761 | 1,046,628      | 85,490  | 7,649           | 119,079 |                   |        |                   |        |                                      |                       |                    |                               |
| 2016              | 406,651           | 31,279 | 340,902       | 49,966 | 517,312    | 77,901 | 846,923       | 365,592 | 1,100,235      | 89,514  | 8,130           | 113,380 |                   |        |                   |        |                                      |                       |                    |                               |
| 2017              | 365,341           | 24,914 | 317,559       | 44,386 | 506,261    | 76,019 | 821,607       | 340,597 | 1,130,196      | 86,850  | 6,824           | 121,365 |                   |        |                   |        |                                      |                       |                    |                               |
| 2018              | 351,961           | 23,124 | 304,890       | 40,373 | 490,175    | 72,452 | 842,022       | 320,199 | 1,298,256      | 85,407  | 5,133           | 121,652 |                   |        |                   |        |                                      |                       |                    |                               |
| 2019              | 245,768           | 22,943 | 266,967       | 37,922 | 502,673    | 63,967 | 783,045       | 303,956 | 1,240,443      | 86,624  | 5,243           | 129,855 |                   |        |                   |        |                                      |                       |                    |                               |
| 2020 <sup>5</sup> | 45,799            | 10,509 | 94,282        | 13,005 | 230,452    | 22,256 | 279,894       | 106,809 | 1,500,018      | 23,307  | 2,525           | 55,762  |                   |        |                   |        |                                      |                       |                    |                               |
| 2021              | 147,761           | 17,038 | 140,859       | 20,869 | 299,823    | 27,984 | 422,958       | 166,932 | 1,515,667      | 47,709  | 2,333           | 47,163  |                   |        |                   |        |                                      |                       |                    |                               |

**Notes:**

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

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

<sup>3</sup>Includes downloadable audiobooks, eBooks, videos and music. The introduction of music streaming in 2014 resulted in a substantial increase in circulation in this category.

<sup>4</sup>Includes Child & Family Library Services and Homebound Delivery Program beginning in 2011.

<sup>5</sup>2020 physical circulation numbers were impacted by the COVID-19 closure of Library branches.

**Data Source:**

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