

# Pikes Peak Library District

## Annual Comprehensive Financial Report

For the year ended December 31, 2021

### Board of Trustees

(As of December 31, 2021)

Wayne A. Vanderschuere.....	President
Scott Taylor .....	Vice President
Dora Gonzales .....	Secretary/Treasurer
Debbie English .....	Trustee
Mina Liebert.....	Trustee
Cathy Grossman .....	Trustee
Dr. Ned Stoll .....	Trustee

Interim Chief Librarian and Chief Executive Officer

Teona Shainidze-Krebs

Administrative Offices  
20 N. Cascade Avenue  
Colorado Springs, Colorado 80903

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(719) 531-6333

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P.O. Box 1579  
Colorado Springs, CO 80901

June 30, 2022

Members of the Board of Trustees  
Pikes Peak Library District  
20 N. Cascade Avenue  
Colorado Springs, Colorado 80903

Dear Trustees:

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Pikes Peak Library District (the District) for the year ended December 31, 2021.

This is the 31<sup>st</sup> consecutive year that an annual financial report has been submitted to you in ACFR format, in accordance with guidelines of the Government Finance Officers Association of the United States and Canada (GFOA).

Please refer to pages 33 to 47 for the section of the ACFR called "Management's Discussion and Analysis." This section provides a discussion of the significant issues and analysis of the District's 2021 financial statements.

Last year's ACFR received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the 30<sup>th</sup> consecutive year. This award represents affirmation that the District has achieved excellence in financial reporting. The District will submit the 2021 ACFR for recognition again this year.

I want to take this opportunity to thank PPLD's Chief Financial Officer and the Finance Office staff for their operational support that ensures financial excellence, and the Board of Trustees for their stewardship of the District's fiscal activities and their supportive and future-oriented planning.

Respectfully submitted,

Teona Shainidze-Krebs  
Interim Chief Librarian and Chief Executive Officer



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P.O. Box 1579

Colorado Springs, CO 80901

June 30, 2022

To the Board of Trustees and the Citizens of the Pikes Peak Library District:

State law requires that every general-purpose local government publish within seven months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

**FORVIS**, our independent certified public accountants, has issued unmodified (“clean”) opinions on the Pikes Peak Library District’s (the District, the Library, or PPLD) financial statements as of and for the year ended December 31, 2021. The independent auditor’s report is located at the front of the financial section of this report.

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

## ***PROFILE OF THE GOVERNMENT***

### **Government Structure**

The District is considered a “Library District,” which is a separate legal entity, and was created through Colorado State Statute (C.R.S. 24-90-110). The District is not considered a component unit of any other government entity, including El Paso County, Colorado, and is financially, managerially, and operationally independent, and meets the guidelines outlined by the Governmental Accounting Standards Board.

Pikes Peak Library District has one component unit affiliation: Pikes Peak Library District Foundation, Inc. (a discretely presented component unit), which organized in 2003 to raise funds for the sole benefit of PPLD.

PPLD provides library services to all of El Paso County, excluding Security/Widefield School District #3. Security/Widefield and the town of Manitou Springs did not join the Library District when it was formed in 1962. The town of Manitou Springs subsequently voted to join PPLD effective January 1, 2013.

There are 16 library facilities and three mobile libraries covering a service area of approximately 2,070 square miles. PPLD owns eight facilities: East Library, Calhan Library, Fountain Library, High Prairie Library, Library 21c, Old Colorado City Library, Penrose Library Campus, and Sand Creek Library. The District leases the other seven facilities: Cheyenne Mountain Library, Manitou Springs Library, Monument Library, Palmer Lake Library, Rockrimmon Library, Ruth Holley Library, and Ute Pass Library. Additionally, a mobile fleet delivers library services to remote sites and to special non-mobile populations.

PPLD's 15 library facilities and mobile fleet are structured by region—north, southeast, and west—and their daily operations include circulation, shelving, and security. Library Services encompasses Adult Education, Adult Services, Family & Children's Services, Collection Management, Creative Services, Regional History and Genealogy (including Special Collections), and Young Adult Services. The administrative offices and departments

comprised of the Chief Librarian and CEO, Communications (branding, marketing, video production, and community relations), Development, Facilities, Finance, Human Resources, Security, and Information Technology.

PPLD's Board of Trustees consists of seven members from the community. The citizen volunteers are appointed jointly by the Colorado Springs City Council and El Paso County Commissioners for a maximum of two five-year terms. The Trustees convene at regular meetings, as well as at special meetings, when necessary, to conduct the business of PPLD. Trustees are prohibited by law from receiving compensation, and their duties and responsibilities are defined in law (C.R.S. 24-90-109).

The Board of Trustees is required to adopt a final budget no later than December 15 of each fiscal year. The annual budget serves as a foundation of PPLD's financial planning and control. The budget is prepared by fund and by department.

### **About Pikes Peak Library District**

PPLD seeks to engage and transform people's lives via its 15 library facilities, online resources, and mobile library services. With a mission to provide resources and opportunities that impact individual lives and build community, PPLD welcomes all community members to enrich their minds, make connections, and reach their full potential.

As a national leader and the second largest library system in Colorado, the District serves a population of more than 669,000 residents across 2,070 square miles of El Paso County. Thanks to an employee base of nearly 460 full- and part-time staff and about 1,400 volunteers, PPLD continues to be recognized for its commitment to diversity and community collaboration, its innovative and community-focused programs, and excellent customer service.

The history of public libraries in the Pikes Peak Region began in October 1885 when the Colorado Springs Social Union established a library on the corner of Tejon and Cucharras Streets in downtown Colorado Springs. In 1905, a new library opened at 21 West Kiowa Street, with funds donated by Andrew Carnegie and land granted by General William Jackson Palmer. In 1962, a majority of El Paso County citizens voted to establish PPLD. The District serves residents of El Paso County, except for Security/Widefield School District #3, including all unincorporated areas and municipalities of Calhan, Colorado Springs, Ellicott, Falcon, Fountain, Manitou Springs, Monument, and Palmer Lake.

## **2021 Highlights**

PPLD donated over 4,100 items to 20 organizations, including several schools, nine assisted living facilities, the Salvation Army shelter, Girl Scouts, Greccio Housing, and the Community Justice Center.

COVID-19 continued to impact the community and Library. Following a winter surge, the public was again allowed inside facilities in limited numbers for more than the use of computers and copiers, including browsing our collection, in January. Public access to meeting rooms and creative spaces began in February. Multiple libraries hosted COVID-19 vaccine clinics beginning in May.

Harrison School District 2 and Academy School District 20 became Power Pass partners with PPLD, which provides just-for-students library card access.

About 3,000 people participated in PPLD's annual Winter Adult Reading Program, logging nearly 100,000 days of reading or activities.

Manitou Springs Library opened inside of the Manitou Art Center on March 5, a co-location partnership that transformed the historic building at 515 Manitou Ave.

Nearly 10,000 kids and teens participated in PPLD's annual Summer Adventure program, completing over 200,000 days of reading and 140,000 activities.

The first Food Industry Training cohort taught in the kitchen at Library 21c celebrated its graduation on Sept. 24.

The Pikes Peak Poet Laureate Project was re-launched with the inauguration of Ashley Cornelius on Oct. 23 at Knights of Columbus Hall.

For the third year in a row, PPLD surpassed two-million digital book checkouts on OverDrive. This time it was almost two weeks earlier than in 2020, which continues to illustrate the continued growth and importance of library digital lending of eBooks and eAudiobooks. PPLD ended the year with more than 2.5 million digital book checkouts, in addition to more than 200,000 streamed songs and over 90,000 streamed videos.

## ***LOCAL ECONOMY***

The information included in the following paragraphs under this caption has been extracted and summarized from the Colorado Springs Chamber of Commerce, Colorado Department of Revenue, Colorado Springs Economic Development Corporation, Colorado Department of Education, the Bureau of Labor Statistics, U.S. Census Bureau, and the Colorado Springs Convention and Visitors Bureau.

### **Population**

As of December 31, 2021, the population of El Paso County is 737,865 (the District's legal service is 670,046 and is included in this total). Colorado Springs, the largest municipality within El Paso County (the County), is the 39th largest city in the nation. The County's population has increased by approximately 218,062 since 2000, with approximately half of the increase due to migration from other states and the balance due to natural growth.

### **Age**

The projected median age for El Paso County is 34.6 at the end of 2021. The following are estimates of the population for El Paso County by certain age categories:

	<b><u>2021</u></b>	<b><u>% Total</u></b>	<b><u>2020</u></b>	<b><u>% Total</u></b>
Under 15	142,050	19.3%	154,204	20.7%
15-24	117,174	15.9%	116,905	15.9%
25-44	212,009	28.7%	207,792	28.0%
45-64	163,817	22.2%	166,423	22.4%
65+	<u>102,815</u>	<u>13.9%</u>	<u>96,565</u>	<u>13.0%</u>
Total	<u><u>737,865</u></u>	<u><u>100.0%</u></u>	<u><u>741,889</u></u>	<u><u>100.0%</u></u>

## **Industries**

The following chart shows the percentage of employment by industry type:

	<b>2021</b>	<b>2020</b>
Agriculture, Forestry, Fishing and Hunting	0.2%	0.2%
Mining, Quarrying, and Oil and Gas Extraction	0.0%	0.0%
Utilities	1.1%	1.1%
Construction	6.5%	6.5%
Manufacturing	4.6%	4.6%
Wholesale Trade	2.1%	2.2%
Retail Trade	11.3%	11.2%
Transportation and Warehousing	2.0%	1.8%
Information	2.8%	2.8%
Finance and Insurance	5.0%	5.3%
Real Estate and Rental and Leasing	1.8%	1.8%
Professional, Scientific, and Technical Services	11.4%	10.6%
Management of Companies and Enterprises	0.7%	0.7%
Administrative and Support and Waste Management and Remediation Services	7.2%	7.0%
Educational Services	7.1%	8.8%
Health Care and Social Assistance	16.3%	15.5%
Arts, Entertainment, and Recreation	1.7%	1.8%
Accommodation and Food Services	10.7%	10.7%
Other Services (except Public Administration)	4.2%	4.4%
Public Administration	3.2%	2.9%

## **Wage/Salary**

Wages are competitive with similarly sized cities, but the average education of the El Paso County employee is greater, providing employers with a high value workforce.

In regularly conducted surveys, local employers rank the quality, dependability, and stability of the El Paso County workforce as some of the community's top strengths. Local employers also consistently rank the caliber of their employees as higher than that of employees in sister facilities elsewhere.

The following chart depicts the estimated annual mean of wage levels for certain occupations.

<b>Occupation</b>	<b>2021 Annual Wages</b>	<b>2020 Annual Wages</b>
Architecture and Engineering	99,911	95,459
Arts, Design, Entertainment, Sports, and Media	59,514	57,569
Building and Grounds Cleaning and Maintenance	35,920	32,427
Business and Financial Operations	79,056	77,443
Community and Social Services	52,247	52,030
Computer and Mathematical	99,238	99,137
Construction and Extraction	50,918	49,333
Educational Instruction and Library	52,934	51,505
Farming, Fishing, and Forestry	36,208	33,951
Food Preparation and Serving Related	32,983	30,084
Healthcare Practitioners and Technical	92,034	86,064
Healthcare Support	35,636	35,537
Installation, Maintenance, and Repair	53,507	53,233
Legal	87,494	97,579
Life, Physical, and Social Science	81,823	77,788
Management	123,939	125,989
Office and Administrative Support	42,369	41,096
Personal Care and Service	35,901	34,619
Production	42,345	41,569
Protective Service	51,678	50,954
Sales and Related	45,650	48,085
Transportation and Material Moving	38,822	36,585
<b>All Occupations</b>	<b><u>57,765</u></b>	<b><u>56,399</u></b>

### **Tourism**

Tourism remains one of the main draws to the Colorado Springs area. More than 20 million visitors per year put over two billion dollars into the local economy (non-COVID years). Top attractions include the world-renowned Garden of the Gods followed by the United States Air Force Academy. Most visitors to the Colorado Springs area come from Colorado followed by Texas and California.

### **Roads**

Colorado Springs is conveniently located near the geographical center of the United States, providing easy access to Interstate 70 heading east and west and Interstate 25 heading north and south. To the city's east, Powers Boulevard is a major north-south thoroughfare providing rapid access for the city's growing eastern edge. Highway 24 bypass provides an east-west route.

### **Airport**

Air travel is easy from Colorado Springs with two airports from which to choose in close proximity. The Colorado Springs airport features 12 gates and a 13,500-foot runway, which allows modern aircraft to reach any city in North America. The airport can handle all jet aircraft including wide body planes. Denver International Airport is just 75 miles to the north (about 1 hour and 30 minutes by car on Interstate 25 and E-470).

## **Legislation**

The State of Colorado operates under the Taxpayer Bill of Rights (TABOR), which imposes restrictions on collected property tax revenues in relation to fiscal year spending. Both amounts cannot exceed the prior year's amount (adjusted for inflation and a growth factor) without voter approval. TABOR also imposes restrictions and stipulations on elections, including bond issuances and mill levy increases.

## **Education**

El Paso County has 17 school districts, as well as private elementary/high schools, charter schools, and the state-sponsored Colorado School for the Deaf and the Blind. The 84% high school graduation rates in El Paso County are higher than those for Colorado but are still below the Colorado Department of Education's target of 90%.

Colorado Springs has 18 institutions of higher education. The three largest are:

	<b>Total Enrollment</b>	
	<b>2021</b>	<b>2020</b>
Pikes Peak Community College	12,506	13,204
University of Colorado at Colorado Springs	12,380	12,180
United States Air Force Academy	4,307	4,304

## ***OTHER ITEMS***

### **Internal Controls**

The District has several policies and procedures, which govern the operations of the District to ensure effective cash management, compliance with government accounting regulations, and good business practice. The objectives of these policies and procedures are commensurate with our District-wide goals to effectively manage the current assets and resources of the District.

The oversight responsibilities of the financial operations of the District rest with the Board of Trustees. Each month the Board is provided detailed financial information, prepared by the Finance Office, including financial statements and budget analysis for each fund. The Board is responsible for all budgetary resolutions and approvals, and for setting the mill levy annually. The Board is also responsible for the approval of any real estate transactions, bonded debt, borrowing of funds, and major contracts.

The Chief Librarian and Chief Librarian and CEO can authorize operational contracts, and to approve expenditures up to \$100,000. The Chief Financial Officer can authorize purchase orders under \$100,000. Purchases more than \$100,000 are submitted to the Board of Trustees for approval. These, and other stipulations, are included in an extensive Financial Guidelines Policy, which was approved by the Board of Trustees.

Segregation of duties is a guiding principle in the Finance Office. For example, the staff members who count the cash and prepare deposit slips are not authorized to record deposits in the accounting system. Only a few staff members are given the combination to the safe, and only the Chief Financial Officer and the Chief Librarian and CEO are authorized to affect wire transfers or banking transactions.

The Chief Financial Officer approves all purchase orders, payments of services, and journal entries. The accounting system is carefully set up to allow rights for certain functions to the appropriate staff members only. A staff member who does not have cash receipt or cash disbursement responsibility processes bank reconciliations, but such reconciliations must be reviewed and approved by the Chief Financial Officer.

Internally performed cash audits of all petty cash and cash registers banks are scheduled periodically at the Library locations.

We believe that the cash management procedures in place are thorough and comprehensive, providing an effective environment of safety and good stewardship of the taxpayers' trust.

### ***FINANCIAL POLICIES***

The 2021 ACFR has been prepared in compliance with the District's Financial Guidelines, applying Generally Accepted Accounting Principles for governmental and Non-Profit entities, without exception.

### ***AWARDS and ACKNOWLEDGMENTS***

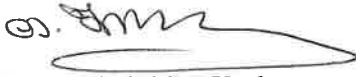
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pikes Peak Library District for its Comprehensive Annual Financial Report for the year ended December 31, 2020. This was the 30<sup>th</sup> consecutive year that the District has received this prestigious award.

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

We wish to thank the members of the Board of Trustees for their leadership and support.

Finally, we would like to offer special thanks to the following individuals who are (or have been) employed by the District's Finance Office, and whose efforts and contributions made the preparation of the 2021 ACFR a success.

Respectfully submitted,

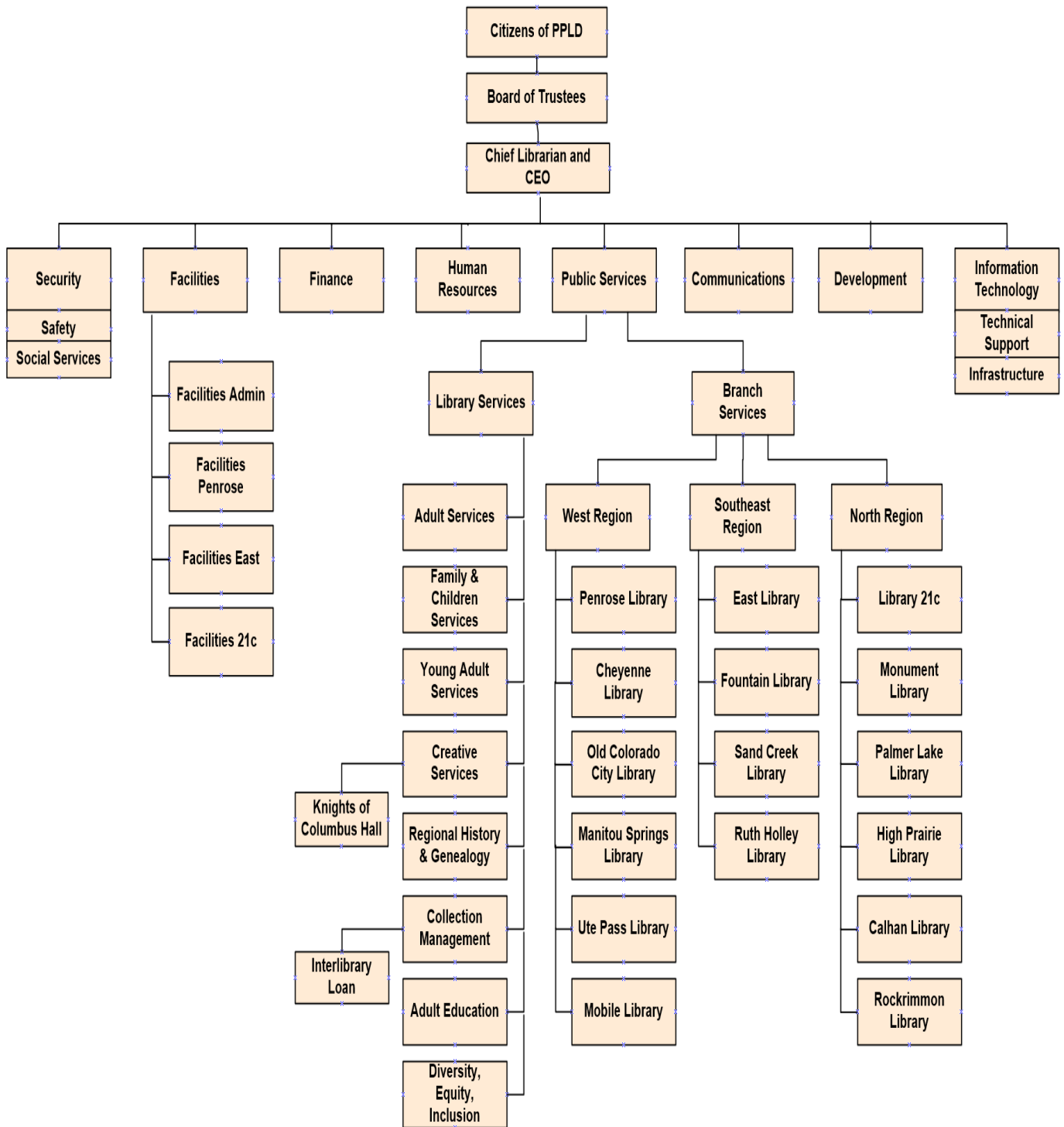
A handwritten signature in black ink, appearing to read 'T. Shainidze-Krebs', with a long horizontal flourish extending to the right.

Teona Shainidze-Krebs  
Interim Chief Librarian and Chief Executive Officer

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

Randall A. Green  
Chief Financial Officer

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Pikes Peak Library District  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

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## Independent Auditor's Report

Board of Trustees  
Pikes Peak Library District  
Colorado Springs, Colorado

### Report on the Audit of the Financial Statements

#### **Opinions**

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information of the Pikes Peak Library District, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's 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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the 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 the 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, budgetary comparison, and pension information as listed in the table of contents 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements as of and for the year ended December 31, 2020, which are not presented with the accompanying financial statements. In our report dated June 28, 2021, we expressed unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. In our opinion, the 2020 comparative combining and individual fund financial statements and schedules supplementary information is fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2020, taken as a whole.

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

Board of Trustees  
Pikes Peak Library District

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

**FORVIS,LLP**

Colorado Springs, Colorado  
June 30, 2022

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2021**

As management of the Pikes Peak Library District, we offer readers of the Pikes Peak Library District financial statements this narrative overview and analysis of the financial activities of the Pikes Peak Library District (the District or PPLD) for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 11 through 27 of this report.

**Financial Highlights**

- The District's total assets and deferred outflows of resources was \$100,603,264 as of December 31, 2021. Included in this total is current assets of \$53,681,100 (primarily cash and investments of \$19,558,225 and property taxes receivable of \$33,216,253), noncurrent assets (capital assets) of \$32,334,688, and deferred outflow of resources (pension-related amounts) of \$14,587,476.
- The District's total liabilities and deferred inflows of resources was \$78,855,851 as of December 31, 2021. Included in this total is current liabilities of \$3,034,787 (accounts payable of \$1,423,397 and accrued compensation payable of \$1,611,390), noncurrent liabilities of \$15,872,767 (accrued compensation absences of \$1,499,214 and net pension liability of \$14,373,553), and deferred inflows of resources of \$59,948,297 (property taxes of \$33,216,253 and pension-related amounts of \$26,732,044).
- The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$21,747,413 (net position) as of December 31, 2021.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$32,293,214 includes property and equipment, net of accumulated depreciation.
  - (2) Net position of \$1,393,285 is restricted by constraints imposed from outside the District, such as gifts, grantors, laws, or regulations.
  - (3) Unrestricted deficit net position of (\$11,939,086) represents the portion available to maintain the District's continuing obligations to citizens and creditors. As discussed below, the District implemented GASB Statement No. 68 effective January 1, 2015. As of December 31, 2021, the District's proportionate share of the Net Pension Liability was \$14,373,553. This balance is included in the unrestricted net position.
- The District's total assets in its Governmental Funds was \$57,427,210 as of December 31, 2021 (primarily cash and investments of \$18,981,898 and property taxes receivable of \$33,216,253).
- The District's total liabilities of its Governmental Funds was \$6,451,564 as of December 31, 2021 (accounts payable of \$1,122,888, accrued compensation payable of \$968,869, and amounts due to other funds of \$4,359,807).
- The District's total deferred inflows of resources was \$33,320,138 (property taxes of \$33,216,253 and unavailable fund resources of \$103,885).

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

- The District's General Fund reported total ending fund balance of \$13,328,480 as of December 31, 2021. This compares to the prior year ending fund balance of \$11,320,091, showing an increase of \$2,008,386 during the current year.
- As of December 31, 2021, unassigned fund balance for the General Fund was \$11,228,870, or approximately 35%, of total General Fund expenditures, including transfers for the year ended December 31, 2021.
- Overall, the District continues to maintain a moderately strong financial position.

The above financial highlights are explained in more detail in the "Financial Analysis of the District as a Whole" section of this document.

**Overview of the Financial Statements**

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves. Comparative data is presented when available.

**Government-wide Financial Statements**

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

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of financial position presenting information that includes all the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of District infrastructure, in addition to the financial information provided in this report.

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

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by property taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general library operations. The District has no business-type activities.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

The government-wide financial statements also include the financial statements of Pikes Peak Library District Foundation, Inc., a legally separate entity. Financial information for this component unit is reported separately from the financial information presented for the District (primary government) in accordance with GASB standards.

The government-wide financial statements are presented on pages 49 through 52 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 District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's significant funds. Each major fund is separately reported.

The District has the following fund types:

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

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

The basic governmental fund financial statements are presented on pages 53 through 56 of this report.

The Internal Service Fund (Employee Health Plan) is reported in the fund financial statements, and generally reports employee and employer contributions along with benefit claims paid and administrative costs related to the District's partially self-insured health plan offered to employees with a regularly scheduled workweek of 30 or more hours.

The basic internal service fund financial statements are presented on pages 57 through 59 of this report.

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

The basic custodial fund financial statements can be found on pages 60 through 61 of this report.

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 63 of this report.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's detailed budget presentations for its General Fund, the District's proportionate share of the net pension liability, and District contributions. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. The required supplementary information can be found on pages 95 through 101.

As discussed, the District reports one major fund and several non-major funds in the basic financial statements. The individual governmental fund comparative statements are presented in a subsequent section of this report beginning on page 102.

**Financial Analysis of the District as a Whole**

The District's net position at calendar year-end is \$21,747,413. The following table provides a summary of the District's net position as of December 31, 2021 and 2020:

	<b>Summary of Net Position</b>			
	<b>2021</b>		<b>2020</b>	
	<b>Governmental Activities</b>	<b>Percentage of Total</b>	<b>Governmental Activities</b>	<b>Percentage of Total</b>
<b>Assets</b>				
Current and other assets	\$ 53,681,100	62%	\$ 48,267,641	59%
Capital assets	32,334,688	38%	33,586,376	41%
<b>Total assets</b>	<b>86,015,788</b>	<b>100%</b>	<b>81,854,017</b>	<b>100%</b>
<b>Deferred Outflows of Resources</b>	<b>14,587,476</b>	<b>100%</b>	<b>19,171,871</b>	<b>100%</b>
<b>Liabilities</b>				
Current liabilities	3,034,787	16%	2,444,350	5%
Noncurrent liabilities	15,872,767	84%	42,776,532	95%
<b>Total liabilities</b>	<b>18,907,554</b>	<b>100%</b>	<b>45,220,882</b>	<b>100%</b>
<b>Deferred Inflows of Resources</b>	<b>59,948,297</b>	<b>100%</b>	<b>33,816,618</b>	<b>100%</b>
<b>Net Position</b>				
Net investment in capital assets	32,293,214	148%	33,556,137	153%
Restricted	1,393,285	6%	1,298,802	6%
Unrestricted	(11,939,086)	-55%	(12,866,551)	-59%
<b>Total net position</b>	<b>\$ 21,747,413</b>	<b>100%</b>	<b>\$ 21,988,388</b>	<b>100%</b>

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

The District continues to maintain a moderately high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. However, to make this ratio meaningful, we have eliminated the property taxes receivable for governmental activities. After this elimination, governmental activities' current assets are \$20,464,847. As a result, the current ratio for the District overall is 6.7 to 1 which compares slightly unfavorable to the December 31, 2020 ratio of 7.0 to 1. This ratio overall is strong.

The District reported an overall positive balance in net position. Net position decreased by (\$240,975) for governmental activities.

Approximately 150% of the District's net position is comprised of capital assets as of December 31, 2021. The District uses these capital assets to provide services to its citizens.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

The following table provides a summary of the District's changes in governmental activities' net position for the years ended December 31, 2021 and 2020:

	<b>Summary of Changes in Net Position</b>			
	<b>2021</b>		<b>2020</b>	
	<b>Governmental Activities</b>	<b>Percentage of Total</b>	<b>Governmental Activities</b>	<b>Percentage of Total</b>
<b>Revenues</b>				
Program				
Charges for services, sales and fines	\$ 86,322	0%	\$ 63,530	0%
Operating grants/donations	800,863	2%	866,429	2%
Capital grants/donations	-	0%	189,185	1%
General				
Taxes	35,123,014	97%	33,440,105	96%
Other	92,138	0%	256,884	1%
<b>Total revenues</b>	<b>36,102,337</b>	<b>100%</b>	<b>34,816,133</b>	<b>100%</b>
<b>Program Expenses</b>				
Public Services	21,439,663	59%	25,521,426	61%
Human Resources Office	740,806	2%	706,307	2%
Chief Librarian and CEO's Office	295,077	1%	337,521	1%
Development Office	268,937	1%	303,389	1%
Finance Office	724,847	2%	791,730	2%
Facilities Office	3,938,656	11%	4,376,400	11%
Information Technology Office	2,881,161	8%	3,214,137	8%
Communications Office	1,051,216	3%	1,147,285	3%
Security Services	1,001,954	3%	1,058,946	3%
Other administration	4,000,995	11%	4,178,464	10%
<b>Total expenses</b>	<b>36,343,312</b>	<b>100%</b>	<b>41,635,605</b>	<b>100%</b>
Special item - TABOR refund	-		(180,108)	
<b>Change in net position</b>	<b>(240,975)</b>		<b>(6,999,580)</b>	
<b>Beginning Net Position</b>	<b>21,988,388</b>		<b>28,987,968</b>	
<b>Ending Net Position</b>	<b><u>\$ 21,747,413</u></b>		<b><u>\$ 21,988,388</u></b>	

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

**Governmental Revenues**

The District is heavily reliant on taxes to support governmental activities. Taxes provided over 95% of the District's total revenues. Also, note that program revenues generated less than 5% of governmental activities' revenues for the year ended December 31, 2021. This means that the District's taxpayers and the District's other general revenues provided almost 100% of the governmental activities. As a result, the general economy and the changes in both residential and commercial property values have a major impact on the District's revenue streams.

**Governmental Function Expenses**

Approximately 70% of the District's expenses provide supporting services to the public service and information technology functions. In addition, approximately \$1.3 million of depreciation expense from the District's buildings is included in total expenses, and total depreciation expense was approximately \$3.4 million.

**Financial Analysis of the District's Funds**

**Governmental Funds**

As discussed, governmental funds are reported in the fund statements with a short-term, inflows and outflows of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$17,655,508 as of December 31, 2021.

Fund balances as of December 31, 2021 and 2020 include:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Nonspendable	\$ 400,575	\$ 382,929
Restricted	1,393,285	1,298,802
Committed	4,326,216	3,101,003
Assigned	306,562	243,769
Unassigned	<u>11,228,870</u>	<u>9,395,403</u>
	<u>\$ 17,655,508</u>	<u>\$ 14,421,906</u>

**Major Governmental Funds**

***General Fund***

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$2,008,389 during 2021. The total fund balance of the General Fund as of December 31, 2021 was \$13,328,480. The total fund balance as of December 31, 2020 was \$11,320,091.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

The fund balance of the General Fund is broken down as follows as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Nonspendable	\$ 400,575	\$ 382,929
Restricted	1,392,473	1,297,990
Assigned	306,562	243,769
Unassigned	<u>11,228,870</u>	<u>9,395,403</u>
	<u>\$ 13,328,480</u>	<u>\$ 11,320,091</u>

Unassigned fund balance – The balance increased by \$1,833,467 from 2020 to 2021. The primary reason for the change is because total fund balance increased during 2021 by \$2,008,389. Total revenues and other financing sources for 2021 is \$36,348,814, and total expenditures, other financing uses, and special items is \$34,340,425.

**Nonmajor Governmental Funds**

Nonmajor governmental funds include one Special Revenue Fund and four Capital Projects Funds.

**Special Revenue Fund (Designated Purpose Fund)** – Total fund balance as of December 31, 2021 was \$100,688. This amount is \$5,033 less than the fund balance of \$105,721 as of December 31, 2020.

**Capital Projects Funds** – As of December 31, 2021, fund balance for specific individual funds equals the following and represents ongoing projects; funds not listed have zero balances and were closed as the projects were completed:

	<u>2021</u>	<u>2020</u>
North Facility Project Fund	\$ 315,403	\$ 189,864
East Library Renovation Fund	90,178	74,342
Penrose Library Renovation Fund	342,977	417,945
Capital Reserve Fund	<u>3,477,782</u>	<u>2,313,943</u>
	<u>\$ 4,226,340</u>	<u>\$ 2,996,094</u>

**North Facility Project Fund** - The fund balance increased by \$125,539 from 2020 due to the timing of active capital projects and deferral of various other projects into 2022.

**Capital Reserve Fund** – Total fund balance increased by \$1,163,839 due to the timing of active capital projects and deferral of various other projects into 2022.

**Pikes Peak Library District**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

Capital outlay for these funds for years ended December 31, 2021 and 2020 is presented below:

	<u>2021</u>	<u>2020</u>
North Facility Project Fund	\$ 39,461	\$ 357,685
East Library Renovation Fund	68,364	129,505
Penrose Library Renovation Fund	75,492	73,673
Capital Reserve Fund	<u>981,666</u>	<u>1,046,106</u>
	<u>\$ 1,164,983</u>	<u>\$ 1,606,969</u>

**Capital Reserve Fund** – During 2021, the District purchased a variety of equipment in addition to engaging various renovation and repair costs. These purchases and projects are non-reoccurring by nature.

**Budgetary Highlights**

**General Fund**

The original budget (expenditures and transfers out) was amended and decreased by \$103,889. Normally, the General Fund budget is amended principally to utilize prior year fund balances that were primarily either reserved for encumbrances or designated for specific capital projects, which were not included in the original budget. However, given uncertainty about future finances, the District elected to approach the 2021 budget conservatively, and it identified various projects that could be deferred to a future year.

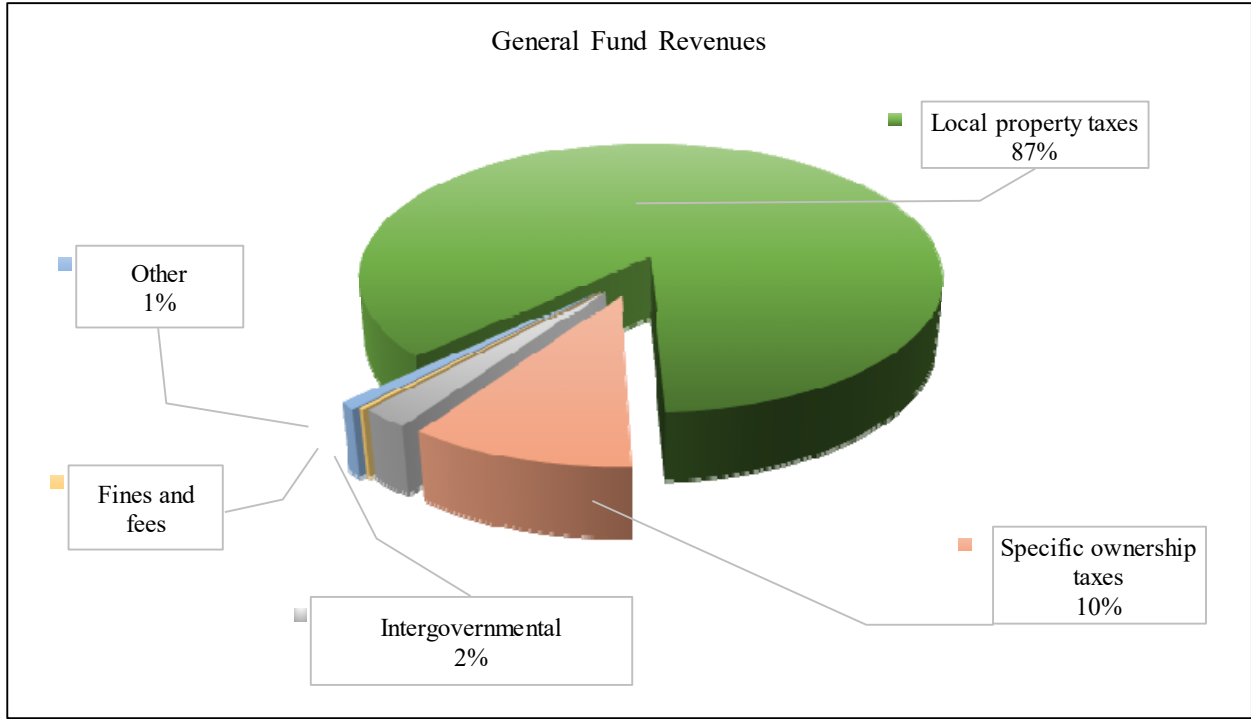
The District also made the decision to not fill various vacant staff positions during 2021.

**General Fund Revenues**

Total General Fund actual revenues for fiscal year 2021 were \$36,348,814. This amount was less than the 2021 budget, as amended, by \$172,261, which is less than 1% of the total revenue budget.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

The following chart depicts General Fund revenue for 2021 by category:

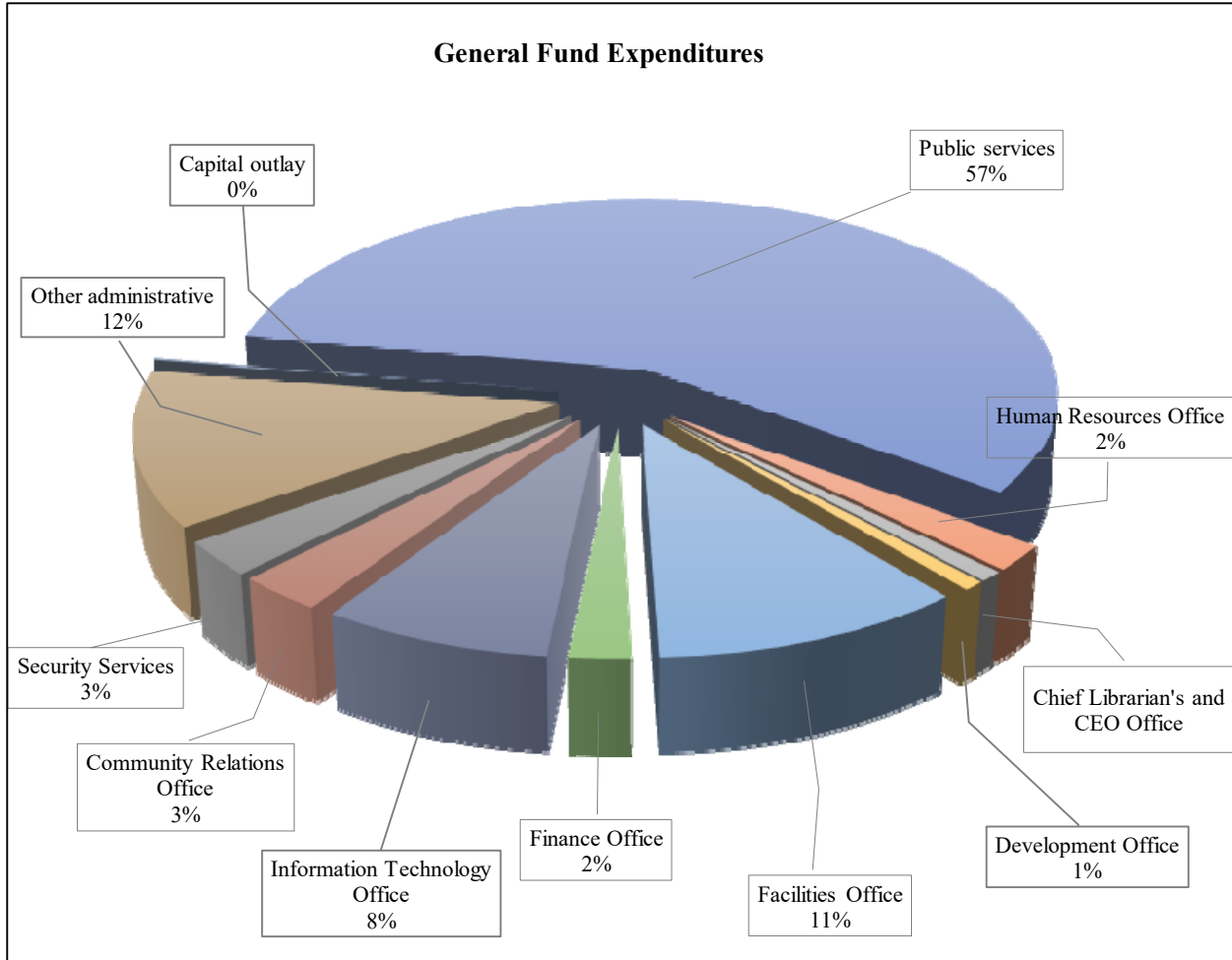


**General Fund Expenditures**

Total General Fund actual expenditures for fiscal year 2021 was \$32,030,399. This amount was less than the 2021 budget, as amended, by \$2,425,461, which is approximately 7% of the total budget.

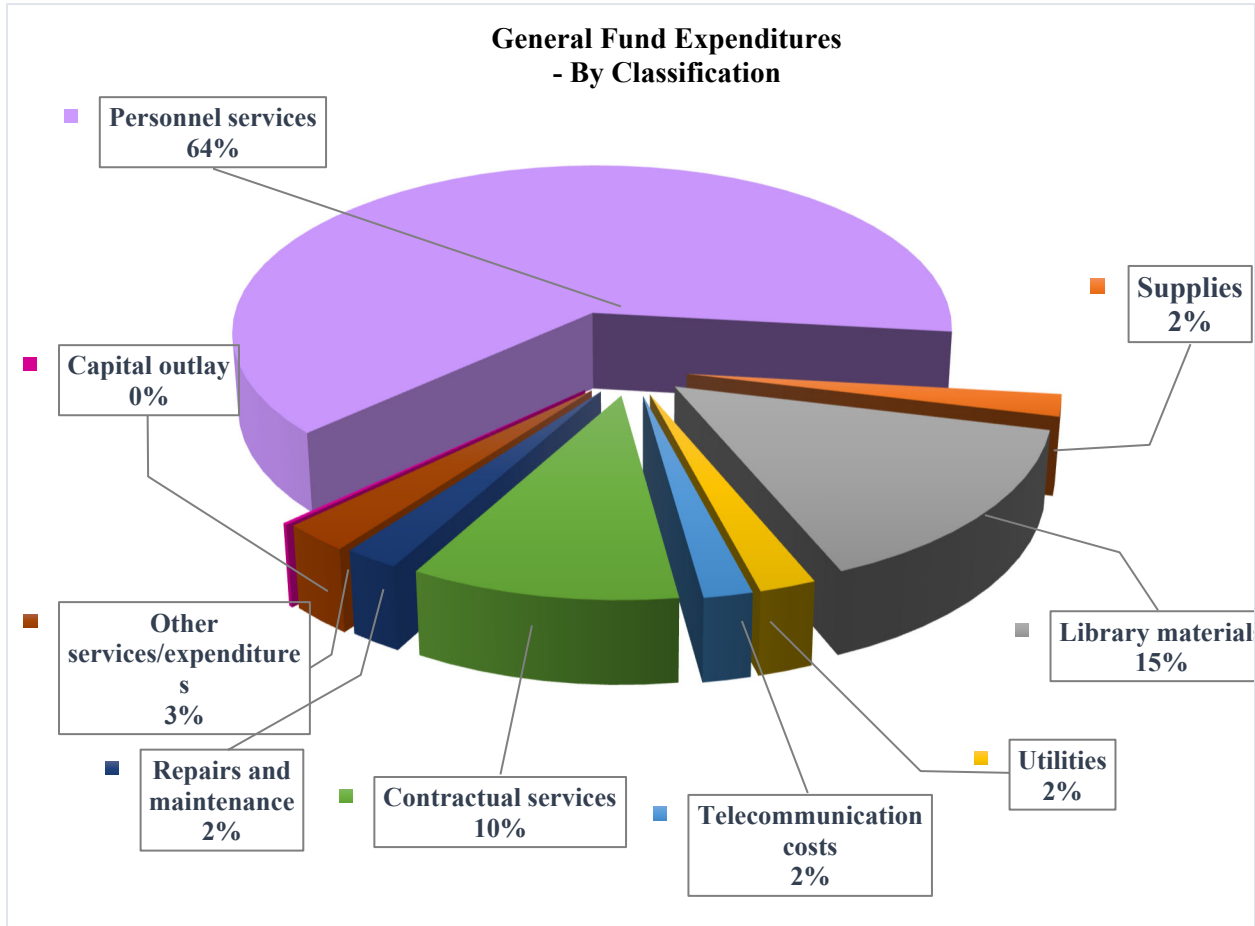
**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

The following chart depicts 2021 General Fund expenditures by function:



**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

The following chart depicts 2021 General Fund expenditures by classification:



**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

The following is a summary of 2021 General Fund expenditures by departments/accounts:

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Current				
Personnel services	\$ 21,846,244	\$ 20,942,137	\$ 20,420,285	\$ (521,852)
Supplies	854,615	970,783	639,994	(330,789)
Library materials	4,829,976	4,930,479	4,766,105	(164,374)
Utilities	706,965	706,965	701,654	(5,311)
Telecommunication costs	641,000	651,177	606,985	(44,192)
Contractual services	3,767,722	3,856,924	3,313,673	(543,251)
Repairs and maintenance	863,400	869,675	681,970	(187,705)
Other services/expenditures	1,034,827	1,461,084	840,987	(620,097)
Capital outlay	15,000	66,636	58,746	(7,890)
<b>Total expenditures</b>	<u>\$ 34,559,749</u>	<u>\$ 34,455,860</u>	<u>\$ 32,030,399</u>	<u>\$ (2,425,461)</u>

**General** – As a result of the current economic environment, numerous issues arose which caused uncertainty regarding the District's financial resources, the District operated under the concept of financial frugality. The philosophy was to defer/cut expenditures from the 2021 approved budget as much as possible.

**Capital Assets**

The District's capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2021 was \$32,334,688. See note III-D on page 82 for additional information about changes in capital assets during the calendar year and balances at the end of the year.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

The following table provides a summary of capital assets as of December 31, 2021 and 2020:

	<b>Capital Assets</b>			
	<b>2021</b>		<b>2020</b>	
	<b>Governmental Activities</b>	<b>Percentage of Total</b>	<b>Governmental Activities</b>	<b>Percentage of Total</b>
<b>Nondepreciable assets</b>				
Land	\$ 5,317,363	6%	\$ 5,317,363	6%
Collections of historical treasures	9,597,286	12%	9,597,286	12%
Construction in progress	11,520	0%	51,423	0%
<b>Total nondepreciable assets</b>	<b>14,926,169</b>		<b>14,966,072</b>	
<b>Depreciable assets</b>				
Land improvements	942,891	1%	942,891	1%
Leasehold improvements	1,304,703	2%	1,069,528	1%
Buildings	45,192,133	55%	44,978,432	54%
Equipment, furniture and fixtures	5,769,173	7%	6,033,402	7%
Vehicles	818,123	1%	845,073	1%
Books and materials	12,958,166	16%	13,859,505	17%
<b>Total depreciable assets</b>	<b>66,985,189</b>	<b>100%</b>	<b>67,728,831</b>	<b>100%</b>
Less accumulated depreciation	<u>(49,576,670)</u>		<u>(49,108,527)</u>	
<b>Book value - depreciable assets</b>	<b>17,408,519</b>		<b>18,620,304</b>	
<b>Percentage depreciated</b>	<b>74%</b>		<b>73%</b>	
<b>Book value - all capital assets</b>	<b>\$ 32,334,688</b>		<b>\$ 33,586,376</b>	

On December 31, 2021, the depreciable capital assets for governmental activities were 74% depreciated; the percentage as of December 31, 2020 was 73%.

**Economic Factors and Next Year's Budget and Mill Levy**

The following factors were considered when the 2022 budget was prepared:

1. The unemployment rate for El Paso County, Colorado.
2. Inflationary trends in the region and cost of living indices in the region compare favorably to national indices.

As of December 31, 2021, unassigned fund balance in the General Fund totaled \$11,237,267. The District has appropriated \$1,024,669 of this balance for spending in the 2022 fiscal year budget.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2021**

For the fiscal year 2022 budget, the total mill levy is 3.731 mills (3.845 mills for general operating expenses, 0.033 mills for refunds and abatements, and a temporary mill levy credit of (0.023) mills for a TABOR refund). The mill levy for fiscal year 2021 was also 3.731 mills. The gross assessed valuation for all taxable property within the District's legal service area is \$8,218,213,120 in 2021.

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

**Requests for Information**

This Financial Report is designed to provide a general overview of the District's finances, compliance with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report, or would like to request additional information, contact the District's Finance Office at 1175 Chapel Hills Drive, Colorado Springs, Colorado 80920.

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**Pikes Peak Library District**  
**Statement of Net Position**  
**December 31, 2021**

	<u>Primary Governmental Activities</u>
<b>Assets and Deferred Outflows of Resources</b>	
<b>Current Assets</b>	
Cash and investments	\$ 19,558,225
Property taxes receivable	33,216,253
Accounts receivables	163,822
Due from discretely presented component unit	10,331
Due from other governments	295,227
Prepaid items	437,242
<b>Total current assets</b>	<b>53,681,100</b>
<b>Noncurrent Assets</b>	
Capital assets	
Nondepreciable property	14,926,169
Depreciable building, property and equipment, net	17,408,519
<b>Total noncurrent assets</b>	<b>32,334,688</b>
<b>Total assets</b>	<b>86,015,788</b>
<b>Deferred Outflows of Resources</b>	
Pension-related amounts	14,587,476
<b>Total assets and deferred outflows of resources</b>	<b>100,603,264</b>
<b>Liabilities and Deferred Inflows of Resources</b>	
<b>Current Liabilities</b>	
Accounts payable	1,423,397
Accrued compensation payable	1,611,390
<b>Total current liabilities</b>	<b>3,034,787</b>
<b>Noncurrent Liabilities</b>	
Noncurrent portion of long-term obligations	
Net pension liability	14,373,553
Accrued compensated absences	1,499,214
<b>Total noncurrent liabilities</b>	<b>15,872,767</b>
<b>Total liabilities</b>	<b>18,907,554</b>
<b>Deferred Inflows of Resources</b>	
Property taxes	33,216,253
Pension-related amounts	26,732,044
<b>Total deferred inflows of resources</b>	<b>59,948,297</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>78,855,851</b>
<b>Net Position</b>	
Net investment in capital assets	32,293,214
Restricted for	
Declared emergencies	1,058,065
Gifts and grants	335,220
<b>Total restricted</b>	<b>1,393,285</b>
Unrestricted	(11,939,086)
<b>Total net position</b>	<b>\$ 21,747,413</b>

**Pikes Peak Library District Foundation, Inc.**  
**Statement of Financial Position**  
**December 31, 2021**

<b>Assets</b>	
Cash	\$ 667,183
Contributions receivable, net	38,925
Accounts receivable	63,113
Prepaid items	4,503
Investments	<u>2,469,287</u>
<b>Total assets</b>	<u><u>\$ 3,243,011</u></u>
<b>Liabilities and Net Assets</b>	
<b>Liabilities</b>	
Accounts payable	\$ 13,263
Due to PPLD	<u>10,331</u>
<b>Total liabilities</b>	<u>23,594</u>
<b>Net Assets</b>	
Without donor restrictions	
Undesignated	805,814
Board-designated	<u>1,194,059</u>
	1,999,873
With donor restrictions	<u>1,219,544</u>
<b>Total net assets</b>	<u>3,219,417</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 3,243,011</u></u>

**Pikes Peak Library District**  
**Statement of Activities**  
**Year Ended December 31, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u> <u>Services,</u> <u>Sales</u> <u>and Fines</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Revenue and</u> <u>Changes in</u> <u>Net Position</u> <u>Primary</u> <u>Governmental</u> <u>Activities</u>
<b>Primary Government</b>					
<b>Governmental activities</b>					
Public Services	\$ 21,439,663	\$ 86,322	\$ 611,823	\$ -	\$ (20,741,518)
Human Resources Office	740,806	-	-	-	(740,806)
Chief Librarian and CEO's Office	295,077	-	-	-	(295,077)
Development Office	268,937	-	-	-	(268,937)
Finance Office	724,847	-	-	-	(724,847)
Facilities Office	3,938,656	-	107,942	-	(3,830,714)
Information Technology Office	2,881,161	-	81,098	-	(2,800,063)
Communications Office	1,051,216	-	-	-	(1,051,216)
Security Services	1,001,954	-	-	-	(1,001,954)
Other administration	4,000,995	-	-	-	(4,000,995)
<b>Total governmental activities</b>	<u>\$ 36,343,312</u>	<u>\$ 86,322</u>	<u>\$ 800,863</u>	<u>\$ -</u>	<u>(35,456,127)</u>
<b>General revenues</b>					
Property taxes levied for library purposes					31,402,556
Specific ownership taxes					3,720,458
Investment earnings					9,250
Miscellaneous					82,888
<b>Total general revenues</b>					<u>35,215,152</u>
<b>Change in net position</b>					<u>(240,975)</u>
<b>Net position, January 1</b>					<u>21,988,388</u>
<b>Net position, December 31</b>					<u>\$ 21,747,413</u>

# Pikes Peak Library District Foundation, Inc.

## Statement of Activities

Year Ended December 31, 2021

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, Gains and Other Support</b>			
Contributions	\$ 563,877	\$ 437,948	\$ 1,001,825
Contributed services	243,645	-	243,645
Gifts in kind	11,550	-	11,550
Investment return, net	170,109	87,594	257,703
Net assets released from restrictions	409,421	(409,421)	-
	<b>1,398,602</b>	<b>116,121</b>	<b>1,514,723</b>
<b>Total revenues, gains and other support</b>			
<b>Expenses</b>			
Program services			
Distributions to PPLD	491,645	-	491,645
Other	11,550	-	11,550
	<b>503,195</b>	<b>-</b>	<b>503,195</b>
Total program services			
Support services			
General and administrative Contributed services	24,365	-	24,365
	<b>24,365</b>	<b>-</b>	<b>24,365</b>
Fundraising			
Contributed services	219,280	-	219,280
Other	29,320	-	29,320
	<b>248,600</b>	<b>-</b>	<b>248,600</b>
Total support services	<b>272,965</b>	<b>-</b>	<b>272,965</b>
<b>Total expenses</b>	<b>776,160</b>	<b>-</b>	<b>776,160</b>
<b>Change in Net Assets</b>	<b>622,442</b>	<b>116,121</b>	<b>738,563</b>
<b>Net Assets, Beginning of Year</b>	<b>1,377,431</b>	<b>1,103,423</b>	<b>2,480,854</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,999,873</b>	<b>\$ 1,219,544</b>	<b>\$ 3,219,417</b>

**Pikes Peak Library District**  
**Balance Sheet – Governmental Funds**  
**December 31, 2021**

	<u>General</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and investments	\$ 18,981,898	\$ -	\$ 18,981,898
Property taxes receivable	33,216,253	-	33,216,253
Accounts receivables	155,128	8,694	163,822
Due from discretely presented component unit	10,331	-	10,331
Due from other governments	294,524	-	294,524
Due from other funds	-	4,359,807	4,359,807
Prepaid items	400,575	-	400,575
<b>Total assets</b>	<u>\$ 53,058,709</u>	<u>\$ 4,368,501</u>	<u>\$ 57,427,210</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,081,415	\$ 41,473	\$ 1,122,888
Accrued compensation payable	968,869	-	968,869
Due to other funds	4,359,807	-	4,359,807
<b>Total liabilities</b>	<u>6,410,091</u>	<u>41,473</u>	<u>6,451,564</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	33,216,253	-	33,216,253
Unavailable fund resources	103,885	-	103,885
<b>Total deferred inflows of resources</b>	<u>33,320,138</u>	<u>-</u>	<u>33,320,138</u>
<b>Fund Balances</b>			
Nonspendable:			
Prepaid expenditures	400,575	-	400,575
Restricted for:			
Declared emergencies	1,058,065	-	1,058,065
Gifts and grants	334,408	812	335,220
Total restricted	<u>1,392,473</u>	<u>812</u>	<u>1,393,285</u>
Committed to:			
Capital projects	-	4,326,216	4,326,216
Assigned to:			
Purchased contracts	171,806	-	171,806
Library materials	134,756	-	134,756
Total assigned	<u>306,562</u>	<u>-</u>	<u>306,562</u>
Unassigned	11,228,870	-	11,228,870
<b>Total fund balances</b>	<u>13,328,480</u>	<u>4,327,028</u>	<u>17,655,508</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 53,058,709</u>	<u>\$ 4,368,501</u>	<u>\$ 57,427,210</u>

**Pikes Peak Library District**  
**Reconciliation of the Balance Sheet of Governmental**  
**Funds to the Statement of Net Position**  
**December 31, 2021**

**Amounts reported for governmental activities in the statement of net position (page 47) are different because:**

<b>Fund balances - total governmental funds (page 51)</b>		\$ 17,655,508
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Cost of capital assets	\$ 81,911,358	
Less: accumulated depreciation	<u>(49,576,670)</u>	
Net capital assets		32,334,688
Certain long-term pension related costs and adjustments are not payable currently and are therefore not reported in the funds.		
Net pension-related amounts		(26,518,121)
Liabilities that are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued compensated absences		(2,141,735)
Certain revenue earned but not available, classified as deferred inflows in governmental funds is susceptible to full accrual on the entity-wide statements		103,885
Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		<u>313,188</u>
<b>Net position - governmental activities (page 47)</b>		<u><u>\$ 21,747,413</u></u>

**Pikes Peak Library District**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds**  
**Year Ended December 31, 2021**

	<b>General</b>	<b>Other Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 35,123,014	\$ -	\$ 35,123,014
Intergovernmental	823,325	-	823,325
Fines and fees	86,322	-	86,322
Interest earnings	9,250	-	9,250
Donations	234,218	75,000	309,218
Miscellaneous	72,685	10,203	82,888
<b>Total revenues</b>	<b>36,348,814</b>	<b>85,203</b>	<b>36,434,017</b>
<b>Expenditures</b>			
Current			
Public Services	18,401,912	-	18,401,912
Human Resources Office	663,463	-	663,463
Chief Librarian and CEO Office	265,484	-	265,484
Development Office	243,646	-	243,646
Finance Office	653,170	-	653,170
Facilities Office	3,412,114	-	3,412,114
Information Technology Office	2,485,557	-	2,485,557
Communications Office	943,064	-	943,064
Security Services	902,251	-	902,251
Other administrative	4,000,992	-	4,000,992
Capital outlay	58,746	1,170,016	1,228,762
<b>Total expenditures</b>	<b>32,030,399</b>	<b>1,170,016</b>	<b>33,200,415</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,318,415</b>	<b>(1,084,813)</b>	<b>3,233,602</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	2,310,026	2,310,026
Transfers out	(2,310,026)	-	(2,310,026)
<b>Total other financing sources (uses)</b>	<b>(2,310,026)</b>	<b>2,310,026</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2,008,389</b>	<b>1,225,213</b>	<b>3,233,602</b>
<b>Fund balances, beginning of year</b>	<b>11,320,091</b>	<b>3,101,815</b>	<b>14,421,906</b>
<b>Fund balances, end of year</b>	<b>\$ 13,328,480</b>	<b>\$ 4,327,028</b>	<b>\$ 17,655,508</b>

**Pikes Peak Library District**  
**Reconciliation of Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2021**

**Amounts reported for governmental activities in the statement of activities (page 49) are different because:**

**Net change in fund balances - total governmental funds (page 53)** \$ 3,233,602

Revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements until they become available. The amount is the difference in the treatment of revenue recognition. (331,680)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Depreciation expense	(3,410,018)
Capital outlay for building, furniture, land and vehicles	567,422
Amounts paid for books, audio visual materials and historical collections	1,630,811

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold. (51,422)

Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amounts represent the actuarial cost of the benefits for the fiscal year.

Pension related amounts	(1,668,932)
-------------------------	-------------

Compensated absences expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 88,394

Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to the individual funds. The net revenue of the internal service fund is reported with governmental activities. (299,152)

**Change in net position - governmental activities (page 49)** \$ (240,975)

# Pikes Peak Library District

## Statement of Net Position

### Proprietary Fund

December 31, 2021

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 576,328
Due from other governments	703
Deposit	<u>36,667</u>
<b>Total current assets</b>	<u>613,698</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Claims payable	<u>300,510</u>
<b>Total current liabilities</b>	<u>300,510</u>
<b>Net Position</b>	
<b>Total Net Position - Unrestricted</b>	<u><u>\$ 313,188</u></u>

# Pikes Peak Library District

## Statement of Cash Flows

### Proprietary Fund

Year Ended December 31, 2021

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues</b>	
Employer contributions	\$ 2,070,811
Employee contributions	<u>426,250</u>
<b>Total operating revenues</b>	<u>2,497,061</u>
<b>Operating expenses</b>	
Claims incurred	1,826,349
Administrative	<u>969,905</u>
<b>Total operating expenses</b>	<u>2,796,254</u>
<b>Operating loss</b>	<u>(299,193)</u>
<b>Nonoperating revenues</b>	
Investment earnings	<u>41</u>
<b>Change in net position</b>	(299,152)
<b>Total net position, beginning of year</b>	<u>612,340</u>
<b>Total net position, end of year</b>	<u><u>\$ 313,188</u></u>

**Pikes Peak Library District**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended December 31, 2021**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities</b>	
Employee and employer contributions	\$ 2,497,061
Payment of claims and administrative expenses	<u>(2,647,999)</u>
<b>Net cash used in operating activities</b>	<u>(150,938)</u>
<b>Cash flows from investing activities</b>	
Interest received	<u>41</u>
<b>Net decrease in cash and cash equivalents</b>	(150,897)
<b>Cash and cash equivalents - January 1</b>	<u>727,225</u>
<b>Cash and cash equivalents - December 31</b>	<u>\$ 576,328</u>
<b>Reconciliation of operating gain to net cash provided by operating activities</b>	
Operating loss	<u>\$ (299,193)</u>
Adjustments to reconcile operating loss to net cash used in operating activities	
Change in due from other funds	(703)
Change in claims payable	<u>148,958</u>
<b>Total adjustments</b>	<u>148,255</u>
<b>Net cash used in operating activities</b>	<u>\$ (150,938)</u>

**Pikes Peak Library District**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**December 31, 2021**

	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 56,733
Other assets	11,000
<b>Total assets</b>	<b>\$ 67,733</b>
<b>Liabilities</b>	
Accounts payable	\$ 10,388
<b>Net Position</b>	
Restricted for individuals	\$ 57,345

**Pikes Peak Library District**  
**Statement of Changes of Fiduciary Net Position**  
**Fiduciary Fund**  
**December 31, 2021**

	<b>Custodial Fund</b>
<b>Additions</b>	
Contributions - employees	\$ 96,280
<b>Deductions</b>	
Benefit payments	92,764
<b>Net increase in fiduciary net position</b>	3,516
<b>Net position - beginning of year</b>	53,829
<b>Net position - end of year</b>	\$ 57,345

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# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

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**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note I: Summary of Significant Accounting Policies**

The financial statements of the Pikes Peak Library District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

***I-A. Reporting Entity***

The District was created through state statute (C.R.S. 24-90-110). A joint committee equally represented by the City of Colorado Springs, Colorado and El Paso County, Colorado appoints members of the District's seven-member Board of Trustees.

As required by US GAAP, these financial statements present the District and its discretely presented component unit, the Pikes Peak Library District Foundation, which is reported in a separate statement in the financial statements to emphasize it is legally separate from the District.

Depending upon the significance of the District's financial and operational relationships with various separate entities, the organizations are classified as blended or discrete component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

**Related Organizations** – The District had no financial relationships of this type during the fiscal year ended December 31, 2021.

**Joint Ventures** – The District did not participate in any joint venture during the fiscal year ended December 31, 2021.

**Jointly Governed Organizations** – The District had no financial relationships of this type during the fiscal year ended December 31, 2021.

**Discretely Presented Component Unit**

The Pikes Peak Library District Foundation, Inc. (the Foundation).

The Foundation, which was formed in 2003, was established exclusively for the benefit of, to perform the function of, or to carry out the charitable and educational purposes of the Pikes Peak Library District. The Foundation is a tax-exempt corporation under the provisions of 501(c)(3) of the Internal Revenue Code. The Foundation issues separate financial statements and a copy can be obtained from the District's Financial Office at 1175 Chapel Hills Drive, Colorado Springs, Colorado 80920.

The District maintains control of the Foundation in the following areas:

- The Board of Trustees of the District originally elected members of the Foundation's Board of Directors. The Members of the Foundation Board make subsequent Board appointments.

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

- The Foundation may not disburse funds for costs that have not been recommended by the District's Board of Trustees.
- Two members of the District's Board of Trustees serve on the Foundation's Board of Directors at all times.

### *I-B. Basis of Presentation*

The District's basic financial statements consist of government-wide statements, including a statement of net position, a statement of financial position and statements 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 District's statement of net position, the Foundation's statement of financial position and a statement of activities for the District and the Foundation. These statements report financial information on all the non-fiduciary activities of the District and its component unit. The effect of interfund activity has been removed from these statements. The primary government and the discretely presented component unit are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed, and the statements report governmental activities, generally supported by taxes and District general revenues. The District does not have any business-type activities, which rely to a significant extent on fees and charges for support.

The District's statement of net position presents the financial position of the governmental activities of the District at year-end. The Foundation's statement of financial position presents the financial position of the Foundation at year-end using not-for-profit accounting and financial reporting principles promulgated by the Financial Accounting Standards Board.

The District's statement of activities presents a comparison between direct expenses and program revenues for the year for each function of the District's governmental activities. The Foundation's statement of activities presents the activities of the Foundation using not-for-profit accounting and financial reporting principles promulgated by the Financial Accounting Standards Board. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that function. The District does not allocate indirect expenses to functions in its statement of activities.

The Foundation reports under not-for-profit accounting and financial reporting principles promulgated by the Financial Accounting Standards Board, including FASB Codification ASC 958-205. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences. Because the Foundation uses generally accepted accounting principles (GAAP) reporting model that is different from the District's reporting model, the District has elected to present the Foundation's financial statements separately from those of the District as provided for under GASB standards.

The District's statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

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 that report fees and other charges to users of the District's services; (2) operating grants and contributions that finance annual operating activities including restricted investment income; and (3) capital grants and contributions that 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*.

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

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

The major individual governmental fund (the General Fund) is reported in a separate column with a composite column for non-major funds.

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

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

The following is the District's 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 District for any purpose provided it is expended or transferred according to the general laws of Colorado.

Additionally, the District reports the following non-major governmental fund type:

*Special Revenue Fund* – This fund accounts for resources that are restricted or committed for specific purposes, specifically gifts and grants.

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*Capital Projects Funds* – These funds account for the financial activity related to significant capital projects.

The District also reports the following proprietary fund type:

*Internal Service Fund* – This fund accounts for the health insurance plan that is provided to eligible District employees (employees with a regularly scheduled workweek of 30 hours or more).

Additionally, the District reports the following fiduciary fund type:

*Custodial Fund* – This fund is used to report resources held by the District in a purely custodial capacity. This fund is used to account for contributions made by employees who elect to participate in the District’s Flexible Spending Program as authorized under Section 125 of the Internal Revenue Code.

As a rule, interfund services provided and used are not eliminated in the process of consolidation of the government-wide statement of activities.

Proprietary funds distinguish operating revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s Internal Service Fund are charges to customers for sales and services. Operating expenses for the District’s Internal Service Fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

***I-C. Measurement Focus***

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

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

# Pikes Peak Library District

## Notes to Financial Statements

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### *I-D. Basis of Accounting*

#### *District*

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, and the fiduciary fund uses the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned 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.

The District considers revenues, other than grants, to be measurable and available if collected within three months after year-end. Grants are considered measurable and available if 1) they are collected within one year after year-end, and 2) all eligibility requirements, including incurring allowable costs, have been met.

*Revenues – Non-exchange Transactions* – Non-exchange transactions in which the District receives value without directly giving equal value in return, include property taxes, specific ownership taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note III-B-1.). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

*Unearned Revenue* – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue.

*Deferred Outflows and Inflows of Resources* – Deferred outflows related to pensions arise from differences between expected and actual experience about economic and demographic factors, changes in assumptions or other inputs, projected and actual pension plan earnings, and changes in

# Pikes Peak Library District

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proportional share. These deferrals are amortized over a closed period. The amounts not recognized as a pension expense in the current year are reported as deferred outflows related to pensions.

Deferred inflows of resources are an acquisition of net position by the District that is applicable to a future reporting period, and deferred outflows of resources is a consumption of net position by the District that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as deferred inflows of resources. In addition, property tax receivables are reported as deferred inflows of resources when levied in the fund statements.

Since property taxes are levied in December (i.e., there is a legal claim) for the next calendar year's operations, the total levy is reported as taxes receivable and deferred inflows.

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

In addition, deferred outflows and deferred inflows related to pension liabilities are presented separately under this category, and they are more fully described under note IV-A.

*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.

### ***Foundation***

The Foundation uses the accrual basis of accounting.

Net assets with donor restrictions are those whose use by the Foundation has been limited by donors to a specific time period or purpose, and include amounts restricted by donors to be maintained by the Foundation in perpetuity.

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor, and for which the restriction is met in the same time period, are recorded as net assets with donor restrictions and then released from restriction.

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Gifts of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

In addition to receiving cash contributions, the Foundation receives in-kind contributions from various donors. It is the policy of the Foundation to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount.

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation had no unrelated business taxable income for the year ended December 31, 2021. The Foundation is not considered a private foundation.

### ***I-E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balances***

#### ***I-E-1. Cash, Cash Equivalents, and Investments***

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District.

Investments are stated at fair value based on quoted market prices.

Under Colorado statutes, the District, its fund and fund types may lawfully invest eligible funds in the following securities:

- a. Obligations of the United States and certain U.S. government agencies' securities.
- b. Certain international agency securities.
- c. General obligation and revenue bonds of U.S. local government entities.
- d. Bankers' acceptances of certain banks.
- e. Commercial paper.
- f. Local government investment pools.
- g. Written repurchase agreements collateralized by certain authorized securities.
- h. Certain money market funds.
- i. Guaranteed investment contracts.
- j. Certain corporate bonds

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The District may also deposit funds in Colorado financial institutions that are members of the Federal Deposit Insurance Corporation.

***I-E-2. Receivables***

All trade and property tax receivables are reported net of an allowance for uncollectible amounts, when applicable. Property tax allowance as of December 31, 2021 was \$175,000.

***I-E-3. Restricted Assets***

Restricted assets are reported when restrictions on asset use change the nature or normal understanding of the availability of the asset. Restrictions on assets can be externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or can be imposed by law through constitutional provisions or enabling legislation.

***I-E-4. Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses 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 and after the non-operating revenues/expenses section in the Internal Service Fund. Repayments from funds responsible for expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between funds reported in the governmental activities' column are eliminated.

***I-E-5. Prepaid Items***

Payments made to vendors for services (e.g., insurance, rents, and library services from other libraries) that 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 available for general appropriation.

***I-E-6. Capital Assets***

Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, books and audiovisual materials and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. These assets generally result from expenditures in governmental funds. The District reports these assets in the governmental activities' column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements.

# Pikes Peak Library District

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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 their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, collections of historical treasures and construction-in-progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Leasehold improvements are depreciated over the shorter of the term of the lease or the estimated useful life of the asset. Depreciation is computed using the straight-line method over the following useful lives:

<b>Description</b>	<b>Estimated Lives</b>
Land improvements	20 years
Buildings	20 years
Vehicles	5 to 10 years
Computer equipment	3 to 5 years
Other equipment	3 to 5 years
Furniture and fixtures	10 to 30 years
Books and audio visual materials	6 years

The District capitalizes its library books and audiovisual materials. Purchased items are recorded at cost, and donated items are capitalized at fair value on the date donated. Damage and lost materials are deleted from the inventory, using the specific identification method.

### ***I-E-7. Compensated Absences***

Employees earn 15 to 20 days of vacation leave annually based on length of service. District policy allows employees to carryover up to 320 hours of unused vacation leave into the next year for full-time employees, prorated for part-time employees. All outstanding vacation leave is payable upon resignation, termination, retirement, or death.

Employees also earn sick leave and can accumulate up to 180 days of sick leave. Accumulated sick leave is payable only upon retirement or termination after twenty years of service at 50% of the accrued balance as specified in the District's policies. Upon resignation, termination, or death prior to 20 years of service, any outstanding sick leave is forfeited.

The District estimates its accrued sick leave liability based on the sick leave accumulated at the statement of net position date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

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 matured*".

### ***I-E-8. 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 and are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

### ***I-E-9. Net Position or Fund Balances***

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".

*Net Position* – Net position is assets minus liabilities plus deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

*Fund Balance* – Generally, fund balances reflect assets minus liabilities and deferred inflows of resources. Financial reporting standards establish criteria for classifying fund balance amounts into specifically defined categories to make the nature and extent of constraints on these amounts more useful and understandable. The categories comprise a hierarchy based on the extent to which constraints must be honored for a specified purpose and for which amounts can be spent. Fund balances of governmental funds may be categorized as Nonspendable, restricted, committed, assigned, and unassigned.

*Nonspendable Fund Balance* – cannot be spent because it is either in Nonspendable form or is legally or contractually required to be maintained intact. Examples include items not expected to be converted to cash such as inventories and prepaid assets.

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*Restricted Fund Balance* – is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – is constrained for a specific purpose by formal action (resolution or ordinance) adopted by the Board of Trustees, and can be rescinded only through the same type of formal action used to establish the original commitment. Trustee actions require either an ordinance or resolution. Both are equally binding for their respective purposes and are mutually exclusive, not interchangeable with one another.

*Assigned Fund Balance* – is constrained for specific purposes as determined by management and the Board of Trustees through the budget process. The Chief Librarian and CEO is the only employee authorized to assign fund balance.

*Unassigned Fund Balance* – is unconstrained and comprised of residual uncategorized fund balance amounts. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative fund balance in those funds.

As previously discussed, the District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

### ***I-E-10. Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 II: Stewardship, Compliance and Accountability**

### ***II-A. Budgetary Information***

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. The District adopts an annual operating budget for its General Fund, Special Revenue Fund, Debt Service Fund (none for 2021) and Capital Projects Funds. During October, the Chief Librarian/CEO submits to the Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and means of financing them.

# Pikes Peak Library District

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- Public hearings are conducted by the Board of Trustees to obtain taxpayer comments.
- Prior to December 15, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Executive Director and/or Chief Finance Officer. The Board of Trustees must approve revisions that alter the total expenditures of any fund.
- Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts reported in the accompanying financial statements are as originally adopted per a separate budget report, and as amended by the Executive Director and/or the Board of Trustees throughout the year.

The original appropriation (including transfers out) for all governmental funds has been amended as follows:

<b>Changes to Original Budget</b>			
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Budget Change</b>
General Fund	\$ 34,559,749	\$ 34,455,860	\$ (103,889)
Designated Purpose Fund	-	105,721	105,721
North Facility Project Fund	165,000	354,864	189,864
East Library Renovation Fund	84,200	158,542	74,342
Penrose Library Renovation Fund	162,500	418,470	255,970
Capital Reserve Fund	1,837,102	4,459,447	2,622,345

- All original and supplemental appropriations for all funds lapse at the end of the year.

### ***II-B. Encumbrances***

Appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse as of the end of the fiscal year, the succeeding year's budget is amended for the re-appropriation of year-end encumbrances.

### **Note III: Detailed Notes on All Funds**

#### ***III-A. Deposits and Investments***

##### ***III-A-1. Deposits***

Deposits include bank accounts and short-term investments.

# Pikes Peak Library District

## Notes to Financial Statements

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The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulators. Amounts on deposit more than federal deposit insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another financial institution or held in trust. The fair value of the collateral must be equal to 102% of the aggregate uninsured deposits.

The District has transaction accounts that are covered under FDIC insurance. The FDIC insurance limit for cash accounts is \$250,000. The carrying amount of the District's deposits, excluding the cash held in the Custodial Fund of \$56,733, as of December 31, 2021 was \$832,865. The bank balances, excluding the cash held in the Custodial Fund of \$56,733, were \$1,476,955, of which \$976,955 is not covered by federal deposit insurance. While this amount is uninsured, it is collateralized in accordance with provisions of the PDPA. Additionally, the District had \$15,689 in cash on hand as of December 31, 2021.

### **III-A-2. Investments**

Investment decisions are governed by the District's investment policy.

The primary objectives of the investment policy are:

*Safety of Principal* – The primary objective is to protect against the loss of any principal.

*Liquidity* – Investments will be managed to ensure that funds are available to meet obligations, as necessary.

*Yield* – Investments will be managed to optimize returns within the appropriate safety and liquidity constraints.

The standard of prudence to be used shall be the "prudent investor" standard which states "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for preservation, considering the probable safety of their capital as well as probable income to be derived."

*Interest Rate Risk* – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The following is a list of eligible instruments for investments:

*U.S. Treasury Obligations* – Treasury Bills, Notes and Bonds with a maturity of five years or less.

*Federal Agency Securities* – Instruments such as those issued by the Government National Mortgage Association (GNMA) that are backed by the full faith and credit of the U.S. Treasury. Such securities must have a maturity of five years or less.

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*Federal Instrumentality Securities* – Instruments such as those issued by the Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), and the Federal Home Loan Mortgage Corporation (FHLMC). These obligations carry only an implied government guarantee. Such securities must have a maturity of five years or less.

*Repurchase Agreements* – Such instruments must be collateralized at 102% by U.S. Treasury securities, Federal Agency securities, or Federal Instrumentality securities.

*Prime Commercial Paper* – Such instruments must have a maturity of 270 days or less, and be rated in the highest category by one or more nationally recognized rating services.

*Bonds* – Instruments/debt issued by a U.S. corporation or bank with a net worth more than \$250 million. Securities must mature within three years and must be rated at least AA or Aa3 by two or more nationally recognized rating services.

*Bankers Acceptances* – Instruments issued by a state or national bank with a combined capital surplus of at least \$250 million.

*General Obligation Debt or Revenue Obligation Debt* – Debt with a maturity of five years or less, issued by any state or any political subdivision of any state.

*Local Government Investment Pools* – Investment pools, such as COLOTRUST, which are authorized by C.R.S. 24-75-701 and 702 at seq.

*Money Market Mutual Funds* – Funds that are registered under the Investment Company Act of 1940 that are no load and maintain a constant share price. Funds must be rated in the highest category by one or more nationally recognized rating services and must have a weighted average maturity in accordance with Federal Securities Regulation 2a-7.

*Interest-bearing Accounts, Certificates of Deposit* – Such accounts either must be fully insured by the FDIC or are approved to accept public deposits, and which have pledged eligible collateral to secure uninsured public funds on deposit with such institution in accordance with the requirements of the PDPA.

The District has invested in the Colorado Government Liquid Asset Trust (COLOTRUST). This investment vehicle has been established for local government entities in Colorado to pool surplus funds for investment purposes by state statute. This fund operates similarly to a money market fund and each share is equal in value to \$1.00. This investment pool operates under the authority and in conformity with Part 6 of Article 75 of Title 24 of the Colorado State Revised Statutes.

### **Credit Risk**

The composition of the portfolio will vary according to market opportunities; however, the investment should be diversified by security type and institution.

# Pikes Peak Library District

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<b>Instrument</b>	<b>Allowed</b>	<b>Per Issuer</b>
U.S. Treasury Obligations	100%	100%
Federal Agency Securities	75%	50%
Federal Instrumentality Securities	75%	50%
Repurchase Agreements	100%	50%
Prime Commercial Paper	100%	100%
Bonds	50%	50%
Banker's Acceptances	50%	50%
General Obligation Debt or Revenue Obligation Debt	50%	50%
Local Government Investment Pools	100%	100%
Money Market Mutual Funds	100%	100%
Interest-bearing Accounts, Certificates and Deposits	100%	100%

The maturity of the securities shall be structured to avoid undue concentration in any sector of the yield curve. No investment maturity shall exceed three years. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board.

The District's policy permits investment in local government investment pools. Current investments of \$18,709,671 are held in COLOTRUST, which was rated AAAM by Standard & Poor's on December 31, 2021. The District policy also encourages diversification of investments, limited to the Colorado Revised Statute CRS 24-75-701.

# Pikes Peak Library District

## Notes to Financial Statements

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### *Cash and Investment Reconciliation*

	<b>Cash and Cash Equivalents</b>	<b>Investments</b>	<b>Total</b>
Governmental activities - statement of net position	\$ 848,554	\$ 18,709,671	\$ 19,558,225
Custodial Fund	56,733	-	56,733
Less cash on hand and petty cash	(15,689)	-	(15,689)
Total deposits and investments	<u>\$ 889,598</u>	<u>\$ 18,709,671</u>	<u>\$ 19,599,269</u>
Per note disclosure above			
Deposits			\$ 889,598
Investments			18,709,671
Primary government total			<u>\$ 19,599,269</u>

The Foundation's cash and investments are comprised of the following as of December 31, 2021:

	<b>2021 Amount</b>	<b>Institutions</b>	<b>Insurance or Collateral</b>	<b>Credit Ratings of Underlying Securities *</b>
Money market savings account	\$ 667,183	ENT Federal Credit Union	\$667,183	N/A
Investments (stocks, bonds, mutual funds)	2,391,307	Members Trust Company	-	A/AAA
Investment level money market account	77,980	Members Trust Company	-	A1/P1
Total	<u>\$ 3,136,470</u>			

\* As applicable

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside

# **Pikes Peak Library District**

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party. The Foundation's cash and investments are exposed to \$2,469,287 of custodial credit risk as of December 31, 2021.

### ***Investment in a State Investment Pool***

During the year, the District invested in COLOTRUST, a public fund investment pool established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool.

The City's investment in COLOTRUST is rated AAAM by S&P. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Separately issued financial statements may be obtained at the following address:

COLOTRUST  
717 17th Street, Suite 1850  
Denver, CO 80202  
[www.colotrust.com](http://www.colotrust.com)

### ***III-B. Taxes***

#### ***III-B-1. Property Taxes***

Property taxes for the current year are certified in arrears to El Paso County on December 15 and attach as a lien on property the previous January 1. For example, property taxes owed in 2021 are certified to the County in December 2020 and are available for collection on the due date, January 1, 2021. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. El Paso County bills and collects property taxes for all taxing districts in the County. The property tax receipts collected by El Paso County are remitted to the District in the subsequent month.

Property taxes are reported as a receivable and as deferred inflows of resources when the District has an enforceable legal claim to the taxes and as revenue when available for collection in the following year.

#### ***III-B-2. Specific Ownership Taxes***

Specific ownership taxes are collected by El Paso County for motor vehicles and other personal property registered in the District's assessment area. Specific ownership taxes are recorded as revenue when collected by El Paso County.

### ***III-C. Interfund Receivables, Payables, and Transfers***

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

The following schedule reflects the District’s interfund receivables and payables as of December 31, 2021:

<b>Receivable Fund</b>	<b>Payable Fund General Fund</b>
Designated Purpose Fund	\$ 100,688
Penrose Library Renovation Fund	342,977
East Library Renovation Fund	113,493
North Facility Project Fund	315,403
Capital Reserve Fund	3,487,246
Total	\$ 4,359,807

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

	<b>Transfers Out</b>
<b>Transfers In</b>	<b>General Fund</b>
Penrose Library Renovation Fund	\$ 524
East Library Renovation Fund	84,200
North Facility Project Fund	165,000
Capital Reserve Fund	2,060,302
	\$ 2,310,026

Transfers are used to:

(1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them,

(2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

### III-D. Capital Assets

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

	<b>Balance January 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2021</b>
<b>Governmental activities</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 5,317,363	\$ -	\$ -	\$ 5,317,363
Collections of historical treasurers	9,597,286	-	-	9,597,286
Construction in progress	51,423	11,519	(51,422)	11,520
<b>Total capital assets not being depreciated</b>	<u>14,966,072</u>	<u>11,519</u>	<u>(51,422)</u>	<u>14,926,169</u>
<b>Capital assets, being depreciated</b>				
Land improvements	942,891	-	-	942,891
Leasehold improvements	1,069,528	235,175	-	1,304,703
Buildings	44,978,432	213,701	-	45,192,133
Equipment, furniture and fixtures	6,033,402	118,546	(382,775)	5,769,173
Vehicles	845,073	-	(26,950)	818,123
Books and audio visual materials	13,859,505	1,630,811	(2,532,150)	12,958,166
<b>Total capital assets being depreciated</b>	<u>67,728,831</u>	<u>2,198,233</u>	<u>(2,941,875)</u>	<u>66,985,189</u>
<b>Less accumulated depreciation for</b>				
Land improvements	(181,187)	(47,119)	-	(228,306)
Leasehold improvements	(1,010,747)	(45,383)	-	(1,056,130)
Buildings	(31,505,696)	(1,257,734)	-	(32,763,430)
Equipment, furniture and fixtures	(4,594,534)	(345,152)	382,775	(4,556,911)
Vehicles	(759,375)	(30,554)	26,950	(762,979)
Books and audio visual materials	(11,056,988)	(1,684,076)	2,532,150	(10,208,914)
<b>Total accumulated depreciation</b>	<u>(49,108,527)</u>	<u>(3,410,018)</u>	<u>2,941,875</u>	<u>(49,576,670)</u>
<b>Total capital assets, being depreciated, net</b>	<u>18,620,304</u>	<u>(1,211,785)</u>	<u>-</u>	<u>17,408,519</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 33,586,376</u>	<u>\$ (1,200,266)</u>	<u>\$ (51,422)</u>	<u>\$ 32,334,688</u>
<b>Governmental activities depreciation expense</b>				
Public services				\$ 3,002,616
Administrative services				232,625
Information Technology				<u>174,777</u>
<b>Total governmental activities depreciation expense</b>				<u>\$ 3,410,018</u>

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

### III-E. Long-term Liabilities

#### *III-E-1. Changes in Long-term Liabilities*

Long-term liability activity of the District for the year ended December 31, 2021 was as follows:

	<b>Balance January 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2021</b>	<b>Due Within One Year</b>
Governmental activities					
EPCRP net pension liability	\$ 41,337,280	\$ -	\$ 26,963,727	\$ 14,373,553	\$ -
Compensated absences *	<u>2,056,075</u>	<u>2,551,708</u>	<u>2,466,048</u>	<u>2,141,735</u>	<u>642,521</u>
Total governmental activities					
long-term liabilities	<u>\$ 43,393,355</u>	<u>\$ 2,551,708</u>	<u>\$ 29,429,775</u>	<u>\$ 16,515,288</u>	<u>\$ 642,521</u>

Compensated absences are generally liquidated by the General Fund.

\* Reported in accrued compensation payable in the Statement of Net Position, which also includes accrued wages.

#### *III-E-2. Computation of Legal Debt Margin*

Assessed valuation	<u>\$ 8,218,213,120</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 123,273,197</u>
Total debt (excluding compensated absences)	<u>-</u>
Total debt applicable to limitation	<u>-</u>
Legal debt margin	<u>\$ 123,273,197</u>

Capital leases are not included as debt for purposes of calculating legal debt margin (Colorado Revised Statute 22-42-104).

#### *III-F. Operating Agreements*

The District has entered into several agreements for building leases, equipment, and services. All agreements are renewable on a year-to-year basis. Should the Board of Trustees fail to appropriate funds for the subsequent budget year, the agreements can be terminated. The total cost for such agreements was \$994,123 for the year ended December 31, 2021.

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

The future minimum payments for the agreements, subject to the renewal process described above, are as follows:

<b><u>Year Ending December 31,</u></b>	
2022	1,093,965
2023	1,086,392
2024	952,046
2025	411,672
2026	365,472
Future years	<u>869,246</u>
Total	<u><u>\$ 4,778,793</u></u>

### Note IV: Other Information

#### *IV-A. Retirement Plan*

The District participates in the El Paso County Retirement Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Plan have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General** — The Plan is a cost-sharing multiple employer defined benefit plan covering all permanent, full-time, and job-share employees of the participating employers upon their date of employment. Employers, as defined in the Plan document, include El Paso County, El Paso County Public Health, Pikes Peak Library District, 4th Judicial District Attorney and El Paso County Retirement Plan. All employees hired after September 1, 1967 are required to participate. Employees hired from 1974 through 1981 who were age 60 or older at their date of employment could elect to become a member as of January 1, 1982.

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

The participants of the Plan consisted of the following as of December 31, 2020 (the most recent actuarial valuation date):

Inactive plan members or beneficiaries currently receiving benefits	1,871
Inactive plan members entitled to but not yet receiving benefits	626
Active plan members	<u>2,884</u>
Total	<u><u>5,381</u></u>

The El Paso County Board of Retirement (the Board) manages and administers the Plan. The Board consists of five members, one of whom is the El Paso County Treasurer, two of whom are appointed by the El Paso County Board of Commissioners (the Board of Commissioners) and two of whom are employees of the participating employers elected by participants. The Board shall have all powers necessary to affect the management and administration of the Plan in accordance with its terms. The Board has the powers set forth in Part 1, Title 24, Article 54, of the Colorado Revised Statutes.

**Plan Amendments** — The Board has the right to alter, amend, or terminate the Plan or any part thereof in such manner as it may determine; provided that no such alteration or amendment shall provide that a retirement benefit payable to any retired member shall be less than that provided by his or her accumulated contributions or affect the right of any member to receive a refund of his accumulated contributions and provided further that no alteration, amendment or termination of the Plan or any part thereof shall permit any part of the Plan to revert to or be recoverable by any employer or be used for or diverted to purposes other than the exclusive benefit of members, retired members, terminated vested members or beneficiaries under the Plan, except such funds, if any, as may remain at termination of the Plan after satisfaction of all liabilities with respect to members, retired members, terminated vested members and beneficiaries under the Plan and are due solely to erroneous actuarial calculations.

The Plan is intended to comply with the requirements of the applicable provisions of Internal Revenue Service Code Section 401(a) as now in effect or hereafter amended, and any modification or amendment of the Plan may be made retroactive, as necessary or appropriate, to establish and maintain such compliance.

**Contributions** — Contribution requirements are established and may be amended by the Board. Through December 31, 2009, participants contributed 6% of their monthly compensation to the Plan. The Plan was amended during 2009 to increase the participant monthly contribution rate to 6.5% effective January 1, 2010, 7.0% effective January 1, 2011 and 7.5% effective January 1, 2012. The Plan was further amended in 2013 to increase the participant monthly contribution rate to 8.0% effective January 1, 2014. The participating employers make monthly contributions at least equal to the contributions made by the participants. Interest is credited on employee

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

contributions at the rate of 3% per annum, compounded monthly. Employee and employer basic contributions amounted to 16% of covered payroll for both 2021 and 2020.

Contributions are tax-deferred to the participants for federal income tax purposes. If participants have at least five or eight years of credited service (see Retirement Benefits below), they are eligible to receive a future monthly retirement benefit. Any refund of contributions paid waives all future rights to any benefits. However, eligible participants who return to employment with a participating employer within 48 months and were previously refunded their contributions may reinstate withdrawn service if they repay the Plan the amount received when employment was terminated, plus interest, within twelve months of rehire.

Active participants who have completed five years of service if hired before January 1, 2013 and eight years of service if hired on or after January 1, 2013 may purchase up to five years of service credit for any period of full-time, nonvested previous employment with any public or private employer. One month of service credit may be purchased for each full month of full-time, nonvested, noncovered employment. The cost to purchase one month of service credit for noncovered employment is the “actuarial equivalent cost”, as determined by the actuary for the Plan.

Participants may elect to pay for purchases of service credit in a lump sum or on an installment basis. Effective July 2016, service credit purchases may also be made by rollover contributions from an eligible retirement plan. Payments may be made on a monthly, quarterly, or annual basis with interest due at the actuarial equivalent interest rate for periodic benefits. The period over which installment payments may be made cannot exceed a period equal to the total amount of credited service to be purchased. Purchased service is recognized when paid.

Contributions to the plan by the District were \$1,016,389 for 2021.

**Administrative Expenses** — The Plan's administrative expenses are paid from the assets of the Plan accumulated from contributions and investment earnings.

**Termination Benefits** — Participants vest in accumulated contributions as follows:

- (a) If hired before January 1, 2013 and credited with less than five years of service or hired on or after January 1, 2013 and credited with less than eight years of service: Refund of the participant's accumulated contributions.
- (b) If hired before January 1, 2013 and credited with five or more years of service or hired on or after January 1, 2013 and credited with eight or more years of service:
  2. The participant may elect to receive a deferred retirement benefit which shall be equal to the participant's accrued benefit as of the date of termination and payable on the participant's normal retirement date. The participant may elect to receive a reduced retirement benefit beginning on the first day of any month after the participant's attainment of age 55. The reduction shall be 3% for each year by which payments commence prior to the first of the month following the participant's normal retirement date.
  3. In lieu of (i), a participant may elect a current refund of accumulated contributions made by the participant.

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

**Retirement Benefits** — Participants hired before January 1, 2010 are eligible for normal retirement on the first of the month coincident with attainment of age 62. Participants hired after December 31, 2009 are eligible for normal retirement after attainment of age 62, but not before the completion of 60 months of continuous service. Participants hired after December 31, 2012 are eligible for normal retirement after attainment of age 62, but not before the completion of 96 months of continuous service.

If hired before January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.22% times the final average monthly compensation, times years of credited service earned through December 31, 2012 and 2.00% times the final average monthly compensation, times years of credited service earned after December 31, 2012. If hired on or after January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.00% times final average monthly compensation times years of credited service.

The normal retirement benefit will not be greater than 75% of the participant's final average monthly compensation if hired before January 1, 2013 and not greater than 60% of final average monthly compensation if hired on or after January 1, 2013. Final average compensation is the highest monthly average of considered compensation during the 36 consecutive calendar months of credited service out of the last 120 calendar months of credited service.

A participant is eligible for an early retirement benefit at age 55, provided the member has completed five or eight years of credited service. If the participant is hired before January 1, 2013, five years is required. If hired on or after January 1, 2013, eight years is required. The monthly pension is based on the vested portion of the normal retirement benefit, reduced by 3% for each year the early retirement date precedes the normal retirement date.

A participant is eligible for special early retirement benefits if the sum of the participant's age and credited service equals 75 or more. Employees hired on or after January 1, 2016 must be a minimum age of 50 to be eligible under this provision. The monthly benefit is equal to the normal retirement benefit and is not reduced for early commencement.

The annuity for delayed retirement is computed by the normal retirement formula considering credited service and compensation to actual retirement.

**Disability Benefits** — A participant is eligible for disability benefits if the participant's employment is terminated due to total and permanent disability as determined by eligibility for and receipt of disability benefits continuously until the normal retirement date under (1) the employer's long-term disability plan, or (2) Title II of the Federal Social Security Act. The annuity, payable at age 62, shall be calculated as for normal retirement considering the credited service that would have accrued had the participant been employed until the normal retirement date and the final average compensation during the calendar year preceding the year of the member's disability retirement.

**Payment of Benefits** — The monthly benefit, computed as set forth above, shall be paid in equal monthly payments commencing one month after the actual retirement date continuing at monthly intervals for the retired participant's lifetime thereafter. If the retired participant's death occurs prior to the payment of 120 monthly payments, the remainder of the 120 payments shall be paid to the participant's beneficiary.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2021**

**Death Benefits Prior to Retirement** — Death benefits prior to retirement are as follows:

If an active participant or vested participant dies prior to their normal retirement date, the participant's surviving beneficiary will be entitled to either two times the participant's accumulated contributions payable immediately or a monthly benefit equal to 60% of the monthly retirement benefit earned by the member prior to the date of death. Payment of the monthly benefit to the beneficiary will begin on the first of the month following the death or the date the member would have attained age 55, if later. If the participant met the rule of 75 while working and had not applied for retirement nor ceased employment as of date of death, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

Between normal and delayed retirement — In the event that a participant dies after their normal retirement date but prior to their actual retirement, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

**Death Benefits After Retirement** — Death benefits after retirement consist of a lump-sum benefit of \$3,000 payable upon the death of a retired participant.

**Plan Termination** — Although not presently contemplated, the Board has the right to terminate the Plan at any time, subject to limitations. In the event of termination, after payment of expenses, accumulated contributions would be returned to the participants, and the remaining assets distributed on a pro rata method to the participants based on accrued benefits. Participating employers would not receive any Plan assets.

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

On December 31, 2021, the District reported a liability of \$14,373,553 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total pension liability to December 31, 2021. The District's proportion of the net pension liability was based on the District's contribution to the El Paso County Retirement Plan for the calendar year 2021 relative to the total contributions of participating employers to the EPCRP. The net pension liability is the difference between the total pension liability and fiduciary net position as of December 31, 2021.

As of December 31, 2021, the District's proportion was 7.22%, which was an increase of 0.43% from its proportion measured as of December 31, 2020.

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

For the year ended December 31, 2021, the District recognized pension expense of \$2,685,321. As of December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	\$ 610,777	\$ 514,176
Changes in actuarial assumptions	12,279,095	22,666,268
Net difference between projected and actual earnings on pension plan investments	-	3,056,328
Changes in proportion	1,697,604	495,272
Total	\$ 14,587,476	\$ 26,732,044

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

<b>Year Ended December 31,</b>	<b>Amount</b>
2022	\$ (519,047)
2023	(3,641,036)
2024	(4,780,030)
2025	(3,204,455)
2026	-
Total	\$ (12,144,568)

The Plan determined that the average expected remaining service lives for active and inactive members on January 1, 2021 was 4.43 years.

**Actuarial Assumptions** — The total pension liability was determined by an actuarial valuation as of December 31, 2020 and rolled forward to the measurement date of December 31, 2021. The liability reflects various actuarial assumption changes adopted by the Board. The following is a summary of the actuarial assumptions:

Inflation	2.5%
Salary increases	Graded by service, from 8.00% to 3.00%
Investment rate of return	7.0%, net of investment expenses. This is based on an average inflation rate of 2.5% and a real rate of return of 4.5%.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2021**

Discount rates From 3.39% for 2020 to 7.0% for 2021

Mortality rates were based on the RP-2000 Sex-Distinct Mortality Table projected generationally using Projection Scale MP-2017. Mortality rates used for disabled members is based on the RP-2000 Disabled Mortality Table projected generationally using Projection Scale MP-2017.

The actuarial assumptions were based on the results of an actuarial experience study for the period from January 1, 2013 to December 31, 2017, resulting in changes in actuarial assumptions adopted by the Board to better reflect expected future experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table (note that the rates shown below exclude the inflation component):

<b>Asset Class</b>	<b>Long-term Expected Real Rate of Return</b>
Equities	6.59%
Fixed income	3.36%
Real assets	5.66%
Diversifying alternative investments	5.04%

**Discount Rate** — The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy adopted by the Board. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** — The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(6.00%)</b>	<b>(7.00%)</b>	<b>(8.00%)</b>
District's proportionate share of the net pension liability	<u>\$ 20,390,301</u>	<u>\$ 14,373,553</u>	<u>\$ 9,354,159</u>

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports found at [www.epcretirement.org](http://www.epcretirement.org).

**Additional Information** - Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is in the Plan's financial statements. This information is available by contacting the Executive Director of the Plan at: El Paso County Retirement Plan, 2880 International Circle, Suite N030, Colorado Springs, CO 80910.

### ***IV-B. Deferred Compensation Plan***

The District offers its employees the Pikes Peak Library District Deferred Compensation Plan, an Internal Revenue Code Section 457 deferred compensation plan. Participation is voluntary. The District does not contribute to the Plan, and the maximum amount that may be deferred under the Plan for 2021 excluding catch-up provisions, was the lesser of \$19,500 or 33-1/3 percent of the participant's includable compensation. The District does not have fiduciary accountability for the Plan and does not hold the Plan's assets in a trustee capacity. Accordingly, the Plan's assets and related liabilities to Plan participants are not recorded on the financial statements of the District.

### ***IV-C. Contingencies***

#### ***IV-C-1. Risk Management***

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

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

The following is a summary of claims activity for the District's employee health plan for the years ended December 31, 2021 and 2020:

	<b>Claims Payable Beginning of Year</b>	<b>Claims Incurred</b>	<b>Claims Paid</b>	<b>Claims Payable End of Year</b>
Fiscal Year 2021	\$ 151,552	\$ 1,826,349	\$ (1,677,391)	\$ 300,510
Fiscal Year 2020	\$ 90,641	\$ 1,488,386	\$ (1,427,475)	\$ 151,552

The plan is partially self-insured and is offered to employees with a regularly scheduled workweek of 30 or more hours.

### *IV-C-2. Grants*

The District periodically receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. District management believes disallowances, if any, will be immaterial.

### *IV-C-3. TABOR Amendment*

In November 1992, the people of the State of Colorado passed an amendment to the State's constitution (Article X, Section 20) known as the Taxpayer's Bill of Rights (TABOR), which was effective December 31, 1992. TABOR's intended purpose was to reasonably restrain the growth of government by imposing spending and revenue limits on the state and any local government, excluding enterprises. Provisions of TABOR require, among other things, that:

- Each district shall reserve for use in declared emergencies 3% or more of its fiscal year spending (as defined by TABOR) excluding bonded debt service, and this amount is set aside as part of reserved fund balance, called "declared emergencies".
- If revenue from sources not excluded from fiscal year spending exceeds the limits prescribed by TABOR in dollars for that fiscal year, the excess shall be refunded in the next fiscal year unless voters approve a revenue change as an offset.
- Revenue collected, kept, or spent illegally since four full fiscal years before an individual or class action enforcement suit is filed shall be refunded with 10% annual simple interest from the initial conduct.
- With minor exceptions, advance voter approval is required for any new tax, tax rate increase, or mill levy above that for the prior year or creation of any multiple-fiscal year direct or indirect district debt or other financial obligation without certain cash reserve amounts or a non-appropriation clause contained within the legal documents.

# Pikes Peak Library District

## Notes to Financial Statements

December 31, 2021

- Management believes it complies with all aspects of TABOR.

### *IV-C-4. Claims and Litigation*

There are various claim(s) pending against the District as of December 31, 2021 and through the report date. Although the outcome of such claim(s) cannot be predicted with certainty, the District believes that adequate insurance coverage exists and that the final settlements of such matters will not materially affect the financial statements of the District.

### *IV-D. Current Economic Uncertainties*

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

### *IV-E. Commitments*

Total encumbrances outstanding as of December 31, 2021 by fund are as follows:

<b>Fund</b>	<b>Balance</b>
General Fund	\$ 171,806
Penrose Library Fund	2,400
East Library Capital Projects Fund	708
Capital Reserve Fund	761,184
North Facility Project Fund	88,571

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## **Required Supplementary Information**

**Pikes Peak Library District**  
**Schedule of the District's Proportionate Share**  
**Of the Net Pension Liability**  
**(Required Supplementary Information)**  
**El Paso County Retirement Plan**

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Proportionate share of total pension liability	\$ 49,855,920	\$ 70,562,293	\$ 55,348,696	\$ 49,488,139	\$ 34,179,173	\$ 30,304,461	\$ 30,891,857
Proportionate share of fiduciary net position	<u>(35,482,367)</u>	<u>(29,225,013)</u>	<u>(28,630,807)</u>	<u>(23,587,708)</u>	<u>(24,631,386)</u>	<u>(20,673,246)</u>	<u>(20,867,698)</u>
Proportionate share of net pension liability	<u>\$ 14,373,553</u>	<u>\$ 41,337,280</u>	<u>\$ 26,717,889</u>	<u>\$ 25,900,431</u>	<u>\$ 9,547,787</u>	<u>\$ 9,631,215</u>	<u>\$ 10,024,159</u>
District's proportion of the net pension liability	<u>7.22%</u>	<u>6.79%</u>	<u>7.12%</u>	<u>6.54%</u>	<u>6.42%</u>	<u>5.98%</u>	<u>6.45%</u>
District's covered payroll	<u>\$ 12,704,072</u>	<u>\$ 12,074,763</u>	<u>\$ 11,499,138</u>	<u>\$ 10,084,281</u>	<u>\$ 9,584,675</u>	<u>\$ 8,456,687</u>	<u>\$ 8,572,275</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>113.14%</u>	<u>342.34%</u>	<u>232.35%</u>	<u>256.84%</u>	<u>99.62%</u>	<u>113.89%</u>	<u>116.94%</u>
Plan fiduciary net position as a percentage of the total net pension liability	<u>71.17%</u>	<u>41.42%</u>	<u>51.73%</u>	<u>46.34%</u>	<u>72.07%</u>	<u>68.22%</u>	<u>67.55%</u>

**Note** - Information determined under the provisions of GASB 68 is not available prior to 2015. In future years, additional years will be added until 10 years of historical data are presented. Information provided in this schedule has been determined as of the District's measurement date (December 31) of the net pension liability in accordance with GASB Statement No. 68.

**Pikes Peak Library District**  
**Schedule of District's Contributions**  
**(Required Supplementary Information)**  
**El Paso County Retirement Plan**

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Contractually required contributions	\$ 1,016,389	\$ 965,981	\$ 919,931	\$ 806,737	\$ 766,774	\$ 676,535	\$ 685,782
Actual contributions	<u>(1,016,389)</u>	<u>(965,981)</u>	<u>(919,931)</u>	<u>(806,737)</u>	<u>(766,774)</u>	<u>(676,535)</u>	<u>(685,782)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 12,704,072</u>	<u>\$ 12,074,763</u>	<u>\$ 11,499,138</u>	<u>\$ 10,084,281</u>	<u>\$ 9,584,675</u>	<u>\$ 8,456,687</u>	<u>\$ 8,572,275</u>
Contributions as a percentage of covered payroll	<u>8.0%</u>	<u>8.0%</u>	<u>8.0%</u>	<u>8.0%</u>	<u>8.0%</u>	<u>8.0%</u>	<u>8.0%</u>

**Note** - Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data is presented. Information presented in this schedule has been determined as of the District's most recent fiscal year-end (December 31) in accordance with GASB Statement No. 68.

**Note** - The following are the changes in actuarial assumptions made during 2021:

- \* Inflation from 3.5% in 2017 to 2.5% in 2018, 2019 and 2021.
- \* Graded by service, from 7.76% to 3.75% in 2017 to 8.0% to 3.0% in 2018 - 2021.
- \* Investment rate of return from 8.0% in 2017 to 7.5% in 2018 and 2019, and 7.0% in 2020 and 2021.
- \* Discount rate from 8.00% in 2017 to 5.23% in 2018 to 5.37% in 2019 to 3.39% in 2020 to 7.0% in 2021.

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes				
Local property taxes				
Current	\$ 31,190,548	\$ 31,190,548	\$ 31,319,885	\$ 129,337
Delinquent	18,360	18,360	25,309	6,949
Omitted	7,140	7,140	1,681	(5,459)
Specific ownership taxes	3,382,500	3,382,500	3,720,458	337,958
Interest on taxes	36,720	36,720	45,574	8,854
Payment in lieu of taxes	10,200	10,200	10,107	(93)
<b>Total taxes</b>	<u>34,645,468</u>	<u>34,645,468</u>	<u>35,123,014</u>	<u>477,545</u>
Intergovernmental	941,019	1,164,361	823,325	(341,036)
Fines and fees	79,200	79,200	86,322	7,122
Interest earnings	183,750	183,750	9,250	(174,500)
Donations/grants	242,100	346,287	234,218	(112,069)
Miscellaneous				
Copy sales	80,400	80,400	47,340	(33,060)
Sale of assets	5,025	5,025	8,697	3,672
Parking lot collections	12,060	12,060	9,167	(2,893)
Other	4,523	4,523	7,481	2,958
<b>Total miscellaneous</b>	<u>102,008</u>	<u>102,008</u>	<u>72,685</u>	<u>(29,323)</u>
<b>Total revenues</b>	<u>36,193,545</u>	<u>36,521,074</u>	<u>36,348,814</u>	<u>(172,261)</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>Public Service</b>				
Personnel services	13,957,536	14,168,342	12,712,360	1,455,982
Supplies	361,713	397,270	171,450	225,820
Library materials	4,686,531	4,777,459	4,613,311	164,148
Contractual services	944,190	964,658	731,904	232,754
Repairs and maintenance	21,000	21,000	5,289	15,711
Other services	309,726	316,584	167,598	148,986
<b>Total Public Service</b>	<u>20,280,696</u>	<u>20,645,313</u>	<u>18,401,912</u>	<u>2,243,401</u>

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Human Resources Office</b>				
Personnel services	460,860	511,412	511,855	(443)
Supplies	4,550	4,736	4,395	341
Contractual services	88,650	101,207	68,327	32,880
Other services	137,218	143,218	78,886	64,332
<b>Total Human Resources Office</b>	<u>691,278</u>	<u>760,573</u>	<u>663,463</u>	<u>97,110</u>
<b>Chief Librarian and CEO Office</b>				
Personnel services	255,106	260,205	257,917	2,288
Supplies	500	500	37	463
Other services	30,300	30,300	7,530	22,770
<b>Total Chief Librarian and CEO Office</b>	<u>285,906</u>	<u>291,005</u>	<u>265,484</u>	<u>25,521</u>
<b>Development Office</b>				
Personnel services	222,439	170,249	154,627	15,622
Supplies	500	500	1,027	(527)
Contractual services	16,000	16,000	23,290	(7,290)
Other services	61,965	61,965	64,702	(2,737)
<b>Total Development Office</b>	<u>300,904</u>	<u>248,714</u>	<u>243,646</u>	<u>5,068</u>
<b>Finance Office</b>				
Personnel services	533,930	555,819	528,742	27,077
Supplies	8,500	7,910	7,750	160
Contractual services	112,368	113,020	108,795	4,225
Other services	28,100	28,100	7,883	20,217
<b>Total Finance Office</b>	<u>682,898</u>	<u>704,849</u>	<u>653,170</u>	<u>51,679</u>
<b>Facilities Office</b>				
Personnel services	765,725	760,361	755,595	4,766
Supplies	83,300	82,300	30,141	52,159
Utilities	706,965	706,965	701,654	5,311
Contractual services	1,519,764	1,526,884	1,416,854	110,030
Repairs and maintenance	470,600	476,875	403,516	73,359
Other services	88,994	88,994	104,354	(15,360)
<b>Total Facilities Office</b>	<u>3,635,348</u>	<u>3,642,379</u>	<u>3,412,114</u>	<u>230,265</u>
<b>Information Technology Office</b>				
Personnel services	1,196,075	1,224,860	1,163,116	61,744
Supplies	340,100	343,578	310,766	32,812
Telecommunications	641,000	651,177	606,985	44,192
Contractual services	112,000	112,000	107,626	4,374
Repairs and maintenance	368,000	368,000	271,007	96,993
Other services	37,000	37,000	26,057	10,943
<b>Total Information Technology Office</b>	<u>2,694,175</u>	<u>2,736,615</u>	<u>2,485,557</u>	<u>251,058</u>
<b>Communications Office</b>				
Personnel services	709,324	698,096	657,077	41,019
Supplies	9,100	7,600	5,027	2,573
Contractual services	151,000	160,325	134,567	25,758
Repairs and maintenance	2,000	2,000	-	2,000
Other services	192,520	195,520	146,393	49,127
<b>Total Communications Office</b>	<u>1,063,944</u>	<u>1,063,541</u>	<u>943,064</u>	<u>120,477</u>
<b>Security Services</b>				
Personnel services	900,687	907,209	845,957	61,252
Supplies	30,100	34,163	26,948	7,215
Repairs and maintenance	1,800	1,800	2,158	(358)
Other services	37,290	37,290	27,188	10,102
<b>Total Security Services</b>	<u>969,877</u>	<u>980,462</u>	<u>902,251</u>	<u>78,211</u>

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Administrative</b>				
Personnel services	2,844,562	1,685,584	2,833,039	(1,147,455)
Supplies	16,252	92,226	82,453	9,773
Library materials	143,445	153,020	152,794	226
Telecommunications	-	-	-	-
Contractual services	823,750	862,830	722,310	140,520
Repairs and maintenance	-	-	-	-
Other services	111,714	522,113	210,396	311,717
<b>Total Other Administrative</b>	<u>3,939,723</u>	<u>3,315,773</u>	<u>4,000,992</u>	<u>(685,219)</u>
<b>Capital outlay</b>	<u>15,000</u>	<u>66,636</u>	<u>58,746</u>	<u>7,890</u>
<b>Total expenditures</b>	<u>34,559,749</u>	<u>34,455,860</u>	<u>32,030,399</u>	<u>2,425,461</u>
<b>Excess of revenues over expenditures</b>	<u>1,633,796</u>	<u>2,065,214</u>	<u>4,318,415</u>	<u>2,253,201</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(2,086,826)</u>	<u>(2,086,826)</u>	<u>(2,310,026)</u>	<u>(223,200)</u>
<b>Total other financing sources (uses)</b>	<u>(2,086,826)</u>	<u>(2,086,826)</u>	<u>(2,310,026)</u>	<u>(223,200)</u>
<b>Net change in fund balance</b>	(453,030)	(21,612)	2,008,389	2,030,001
<b>Fund balance, beginning of year</b>	<u>11,320,091</u>	<u>11,320,091</u>	<u>11,320,091</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 10,867,061</u>	<u>\$ 11,298,479</u>	<u>\$ 13,328,480</u>	<u>\$ 2,030,001</u>

**Pikes Peak Library District**  
**Notes to Required Supplementary Information**  
**Year Ended December 31, 2021**

**Note I: General Fund Budgetary Information**

The District adopts an annual operating budget for its General Fund each year. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Executive Director and/or Chief Financial Officer. The Board of Trustees must approve revisions that alter the total expenditures of any fund. Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles.

**Note II: Pension Plan Schedules**

Proportion, proportionate share, and covered-employee payroll amounts are as of the immediate plan year for consistency with the plan's proportionate calculations. Years will be added to these schedules as they become available.

## **Supplementary Information**

## **MAJOR FUND**

### **General Fund**

The General Fund is used to account for all transactions of the District that are not required legally or by sound financial management to be accounted for in another fund. This fund accounts for the District's ordinary operating expenditures, which are financed primarily from property taxes. It is the most significant fund in relation to the District's overall operations.

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**General Fund**  
**December 31, 2021 and 2020**

	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Assets</b>		
Cash and investments	\$ 18,981,898	\$ 15,262,997
Receivables, net of allowance for uncollectible accounts		
Property taxes	33,216,253	31,132,840
Accounts	155,128	453,727
Due from discretely presented component unit	10,331	17,877
Due from other governments	294,524	244,685
Prepaid items	<u>400,575</u>	<u>382,929</u>
<b>Total assets</b>	<u><u>\$ 53,058,709</u></u>	<u><u>\$ 47,495,055</u></u>
<b>Liabilities</b>		
Accounts payable	\$ 1,081,415	\$ 811,972
Accrued compensation payable	968,869	833,764
Due to other funds	<u>4,359,807</u>	<u>3,123,360</u>
<b>Total liabilities</b>	<u>6,410,091</u>	<u>4,769,096</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - property taxes	33,216,253	31,132,840
Unavailable fund resources	<u>103,885</u>	<u>273,028</u>
<b>Total deferred inflows of resources</b>	<u>33,320,138</u>	<u>31,405,868</u>
<b>Fund Balances</b>		
Nonspendable:		
Prepaid expenditures	400,575	382,929
Restricted for:		
Declared	1,058,065	1,014,722
Gifts and grants	334,408	283,268
Assigned to:		
Purchased contracts	171,806	113,454
Library materials	134,756	130,315
Unassigned	<u>11,228,870</u>	<u>9,395,403</u>
<b>Total fund balances</b>	<u>13,328,480</u>	<u>11,320,091</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 53,058,709</u></u>	<u><u>\$ 47,495,055</u></u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**General Fund**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Taxes		
Local property taxes		
Current	\$ 31,319,885	\$ 30,042,362
Delinquent	25,309	11,963
Omitted	1,681	7,195
Specific ownership taxes	3,720,458	3,344,277
Interest on taxes	45,574	24,708
Payment in lieu of taxes	<u>10,107</u>	<u>9,601</u>
Total taxes	<u>35,123,014</u>	<u>33,440,106</u>
Intergovernmental	823,325	715,285
Fines and fees	86,322	63,530
Interest earnings	9,250	116,945
Donations/fundraising	234,218	129,852
Miscellaneous		
Copy sales	47,340	48,316
Sale of assets	8,697	-
Parking lot collections	9,167	9,096
Other	<u>7,481</u>	<u>3,201</u>
Total miscellaneous	<u>72,685</u>	<u>60,613</u>
<b>Total revenues</b>	<u>36,348,814</u>	<u>34,526,331</u>
<b>Expenditures</b>		
Current		
Public services	18,401,912	18,327,121
Human Resources Office	663,463	542,224
Chief Librarian and CEO Office	265,484	264,316
Development Office	243,646	241,401
Finance Office	653,170	634,118
Facilities Office	3,412,114	3,193,264
Information Technology Office	2,485,557	2,311,083
Communications Office	943,064	854,342
Security Services	902,251	830,435
Other administrative	4,000,992	4,178,461
Capital outlay	<u>58,746</u>	<u>167,830</u>
<b>Total expenditures</b>	<u>32,030,399</u>	<u>31,544,595</u>
<b>Excess of revenues over expenditures</b>	<u>4,318,415</u>	<u>2,981,736</u>
<b>Other financing sources (uses)</b>		
Proceeds from sale of capital assets	-	5,129
Transfers out	<u>(2,310,026)</u>	<u>(1,547,368)</u>
<b>Total other financing sources (uses)</b>	<u>(2,310,026)</u>	<u>(1,542,239)</u>
<b>Special item</b>		
TABOR refund of property tax revenue in excess of limit	<u>-</u>	<u>(180,108)</u>
<b>Net change in fund balance</b>	2,008,389	1,259,389
<b>Fund balance, beginning of year</b>	<u>11,320,091</u>	<u>10,060,702</u>
<b>Fund balance, end of year</b>	<u>\$ 13,328,480</u>	<u>\$ 11,320,091</u>

**Pikes Peak Library District**  
**Schedule of Expenditures by Natural Classification-**  
**Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Current				
Personnel services	\$ 21,846,244	\$ 20,942,137	\$ 20,420,285	\$ 521,852
Supplies	854,615	970,783	639,994	330,789
Library materials	4,829,976	4,930,479	4,766,105	164,374
Utilities	706,965	706,965	701,654	5,311
Telecommunication costs	641,000	651,177	606,985	44,192
Contractual services	3,767,722	3,856,924	3,313,673	543,251
Repairs and maintenance	863,400	869,675	681,970	187,705
Other services/expenditures	1,034,827	1,461,084	840,987	620,097
Capital outlay	15,000	66,636	58,746	7,890
<b>Total expenditures</b>	<u>\$ 34,559,749</u>	<u>\$ 34,455,860</u>	<u>\$ 32,030,399</u>	<u>\$ 2,425,461</u>

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

A Special Revenue Fund is used to account for financial activity related to funds received that are restricted or committed for specific purposes. The District has one Special Revenue Fund, the Designated Purpose Fund, which is used for this purpose.

### **CAPITAL PROJECTS FUNDS**

A Capital Projects Fund is used to account for all financial activity related to the acquisition, construction, and renovation of major capital facilities. The District has four Capital Projects Funds as follows:

#### **North Facility Project Fund**

The North Facility Project Fund, a capital projects fund, is used to account for all financial activity related to the purchase of and renovation of a facility located in northern Colorado Springs. Funds are being accumulated over a period of several years. Primary and anticipated sources of funding for this project include the General Fund and other fundraising activities including grants and donations.

#### **East Library Renovation Fund**

This fund is used to account for all financial activity related to the renovation of the East Library facility. Funds are being accumulated over a period of several years. The primary source of funding for this project is the General Fund.

#### **Penrose Library Renovation Fund**

This fund is used to account for all financial activity related to the renovation of the Penrose Library complex. Funds are being accumulated over a period of several years. The primary source of funding for this project is the General Fund.

#### **Capital Reserve Fund**

This fund is used to account for all financial activity related to capital projects and expenditures of capital items not specifically accounted for under a separate fund. Funds are being accumulated over a period of several years. The primary source of funding for these projects is annual transfers from the General Fund.

**Pikes Peak Library District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2021**

	Special Revenue Fund	Capital Project Funds			Total Nonmajor Governmental Funds
	Designated Purpose Fund	North Facility Project Fund	East Library Renovation Fund	Penrose Library Renovation Fund	
<b>Assets</b>					
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ 8,694
Due from other funds	100,688	315,403	113,493	342,977	3,487,246
<b>Total assets</b>	<u>\$ 100,688</u>	<u>\$ 315,403</u>	<u>\$ 113,493</u>	<u>\$ 342,977</u>	<u>\$ 3,495,940</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 23,315	\$ -	\$ 18,158
<b>Fund Balance</b>					
Restricted for:					
Gifts and grants	812	-	-	-	812
Committed to:					
Capital projects	99,876	315,403	90,178	342,977	3,477,782
<b>Total fund balance</b>	<u><del>100,688</del></u>	<u>315,403</u>	<u>90,178</u>	<u>342,977</u>	<u>3,477,782</u>
<b>Total liabilities and fund balance</b>	<u>\$ 100,688</u>	<u>\$ 315,403</u>	<u>\$ 113,493</u>	<u>\$ 342,977</u>	<u>\$ 3,495,940</u>

**Pikes Peak Library District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2021**

	Special Revenue Fund	Capital Project Funds			Capital Reserve Fund	Total Nonmajor Governmental Funds
	Designated Purpose Fund	North Facility Project Fund	East Library Renovation Fund	Penrose Library Renovation Fund		
<b>Revenues</b>						
Donations	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
Other	-	-	-	-	10,203	10,203
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,203</u>	<u>85,203</u>
<b>Expenditures</b>						
Capital outlay	5,033	39,461	68,364	75,492	981,666	1,170,016
<b>Excess (deficiency) of         revenues over expenditures</b>	<u>(5,033)</u>	<u>(39,461)</u>	<u>(68,364)</u>	<u>(75,492)</u>	<u>(896,463)</u>	<u>(1,084,813)</u>
<b>Other financing sources</b>						
Transfers in	-	165,000	84,200	524	2,060,302	2,310,026
<b>Total financing sources (uses)</b>	<u>-</u>	<u>165,000</u>	<u>84,200</u>	<u>524</u>	<u>2,060,302</u>	<u>2,310,026</u>
<b>Net change in fund balances</b>	<u>(5,033)</u>	<u>125,539</u>	<u>15,836</u>	<u>(74,968)</u>	<u>1,163,839</u>	<u>1,225,213</u>
<b>Fund balances, beginning of year</b>	<u>105,721</u>	<u>189,864</u>	<u>74,342</u>	<u>417,945</u>	<u>2,313,943</u>	<u>3,101,815</u>
<b>Fund balances, end of year</b>	<u>\$ 100,688</u>	<u>\$ 315,403</u>	<u>\$ 90,178</u>	<u>\$ 342,977</u>	<u>\$ 3,477,782</u>	<u>\$ 4,327,028</u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Designated Purpose Fund**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Due from other funds	\$ 100,688	\$ 105,721
<b>Fund Balance</b>		
Restricted for:		
Gifts and grants	\$ 812	\$ 812
Committed to:		
Capital projects	99,876	104,909
<b>Total fund balance</b>	100,688	105,721
<b>Total liabilities and fund balance</b>	\$ 100,688	\$ 105,721

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Designated Purpose Fund**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Expenditures</b>		
Capital outlay	\$ 5,033	\$ 3,300
<b>Deficiency of revenues over expenditures</b>	(5,033)	(3,300)
<b>Net change in fund balance</b>	(5,033)	(3,300)
<b>Fund balance, beginning of year</b>	105,721	109,021
<b>Fund balance, end of year</b>	\$ 100,688	\$ 105,721

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Designated Purpose Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Capital outlay	\$ -	\$ 105,721	\$ 5,033	\$ 100,688
<b>Net change in fund balance</b>	-	(105,721)	(5,033)	100,688
<b>Fund balance, beginning of year</b>	105,721	105,721	105,721	-
<b>Fund balance, end of year</b>	<u>\$ 105,721</u>	<u>\$ -</u>	<u>\$ 100,688</u>	<u>\$ 100,688</u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**North Facility Project Fund**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Due from other funds	\$ 315,403	\$ 189,864
<b>Fund Balance</b>		
Committed to:		
Capital projects	315,403	189,864
<b>Total liabilities and fund balance</b>	\$ 315,403	\$ 189,864

**Pikes Peak Library District**  
**Comparative Statements of Revenue, Expenditures**  
**and Changes in Fund Balance**  
**North Facility Project Fund**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Expenditures</b>		
Capital outlay	\$ 39,461	\$ 357,685
<b>Excess (deficiency) of revenues over expenditures</b>	(39,461)	(357,685)
<b>Other financing sources</b>		
Transfers in	165,000	63,367
<b>Net change in fund balance</b>	125,539	(294,318)
<b>Fund balance, beginning of year</b>	189,864	484,182
<b>Fund balance, end of year</b>	\$ 315,403	\$ 189,864

**Pikes Peak Library District**  
**Schedule of Revenue, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**North Facility Project Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Capital outlay	\$ 165,000	\$ 354,864	\$ 39,461	\$ 315,403
<b>Total expenditures</b>	<u>165,000</u>	<u>354,864</u>	<u>39,461</u>	<u>315,403</u>
<b>Deficiency of revenues         under expenditures</b>	<u>(165,000)</u>	<u>(354,864)</u>	<u>(39,461)</u>	<u>315,403</u>
<b>Other financing sources</b>				
Transfers in	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>-</u>
<b>Net change in         fund balance</b>	-	(189,864)	125,539	315,403
<b>Fund balance, beginning of year</b>	<u>189,864</u>	<u>189,864</u>	<u>189,864</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 189,864</u>	<u>\$ -</u>	<u>\$ 315,403</u>	<u>\$ 315,403</u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**East Library Renovation Fund**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Due from other funds	\$ 113,493	\$ 82,832
<b>Liabilities</b>		
Accounts payable	\$ 23,315	\$ 8,490
<b>Fund Balance</b>		
Committed to:		
Capital projects	90,178	74,342
<b>Total fund balance</b>	<b>\$ 90,178</b>	<b>\$ 74,342</b>
<b>Total liabilities and fund balance</b>	<b>\$ 113,493</b>	<b>\$ 82,832</b>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**East Library Renovation Fund**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Expenditures</b>		
Capital outlay	\$ 68,364	\$ 129,505
<b>Deficiency of revenues over expenditures</b>	(68,364)	(129,505)
<b>Other financing sources</b>		
Transfers in	84,200	8,545
<b>Net change in fund balance</b>	15,836	(120,960)
<b>Fund balance, beginning of year</b>	74,342	195,302
<b>Fund balance, end of year</b>	\$ 90,178	\$ 74,342

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**East Library Renovation Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Capital outlay	\$ 84,200	\$ 158,542	\$ 68,364	\$ 90,178
<b>Deficiency of revenues         under expenditures</b>	<u>(84,200)</u>	<u>(158,542)</u>	<u>(68,364)</u>	<u>90,178</u>
<b>Other financing sources</b>				
Transfers in	<u>84,200</u>	<u>84,200</u>	<u>84,200</u>	<u>-</u>
<b>Net change in fund balance</b>	-	(74,342)	15,836	90,178
<b>Fund balance, beginning of year</b>	<u>74,342</u>	<u>74,342</u>	<u>74,342</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 74,342</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 90,178</u></u>	<u><u>\$ 90,178</u></u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Penrose Library Renovation Fund**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Due from other funds	\$ 342,977	\$ 417,945
<b>Fund Balance</b>		
Committed to:		
Capital projects	\$ 342,977	\$ 417,945
<b>Total liabilities and fund balance</b>	\$ 342,977	\$ 417,945

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Penrose Library Renovation Fund**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Expenditures</b>		
Capital outlay	\$ 75,492	\$ 73,673
<b>Deficiency of revenues under expenditures</b>	(75,492)	(73,673)
<b>Other financing sources</b>		
Transfers in	524	-
<b>Net change in fund balance</b>	(74,968)	(73,673)
<b>Fund balance, beginning of year</b>	417,945	491,618
<b>Fund balance, end of year</b>	\$ 342,977	\$ 417,945

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Penrose Library Renovation Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Capital outlay	\$ 162,500	\$ 418,470	\$ 75,492	\$ 342,978
<b>Deficiency of revenues     under expenditures</b>	<u>(162,500)</u>	<u>(418,470)</u>	<u>(75,492)</u>	<u>342,978</u>
<b>Other financing sources</b>				
Transfers in	<u>525</u>	<u>525</u>	<u>524</u>	<u>(1)</u>
<b>Net change in fund balance</b>	(161,975)	(417,945)	(74,968)	342,977
<b>Fund balance, beginning of year</b>	<u>417,945</u>	<u>417,945</u>	<u>417,945</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 255,970</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 342,977</u></u>	<u><u>\$ 342,977</u></u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Capital Reserve Fund**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Accounts receivable	\$ 8,694	\$ 8,694
Due from other funds	3,487,246	2,326,998
<b>Total assets</b>	\$ 3,495,940	\$ 2,335,692
<b>Liabilities</b>		
Accounts payable	\$ 18,158	\$ 21,749
<b>Fund Balance</b>		
Committed to:		
Capital projects	3,477,782	2,313,943
<b>Total liabilities and fund balance</b>	\$ 3,495,940	\$ 2,335,692

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Capital Reserve Fund**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Donations	\$ 75,000	\$ -
Other	10,203	61,695
<b>Total revenues</b>	85,203	61,695
<b>Expenditures</b>		
Capital outlay	981,666	1,046,106
<b>Deficiency of revenues under expenditures</b>	(896,463)	(984,411)
<b>Other financing sources</b>		
Transfers in	2,060,302	1,475,456
Proceeds from sale of assets	-	12,500
<b>Total other financing sources</b>	2,060,302	1,487,956
<b>Net change in fund balance</b>	1,163,839	503,545
<b>Fund balance, beginning of year</b>	2,313,943	1,810,398
<b>Fund balance, end of year</b>	\$ 3,477,782	\$ 2,313,943

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Capital Reserve Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Donations	\$ -	\$ 75,000	\$ 75,000	\$ -
Other	-	10,202	10,203	1
<b>Total revenues</b>	<u>-</u>	<u>85,202</u>	<u>85,203</u>	<u>1</u>
<b>Expenditures</b>				
Capital outlay	1,837,102	4,459,447	981,666	3,477,781
<b>Deficiency of revenues         under expenditures</b>	<u>(1,837,102)</u>	<u>(4,374,245)</u>	<u>(896,463)</u>	<u>3,477,782</u>
<b>Other financing sources</b>				
Transfers in	1,837,102	2,060,302	2,060,302	-
<b>Total financing sources</b>	<u>1,837,102</u>	<u>2,060,302</u>	<u>2,060,302</u>	<u>-</u>
<b>Net change in fund balance</b>	-	(2,313,943)	1,163,839	3,477,782
<b>Fund balance, beginning of year</b>	<u>2,313,943</u>	<u>2,313,943</u>	<u>2,313,943</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 2,313,943</u>	<u>\$ -</u>	<u>\$ 3,477,782</u>	<u>\$ 3,477,782</u>

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## **INTERNAL SERVICE FUND**

Internal Service Funds are used to account for revenues received from District departments to be used for services to benefit all departments.

The District has one Internal Service Fund.

## **Employee Health Plan Fund**

This fund is used to account for the accumulation of and utilization of financial resources related to the District's partially self-insured medical health plan, offered to employees with a regularly scheduled workweek of 30 or more hours.

**Pikes Peak Library District**  
**Internal Service Fund**  
**Comparative Statements of Net Position**  
**Employee Health Plan Fund**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 576,328	\$ 727,225
Due from other funds	703	-
Deposit	36,667	36,667
<b>Total current assets</b>	<b>613,698</b>	<b>763,892</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Claims payable	300,510	151,552
<b>Total current liabilities</b>	<b>300,510</b>	<b>151,552</b>
<b>Net Position</b>		
<b>Total Net Position - Unrestricted</b>	<b>\$ 313,188</b>	<b>\$ 612,340</b>

**Pikes Peak Library District**  
**Internal Service Fund**  
**Comparative Statements of Revenue, Expenses**  
**and Changes in Net Position**  
**Employee Health Plan Fund**  
**Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Operating revenues</b>		
Employer contributions	\$ 2,070,811	\$ 2,198,022
Employee contributions	426,250	456,486
<b>Total operating revenues</b>	<b>2,497,061</b>	<b>2,654,508</b>
<b>Operating expenses</b>		
Claims incurred	1,826,349	1,488,386
Administrative	969,905	944,493
<b>Total operating expenses</b>	<b>2,796,254</b>	<b>2,432,879</b>
<b>Operating income (loss)</b>	<b>(299,193)</b>	<b>221,629</b>
<b>Nonoperating revenues</b>		
Investment earnings	41	48
<b>Change in net position</b>	<b>(299,152)</b>	<b>221,677</b>
<b>Total net position, beginning</b>	<b>612,340</b>	<b>390,663</b>
<b>Total net position, ending</b>	<b>\$ 313,188</b>	<b>\$ 612,340</b>

**Pikes Peak Library District**  
**Internal Service Fund**  
**Comparative Statements of Cash Flows**  
**Employee Health Plan Fund**  
**Years Ended December 31, 2021 and 2020**

	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Cash flows from operating activities</b>		
Employee and employer contributions	\$ 2,497,061	\$ 2,654,508
Payment of claims and administrative expenses	<u>(2,647,999)</u>	<u>(2,371,968)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(150,938)</u>	<u>282,540</u>
<b>Cash flows from investing activities</b>		
Interest received	<u>41</u>	<u>48</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(150,897)	282,588
<b>Cash and cash equivalents, January 1</b>	<u>727,225</u>	<u>444,637</u>
<b>Cash and cash equivalents, December 31</b>	<u><u>\$ 576,328</u></u>	<u><u>\$ 727,225</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities</b>		
Operating income (loss)	<u>\$ (299,193)</u>	<u>\$ 221,629</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Change in due from other funds	(703)	-
Change in claims payable	<u>148,958</u>	<u>60,911</u>
<b>Total adjustments</b>	<u>148,255</u>	<u>60,911</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ (150,938)</u></u>	<u><u>\$ 282,540</u></u>

## STATISTICAL SECTION

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

	<b>Page</b>
<b>Financial Trends</b>	133
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	142
These schedules contain information to help the reader assess the District's most significant revenue source, the property tax.	
<b>Debt Capacity</b>	150
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	155
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<b>Operating Information</b>	158
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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**Exhibit I-1**

**Pikes Peak Library District  
Government-wide Net Position by Component  
Last Ten Fiscal Years  
(Unaudited)**

<b>Governmental Activities</b>					
<b>Net Investment</b>					
<b>Fiscal Year</b>	<b>In Capital Assets</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>	
2012	\$ 34,818,102	\$ 837,421	\$ 10,230,456	\$	45,885,979
2013	33,839,914	1,005,719	12,831,121		47,676,754
2014	37,633,108	994,338	9,249,165		47,876,611
2015	38,922,766	998,444	282,577		40,203,787
2016	37,308,714	956,559	1,371,475		39,636,748
2017	36,767,440	1,004,708	971,294		38,743,442
2018	34,938,136	1,131,310	(990,490)		35,078,956
2019	34,741,176	1,179,070	(6,932,278)		28,987,968
2020	33,556,137	1,298,802	(12,866,551)		21,988,388
2021	32,293,214	1,393,285	(11,939,086)		21,747,413

Exhibit I-2

**Pikes Peak Library District  
Government-wide Expenses, Program Revenues and Net Expenses  
Last Ten Fiscal Years  
(Unaudited)**

<b>Expenses Governmental Activities</b>							
<b>Fiscal Year</b>	<b>Chief</b>						
	<b>Public Services</b>	<b>Human Resources</b>	<b>Administrative Services</b>	<b>Librarian &amp; CEO's Office</b>	<b>Development Office</b>	<b>Finance Office</b>	<b>Facilities Office</b>
2012	\$ 7,883,922	\$ -	\$ 12,021,277	\$ 373,535	\$ -	\$ 403,231	\$ -
2013	8,422,792	-	11,964,223	386,564	-	435,422	-
2014	11,479,186	-	4,117,367	400,652	-	436,539	-
2015	13,250,047	-	3,785,191	398,398	-	476,755	-
2016	13,251,004	-	3,823,660	466,816	-	522,810	-
2017	20,382,695	-	3,914,245	474,077	-	551,716	-
2018	23,333,788	495,338	-	311,333	182,018	629,124	3,885,930
2019	24,175,768	615,099	-	346,106	205,177	718,925	4,196,460
2020	25,521,426	706,307	-	337,521	303,389	791,730	4,376,400
2021	21,439,663	740,806	-	295,077	268,937	724,847	3,938,656

<b>Program Revenues Governmental Activities</b>							
<b>Charges for Services</b>				<b>Operating Grants and Contributions</b>			
<b>Fiscal Year</b>	<b>Public Services</b>	<b>Total</b>	<b>Public Services</b>	<b>Administrative Services</b>	<b>Information Technology</b>	<b>Facilities</b>	<b>Total</b>
2012	\$ 529,077	\$ 529,077	\$ 99,400	\$ 34,536	\$ -	\$ -	\$ 133,936
2013	523,316	523,316	141,009	213,927	-	-	354,936
2014	530,364	530,364	136,227	-	142,433	-	278,660
2015	538,214	538,214	258,925	-	15,769	-	274,694
2016	494,493	494,493	233,889	-	143,982	-	377,871
2017	274,186	274,186	596,824	-	-	-	596,824
2018	114,964	114,964	426,310	-	-	-	426,310
2019	124,503	124,503	370,939	-	-	-	370,939
2020	63,530	63,530	784,756	-	35,354	46,319	866,429
2021	86,322	86,322	611,823	-	81,098	107,942	800,863

<b>Total Net Expenses</b>	
<b>Total</b>	
<b>Fiscal Year</b>	<b>Primary Government</b>
2012	\$ (24,604,138)
2013	(24,838,586)
2014	(26,369,066)
2015	(27,268,439)
2016	(28,435,137)
2017	(30,030,670)
2018	(34,455,259)
2019	(38,393,839)
2020	(40,516,461)
2021	(35,456,127)

<b>Information Technology Office</b>	<b>Communi-cations Office</b>	<b>Security Services</b>	<b>Other Administration</b>	<b>Interest Expense</b>	<b>Total Primary Government</b>
\$ 1,531,283	\$ 721,944	\$ -	\$ 2,571,087	\$ 1,672	\$ 25,507,951
1,716,479	709,136	-	2,489,209	-	26,123,824
7,814,245	766,469	-	2,652,230	-	27,666,688
7,855,225	853,076	-	3,107,846	-	29,726,538
7,631,440	764,629	-	3,116,763	-	29,577,122
1,868,122	830,962	-	3,222,456	-	31,244,273
2,794,960	979,183	-	3,299,412	-	35,911,086
3,121,662	1,259,541	758,615	3,690,897	-	39,088,250
3,214,137	1,147,285	1,058,946	4,178,464	-	41,635,605
2,881,161	1,051,216	1,001,954	4,000,995	-	36,343,312

**Capital Grants and Contributions**

<b>Public Services</b>	<b>Facilities Office</b>	<b>Administrative Services</b>	<b>Information Technology</b>	<b>Total</b>	<b>Total Primary Government</b>
\$ 98,131	\$ -	\$ 142,669	\$ -	\$ 240,800	\$ 903,813
166,769	-	240,217	-	406,986	1,285,238
229,665	-	88,553	170,380	488,598	1,297,622
836,583	-	258,308	550,299	1,645,191	2,458,099
142,378	-	41,939	85,304	269,621	1,141,985
253,467	-	53,096	36,030	342,593	1,213,603
709,178	118,863	-	86,512	914,553	1,455,827
153,237	26,468	-	19,264	198,969	694,411
145,873	24,563	-	18,749	189,185	1,119,144
-	-	-	-	-	887,185

Exhibit I-3

**Pikes Peak Library District**  
**Government-wide General Revenues and Other Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Governmental Activities</b>							<b>TABOR Refund</b>	<b>Total</b>
<b>Fiscal Year</b>	<b>General Revenues</b>					<b>Total</b>	<b>Fiscal Year</b>	<b>Total Primary Government</b>
	<b>Property Taxes</b>	<b>Specific Ownership Tax</b>	<b>Investment Earnings</b>	<b>Miscellaneous</b>	<b>Excess of Limit</b>			
2012	\$ 23,588,482	\$ 2,267,050	\$ 34,635	\$ 182,215	\$ 26,072,382	\$ -	\$ 26,072,382	
2013	23,930,258	2,413,142	21,912	264,051	26,629,363	-	26,629,363	
2014	23,823,607	2,546,327	18,692	180,297	26,568,923	-	26,568,923	
2015	24,137,929	2,765,049	26,550	201,916	27,131,444	-	27,131,444	
2016	24,780,995	2,892,197	96,038	155,941	27,925,171	(57,073)	27,868,098	
2017	25,762,260	3,547,865	187,896	182,529	29,680,550	(543,196)	29,137,354	
2018	26,834,122	3,410,423	386,768	165,290	30,796,603	(5,830)	30,790,773	
2019	28,235,667	3,486,228	426,392	154,564	32,302,851	-	32,302,851	
2020	30,095,828	3,344,277	116,945	139,939	33,696,989	(180,108)	33,516,881	
2021	31,402,556	3,720,458	9,250	82,888	35,215,152	-	35,215,152	

<b>Total Changes in Net Position</b>	
<b>Fiscal Year</b>	<b>Total Primary Government</b>
2012	\$ 1,790,777
2013	199,857
2014	(136,995)
2015	(567,039)
2016	(893,316)
2017	(3,664,486)
2018	(6,090,987)
2019	(6,999,579)
2020	(6,999,580)
2021	(240,975)

**Exhibit I-4**

**Pikes Peak Library District  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Unaudited)**

**General Fund**

<b>Fiscal Year</b>	<b>Non-spendable</b>	<b>Restricted</b>	<b>Committed</b>	<b>Assigned</b>	<b>Unassigned</b>	<b>Total</b>
2012	\$ 515,665	\$ 849,133	\$ -	\$ 1,413,211	\$ 4,626,698	\$ 7,404,707
2013	432,357	927,498	-	809,250	4,056,243	6,225,348
2014	475,065	918,560	-	679,883	3,632,798	5,706,306
2015	510,377	944,548	900,000	583,947	4,896,422	7,835,294
2016	386,130	945,380	865,000	668,852	6,425,409	9,290,771
2017	339,785	1,001,784	865,000	377,529	7,848,739	10,432,837
2018	311,114	1,128,386	-	385,511	8,900,930	10,725,941
2019	260,645	1,178,258	-	285,461	8,336,338	10,060,702
2020	382,929	1,297,990	-	243,769	9,395,403	11,320,091
2021	400,575	1,392,473	-	306,562	11,228,870	13,328,480

**Other Governmental Funds**

<b>Fiscal Year</b>	<b>Non-spendable</b>	<b>Restricted</b>	<b>Committed</b>	<b>Assigned</b>	<b>Total</b>
2012	\$ -	\$ 103,501	\$ 4,647,272	\$ 7,624	\$ 4,758,397
2013	2,902	78,221	7,399,563	7,624	7,488,310
2014	-	75,778	5,394,260	7,624	5,477,662
2015	4,990	53,896	1,976,494	7,624	2,043,004
2016	14,092	11,179	2,378,444	7,000	2,410,715
2017	5,877	2,924	1,845,995	212	1,855,008
2018	-	2,924	3,199,791	212	3,202,927
2019	-	812	3,089,709	-	3,090,521
2020	-	812	3,101,003	-	3,101,815
2021	-	812	4,326,216	-	4,327,028

Note - For fiscal years 2011 - 2014, the North Facility Project Fund was presented as a Major Fund. For 2015, this Fund was no longer considered a Major Fund. Fund balances for 2011 - 2014 have been reclassified and are now presented as part of Other Governmental Funds.

Exhibit I-5

**Pikes Peak Library District  
 Summary of Changes in Total Governmental Fund Balances  
 Last Ten Fiscal Years  
 (Unaudited)**

Fiscal Year	Revenues	Expenditures	Other Financing Sources (Uses)			TABOR Refund Fiscal Year Spending and Property Tax Revenue In Excess of Limit	Net Change in Fund Balance	Ratio of Debt Service Expenditures to Noncapital Expenditures
			Proceeds from Sale of Capital Assets	Proceeds from Insurance Reimbursement				
2012	\$ 27,824,442	\$ 26,370,151	\$ 40,924	\$ -	\$ -	\$ 1,495,215	0.30%	
2013	27,803,063	30,383,156	83,277	12,985	-	(2,483,831)	0.27%	
2014	29,432,914	30,383,156	50,403	-	-	(899,839)	0.00%	
2015	29,432,914	30,785,347	28,060	18,703	-	(1,305,670)	0.00%	
2016	29,109,072	27,246,156	17,345	-	(57,073)	1,823,188	0.00%	
2017	30,942,008	29,824,093	11,640	-	(543,196)	586,359	0.00%	
2018	32,258,020	30,630,672	19,505	-	(5,830)	1,641,023	0.00%	
2019	32,994,312	33,774,905	2,948	-	-	(777,645)	0.00%	
2020	34,588,026	33,154,864	17,629	-	(180,108)	1,270,683	0.00%	
2021	36,434,017	33,200,415	-	-	-	3,233,602	0.00%	

**Exhibit I-6**

**Pikes Peak Library District  
Governmental Funds Revenues  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Intergovernmental</b>	<b>Fines and Fees</b>	<b>Interest Earnings</b>	<b>Miscellaneous</b>	<b>Total</b>
2012	\$ 25,855,532	\$ 85,247	\$ 529,077	\$ 34,635	\$ 387,801	\$ 26,892,292
2013	26,343,399	160,887	523,316	21,912	774,928	27,824,442
2014	26,369,934	291,251	530,364	18,692	592,822	27,803,063
2015	26,902,978	305,794	538,214	26,550	1,659,378	29,432,913
2016	27,673,192	398,039	494,493	96,038	447,310	29,109,072
2017	29,310,125	458,187	274,186	187,896	711,614	30,942,008
2018	30,244,545	384,404	114,964	386,768	1,127,339	32,258,020
2019	31,721,895	392,810	124,503	426,392	328,712	32,994,313
2020	33,440,106	715,285	63,530	116,945	252,160	34,588,026
2021	35,123,014	823,325	86,322	9,250	82,888	36,124,799

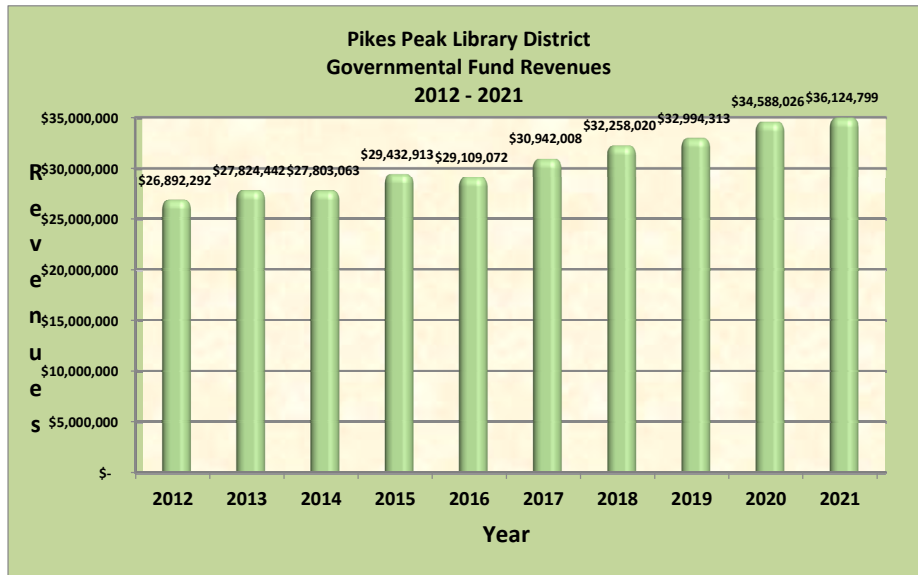
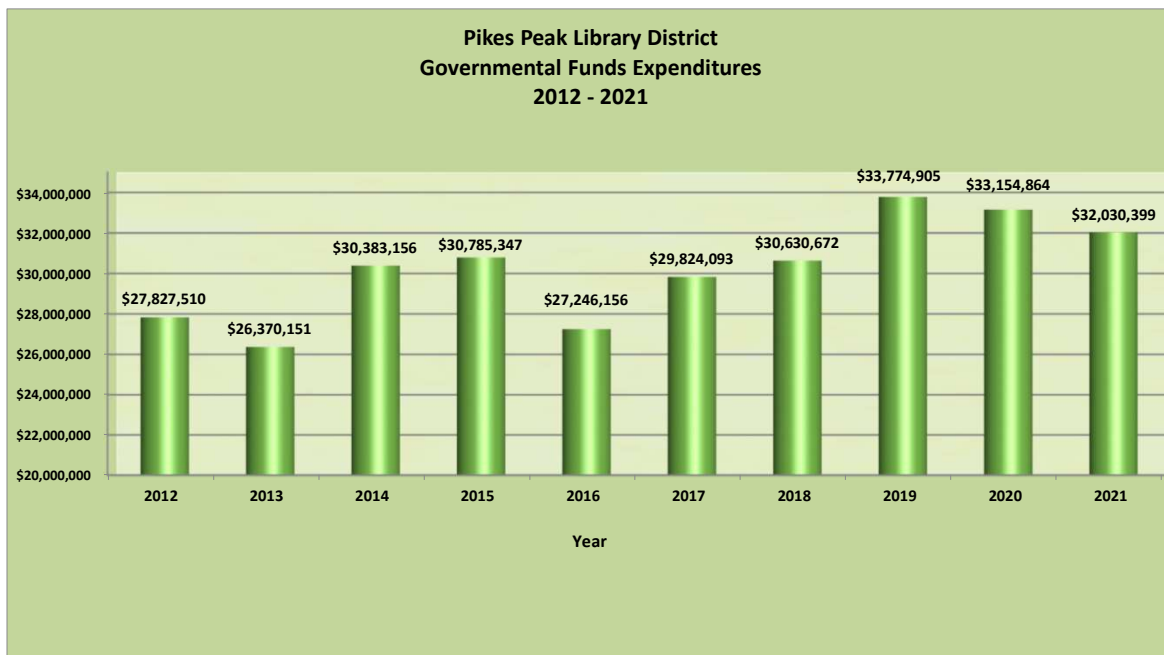


Exhibit I-7

**Pikes Peak Library District  
Governmental Funds Expenditures  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Current									Total
	Personnel Services	Supplies	Library Materials	Utilities	Telecommunication Costs	Contractual Services	Repairs and Maintenance	Other Services		
2012	\$ 13,972,868	\$ 448,827	\$ 3,974,955	\$ 497,624	\$ 305,675	\$ 2,431,627	\$ 385,416	\$ 715,462	\$ 22,732,454	
2013	14,426,213	547,072	3,984,804	486,862	337,311	2,556,487	454,927	760,146	23,553,822	
2014	15,032,543	605,206	4,324,974	587,082	362,758	2,720,845	612,068	734,423	24,979,899	
2015	15,904,077	732,640	4,279,833	571,033	409,626	2,587,094	578,877	753,353	25,816,533	
2016	16,007,317	690,060	4,482,638	539,735	339,276	2,769,599	672,300	742,652	26,243,577	
2017	17,599,286	664,432	4,368,968	583,442	465,959	2,753,994	649,023	834,117	27,919,221	
2018	18,362,919	666,926	4,528,390	615,141	479,359	2,936,686	503,869	678,177	28,771,467	
2019	19,907,957	727,608	4,716,819	639,248	479,868	3,150,559	613,411	935,456	31,170,925	
2020	20,388,490	758,385	4,818,308	586,580	579,783	3,055,942	553,522	635,754	31,376,765	
2021	20,420,285	639,994	4,766,105	701,654	606,985	3,313,673	681,970	840,987	31,971,653	

Fiscal Year	Capital Outlay	Debt Service		Total Expenditures
		Principal	Interest	
2012	\$ 5,027,983	\$ 65,401	\$ 1,672	\$ 27,827,510
2013	2,816,329	-	-	26,370,151
2014	5,403,257	-	-	30,383,156
2015	4,968,814	-	-	30,785,347
2016	1,002,579	-	-	27,246,156
2017	1,904,872	-	-	29,824,093
2018	1,859,205	-	-	30,630,672
2019	2,603,980	-	-	33,774,905
2020	1,778,099	-	-	33,154,864
2021	58,746	-	-	32,030,399



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**Exhibit I-8**

**Pikes Peak Library District  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)**

Assessment Year	Collection Year	Residential		All Other Property	
		Assessed Value	Estimated Actual value	Assessed Value	Estimated Actual Value
2011	2012	\$ 3,281,225,918	\$ 41,221,431,129	\$ 2,686,809,582	\$ 9,264,860,628
2012	2013	3,345,705,933	42,031,481,566	2,696,746,537	9,299,125,991
2013	2014	3,323,732,184	41,755,429,448	2,705,167,116	9,328,162,469
2014	2015	3,383,673,117	42,508,456,238	2,733,459,583	9,425,722,702
2015	2016	3,772,618,178	47,394,700,732	2,845,238,612	9,811,167,627
2016	2017	3,785,355,234	47,554,713,989	2,832,501,556	9,767,246,746
2017	2018	3,932,149,665	54,613,189,788	3,148,445,775	10,856,709,570
2018	2019	4,041,515,731	56,132,162,928	3,157,308,979	10,887,272,342
2019	2020	4,792,932,200	67,031,120,058	3,453,536,110	11,908,693,842
2020	2021	4,895,319,720	68,463,062,349	3,322,893,400	11,458,213,951

Notes:

The following are the assessment rates for collection years 2011 through 2021:

Collection Year	Residential	All Other Categories
2011-2017	7.96%	29.00%
2018-2019	7.20%	29.00%
2020-2021	7.15%	29.00%

Data Source: El Paso County Assessor's Office Abstracts of Assessment

<b>Total Assessed Value</b>	<b>Total Mill Levy</b>	<b>Estimated Actual Value</b>	<b>Ratio of Total Assessed Value to Total Estimated Actual Value</b>
\$ 5,968,035,500	3.999	\$ 50,486,291,757	11.8%
6,042,452,470	4.000	51,330,607,557	11.8%
6,028,899,300	4.000	51,083,591,917	11.8%
6,117,132,700	4.000	51,934,178,939	11.8%
6,516,617,460	3.857	57,205,868,359	11.4%
6,617,856,790	3.957	57,321,960,736	11.5%
7,080,595,440	3.812	65,469,899,358	10.8%
7,198,824,710	4.000	67,019,435,270	10.7%
8,246,468,310	3.731	78,939,813,900	10.4%
8,218,213,120	3.855	79,921,276,300	10.3%

Exhibit I-9

**Pikes Peak Library District  
Property Tax Rates - Direct and Overlapping  
Last Ten Fiscal Years  
(Unaudited)  
(Per \$1,000 of assessed value)**

Taxing Authority	Collection Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Direct</b>										
Pikes Peak Library District	3.999	4.000	4.000	4.000	3.857	3.957	3.812	4.000	3.731	3.855
<b>Overlapping Governments</b>										
El Paso County	7.597	7.663	7.714	7.791	7.869	7.919	7.965	8.068	7.035	8.085
<b>Cities and Towns</b>										
Calhan	17.563	17.563	17.563	17.563	17.563	17.563	17.563	17.563	17.563	17.563
Colorado Springs	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279
Fountain	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239	10.239
Green Mountain Falls	14.588	17.588	17.588	17.588	17.588	17.588	17.588	17.588	17.588	17.588
Manitou Springs	-	12.060	12.060	12.050	12.246	13.001	13.072	13.083	13.019	13.004
Monument	6.289	6.289	6.289	6.289	6.255	6.289	6.225	6.289	6.152	6.152
Palmer Lake	16.459	16.459	16.459	16.459	11.238	21.238	21.135	21.238	21.238	21.238
Ramah	19.827	19.827	19.827	19.827	19.827	19.827	19.827	19.827	19.827	19.827
<b>Fire Districts</b>										
Big Sandy	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000
Black Forest	10.406	10.379	10.382	10.356	10.237	10.178	10.114	10.052	12.549	15.139
Black Forest (OPS)	1.191	1.164	1.167	1.141	1.022	0.963	0.899	0.837	0.653	0.639
Broadmoor	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
Calhan	6.500	6.536	6.523	6.552	6.061	5.971	6.049	6.402	6.325	12.536
Cascade	7.968	8.443	9.168	9.410	9.774	10.245	10.848	10.848	10.153	10.848
Cimarron Hills	12.150	14.390	14.390	15.290	15.286	15.286	16.200	16.200	16.200	16.200
Donald Wescott	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
Wescott N. Sub.	-	-	-	-	-	-	14.900	14.900	14.900	14.900
Edison	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000
Elbert	4.575	4.575	4.575	4.575	8.500	8.500	8.500	8.500	7.528	7.715
Ellicott	9.999	10.168	10.290	10.220	9.760	9.850	9.515	9.451	8.589	8.496
Falcon	8.612	8.612	8.612	8.612	8.612	8.612	8.612	14.886	14.886	14.886
Green Mountain Falls/Chipita Park	8.048	8.542	8.788	9.293	9.812	9.763	16.950	17.460	16.615	17.090
Hanover	4.720	4.720	4.720	4.720	7.000	7.366	7.428	7.217	10.000	10.000
Northeast Teller City	-	-	-	-	-	-	-	-	-	13.547
Peyton	6.253	6.458	6.130	6.130	6.130	6.130	6.130	6.130	6.130	6.140
Security	6.681	10.001	10.001	10.002	10.002	10.002	10.002	10.002	10.002	10.002
Stratmoor Hills	12.423	12.423	12.002	12.686	12.768	12.811	12.582	13.200	13.251	13.810
SW Hwy 115	7.200	13.200	13.200	13.200	13.200	13.200	13.200	13.483	13.200	13.210
Tri-County	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Tri-Lakes/Monument	8.500	11.500	11.500	11.500	11.500	11.500	18.100	18.400	18.400	18.400
Woodman Valley	9.050	9.050	9.050	9.050	9.050	9.050	9.050	9.050	9.050	9.050

Exhibit I-9

**Pikes Peak Library District  
Property Tax Rates - Direct and Overlapping (Continued)  
Last Ten Fiscal Years  
(Unaudited)  
(Per \$1,000 of assessed value)**

Taxing Authority	Collection Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Water Districts</b>										
Cheyenne Creek	0.500	0.500	0.500	0.500	0.500	1.000	1.000	1.000	1.000	1.000
Forest View	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Park Forest	14.437	14.437	14.437	14.437	14.437	14.437	14.437	14.437	14.437	14.437
Red Rock Valley Estates	16.803	17.709	17.872	18.575	16.444	17.725	17.725	17.725	17.725	17.725
Stratmoor Hills	2.000	2.088	2.055	1.974	2.086	2.105	2.071	-	-	-
S.E. Colo. Water Conserv.	0.947	0.944	0.944	0.094	0.941	0.940	0.094	0.944	0.902	0.942
Security	5.952	5.947	5.980	5.955	5.654	5.695	5.703	5.679	5.007	5.000
Turkey Canyon Ranch	11.005	9.500	9.500	9.500	9.500	9.500	9.500	9.500	9.500	9.500
Upper Arkansas Water Conserv.	0.495	0.478	0.478	0.478	0.471	0.478	0.481	0.479	0.435	0.445
Upper Big Sandy	0.532	0.532	0.532	0.532	0.532	0.532	0.532	0.532	0.532	0.532
Upper Black Squirrel	1.082	1.082	1.082	1.082	1.057	1.063	1.065	1.065	1.029	1.056
<b>Sanitation Districts</b>										
Fountain	5.334	5.534	5.755	6.101	6.040	6.248	6.328	6.637	6.030	6.340
Monument	-	-	-	-	-	-	7.734	-	-	-
Security	0.899	0.898	0.903	0.899	0.856	0.862	0.863	0.854	0.757	0.757
Stratmoor Hills	0.549	0.573	0.578	0.578	0.587	0.591	0.583	-	-	-
<b>Sanitation and Water Districts</b>										
Academy	24.950	24.755	2.937	2.937	2.937	2.937	2.937	2.937	2.937	2.937
Donala (Area A)	16.296	21.296	21.296	21.296	21.296	21.296	21.296	21.296	21.296	21.296
Donala (Area B)	8.148	10.648	10.648	10.648	10.648	10.648	10.648	10.648	10.648	10.648
Garden Valley	8.617	8.167	9.920	9.055	9.695	10.296	11.083	12.766	19.710	16.061
Garden Valley #2	5.500	5.805	5.613	5.736	5.816	5.196	4.308	-	-	-
Westmoor	35.508	37.471	34.956	41.288	34.943	36.836	36.953	38.277	34.998	37.165

Exhibit I-9

Pikes Peak Library District  
 Property Tax Rates - Direct and Overlapping (Continued)  
 Last Ten Fiscal Years  
 (Unaudited)  
 (Per \$1,000 of assessed value)

Taxing Authority	Collection Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>School Districts</b>										
Air Force Academy #20	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216
Big Sandy #100J	42.067	42.128	40.787	40.379	38.860	38.782	38.189	37.666	35.473	32.294
Calhan #RJ-1	30.049	29.117	27.096	27.193	27.091	27.003	27.068	27.013	27.083	27.172
Cheyenne Mountain #12	49.764	50.000	50.000	53.000	53.000	53.000	55.000	55.000	55.000	55.000
Colorado Springs #11	44.004	43.445	44.264	43.165	40.803	40.878	52.499	56.084	51.558	51.104
Edison #54	36.104	37.044	37.861	37.340	40.834	36.502	36.504	36.503	36.501	36.501
Ellicott #22	41.148	41.147	37.124	37.126	37.001	37.046	37.011	31.863	31.921	31.673
Falcon #49	45.842	45.585	45.617	45.796	44.635	44.417	43.648	43.044	43.189	43.021
Fremont/Florence #39	33.907	28.774	28.776	29.251	28.908	29.300	29.762	28.816	29.378	28.665
Fountain/Ft. Carson #8	24.723	24.703	24.726	24.775	25.195	24.748	24.731	24.776	24.845	24.741
Hanover #28	27.551	27.463	31.103	27.759	35.112	34.679	35.736	33.708	32.439	26.664
Harrison #2	41.147	41.344	41.344	36.997	36.414	36.278	33.138	48.333	47.227	48.394
Lewis-Palmer #38	52.343	51.756	50.091	49.677	45.501	46.404	44.651	44.068	41.430	41.000
Manitou Springs #14	-	47.354	47.649	47.555	52.000	52.000	52.000	61.900	58.817	53.144
Miami/Yoder #60	42.853	43.194	42.710	41.926	28.504	28.303	28.079	30.006	29.263	27.687
Peyton #23	34.041	34.097	30.985	30.919	30.419	30.469	30.469	30.469	30.469	30.469
Widefield #3	-	-	-	-	-	45.657	61.320	60.294	56.396	56.164
<b>Miscellaneous Districts</b>	<b>2,554.140</b>	<b>2,703.102</b>	<b>2,975.466</b>	<b>3,083.266</b>	<b>3,391.527</b>	<b>3,075.868</b>	<b>3,576.017</b>	<b>4,727.847</b>	<b>4,560.336</b>	<b>5,887.178</b>

Data Source: El Paso County Assessor's Office Abstracts of Assessment

Exhibit I-10

Pikes Peak Library District  
Principal Property Taxpayers - Top 10  
Current Year and Nine Years Ago  
(Unaudited)

Principal Taxpayer	Type of Business	Fiscal Year 2021		Fiscal Year 2012	
		Assessed Valuation	Percent of Total Assessed Valuation	Assessed Valuation	Percent of Total Assessed Valuation
CELLCO Partnership	Investments	\$ 105,175,270	1.28%	\$ -	-
Qwest Corporation	Telecommunications	37,662,800	0.46%	73,185,230	1.23%
Broadmoor Hotel, Inc.	Hotel/Resort	36,215,460	0.44%	29,949,610	0.50%
Comcast of CO/PA/WV LLC	Investments	34,659,070	0.42%	-	-
Mountain View Electric	Utilities	29,066,940	0.35%	21,317,200	0.36%
Wal-Mart Real Estate	Merchandise/Retail	27,985,610	0.34%	29,762,100	0.50%
Palmer Center LTD	Retail Mall	15,370,860	0.19%	-	-
Progressive Direct Insurance Co.	Insurance	14,516,260	0.18%	-	-
Wal-Mart Datacenter	Technology	14,362,000	0.17%	-	-
First & Main LLC	Merchandise/Retail	13,271,890	0.16%	-	-
Black Hills Fountain Valley Power LLC	Utilities	-	-	37,095,900	0.62%
dpiX, LLC	Technology	-	-	26,407,220	0.44%
Verizon Wireless	Technology	-	-	20,182,980	0.34%
Atmel Corp.	Investments	-	-	16,142,290	0.27%
MCI Telecommunications Corp.	Telecommunications	-	-	15,578,900	0.26%
Coyote Garrison Chapel Hills Mall LLP	Retail Mall	-	-	13,840,450	0.23%
<b>Total Top 10 Principal Taxpayers</b>		<u>\$ 328,286,160</u>	<u>3.99%</u>	<u>\$ 283,461,880</u>	<u>4.75%</u>
<b>Total Assessed Valuation</b>		<u>\$ 8,218,213,120</u>	<u>100.00%</u>	<u>\$ 5,968,035,500</u>	<u>100.00%</u>

**Exhibit I-11**

**Pikes Peak Library District  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

<b>Assessment Year</b>	<b>Collection Year</b>	<b>Current Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Tax Collected</b>
2011	2012	\$ 23,776,533	\$ 23,521,488	98.9%
2012	2013	24,058,794	23,852,302	99.1%
2013	2014	23,978,299	23,691,576	98.8%
2014	2015	24,290,297	24,092,442	99.2%
2015	2016	24,926,355	24,730,868	99.2%
2016	2017	25,942,634	25,709,842	99.1%
2017	2018	27,187,071	26,767,115	98.5%
2018	2019	28,454,290	28,160,917	99.0%
2019	2020	30,374,738	30,042,362	98.9%
2020	2021	31,307,840	31,139,776	99.5%

Data Sources: District's financial records and El Paso County Treasurer's Office

<b>Delinquent Tax Collections</b>	<b>Penalties and Interest Delinquent Tax Collections</b>	<b>Omitted Property Tax Collections</b>	<b>Total Tax Collection</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Total Tax Levy</b>
\$ 19,120	\$ 44,669	\$ 3,205	\$ 23,588,482	99.2%	\$ 128,616	0.5%
30,559	41,758	5,639	23,930,258	99.5%	139,504	0.6%
72,755	56,389	2,887	23,823,607	99.4%	55,656	0.2%
12,160	29,628	3,699	24,137,929	99.4%	54,997	0.2%
10,720	29,902	9,505	24,780,995	99.4%	62,246	0.2%
14,007	33,187	5,224	25,762,260	99.3%	71,429	0.3%
17,132	35,319	5,451	26,825,017	98.7%	92,436	0.3%
20,995	38,420	6,145	28,226,476	99.2%	94,397	0.3%
11,964	24,708	7,195	30,086,229	99.1%	101,564	0.3%
25,309	45,574	1,681	31,212,340	99.7%	39,935	0.1%

Exhibit I-12

Pikes Peak Library District  
Ratios of Outstanding Debt  
Last Ten Fiscal Years  
(Unaudited)

Year Ended December 31,	LSA Population	Capital Leases			Net Debt Per Capita	Personal Income	Debt as a Percentage of Personal Income	Assessed Value Used for Current Year Collections	Ratio of Net Bonded Debt to Assessed Value
		Gross Debt	Funds Available in Debt Service Fund	Net Debt					
2012	585,158	\$ -	\$ -	\$ -	\$ 26,050,723,000	-	\$ 5,968,035,500	-	
2013	598,549	-	-	-	26,626,735,000	-	6,042,452,470	-	
2014	607,457	-	-	-	28,079,165,000	-	6,028,899,300	-	
2015	616,089	-	-	-	29,262,206,000	-	6,117,132,700	-	
2016	623,805	-	-	-	30,315,645,000	-	6,516,617,460	-	
2017	639,625	-	-	-	31,149,325,000	-	6,617,856,790	-	
2018	650,185	-	-	-	35,603,678,000	-	7,080,595,440	-	
2019	662,241	-	-	-	36,605,524,000	-	7,198,824,710	-	
2020	669,874	-	-	-	36,825,059,000	-	8,246,468,310	-	
2021	670,046	-	-	-	n/a	-	8,218,213,120	-	

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**Exhibit I-13**

**Pikes Peak Library District  
Debt Limitation Information  
Last Ten Fiscal Years  
(Unaudited)**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Assessed valuation	<u>\$ 5,968,035,500</u>	<u>\$ 6,042,452,470</u>	<u>\$ 6,028,899,300</u>	<u>\$ 6,117,132,700</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 89,520,533</u>	<u>\$ 90,636,787</u>	<u>\$ 90,433,490</u>	<u>\$ 91,756,991</u>
Total debt (excluding compensated absences)	-	-	-	-
Less: Certificates of Participation (1)	-	-	-	-
Capital leases (1)	-	-	-	-
Total debt applicable to limitation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 89,520,533</u>	<u>\$ 90,636,787</u>	<u>\$ 90,433,490</u>	<u>\$ 91,756,991</u>

Notes:

(1) Certificates of Participation and capital leases are not included as debt for purposes of calculating legal debt margin (Colorado Revised Statue 22-42-104).

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<u>\$ 6,516,617,460</u>	<u>\$ 6,617,856,790</u>	<u>\$ 7,080,595,440</u>	<u>\$ 7,198,824,710</u>	<u>\$ 8,246,468,310</u>	<u>\$ 8,218,213,120</u>
<u>\$ 97,749,262</u>	<u>\$ 99,267,852</u>	<u>\$ 106,208,932</u>	<u>\$ 107,982,371</u>	<u>\$ 123,697,025</u>	<u>\$ 123,273,197</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 97,749,262</u>	<u>\$ 99,267,852</u>	<u>\$ 106,208,932</u>	<u>\$ 107,982,371</u>	<u>\$ 123,697,025</u>	<u>\$ 123,273,197</u>

**Exhibit I-14**

**Pikes Peak Library District  
Debt Service Information  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Debt Service Expenditures</b>			<b>Noncapital Governmental Fund Expenditures</b>	<b>Ratio of Debt Service to Noncapital Governmental Fund Expenditures</b>
	<b>Capital Leases</b>		<b>Total</b>		
	<b>Principal Payments</b>	<b>Interest Payments</b>			
2012	\$ 65,401	\$ 1,672	\$ 67,073	\$ 22,732,454	0.30%
2013	-	-	-	23,553,822	-
2014	-	-	-	24,979,899	-
2015	-	-	-	25,816,533	-
2016	-	-	-	26,243,577	-
2017	-	-	-	27,919,221	-
2018	-	-	-	28,771,467	-
2019	-	-	-	31,170,925	-
2020	-	-	-	31,376,765	-
2021	-	-	-	31,971,653	-

**Exhibit I-15**

**Pikes Peak Library District  
Demographic and Economic Information  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	LSA Population	Total Personal Income*	Per Capita Personal Income*	Unemploy. Rate*	Households		Median Age	Public School Enrollment*
					Total	Average Size		
2012	585,158	26,050,723	40,346	8.7%	247,320	2.42	34.1	126,274
2013	598,549	26,626,735	40,642	8.0%	251,153	2.42	34.2	116,061
2014	607,457	28,079,165	42,360	5.1%	255,364	2.41	34.3	113,837
2015	616,089	29,262,206	43,385	4.6%	259,082	2.41	34.0	117,928
2016	623,805	30,315,645	44,409	3.2%	263,383	2.43	34.4	118,754
2017	639,625	31,149,325	46,511	3.4%	267,300	2.43	34.4	119,442
2018	650,185	35,603,678	48,467	4.5%	271,234	2.44	34.4	121,192
2019	662,241	36,605,524	51,117	2.8%	270,074	2.48	33.7	122,783
2020	669,874	36,825,059	54,151	7.2%	273,613	2.60	33.7	118,023
2021	670,046	39,438,712	57,765	4.1%	295,342	2.63	34.6	119,609

Notes:

\*Data revised in 2021 with most recent information from the El Paso County Annual Comprehensive Financial Report

Data sources:

2021 El Paso County ACFR, Library Research Service Database, El Paso County Clerk and Recorder, Colorado Department of Education, Colorado Division of Local Government, Colorado Division of Labor and Employment, US Department of Commerce, Bureau of Economic Analysis, Occupational Employment and Wage Statistics Program

**Exhibit I-16**

**Pikes Peak Library District  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

<b>Employer</b>	<b>Fiscal Year 2021</b>		<b>Fiscal Year 2012</b>	
	<b>Employees</b>	<b>Percent of Total Employment</b>	<b>Employees</b>	<b>Percent of Total Employment</b>
Fort Carson	36,000	14.36%	31,800	9.95%
Peterson Air Force Base	10,650	4.25%	11,693	3.66%
Schriever Air Force Base	8,000	3.19%	8,215	2.57%
United States Air Force Academy	7,650	3.05%	9,793	3.06%
UCHealth Memorial Health System	6,000	2.39%	4,100	1.28%
Amazon	4,800	1.91%	-	0.00%
Penrose St. Francis Health Services / Centura	3,560	1.42%	4,000	1.25%
Colorado Springs School District #11	3,300	1.32%	-	0.00%
Academy School District #20	3,150	1.26%	2,857	0.89%
City of Colorado Springs	2,950	1.18%	2,269	0.71%
El Paso County School District #11	-	-	2,600	0.81%
Broadmoor Hotel	-	-	1,600	0.50%
<b>Total</b>	<b>86,060</b>	<b>34.32%</b>	<b>78,927</b>	<b>24.69%</b>
<b>Total Employment - El Paso County, Colorado</b>	<b>250,777</b>		<b>319,701</b>	

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Exhibit I-17

**Pikes Peak Library District  
District Employees By Function  
Last Ten Fiscal Years  
(Unaudited)**

	<b>Full-time Equivalent Employees</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Public Services</b>										
Administration	3.00	3.00	3.00	1.00	1.00	2.00	2.00	2.00	1.00	1.00
Regional History and Genealogy	9.25	9.25	9.25	9.25	9.50	9.50	9.50	11.00	11.00	10.50
Creative Services	-	-	-	-	-	-	-	5.00	5.00	5.00
Adult Services	-	-	-	-	-	-	-	11.00	11.00	9.00
East Library	16.30	15.80	15.80	16.80	16.80	17.32	16.32	-	-	-
Penrose Library	20.74	20.24	20.24	20.24	21.22	21.22	21.22	-	-	-
Library 21c	-	-	8.25	8.25	8.25	8.25	8.25	-	-	-
Library 21c - Computer Commons	-	-	9.00	9.50	9.50	9.50	9.50	-	-	-
Family and Children Services	-	-	-	-	-	-	-	9.00	9.00	9.00
East Library	9.02	8.02	6.82	6.82	8.27	8.27	8.27	-	-	-
Penrose Library	5.32	5.32	6.12	6.12	6.12	6.12	6.12	-	-	-
Library 21c	-	-	6.88	7.88	7.88	8.88	7.88	-	-	-
Young Adult Services	-	-	-	-	-	-	-	6.00	6.00	6.00
Community Libraries										
Administration - West Region	-	-	-	-	-	-	5.00	3.00	3.50	3.50
Administration - Southeast Region	-	-	-	-	-	-	3.00	4.00	4.00	4.00
Administration - North Region	-	-	-	-	-	-	3.00	3.00	3.00	3.00
Briargate Library	13.63	14.50	-	-	-	-	-	-	-	-
Calhan Library	-	-	-	-	-	-	-	1.70	1.70	1.70
Cheyenne Mountain Library	10.93	11.43	10.93	10.93	10.93	10.55	10.55	10.58	10.58	10.08
Fountain Library	10.25	9.25	7.75	7.88	7.88	6.63	6.63	7.63	7.63	7.13
East Library	-	-	-	-	-	-	-	16.93	18.93	42.15
High Prairie Library	8.00	8.00	8.25	8.25	8.25	8.25	8.25	8.25	7.75	7.75
Ruth Holley Library	12.25	12.50	12.50	12.13	12.13	10.50	10.50	9.63	9.63	9.63

**Full-time Equivalent Employees**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Library 21c	-	-	-	-	-	-	-	18.69	21.19	31.57
Manitou Springs Library	-	-	4.00	4.25	4.25	4.25	4.25	4.35	4.20	4.20
Monument Library	10.42	10.55	10.55	10.55	10.49	10.49	10.49	9.96	9.96	9.96
Old Colorado City Library	9.28	8.88	8.88	8.63	8.90	8.90	8.90	8.90	8.90	8.90
Palmer Lake Library	2.01	1.99	1.79	1.79	2.03	2.03	2.03	2.03	2.03	1.53
Penrose Library	-	-	-	-	-	-	-	17.64	17.64	30.54
Rockrimmon Library	11.23	10.85	10.65	10.65	10.65	10.08	10.08	9.45	9.85	9.85
Sand Creek Library	13.09	13.29	14.23	15.73	15.95	16.20	16.20	12.55	12.55	12.55
Ute Pass Library	2.30	1.80	1.80	1.28	1.28	1.28	1.28	1.35	1.35	1.35
Adult Education	2.60	3.10	3.45	4.20	3.85	6.50	6.50	7.00	8.00	7.00
Circulation										
East Library	19.01	19.56	20.22	20.62	20.62	18.84	18.84	16.35	15.35	-
Penrose Library	11.59	11.59	11.62	11.74	11.74	11.84	11.84	11.02	11.07	-
Library 21c	-	-	6.50	6.50	6.50	6.50	6.50	6.50	6.50	-
Shelving										
East Library	15.16	13.68	13.70	13.70	13.64	12.07	12.07	10.57	9.57	-
Penrose Library	8.84	8.32	7.99	7.99	7.99	6.12	6.12	4.88	4.88	-
Library 21c	-	-	5.18	5.55	5.18	5.25	5.25	5.25	5.75	-
Collection Management	19.80	19.80	19.30	19.65	19.00	18.40	19.25	23.52	23.52	23.52
Knights of Columbus Hall	-	-	-	-	-	-	-	1.00	1.00	1.00
Mobile Library Services	9.70	8.70	8.70	8.70	8.95	9.15	9.15	9.65	9.15	9.15
Diversity, Equity & Inclusion (DEI)	-	-	-	-	-	-	-	-	-	3.00
<b>Total Public Services</b>	<b>253.72</b>	<b>249.42</b>	<b>273.35</b>	<b>276.58</b>	<b>278.75</b>	<b>274.89</b>	<b>284.74</b>	<b>289.38</b>	<b>292.18</b>	<b>283.56</b>
<b>Administrative Services</b>										
Administration	1.00	1.00	1.00	-	-	-	-	-	-	-
Facilities										
East Library	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Penrose Library	7.00	7.00	6.75	6.75	6.00	6.00	5.00	5.00	5.00	5.00
Library 21c	-	-	2.00	2.00	3.00	3.00	3.00	5.00	6.00	6.00
Human Resources	4.15	5.15	5.15	5.15	5.15	5.15	5.15	6.25	6.25	6.25
<b>Total Administrative Services</b>	<b>15.15</b>	<b>16.15</b>	<b>17.90</b>	<b>16.90</b>	<b>17.15</b>	<b>17.15</b>	<b>16.15</b>	<b>19.25</b>	<b>20.25</b>	<b>20.25</b>
<b>Information Technology</b>										
Information Technology	13.00	13.00	14.00	14.10	14.10	14.10	13.10	16.10	16.60	16.60
<b>Other Administrative Operations</b>										
Chief Librarian and Chief Executive Officer Office	2.50	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Communications Office	10.65	10.90	11.75	12.25	12.25	12.25	12.25	14.25	11.75	11.75
Development Office	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.00	3.00	3.00
Finance Office	6.75	5.75	5.75	6.75	6.75	6.75	7.75	7.75	7.75	7.75
Security	7.25	7.25	11.00	13.00	14.50	15.00	15.00	20.52	20.52	20.52
<b>Total Other Administration Operations</b>	<b>29.65</b>	<b>29.40</b>	<b>33.00</b>	<b>36.50</b>	<b>38.00</b>	<b>38.50</b>	<b>39.50</b>	<b>47.52</b>	<b>45.02</b>	<b>45.02</b>
<b>Total Full Time Equivalents</b>	<b>311.52</b>	<b>307.97</b>	<b>338.25</b>	<b>344.08</b>	<b>348.00</b>	<b>344.64</b>	<b>353.49</b>	<b>372.25</b>	<b>374.05</b>	<b>365.43</b>

Data Source: District's Human Resources Office

Exhibit I-18

**Pikes Peak Library District  
Library Materials Purchased and Circulated  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Number of Volumes</b>	<b>Number of Audio Visual and eMaterials</b>	<b>Total Items</b>	<b>Acquisition Cost of Collections</b>	<b>Cost of New Acquisitions</b>	<b>Net Book Value of Collections</b>	<b>Number of Items in Circulation</b>	<b>Turnover Rate</b>
2012	885,857	263,277	1,149,134	33,668,609	\$ 2,763,306	\$ 14,813,804	1,106,019	7.99
2013	907,823	285,181	1,193,004	33,438,002	2,520,735	14,392,359	1,148,583	7.67
2014	918,701	316,647	1,235,348	34,256,218	2,663,493	14,599,576	1,189,875	7.09
2015	718,638	279,776	998,414	28,479,378	2,731,728	14,211,399	951,064	8.43
2016	689,980	353,667	1,043,647	27,162,050	2,313,177	13,806,198	995,151	7.73
2017	700,758	346,176	1,046,934	26,923,183	2,140,189	13,803,275	996,826	7.43
2018	684,908	362,788	1,047,696	25,614,835	1,812,545	13,245,127	996,698	7.35
2019	658,014	453,315	1,111,329	24,234,938	1,670,175	12,739,934	1,059,914	7.81
2020	630,270	461,230	1,091,500	23,209,685	1,135,208	12,152,697	1,041,060	5.89
2021	596,976	492,694	1,089,670	22,555,452	1,630,811	12,346,538	1,037,212	5.50

Data Source: District's Collection Management Department

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**Exhibit I-19**

**Pikes Peak Library District  
Circulation By Location  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>East Library</b>	<b>Penrose Library</b>	<b>Library 21c</b>	<b>Briargate</b>	<b>Calhan</b>	<b>Cheyenne Mountain</b>	<b>Fountain</b>	<b>High Prairie</b>
2012	2,310,938	1,101,885	-	816,865	-	548,264	289,672	367,406
2013	2,128,483	1,154,390	-	794,457	-	542,311	274,626	366,472
2014	1,983,752	1,049,901	464,794	283,986	-	503,092	249,356	341,333
2015	1,621,753	900,407	894,810	-	-	474,082	211,731	326,736
2016	1,533,028	776,925	888,192	-	-	437,569	199,196	307,167
2017	1,303,118	714,133	986,551	-	-	386,538	191,400	289,874
2018	1,325,067	626,308	904,180	-	-	374,674	187,269	284,624
2019	1,577,714	577,467	1,053,083	-	3,211	421,297	197,568	326,298
2020	842,299	280,922	565,421	-	13,993	234,309	111,849	182,899
2021	996,323	301,424	681,518	-	18,911	279,981	128,429	236,860

**Community Libraries**

<b>Manitou Springs</b>	<b>Monument</b>	<b>Old Colorado City</b>	<b>Palmer Lake</b>	<b>Rockrimmor</b>	<b>Ruth Holley</b>	<b>Sand Creek</b>	<b>Ute Pass</b>
-	595,068	312,196	66,511	552,227	596,776	577,261	51,282
41,578	563,585	303,649	63,566	536,706	576,746	554,733	45,673
48,404	502,640	294,604	58,095	474,322	518,641	514,578	39,549
47,067	451,594	284,910	50,653	431,335	457,623	463,715	33,806
46,452	415,012	246,141	43,152	385,294	395,346	417,248	31,724
47,318	390,805	214,947	44,718	368,714	367,831	370,525	31,623
40,953	383,845	193,591	40,011	360,463	338,586	332,100	27,973
52,330	425,456	220,319	47,399	394,445	355,739	361,589	26,234
19,148	248,858	120,102	14,068	243,994	177,597	161,651	18,434
20,883	306,924	89,301	7	288,091	177,529	155,569	24,510

<b>Mobile Library Services</b>	<b>Library Express Dispenser</b>	<b>Cyber-Shelf</b>	<b>Nook eReaders</b>	<b>Other Categories</b>	<b>Inter-Library Loan</b>	<b>Total</b>
202,975	45,921	349,362	1,833	25,851	27,670	8,839,963
195,332	42,272	533,026	740	63,485	27,184	8,809,014
188,500	48,784	792,432	492	57,224	25,622	8,440,101
179,297	28,993	1,068,783	70	60,608	25,835	8,013,808
166,186	20,958	1,295,052	325	55,209	28,098	7,688,274
157,979	2,363	1,459,032	467	54,764	26,154	7,408,854
148,384	-	1,681,835	220	52,932	27,253	7,330,268
148,737	-	1,976,428	67	84,496	24,796	8,274,673
92,155	-	2,430,575	58	90,448	17,279	5,866,059
102,001	-	2,504,503	18	55,259	12,694	6,380,735

Exhibit I-20

**Pikes Peak Library District  
Service Location Information  
Last Ten Fiscal Years  
(Unaudited)**

Library	Address	Owned (O) Leased (L)	No. of Hours Open/Week FY 2021	Square Footage as of Fiscal Year-end										
				2012	2013	2014	2015	2016	2016	2018	2019	2020	2021	
Briargate Library	9475 Briar Village Pt. Colorado Springs, CO 80920	L	-	8,627	8,627	8,627	-	-	-	-	-	-	-	-
Calhan Library	600 Bank Street Calhan, CO 80803	O	34	-	-	-	-	-	-	-	-	2,400	2,400	2,400
Cheyenne Mountain Library	1785 S. 8th Street, Suite 100 Colorado Springs, CO 80906	L	64	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900
East Library	5550 N. Union Colorado Springs, CO 80918	O	68	70,153	70,153	70,153	70,153	70,153	70,153	70,153	70,153	70,153	70,153	70,153
Fountain Library	230 S. Main Street Fountain, CO 80817	O	64	9,582	9,582	9,582	9,582	9,582	9,582	9,582	9,582	9,582	9,582	9,582
High Prairie Library	7035 Old Meridian Rd. Falcon, CO 80831	O	56	6,008	6,008	6,008	6,008	6,008	6,008	6,008	6,008	6,008	6,008	6,008
Library 21C	1175 Chapel Hills Drive Colorado Springs, CO 80920	O	68	115,058	115,058	115,058	115,058	115,058	115,058	115,058	115,058	115,058	115,058	115,058
Manitou Springs Library	701 Manitou Avenue Manitou Springs, CO 80829	L	52	-	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391	2,391
Monument Hill Library	1706 Lake Woodmoor Drive Monument, CO 80132	L	68	7,536	7,536	7,536	7,536	7,536	7,536	7,536	7,536	7,536	7,536	7,536
Old Colorado City Library	2418 W. Pikes Peak Colorado Springs, CO 80904	O	64	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909
Palmer Lake Library	66 Lower Glenway Palmer Lake, CO 80133	L	36	1,574	1,574	1,574	1,574	1,574	1,574	1,574	1,574	1,574	1,574	1,574
Penrose Library	20 N. Cascade Colorado Springs, CO 80903	O	68	78,831	78,831	78,831	78,831	78,831	78,831	78,831	78,831	78,831	78,831	78,831
Rockrimmon Library	832 Village Center Drive Colorado Springs, CO 80919	L	64	8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668
Ruth Holley Library	685 N. Murray Colorado Springs, CO 80915	L	64	10,469	10,469	10,469	10,469	10,469	10,469	10,469	10,469	10,469	10,469	10,469
Sand Creek Library	1821 S. Academy Colorado Springs, CO 80916	O	68	14,060	14,060	14,060	14,060	14,060	14,060	14,060	14,060	14,060	14,060	14,060
Ute Pass Library	8010 Severy Cascade, CO 80809	L	30	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123
Mobile Library Services - three vehicles		O	74	455	455	455	455	455	455	455	455	455	455	455
Knights of Columbus Hall	25 W. Kiowa Colorado Springs, CO 80903	O	N/A	11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988
				<b>942</b>	<b>358,941</b>	<b>361,332</b>	<b>361,332</b>	<b>352,705</b>	<b>352,705</b>	<b>352,705</b>	<b>352,705</b>	<b>355,105</b>	<b>355,105</b>	<b>355,105</b>

Data Source: District's Facilities Office

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## **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

Board of Trustees  
Pikes Peak Library District  
Colorado Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pikes Peak Library District (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 30, 2022. The financial statements of the Pikes Peak Library District Foundation Inc. (the Foundation), a discretely presented component unit of the District, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

#### ***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Trustees  
Pikes Peak Library District

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**FORVIS,LLP**

Colorado Springs, Colorado  
June 30, 2022