

Comprehensive Annual Financial Report

For the year ended December 31, 2015

Pueblo City-County Library District
Finance Office
100 E. Abriendo Avenue
Pueblo, CO 81004
www.pueblolibrary.org

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
COLORADO**

**Finance Office
100 E. Abriendo Avenue
Pueblo, Colorado 81004**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the fiscal year ended December 31, 2015

Board of Trustees

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Executive Director

Jon Walker

Prepared by:

Sherri L. Baca, CPA
Chief Financial Officer

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Pueblo City-County Library District, Colorado
Financial Statements
For The Year Ended December 31, 2015

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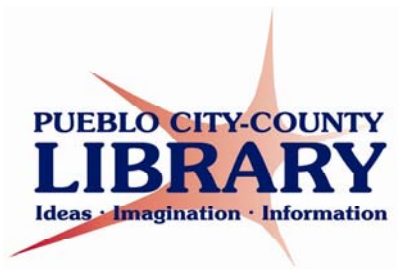
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Pueblo City-County Library District, Colorado
Financial Statements
For The Year Ended December 31, 2015

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Robert Hoag Rawlings
Library

Barkman Library

Lamb Library

Pueblo West Library

Library @ the Y

Greenhorn Valley Library

Giodone Library

Patrick Lucero Library

Community Satellites:

Avondale Elementary

Beulah School

June 23, 2016

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

Dear Trustees:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the Pueblo City-County Library District for the year ended December 31, 2015.

This is the seventh year that an annual financial report has been submitted to you in CAFR format, in accordance with the guidelines of the Government Finance Officers Association (GFOA). The required components of a CAFR include all of the financial statement data as historically reported, as well as a Management Discussion and Analysis Section, a Statistical Section which includes seventeen exhibits of information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information, and more expanded information in the letters of transmittal.

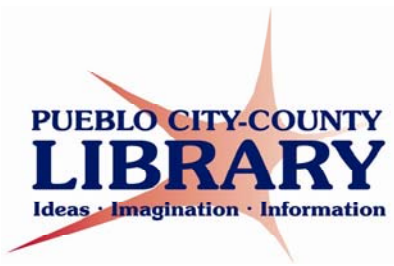
We submitted our 2009 – 2014 CAFR documents for review to the GFOA, and we were pleased and honored to receive the GFOA Award of Financial Reporting Achievement for each of these documents. It is our intent to submit the 2015 CAFR document to the GFOA for review as well, where a panel of financial professionals will critique the document for thoroughness, accuracy and presentation.

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

Sincerely,

Jon Walker
Executive Director

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Community Satellites:

Avondale Elementary

Beulah School

June 23, 2016

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

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Pueblo City-County Library District (the District) for the year ended December 31, 2015. This report was prepared by the Finance Office to provide citizens, investors, grantor agencies and other interested parties with information on the financial condition of the District. It has been prepared in accordance with generally accepted accounting principles for governmental units as defined by the Governmental Accounting Standards Board (GASB), and meets the requirements of the State of Colorado Auditor's Office.

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

Colorado State Statutes require an annual audit by independent certified public accountants. This requirement is being met through engagement of the firm of Swanhorst & Company LLC, to audit the 2015 financial statements of the District. The independent auditors' examination is conducted in accordance with generally accepted auditing standards and provides an independent assessment that helps assure fair presentation of the District's financial position and results of operations. The auditors' report on the basic financial statements is included in the financial section and reflects an unmodified opinion.

PROFILE OF THE GOVERNMENT

Governmental Structure

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

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

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

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

Motto, Mission, Vision, Goals and Objectives

MOTTO

Ideas, Imagination & Information

MISSION

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

VISION

Books and Beyond

KEY RESULTS (GOALS)

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

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

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

Major Initiatives

The library continued working in 2015 on a multiyear effort with Partners In Leadership, an accountability training and consulting company. This organizational training initiative is based on the bestselling book, *The Oz Principle: Getting Results Through Individual and Organizational Accountability*. In 2013-2015, all library staff were involved in in-depth training intended to transform the organization's culture into one focused on executing to achieve key results. In 2015, we very clearly identified four key results in our Annual Plan, as defined on the

previous page, and set new all-time records of attainment for each, a tribute to the value of this training. This included:

- 2,918,125 checkouts, a 17.5 percent increase compared with the prior year.
- 1,616,639 visitors, a 39 percent improvement over 2014.
- 245,600 program participants, a 34.6 percent above the previous twelve month period.
- 888,346 digital uses, which is 17.5 percent higher than 2014.

2015 was the first full year of operation of three new branch libraries in the district.

Construction of each of the new libraries was completed late in 2014. The new libraries are now permanent community centers within their respective and distinct neighborhoods. The Greenhorn Valley Library serves the mountain communities in far southern Pueblo County. The Tom L. and Anna Marie Giodone Library is located in the historically agricultural area east of the City of Pueblo. The Patrick A. Lucero Library is situated in a socio-economically depressed neighborhood on Pueblo's east side. Each of the three libraries met or exceeded usage expectations during their first full year of operation in 2015. The new libraries, along with the existing five full-service libraries and two satellite locations, now provide the community with a total of ten public library outlets serving a population of just over 160,000 people. These outlets are supplemented with outreach programs, including Books in the Park, Books a la Cart, the Homebound Program, and other services offered outside library buildings and in collaboration with partnering organizations.

The library continued to invest in information technology in 2015. This included significant expenditures both to renovate the audio-visual and other components of the InfoZone Theater at the Rawlings Library, improving its capacity for digitizing local documents of historical significance such as the local newspaper, and increasing the number of wireless tablets and laptops, specifically at the three new libraries where nearly all public-use computing is provided via such wireless devices. The library also continued to develop its makerspace activities, centered at The Idea Factory at the Rawlings Library and a smaller makerspace located at the Lucero Library. These spaces are where people gather to create, invent, and learn using a range of software and electronics such as 3D printers plus other craft, hardware, and technology tools.

Public events and programs constitute a significant component of library service. All ages are engaged with these activities as part of the library's role to provide lifelong learning opportunities for members of the community. These include Chautauqua-style events, school programs, movies and lectures, reading clubs and author presentations, early literacy activities, English Language Learning, citizenship classes, information technology lessons, maker projects, and more. The Summer Read Club set a new record for participation as did All Pueblo Reads, a signature library project that focused on Celebrate Sci-Fi for its eleventh annual rendition in 2015. 39,513 participants were counted among the dozens of 2015 All Pueblo Reads activities, which culminated with the eighth annual Booklovers Black tie Ball featuring celebrity guest Tory Belleci from the television program Mythbusters. Mr. Belleci addressed the gala dinner audience on the evening of November 7 as well as a standing-room only public event at the Rawlings Library on the following afternoon. Other programs with special focus in 2015

included the proceeds from grant funds to enhance English Language Learner and early literacy services.

In Technical Services, where all of the library's collection materials are selected, procured, and prepared for deployment to the libraries, an intensive study was completed to determine best practices and procedures for workflow. This was done with the help of a Lean Process consultant, and work flow procedures were significantly improved and processing time reduced as a result of this effort. The work in Technical Services also included focus on the use of more sophisticated data tools to improve the selection of new library materials and culling of older items in order to better ensure ideal collections suited best to meeting our community needs and wants.

Finally, 2015 saw the first full year of the new performance based compensation system, which had been under development since 2012. Initial analysis work was done in concert with the Singer Group, a human resources and organization development consulting firm, which provided expertise in structuring the new salary range chart in line with market wages. Job descriptions throughout the district were reviewed and updated, and SMART goals set. Other important facets of this effort were systematic supervisor training and a staffing and service level analysis, which resulted in the redeployment of a number of employees throughout the district, especially in support of the requirements of the newly opened libraries and the refreshed facilitated customer service model.

Plans for the future

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

1. Create young readers
2. Strengthen community partnerships
3. Bridge the digital divide
4. Data-driven planning
5. Serve the whole family at all stages of life
6. Lifelong learning begins with staff

Our 2016 Annual Plan identifies a number of objectives for the District to sustain our impressive key results and provide emerging emphasis on the new areas of strategic focus. These are based on the four key results as identified on page 9. These objectives were developed with input from the Board of Trustees, Managers and Supervisors, the Employee Steering Committee, and annual planning and budgeting requests submitted by individual branch and department teams.

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

- I. Add an office space at the Rawlings Library in support of the manager's ability to perform her/his job.

- II. Address physical facilities needs at the Rawlings Library by refurbishing the chiller.
- III. Adopt *Sirsi/Dynix BLUECloud Analytics*, a statistical and collection development software tool, for use in assisting in selection, deselection and other collection development decisions.
- IV. Appoint an ad-hoc committee of PCCLD stakeholders interested in the success of marketing local public library resources and services.
- V. Assess options to streamline cash management in order to free staff to focus on customer service.
- VI. Commence review of Information Technology policies for currency, accuracy, and appropriateness to ensure robust and secure PCCLD technology resources.
- VII. Complete review and update of PCCLD employment policies in order to assure their currency, accuracy, and appropriateness in support of the institution's winning workplace.
- VIII. Conduct telecommunications network assessment to determine future needs, including data security, configuration, and speed.
- IX. Continue digitization program of early and historically-significant editions of the *Pueblo Chieftain* with support from the Rawlings Foundation.
- X. Continue three-year project to change to more cost-effective and energy-efficient LED lighting by modifying fixtures at the Lamb Library.
- XI. Create young readers by expanding SPELL (Supporting Parents in Early Literacy through Libraries) program visits to six additional locations through the service area.
- XII. Determine best methods for measuring desired library district service outcomes in order to demonstrate PCCLD contribution to the success and improvement of our community.
- XIII. Ensure reliability of PCCLD computer resources by replacing core battery back-up units at Rawlings main site and Pueblo West Library redundant site.
- XIV. Employ and trained, professional social worker to assist the District in serving disadvantaged individuals who use libraries and require help obtaining needed services.
- XV. Establish new partnerships with state, local and national institutions to heighten community impact, including Sangre de Cristo Arts Center on Ansel Adams exhibit, state library and parks on park pass checkout program, and the White House, American Library Association

on *Exploring Human Origins* exhibit and *Great Stories Club*, Colorado State University-Pueblo on shared library resources, Grupo Folklorico del Pueblo, local schools and city government on the ConnectED library card initiative.

XVI. Evaluate and complete the lease renewal for Books Again bookstore site in support of the Friends of the Library's continued success.

XVII. Expand Makerspace programming at Lucero Library with support from private gift in order to encourage hands-on learning.

XVIII. Form a standing committee to advise and act to ensure respect for disability as an aspect of diversity and ensure individuals with disabilities are able to access and use PCCLD resources.

XIX. Improve safety and security at Lucero Library and throughout the District to help ensure effect library operations.

XX. Increase Return-On-Investment for employee training by enhancing in-house training, promoting online training, restructuring the Education Reimbursement Program, and formalizing the Digital Badge recognition as part of the Career Pathing Program.

XXI. Overly parking lots at Pueblo West and Lamb Libraries to ensure best vehicular access.

XXII. Pilot a lobbying effort to help support PCCLD's interests with state and local government decision-makers.

XXIII. Pursue options for migration to new primary e-book service

XXIV. Rebid banking services to ensure the District is receiving the best financial services.

XXV. Reconsider PCCLD online resources access to enable greater public visibility, awareness, and use.

XXVI. Refresh the InfoZone permanent exhibit space with funding provided by the Rawlings Foundation.

XXVII. Repair pillars on Rawlings Library building footbridge spanning Bates.

XXVIII. Review PCCLD Books in the Parks, Beulah Satellite, and Avondale Satellite programs to ensure effective library access for underserved areas.

- XXIX. Secure a twenty percent off-the-shelf rate for the physical collection through the district, including quarterly analysis and support from Technical Services, and Collection Development.
- XXX. Support the Pueblo Library Foundation efforts to increase its endowment in support of future district facilities and services.
- XXXI. Utilize the Disney/American Library Association *Curiosity Creates* grant to develop a best practices model for creative leaning programming for older children.
- XXXII. Work as an American Library Association/ProLiteracy *Libraries in Action*-funded pilot site to review and reconfigure PCCLD’s Adult Literacy Program in line with current best practices.

FACTORS AFFECTING FINANCIAL CONDITION

The District has established a 20-year Library Equipment Replacement Plan, as well as a 10-Year Financial Projection spreadsheet, to demonstrate use of available funding to provide the collections, facilities, staffing, and technology needs that have been identified. The Library Equipment Replacement Plan is budgeted in the Capital Project Fund, which is funded through annual transfers from the General Fund. In 2015 a transfer of \$392,000 was made, and long range plans include ongoing transfers in subsequent years to maintain sufficient resources for future repairs and replacement.

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

Management’s Discussion and Analysis

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

Internal Controls

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

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

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

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

Cash collection was updated through installation of self-check terminals in all locations in 2012, reducing the amount of cash that was processed through cash registers throughout the District. In 2013 we eliminated nearly all cash registers by implementing a locked bag collection process at all facilities for the minimal amount of cash now collected for sale of items and small transactions which can't be processed through self-service. The accuracy and oversight of cash collections has been enhanced by these methods.

The current auditing firm for the District, Swanhorst & Co., annually hires a consultant to review the internal controls and security of both the IT and Finance operations as a part of the financial audit. This security audit has proven to be very valuable in identifying areas where improvements can be made. We have implemented a number of these recommendations, and will continue to do so. One specific focus of the 2015 audit was cash management as it relates to the self-check terminals and segregation of duties in cash handling.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pueblo City-County Library District for its comprehensive Annual financial report (CAFR) for the fiscal year ended December 31, 2014. This was the sixth year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the GFOA requirements for excellence and we are submitting it for review to determine its eligibility for another certificate.

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. L. Baca', with a stylized flourish at the end.

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

ADMINISTRATIVE TEAM

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

MANAGERS

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

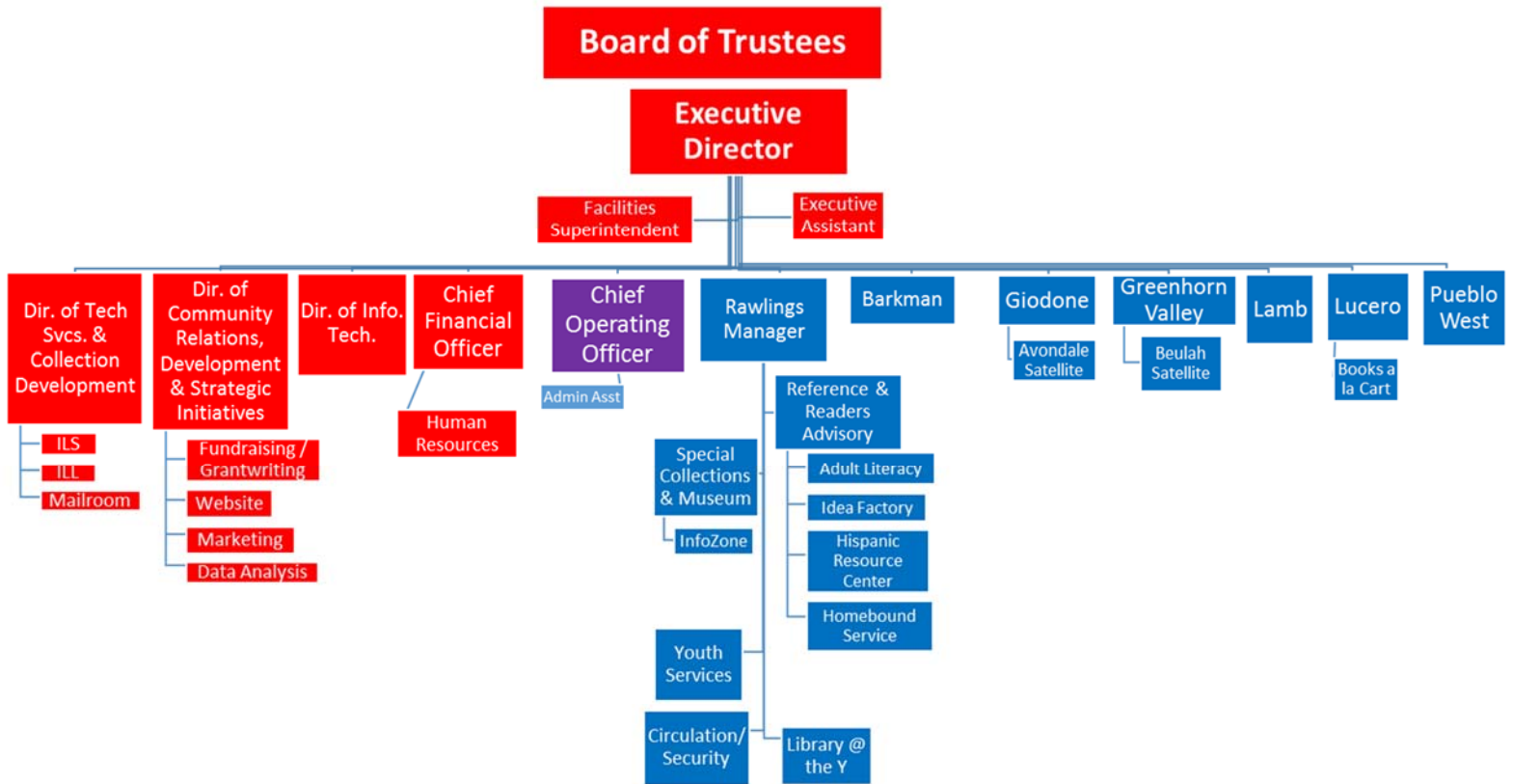
**Pueblo City-County Library District
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

ORGANIZATIONAL CHART





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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pueblo City-County Library District as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Pueblo City-County Library District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pueblo City-County Library District as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2-K to the financial statements, in the year ended December 31, 2015, the Pueblo City-County Library District adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters (Required Supplementary Information)

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

Other Matters (Other Information)

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



June 23, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Pueblo City-County Library District (the District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the calendar year ended December 31, 2015. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The District's assets exceeded its liabilities by \$24,862,959 (net position) for the calendar year reported.
- Total net position is comprised of the following:
 - (1) Net investment in Capital assets of \$25,898,666 includes property, materials and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$1,230,851 is restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations. Included in that amount is \$817,191 restricted for debt service.
 - (3) Unrestricted net position of (\$2,266,558) represents the portion available to maintain the District's continuing obligations to citizens and creditors. As of December 31, 2015, the District implemented GASB Statement No. 68. The District restated beginning net position because GASB 68 is retroactive. As of December 31, 2015, the District's proportionate share of the Colorado Public Employees' Retirement Association (PERA) Net Pension Liability was \$5,592,492.
- The District's general fund reported total ending fund balance of \$2,549,587 this year. This compares to the prior year ending fund balance of \$2,910,540 showing a decrease of \$360,953 during the current year.
- At the end of the current calendar year, committed, restricted and unassigned fund balances for all governmental funds were \$4,165,345 or 41.4% of total governmental fund expenditures.
- Overall, the District continues to maintain a strong financial position.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

The District has the following fund types:

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

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

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

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

The basic fiduciary fund financial statements can be found on pages 35 and 36 of this report.

Notes To The Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 37 of this report.

Required Supplementary Information

On page 60, the budget to actual comparison for the general fund is presented as required supplementary information.

Supplementary Information

As discussed, the District reports major funds in the basic financial statements. The budgetary comparisons for the capital projects and special revenue funds are presented in a supplementary information section of this report beginning on page 63.

The District's net position at 12/31/15 is \$24,862,959. The following table provides a summary of the District's net position:

Summary of Net Position				
December 31,				
Government Activities				
	2015		2014	
	Amount	Percentage of Total	Amount	Percentage of Total
Assets:				
Current assets	\$ 13,138,817	26.6%	\$ 13,791,033	27.0%
Capital assets	36,224,304	73.4%	37,296,579	73.0%
Total assets	49,363,121	100.0%	51,087,612	100.0%
Deferred Outflows of Resources	795,209	100.0%	112,238	100.0%
Liabilities:				
Current liabilities	761,076	4.6%	1,543,478	12.6%
Long-term liabilities	15,783,240	95.4%	10,692,617	87.4%
Total liabilities	16,544,316	100.0%	12,236,095	100.0%
Deferred Inflows of Resources	8,751,055	100.0%	8,589,026	100.0%
Net position:				
Net Investment in capital assets	25,898,666	104.1%	26,573,350	87.5%
Restricted	1,230,851	5.0%	1,263,412	4.2%
Unrestricted	(2,266,558)	-9.1%	2,537,967	8.3%
Total net position	\$ 24,862,959	100.0%	\$ 30,374,729	100.0%

The District continues to maintain a high current ratio. The current ratio is a liquidity and efficiency ratio that measures ability to pay off short-term liabilities with current assets. To make the ratio more meaningful, property taxes receivable can be eliminated for governmental activities resulting in current assets of \$4,387,999. Current liabilities are \$761,076. As a result, the current ratio for the District overall is 5.77 to 1 at December 31, 2015 compared with 3.34 to 1 at December 31, 2014.

The District reported positive balances in net position for governmental activities in the current and prior year. Net position decreased by \$608,614 for governmental activities in the current year excluding the effect of GASB 68. The District's overall financial position decreased during calendar year 2015 by 2.0%.

Approximately 73.4% of the District's total assets are comprised of capital assets at December 31, 2015 compared to 73.0% at December 31, 2014. The District uses these capital assets to provide services to its citizens.

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

Summary of Changes in Net Position

	Government Activities			
	2015		2014	
	Amount	Percentage of Total	Amount	Percentage of Total
Revenues:				
Program:				
Charges for services	\$ 175,254	1.8%	\$ 167,693	1.7%
Operating grants	173,836	1.7%	61,692	0.5%
Capital grants	192,577	1.9%	554,721	5.5%
General:				
Taxes	9,302,408	92.8%	9,163,271	90.4%
Other	177,972	1.8%	193,493	1.9%
Total revenues	10,022,047	100.0%	10,140,870	100.0%
Program Expenses:				
Library Services	10,525,062	96.8%	10,092,677	96.5%
Interest on long-term debt	353,217	3.2%	361,934	3.5%
Total expenses	10,878,279	100.0%	10,454,611	100.0%
Change in net position	(856,232)		(313,741)	
Beginning net position	25,719,191		30,688,470	
Ending net position	\$ 24,862,959		\$ 30,374,729	

Fiscal year 2014, as a whole, has not been restated because comparable information is not available.

REVENUES

The District is heavily reliant on taxes to support governmental operations. Taxes provided 92.8% of the District's total revenues in 2015, as compared to 90.4% in 2014. Revenues decreased in 2015 from 2014 by \$118,823 due primarily to a decrease in capital grants.

Also, note that program revenues cover only 5.0% of governmental operating expenses. This means that the government's taxpayers and the District's other general revenues fund 95% of the governmental activities. As a result, the general economy and the changes in both residential and commercial property values have a major impact on the District's revenue streams.

EXPENSES

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

The 2015 interest on long-term debt amounted to 3.2% of the total District expenses. Depreciation expense of \$2,024,925 on the District's capital assets is included in total expenses.

Financial Analysis of the District's Funds

Governmental funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$4,165,345 in 2015. Of this year-end total, \$1,909,373 is unassigned, indicating availability for continuing District service requirements. The total fund balance at the end of 2014 was \$4,194,612. Decrease in fund balance from 2014 to 2015 is \$29,267 attributable to capital spending.

Nonspendable fund balance of \$339,831 is available only for prepaid items. The restricted fund balance includes \$300,383 emergency reserve requirement pursuant to the TABOR constitutional amendment, \$64,775 contributed by the Rawlings Foundation and available only for upgrades and maintenance of the InfoZone museum, \$502 in distributions from the Chamberlain Fund to purchase books and equipment, \$48,000 for capital projects, and \$817,191 restricted for debt service. Committed fund balance of \$685,290 holds Replacement Plan funding for future building, equipment and technology upgrades and improvements. The unassigned fund balance holds the remainder of funds available for operating the library. The total combined fund balance represents 41.5% of annual combined expenditures. This is a very healthy fund balance, and exceeds the Pueblo City-County Library fund balance policy requirement to maintain 20% of annual operating expense in fund balance.

General Fund

The general fund is the District's primary operating fund and the largest source of day-to-day service delivery. The general fund balance at December 31, 2015 is \$2,549,587, a decrease of \$360,953 from the previous year, due in large part to funding the Library Replacement Plan.

Expenditures show an increase of \$58,548 or 0.6% over the prior year. This increase relates primarily to increases in personnel and operating expenses. The only capital assets that are budgeted and expensed out of the General Fund are collection items – books, audiovisual materials, laptops and tablets.

Capital Projects Fund

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

Fund balance at December 31, 2015 is \$1,615,256 an increase of \$334,385. This increase reflects the activity within the Library Replacement Plan, specifically a transfer from the General Fund of \$392,000.

Budgetary Highlights – General Fund

Actual revenues were under budget by \$13,166. Property taxes were over budget by \$808, while specific ownership taxes came in over budget by \$41,455. Under-collection was reflected in fees, fines and sales which ended the year \$93,253 short of revenue projections. This reflects the continuing effect of a 2014 change in procedures for collection of overdue fees. Future annual budgets will reflect this decrease in fee activity.

In total, revenue for 2015 came in under projections by .2%. In 2014, revenues were less than forecast by .3%.

All appropriated expenditures were under-spent by a total of 187,410, or 1.9% of the budget. More detailed information about budget to actual comparisons can be found following the notes to the financial statements, in the section entitled REQUIRED SUPPLEMENTARY INFORMATION, beginning on page 59.

The surplus of revenues over expenditures for 2015 was \$31,047. Projected deficit was \$143,197, so we ended the year with \$174,244 more than had been anticipated.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2015, was \$36,224,304. See Note 2D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity:

	Capital Assets		Percentage of Total	
	Governmental Activities		Percentage of Total	
	2015	2014	2015	2014
Non-depreciable assets:				
Land	\$ 2,216,032	\$ 2,216,032	96%	96%
Artwork and Collectibles	87,780	87,780	4%	4%
Total non-depreciable	2,303,812	2,303,812	100%	100%
Depreciable assets:				
Buildings	34,720,377	34,720,377	76%	76%
Furniture and fixtures	1,185,815	1,149,414	3%	3%
Vehicles	110,983	110,983	0%	0%
Computer equipment	1,037,373	903,700	2%	2%
Other equipment	1,449,882	1,444,281	3%	3%
Computer software	161,217	161,217	0%	0%
Library books and audio visual materials	7,100,007	7,095,551	16%	16%
Total depreciable assets	45,765,654	45,585,523	100%	100%
Less accumulated depreciation	11,845,162	10,592,756		
Book value - depreciable assets	33,920,492	34,992,767		
Percentage depreciated	26%	23%		
Book value - all assets	\$ 36,224,304	\$ 37,296,579		

At December 31, 2015, the depreciable capital assets for governmental activities were depreciated 26%, as compared to 23% at December 31, 2014. No additional assets for buildings and few additions of furniture were recorded and a moderate amount of books and collection materials were weeded from the system in 2015, resulting in this overall increase.

Long-Term Debt

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

Economic Conditions Affecting the District

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

The population of Pueblo County was 141,472 in the year 2000 and increased to 161,422 in 2012, an increase of 14.1% in that 12-year span. The five-year projection for the area is 168,375 representing a change of 0.85% annually from 2012 to 2017.

In 2014, the unemployment rate in Pueblo County was 6.4%, but the average unemployment rate for 2015 decreased to 4.9%, which was still higher than the state of Colorado and lower than the national rate. The average unemployment rate in for Colorado was 3.5%, and the national average unemployment rate was 5.3%. The Western Census Region of the United States, consisting of the 13 western most states, posted an unemployment rate of 5.3 to begin 2016. The civilian labor force in Pueblo at the end of December 2015 totaled 71,700—3% of the 2,832,300 in Colorado. This was comprised of 68,200 employed and 3,500 unemployed.

The American Community Survey (ACS) conducted by the US Census Bureau shows the median per capita income for Colorado was \$32,357 in 2014. Compared to the US per capita income, Colorado per capita income is \$3,468 higher. Per capita income numbers for 2015 will be released in September of 2016. In 2014, the percentage of Pueblo County residents below the poverty level is 19.0%; Colorado is at 12.0%, and the US statistic is 14.8%. In 2014, Colorado ranked 13th in the nation for the percentage of people who had incomes below the poverty line (\$23,834 for a family of four). The per-capita personal income in 2015 in Pueblo County was \$22,229, up from 2014 by \$289, or approximately 2%. Pueblo remains at a lower income level than most of the counties throughout the state. However, a bright spot continues to be Pueblo County's low cost of living.

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

The District is funded primarily by property tax revenues, and 2015 was not a revaluation year for property taxes, so significant increases were not anticipated. Overall, property tax increased by only .01% in 2015. The percentage increase in 2013 was 8.9%, illustrating the change in valuation. State assessed utilities in 2013 resulted in a \$700,000 increase, which enabled us to move forward with building projects. Even though our annual percentage increase was negligible, that ongoing \$700,000 increase continues to provide operational costs moving forward.

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

Contacting the District's Financial Management

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

Pueblo City-County Library District, Colorado
Statement of Net Position
December 31, 2015

	Primary Governmental Activities	Component Unit Pueblo Library Foundation
Assets		
Current Assets		
Cash and Investments (Note 2A)	\$ 3,126,811	\$ 56,077
Restricted Cash and Investments (Note 2A)	817,191	-
Receivables: (Note 2B)		
Accounts	56,166	13,773
Property Taxes	8,750,818	-
Prepaid Expenses	339,831	372
Note Receivable (Note 2C)	48,000	-
Total Current Assets	13,138,817	70,222
Non-Current Assets		
Capital Assets: (Note 2D)		
Nondepreciable	2,303,812	-
Depreciable, Net	33,920,492	-
Total Capital Assets	36,224,304	-
Total Non-Current Assets	36,224,304	-
Total Assets	49,363,121	70,222
Deferred Outflows of Resources		
Loss on Debt Refunding, Net of Accumulated Amortization	105,636	-
Pensions, Net of Accumulated Amortization (Note 2-I)	689,573	-
Total Deferred Outflows of Resources	795,209	-
Liabilities		
Current Liabilities		
Accounts Payable	160,537	-
Accrued Liabilities	62,117	-
Accrued Interest Payable	29,804	-
Compensated Absences Payable (Note 2E)	53,618	-
Certificates of Participation (Note 2E)	455,000	-
Total Current Liabilities	761,076	-
Long-Term Liabilities (net of current portion)		
Compensated Absences Payable (Note 2E)	214,474	-
Certificates of Participation (Note 2E)	9,976,274	-
Net Pension Liability (Note 2-I)	5,592,492	-
Total Long-term Liabilities	15,783,240	-
Total Liabilities	16,544,316	-
Deferred Inflows of Resources		
Property Taxes (Note 2B)	8,750,818	-
Pensions, Net of Accumulated Amortization (Note 2-I)	237	-
Total Deferred Inflows of Resources	8,751,055	-
Net Position		
Net Investment in Capital Assets (Note 2G)	25,898,666	-
Restricted for Tabor Amendment (Note 3B)	300,383	-
Restricted for InfoZone Museum	64,775	-
Restricted for Books & Equipment (Chamberlain Fund)	502	12,000
Restricted for Capital Projects	48,000	29,813
Restricted for Debt Service	817,191	-
Restricted for Other Foundation Programs	-	1,850
Unrestricted	(2,266,558)	26,559
Total Net Position	\$ 24,862,959	\$ 70,222

See accompanying notes to the financial statements

Pueblo City-County Library District, Colorado
Statement of Activities
For the Year Ended December 31, 2015

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services, Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Pueblo Library Foundation
Primary Government						
Governmental Activities						
Library Services	\$ 10,525,062	\$ 175,254	\$ 173,836	\$ 192,577	\$ (9,983,395)	\$ -
Interest on Long-Term Debt	353,217	-	-	-	(353,217)	-
Total Governmental Activities	\$ 10,878,279	\$ 175,254	\$ 173,836	\$ 192,577	(10,336,612)	-
Component Unit						
Pueblo Library Foundation	\$ 198,762	\$ -	\$ 83,538	\$ 16,252	-	(98,972)
General Revenues						
Property Taxes Levied for Library Purposes					8,582,963	-
Specific Ownership Taxes					719,445	-
Investment Income					14,376	(1,461)
Miscellaneous					163,596	-
Total General Revenues					9,480,380	(1,461)
Change in Net Position					(856,232)	(100,433)
Net Position, Beginning of Year					25,719,191	170,655
Net Position, End of Year					\$ 24,862,959	\$ 70,222

See accompanying notes to the financial statements

Pueblo City-County Library District, Colorado
Balance Sheet
Governmental Funds
December 31, 2015

	General	Capital Projects	Nonmajor Special Revenue	Total Governmental Funds
Assets				
Cash and Investments	\$ 2,350,215	\$ 776,487	\$ 109	\$ 3,126,811
Restricted Cash and Investments	-	817,191	-	817,191
Receivables:				
Accounts	55,773	-	393	56,166
Property Taxes	8,750,818	-	-	8,750,818
Prepaid Items	339,831	-	-	339,831
Note Receivable	-	48,000	-	48,000
Total Assets	<u>\$ 11,496,637</u>	<u>\$ 1,641,678</u>	<u>\$ 502</u>	<u>\$ 13,138,817</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	134,115	26,422	-	160,537
Accrued Liabilities	62,117	-	-	62,117
Total Liabilities	<u>196,232</u>	<u>26,422</u>	<u>-</u>	<u>222,654</u>
Deferred Inflows of Resources				
Property Taxes	<u>8,750,818</u>	<u>-</u>	<u>-</u>	<u>8,750,818</u>
Fund Balances				
Nonspendable - Prepaid Items	339,831	-	-	339,831
Restricted - Tabor Amendment	300,383	-	-	300,383
Restricted - InfoZone Museum	-	64,775	-	64,775
Restricted - Books & Equipment (Chamberlain Fund)	-	-	502	502
Restricted - Capital Projects	-	48,000	-	48,000
Restricted - Debt Service	-	817,191	-	817,191
Committed - Library Replacement Plan	-	685,290	-	685,290
Unassigned	1,909,373	-	-	1,909,373
Total Fund Balances	<u>2,549,587</u>	<u>1,615,256</u>	<u>502</u>	<u>4,165,345</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,496,637</u>	<u>\$ 1,641,678</u>	<u>\$ 502</u>	<u>\$ 13,138,817</u>

See accompanying notes to the financial statements

Pueblo City-County Library District, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2015

Total Governmental Fund Balances	\$	4,165,345
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**Amounts reported for governmental activities in the
statement of net position are different because:**

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

Total Capital Assets	\$	48,069,466	
Less Accumulated Depreciation		<u>(11,845,162)</u>	36,224,304

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

Net Pension Liability	\$	(5,592,492)	
Pension Deferred Outflows of Resources		689,573	
Pension Deferred Inflows of Resources		(237)	
Compensated Absences and Related Benefits		(268,092)	
Certificates of Participation		(10,105,000)	
Debt Issue Premium		(326,274)	
Loss on Debt Refunding		105,636	
Accrued Interest Payable		<u>(29,804)</u>	<u>(15,526,690)</u>

Total Net Position of Governmental Activities	\$	<u>24,862,959</u>
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See accompanying notes to the financial statements

Pueblo City-County Library District, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General	Capital Projects	Nonmajor Special Revenue	Total Governmental Funds
Revenues				
Property Taxes	\$ 8,582,963	\$ -	\$ -	\$ 8,582,963
Specific Ownership Taxes	719,445	-	-	719,445
Grants and Contributions	180,581	176,546	9,286	366,413
Fees, Fines and Sales	175,254	-	-	175,254
Investment Earnings	9,844	4,517	15	14,376
Miscellaneous	163,596	-	-	163,596
Total Revenues	<u>9,831,683</u>	<u>181,063</u>	<u>9,301</u>	<u>10,022,047</u>
Expenditures				
Current:				
Library Support	8,989,086	-	12,000	9,001,086
Capital Outlay	-	238,678	-	238,678
Debt Service:				
Principal	445,000	-	-	445,000
Interest	366,550	-	-	366,550
Total Expenditures	<u>9,800,636</u>	<u>238,678</u>	<u>12,000</u>	<u>10,051,314</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31,047</u>	<u>(57,615)</u>	<u>(2,699)</u>	<u>(29,267)</u>
Other Financing Sources (Uses)				
Transfers In	-	392,000	-	392,000
Transfers Out	(392,000)	-	-	(392,000)
Total Other Financing Sources (Uses)	<u>(392,000)</u>	<u>392,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(360,953)	334,385	(2,699)	(29,267)
Fund Balances, Beginning of Year	<u>2,910,540</u>	<u>1,280,871</u>	<u>3,201</u>	<u>4,194,612</u>
Fund Balances, End of Year	<u>\$ 2,549,587</u>	<u>\$ 1,615,256</u>	<u>\$ 502</u>	<u>\$ 4,165,345</u>

See accompanying notes to the financial statements

Pueblo City-County Library District, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2015

Net Change in Fund Balances - Total Governmental Funds	\$	(29,267)
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**Amounts reported for governmental activities in the
statement of activities are different because:**

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

Capital Outlay	\$	952,650	
Depreciation Expense		(2,024,925)	(1,072,275)

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

Change in Net Pension Liability	(503,431)		
Change in Pension-Related Deferred Outflows of Resources	256,050		
Change in Pension-Related Deferred Inflows of Resources	(237)		
Change in Compensated Absences	34,595	(213,023)	

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

445,000

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

Change in Accrued Interest Payable	742		
Amortization of Loss on Debt Refunding	(6,602)		
Amortization of Premium	19,193	13,333	

Change in Net Position of Governmental Activities	\$	(856,232)
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See accompanying notes to the financial statements

Pueblo City-County Library District, Colorado
Statement of Fiduciary Net Position
J.T. Nesbitt Employee Trust Fund
December 31, 2015

ASSETS

Cash on Hand	\$ 452
Cash in Bank	3,250
Investments	
Local Government Investment Pool	<u>4,178</u>
Total Assets	<u><u>\$ 7,880</u></u>

NET POSITION

Net Position

Held in Trust for Employee Benefits	
Nonexpendable	\$ 3,000
Expendable	<u>4,880</u>
Total Net Position	<u><u>\$ 7,880</u></u>

See accompanying notes to the financial statements

Pueblo City-County Library District, Colorado
Statement of Changes in Fiduciary Net Position
J.T. Nesbitt Employee Trust Fund
For the Year Ended December 31, 2015

ADDITIONS	
Fundraising	\$ 4,679
Interest	<u>8</u>
Total additions	<u>4,687</u>
DEDUCTIONS	
Employee Activities	<u>3,508</u>
CHANGE IN NET POSITION	1,179
NET POSITION, Beginning of Year	<u>6,701</u>
NET POSITION, End of Year	<u><u>\$ 7,880</u></u>
See accompanying notes to the financial statements	

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

Note 1 - Summary of Significant Accounting Policies

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

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

1-A. Reporting Entity

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

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation

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

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

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

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

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

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

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

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Capital Projects Fund - The capital projects fund is used to account for financial resources to be used for the acquisition, renovation or construction of major capital facilities, as well as the acquisition of capital assets. Funding for the capital projects fund is primarily through transfers from the general fund and debt proceeds. Contributions from the Foundation resulting from a capital campaign are also reported in this fund.

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

1-C. Measurement Focus

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

1-D. Basis of Accounting

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

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

Revenues – Non-exchange Transactions - Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, specific ownership taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Property taxes are assessed in one year for the subsequent years’ budget. Recognition for the levy made in 2014 is revenue for the 2015 budget year. Therefore, a property tax receivable and deferred inflows of resources of an equal amount are reported in the financial statements at year-end.

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash and Investments

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

1-E-2 Receivables

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

1-E-3 Prepaid Items

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

1-E-4 Capital Assets

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

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

1-E-5 Compensated Absences

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

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

1-E-6 Accrued Liabilities and Long-term Obligations

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

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-7 Debt Premiums and Discounts

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

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

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

1-E-8 Pensions

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

1-E-9 Equity

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

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

1-E-10 Estimates

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds

2-A. Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2015, the District had bank deposits of \$459,892 collateralized with securities held by the financial institutions' agents but not in the District's name.

Investments

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

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

The District's investments at December 31, 2015, were as follows:

Investment Type	Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5	Fair Value
Local Government Investment Pools	AAAm	\$ 1,258,783	\$ -	\$ 1,258,783
Money Market Funds	AAAm	1,220,499	-	1,220,499
U.S. Treasury Notes	N/A	200,216	402,174	602,390
Total		<u>\$ 2,679,498</u>	<u>\$ 402,174</u>	<u>\$ 3,081,672</u>

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

The District has invested in the Colorado Local Government Liquid Asset Trust (ColoTrust) and the Colorado Surplus Asset Fund Trust (CSAFE). These investment vehicles were established for local government entities in Colorado to pool surplus funds for investment purposes by state statute. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a-7-like pools and are reported at the net asset value per share, which approximates fair value. The pools are under the authority and in conformity with Part 6 of Article 75 of Title 24 of the Colorado State Revised Statutes.

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

Credit Risk

State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations. At December 31, 2015, the District had \$1,005,488 and \$215,011, invested in the Colorado Statewide Investment Program and the Fidelity Treasury Fund, respectively, both rated AAAm by Standard and Poor's.

In order to limit exposure to fair value losses arising from rising interest rates, the District's investments are managed through two local government investment pools, ColoTrust and CSAFE, both of which are rated AAAm by Standard & Poor's. Total investments held at ColoTrust and CSAFE on December 31, 2015, were \$954,164 and \$304,619, respectively.

Interest Rate Risk

State statutes generally limit investments to an original maturity of five years. The investment policy of the District does not authorize investments to exceed that period without board approval.

Concentration of Credit Risk

State statutes do not limit the amount the District may invest in a single issuer, except for corporate securities.

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

Cash and Investment Reconciliation

Reporting Level:	
Cash and Investments	\$ 3,126,811
Restricted Cash and Investments	817,191
Fiduciary Fund	<u>7,880</u>
Total	<u><u>\$ 3,951,882</u></u>
Per Note Disclosure Above:	
Cash on hand	\$ 6,051
Deposits	864,159
Investments	<u>3,081,672</u>
Total	<u><u>\$ 3,951,882</u></u>

Restricted Cash and Investments

At December 31, 2015, the Capital Projects Fund held debt proceeds of \$817,191 restricted by the 2012 Certificates of Participation agreement for debt service.

2-B. Property Taxes

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

2-C. Note Receivable

At December 31, 2013, the District held approximately 8 acres of land available for resale. The land held for resale was reported at cost, of \$120,000. On January 31, 2014, the District sold the land for \$120,000. The District received \$60,000 in cash and entered into a \$60,000 non-interest bearing promissory note with the purchaser. Payments of \$12,000 are due annually on January 31, from 2015 through 2019. At December 31, 2015, the balance of the promissory note was \$48,000.

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

2-D. Capital Assets

Capital asset activity for the year ended December 31, 2015, is summarized below.

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,216,032	\$ -	\$ -	\$ 2,216,032
Art and Collectibles	87,780	-	-	87,780
Total Capital Assets, Not Being Depreciated	\$ 2,303,812	\$ -	\$ -	\$ 2,303,812
Capital Assets, Being Depreciated:				
Buildings	\$ 34,720,377	\$ -	\$ -	\$ 34,720,377
Furniture and Fixtures	1,149,414	36,401	-	1,185,815
Vehicles	110,983	-	-	110,983
Computer Equipment	903,700	135,625	1,952	1,037,373
Other Equipment	1,444,281	5,601	-	1,449,882
Computer Software	161,217	-	-	161,217
Library Books and Audio Visual Materials	7,095,551	775,023	770,567	7,100,007
Total Capital Assets, Being Depreciated	\$ 45,585,523	\$ 952,650	\$ 772,519	\$ 45,765,654
Total Capital Assets	\$ 47,889,335	\$ 952,650	\$ 772,519	\$ 48,069,466
Accumulated Depreciation:				
Buildings	\$ 6,759,903	\$ 751,243	\$ -	\$ 7,511,146
Furniture and Fixtures	841,458	53,049	-	894,507
Vehicles	96,385	11,535	-	107,920
Computer Equipment	628,863	123,788	1,952	750,699
Other Equipment	485,364	270,621	-	755,985
Computer Software	155,103	6,114	-	161,217
Library Books and Audio Visual Materials	1,625,680	808,575	770,567	1,663,688
Total Accumulated Depreciation	\$ 10,592,756	\$ 2,024,925	\$ 772,519	\$ 11,845,162
Book Value of Depreciable Capital Assets	\$ 34,992,767	\$ (1,072,275)	\$ -	\$ 33,920,492
Governmental Activities Capital Assets, Net	\$ 37,296,579	\$ (1,072,275)	\$ -	\$ 36,224,304

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

2-E. Long-Term Debt

Certificates of Participation - The following is a summary of the outstanding long-term debt issue at December 31, 2015:

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

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

Annual debt service requirements as of December 31, 2015, follow:

Year	Principal	Interest	Total
2016	\$ 455,000	\$ 357,650	\$ 812,650
2017	465,000	344,000	809,000
2018	475,000	334,700	809,700
2019	495,000	315,700	810,700
2020	510,000	303,326	813,326
2021-2025	2,785,000	1,269,575	4,054,575
2026-2030	3,380,000	672,537	4,052,537
2031-2032	1,540,000	81,375	1,621,375
Total	<u>\$ 10,105,000</u>	<u>\$ 3,678,863</u>	<u>\$ 13,783,863</u>

Changes in Long-term Debt - Changes in the District's long-term obligations consisted of the following for the year ended December 31, 2015:

	Balance 12/31/2014	Additions	Reductions	Balance 12/31/2015	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 302,687	\$ 257,152	\$ 291,747	\$ 268,092	\$ 53,618
2012 Certificates of participation	10,550,000	-	445,000	10,105,000	455,000
2012 Premium	345,467	-	19,193	326,274	-
Total	<u>\$ 11,198,154</u>	<u>\$ 257,152</u>	<u>\$ 755,940</u>	<u>\$ 10,699,366</u>	<u>\$ 508,618</u>

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

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

2-F. Operating Leases

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

The District leases storage space under an agreement which is classified as an operating lease. This lease had an initial period of ten years from November 1, 2001 to October 31, 2011, and was renewed in 2011 for an additional five-year term. Rent expense for 2015 was \$24,297. Future minimum lease payments under this agreement due in 2016 are in the amount of \$21,630.

2-G. Net Investment in Capital Assets

The "net investment in capital assets" amounts reported on the government-wide statement of net position as of December 31, 2015, are as follows:

Net Investment in Capital Assets:	
Cost of Capital Assets	\$ 48,069,466
Less: Accumulated Depreciation	<u>(11,845,162)</u>
Book Value	36,224,304
Capital Related Debt	(10,105,000)
Debt Premium	(326,274)
Loss on Debt Refunding	<u>105,636</u>
Net Investment in Capital Assets	<u><u>\$ 25,898,666</u></u>

2-H. Interfund Transactions

During the year ended December 31, 2015, the General Fund provided \$392,000 to the Capital Projects Fund to replenish the library replacement plan reserve.

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

2-I. Defined Benefit Pension Plan

General Information

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

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

Retirees who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) as established by State statutes. Retirees who began employment before January 1, 2007, receive an annual increase of 2%, unless the plan has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average consumer price index for the prior calendar year. Retirees that began employment after January 1, 2007, receive an annual increase of the lesser of 2% or the average consumer price index for the prior calendar year, with certain limitations.

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

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

Contributions – The District and eligible employees are required to contribute to the LGDTF at rates established under Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees is 8% of covered salaries. The District's contribution rate was 13.7% of covered salaries for the past three years. However, a portion of the District's contribution (1.02% of covered salaries) is allocated for the Health Care Trust Fund (See Note 2-J). The District's contributions to the LGDTF for the year ending December 31, 2015, were \$493,433, equal to the required contributions.

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

At December 31, 2015, the District reported a net pension liability of \$5,592,492 for its proportionate share of the net pension liability of the LGDTF. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year ended December 31, 2014, relative to the contributions of all participating employers. At December 31, 2014, the District's proportion was 0.6239468957%, which was an increase of 0.0055325781% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the District recognized pension expense of \$704,316. At December 31, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 237
Net difference between projected and actual earnings on plan investments	227,460	-
Change in proportion	5,415	-
Contributions subsequent to the measurement date	456,698	-
Total	<u>\$ 689,573</u>	<u>\$ 237</u>

District contributions subsequent to the measurement date of \$456,698 will be recognized as a reduction of the net position liability in the subsequent year.

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

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

<u>Year Ended December 31,</u>	
2016	\$ 81,000
2017	75,822
2018	<u>75,816</u>
Total	<u><u>\$ 232,638</u></u>

Actuarial assumptions - The actuarial valuation at December 31, 2013, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Price inflation	2.8%
Real wage growth	1.1%
Wage inflation	3.9%
Salary increases, including wage inflation	3.90% – 10.85%
Long-term investment Rate of Return, net of plan investment expenses, including price inflation	7.50%
Future post-retirement benefit increases:	
Hired prior to 1/1/07	2%
Hired after 12/31/06	ad hoc

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

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

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

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

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

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

Discount rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the employer contributions will be made at rates specified in State statutes, which are currently fixed at 13.7% through 2017. When the actuarially determined funding ratio reaches 103%, the employer contribution rate will decrease 0.50% each year to a minimum of 10%. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments to current participants. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. In addition, the discount rate did not change from the prior measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate, as follows:

	1% Decrease <u>(6.5%)</u>	Current Discount Rate (7.5%)	1% Increase <u>(8.5%)</u>
Proportionate share of net pension liability	<u>\$ 9,133,154</u>	<u>\$ 5,592,492</u>	<u>\$ 2,640,618</u>

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 2 - Detailed Notes on All Funds (Continued)

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

2-J. Post-Employment Healthcare Benefits

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

Funding Policy - The District is required to contribute at a rate of 1.02% of covered salaries for all PERA participants. No employee contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The District's apportionment to the HCTF for the years ended December 31, 2015, 2014 and 2013 was \$36,735, \$34,873 and \$33,653, respectively, equal to the required amounts for each year.

2-K. Change in Accounting Principle

For the year ended December 31, 2015, the District adopted the standards of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, net position of the governmental activities at December 31, 2014, was restated to reflect the cumulative effect of adopting the standards.

Certain balances of deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2014, were not available and have not been reported in the financial statements.

	<u>Governmental Activities</u>
Net Position, December 31, 2014, as Originally Stated	\$ 30,374,729
Deferred Outflows of Resources	433,523
Net Pension Liability	<u>(5,089,061)</u>
Net Position, December 31, 2014, as Restated	<u><u>\$ 25,719,191</u></u>

Pueblo City-County Library District, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Note 3 - Other Notes

3-A. Risk Management

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

3-B. Tabor Amendment

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

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

The District restricted 3% of its qualifying annual expenditures to comply with provisions of TABOR's emergency reserve requirements. This reserve is reported as restricted fund balance in the general fund in the amount of \$300,383.

3-C. Tax-Exempt Status

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

REQUIRED SUPPLEMENTARY INFORMATION

Pueblo City-County Library District, Colorado
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado Local Government Division Trust Fund
December 31, 2015

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

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

See the accompanying Independent Auditors' Report

Pueblo City-County Library District, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 8,582,155	\$ 8,582,963	\$ 808
Specific Ownership Taxes	677,990	719,445	41,455
Grants and Contributions	289,397	180,581	(108,816)
Fees, Fines and Sales	268,507	175,254	(93,253)
Investment Earnings	21,800	9,844	(11,956)
Miscellaneous	5,000	163,596	158,596
Total Revenues	9,844,849	9,831,683	(13,166)
Expenditures			
Current:			
Salaries and Wages	3,981,041	3,949,736	31,305
PERA	517,535	513,999	3,536
Employee Benefits	696,762	599,237	97,525
Books, Periodicals, Non-print, Processing Programs	1,520,393	1,442,307	78,086
Rental	151,334	144,155	7,179
Contractual Library Services	24,296	24,296	-
Treasurers' Fees	417,841	501,102	(83,261)
Office Supplies	128,732	128,601	131
Utilities and Insurance	102,793	98,910	3,883
Building Maintenance	594,317	610,763	(16,446)
Vehicle Maintenance	376,498	353,981	22,517
Community Relations	7,000	5,944	1,056
Postage and Shipping	68,032	38,776	29,256
Friends' Grants - Expenditures	25,000	30,839	(5,839)
Courier Service	16,300	14,002	2,298
Information Technology	62,870	56,897	5,973
Debt Service:	485,752	475,541	10,211
Principal	445,000	445,000	-
Interest	366,550	366,550	-
Total Expenditures	9,988,046	9,800,636	187,410
Excess (Deficiency) of Revenues Over (Under) Expenditures	(143,197)	31,047	174,244
Other Financing Sources (Uses)			
Transfer Out to Capital Projects Fund	(392,000)	(392,000)	-
Net Change in Fund Balance	(535,197)	(360,953)	174,244
Fund Balance, Beginning of Year	2,843,187	2,910,540	67,353
Fund Balance, End of Year	\$ 2,307,990	\$ 2,549,587	\$ 241,597

See the accompanying Independent Auditors' Report

Pueblo City-County Library District, Colorado
Notes to Required Supplementary Information
For the Year Ended December 31, 2015

Note 1 – Budgetary Information

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

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

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

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

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

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

All unexpended annual appropriations lapse at year-end.

SUPPLEMENTARY INFORMATION

Pueblo City-County Library District, Colorado
Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Grants and Contributions	\$ 65,000	\$ 176,546	\$ 111,546
Investment Earnings	98	4,517	4,419
Total Revenues	<u>65,098</u>	<u>181,063</u>	<u>115,965</u>
Expenditures			
Capital outlay			
InfoZone Expenditures	140,000	107,702	32,298
Information Technology	85,000	85,036	(36)
Furniture and Fixtures	-	5,977	(5,977)
Building Improvements	41,500	39,963	1,537
Total Expenditures	<u>266,500</u>	<u>238,678</u>	<u>27,822</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(201,402)	(57,615)	143,787
Other Financing Sources			
Transfers In From General Fund	<u>392,000</u>	<u>392,000</u>	<u>-</u>
Net Change in Fund Balance	190,598	334,385	143,787
Fund Balance, Beginning of Year	<u>1,301,773</u>	<u>1,280,871</u>	<u>(20,902)</u>
Fund Balance, End of Year	<u><u>\$ 1,492,371</u></u>	<u><u>\$ 1,615,256</u></u>	<u><u>\$ 122,885</u></u>

See the accompanying Independent Auditors' Report

Pueblo City-County Library District, Colorado
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended December 31, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Grants and Contributions	\$ 10,000	\$ 9,286	\$ (714)
Investment Earnings	-	15	15
Total Revenues	<u>10,000</u>	<u>9,301</u>	<u>(699)</u>
Expenditures			
Library Support	<u>13,000</u>	<u>12,000</u>	<u>1,000</u>
Total Expenditures	<u>13,000</u>	<u>12,000</u>	<u>1,000</u>
Net Change in Fund Balance	(3,000)	(2,699)	301
Fund Balance, Beginning of Year	<u>3,201</u>	<u>3,201</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 201</u></u>	<u><u>\$ 502</u></u>	<u><u>\$ 301</u></u>

See the accompanying Independent Auditors' Report

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

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

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

Data Source:

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

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

	<u>December 31, 2006</u>	<u>December 31, 2007</u>	<u>December 31, 2008</u>	<u>December 31, 2009</u>
Governmental activities				
Net investment in capital assets	\$ 24,539,674	\$ 23,980,233	\$ 27,117,600	\$ 27,804,631
Restricted	289,582	344,674	220,785	239,181
Unrestricted	2,616,846	2,859,269	4,581,045	3,114,521
Total	<u>\$ 27,446,102</u>	<u>\$ 27,184,176</u>	<u>\$ 31,919,430</u>	<u>\$ 31,158,333</u>
Governmental activities				
Net investment in capital assets	89.4%	88.2%	85.0%	89.2%
Restricted	1.1%	1.3%	0.7%	0.8%
Unrestricted	9.5%	10.5%	14.4%	10.0%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Notes:

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

During 2015, the District implemented GASB Statement No. 68. As of December 31, 2015, the District's proportionate share of the Net Pension Liability was \$5,592,492. This amount is included in the unrestricted net position. Prior year amounts were not restated because comparative information is not available.

Exhibit I

<u>December 31, 2010</u>	<u>December 31, 2011</u>	<u>December 31, 2012</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2015</u>
\$ 27,066,385	\$ 26,602,810	\$ 25,640,514	\$ 25,454,927	\$ 26,573,350	\$ 25,898,666
247,595	502,525	1,283,866	1,846,951	1,263,412	1,230,851
3,671,115	4,063,850	4,057,682	3,386,592	2,537,967	(2,266,558)
<u>\$ 30,985,095</u>	<u>\$ 31,169,185</u>	<u>\$ 30,982,062</u>	<u>\$ 30,688,470</u>	<u>\$ 30,374,729</u>	<u>\$ 24,862,959</u>
87.4%	85.3%	82.8%	83.0%	87.5%	104.2%
0.8%	1.6%	4.1%	6.0%	4.2%	5.0%
11.8%	13.0%	13.1%	11.0%	8.3%	-9.2%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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

	<u>December 31, 2006</u>	<u>December 31, 2007</u>	<u>December 31, 2008</u>	<u>December 31, 2009</u>
Expenses				
Governmental activities:				
Library Services	\$ 7,356,047	\$ 7,618,044	\$ 7,344,448	\$ 8,120,764
Interest	3,086	75,163	331,064	323,169
Total Expenses	<u>7,359,133</u>	<u>7,693,207</u>	<u>7,675,512</u>	<u>8,443,933</u>
Program Revenues				
Charges for services, sales and fines	\$ 174,192	\$ 142,987	\$ 144,332	\$ 94,965
Operating grants and contributions	163,972	149,100	48,577	145,789
Capital grants and contributions	-	-	434,755	63,750
Total Program Revenues	<u>338,164</u>	<u>292,087</u>	<u>627,664</u>	<u>304,504</u>
Net (Expense)/Revenue	<u>(7,020,969)</u>	<u>(7,401,120)</u>	<u>(7,047,848)</u>	<u>(8,139,430)</u>
General Revenues:				
Property taxes levied for library purposes	\$ 5,533,497	\$ 5,685,681	\$ 6,341,679	\$ 6,501,274
Specific ownership tax	691,594	700,536	719,232	661,851
Grants not restricted for specific purposes	-	-	-	-
Investment earnings	198,347	277,195	224,121	26,498
Miscellaneous	566,747	475,782	-	188,710
Total General Revenues	<u>6,990,185</u>	<u>7,139,194</u>	<u>7,285,032</u>	<u>7,378,333</u>
Change in Net Position	<u>\$ (30,784)</u>	<u>\$ (261,926)</u>	<u>\$ 237,184</u>	<u>\$ (761,097)</u>

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit II

<u>December 31, 2010</u>	<u>December 31, 2011</u>	<u>December 31, 2012</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2015</u>
\$ 8,107,051	\$ 8,072,539	\$ 9,033,639	\$ 9,873,567	\$ 10,092,677	\$ 10,525,062
323,169	300,731	208,768	370,451	361,934	353,217
8,430,220	8,373,270	9,242,407	10,244,018	10,454,611	10,878,279
\$ 106,945	\$ 117,282	\$ 214,279	\$ 218,008	\$ 167,693	\$ 175,254
143,263	124,947	41,714	101,277	61,692	173,836
-	143,998	192,918	184,603	554,721	192,577
250,208	386,227	448,911	503,888	784,106	541,667
(8,180,012)	(7,987,043)	(8,793,496)	(9,740,130)	(9,670,505)	(10,336,612)
\$ 7,118,422	\$ 7,307,351	\$ 7,804,163	\$ 8,493,998	\$ 8,493,206	\$ 8,582,963
626,834	612,037	623,435	644,217	670,065	719,445
-	-	-	136,729	-	-
50,414	32,305	42,427	40,264	38,844	14,376
211,104	219,440	136,348	131,330	154,649	163,596
8,006,774	8,171,133	8,606,373	9,446,538	9,356,764	9,480,380
\$ (173,238)	\$ 184,090	\$ (187,123)	\$ (293,592)	\$ (313,741)	\$ (856,232)

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

	<u>December 31, 2006</u>	<u>December 31, 2007</u>	<u>December 31, 2008</u>	<u>December 31, 2009</u>
Expenses				
Governmental activities:				
Library Services	100.0%	99.0%	95.7%	96.2%
Interest	0.0%	1.0%	4.3%	3.8%
Total Expenses	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Program Revenues				
Charges for services, sales and fines	51.5%	49.0%	23.0%	31.2%
Operating grants and contributions	48.5%	51.0%	7.7%	47.9%
Capital grants and contributions	0.0%	0.0%	69.3%	20.9%
Total Program Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
General Revenues:				
Property taxes levied for library purposes	79.2%	79.6%	87.1%	88.1%
Specific ownership tax	9.9%	9.8%	9.9%	9.0%
Grants not restricted for specific purposes	0.0%	0.0%	0.0%	0.0%
Investment earnings	2.8%	3.9%	3.1%	0.4%
Miscellaneous	8.1%	6.7%	0.0%	2.6%
Total General Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit III

<u>December 31, 2010</u>	<u>December 31, 2011</u>	<u>December 31, 2012</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2015</u>
96.2%	96.4%	97.7%	96.4%	96.5%	96.8%
3.8%	3.6%	2.3%	3.6%	3.5%	3.2%
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
42.7%	30.4%	47.7%	43.3%	21.4%	32.4%
57.3%	32.4%	9.3%	20.1%	7.9%	32.1%
0.0%	37.3%	43.0%	36.6%	70.7%	35.5%
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
88.9%	89.4%	90.7%	90.0%	90.8%	90.5%
7.8%	7.5%	7.2%	6.8%	7.2%	7.6%
0.0%	0.0%	0.0%	1.4%	0.0%	0.0%
0.6%	0.4%	0.5%	0.4%	0.4%	0.2%
2.6%	2.7%	1.6%	1.4%	1.6%	1.7%
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
<i>Reserved</i>	\$ 831,072	\$ 1,086,325	\$ 397,198	\$ 455,605
<i>Unreserved</i>	1,700,034	1,635,587	2,478,802	653,323
Non-Spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 2,531,106</u>	<u>\$ 2,721,912</u>	<u>\$ 2,876,000</u>	<u>\$ 1,108,928</u>
General Fund Percentage Change	-0.9%	7.5%	5.7%	-61.4%
All Other Governmental Funds				
<i>Reserved</i>	1 \$ 6,770,965	2 \$ 6,646,513	\$ -	\$ -
<i>Unreserved, reported in:</i>				
<i>Special Revenue funds</i>	6,686	55,732	61,408	40,369
<i>Capital Projects funds</i>	-	-	2,068,076	2,657,602
Restricted - Capital Projects Fund	-	-	-	-
Restricted - Special Revenue Fund	-	-	-	-
Committed - Capital Projects Fund	-	-	-	-
Unassigned	-	-	-	-
Total Governmental Funds	<u>\$ 6,777,651</u>	<u>\$ 6,702,245</u>	<u>\$ 2,129,484</u>	<u>\$ 2,697,971</u>
All Governmental Funds				
Percentage Change	1915.9% 2	-1.1%	-68.2%	26.7%

¹ Expansion and new construction of Robert Hoag Rawlings Library - 2001 - 2004.

² Certificates of Participation issued for expansion and new construction of Pueblo West Library - 2006-2009.

³ Transferred library replacement plan account from general fund to capital project fund - reclassification.

⁴ Implementation of new GASB 54 Fund Balance presentation. Prior designations are shown from 2002 - 2010; new presentation will be illustrated going forward.

⁵ Refunded 2007 debt; secured additional funding for construction of three new libraries - 2012 - 2014.

Data Source:

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

Exhibit IV

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 477,034 ⁴	\$ -	\$ -	\$ -	\$ -	\$ -
1,621,260	-	-	-	-	-
-	179,303	341,545	258,766	314,462	339,831
-	256,611	274,545	298,315	304,078	300,383
-	1,536,845	-	-	-	-
-	-	-	-	-	-
-	1,113,436	3,207,149	2,722,465	2,292,000	1,909,373
<u>\$ 2,098,294</u>	<u>\$ 3,086,195</u>	<u>\$ 3,823,239</u>	<u>\$ 3,279,546</u>	<u>\$ 2,910,540</u>	<u>\$ 2,549,587</u>
³ 89.2% ³	47.1%	23.9%	-14.2%	-11.3%	-12.4%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44,176	-	-	-	-	-
2,151,470	-	-	-	-	-
-	211,034	4,964,236	5,235,727	1,052,133 ⁵	929,966
-	34,880	38,657	653	3,201	502
-	1,370,794	902,149	809,747	228,738	685,290
-	-	-	-	-	-
<u>\$ 2,195,646</u>	<u>\$ 1,616,708</u>	<u>\$ 5,905,042</u>	<u>\$ 6,046,127</u>	<u>\$ 1,284,072</u>	<u>\$ 1,615,758</u>
-18.6%	-26.4%	265.3%	2.4%	-78.8%	25.8%

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues				
Property taxes	\$ 5,533,497	\$ 5,685,681	\$ 6,341,679	\$ 6,501,274
Specific ownership taxes	691,594	700,536	719,232	661,851
Grants and contributions	448,539	401,108	48,577	134,207
Gifts and donations	135,933	93,678	277,918	75,332
Fees, fines and sales	174,192	142,987	78,514 ³	94,965
Investment earnings	198,347	280,115	224,121	26,498
Miscellaneous	146,247	127,176	62,655	191,930
Total Revenues	<u>7,328,349</u>	<u>7,431,281</u>	<u>7,752,696</u>	<u>7,686,057</u>
Expenditures				
Library Support	6,781,223	6,882,290	7,243,058	6,977,443
Capital outlay	183,556	340,252	4,572,168 ¹	1,595,249
Debt issuance costs	-	242,376	-	-
Debt service principal	-	-	-	-
Debt service interest	-	76,163	356,143	311,950
Total Expenditures	<u>6,964,779</u>	<u>7,541,081</u>	<u>12,171,369</u>	<u>8,884,642</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>363,570</u>	<u>(109,800)</u>	<u>(4,418,673)</u>	<u>(1,198,585)</u>
Other Financing Sources (Uses)				
Debt issued	-	6,280,477	-	-
Debt Premium	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Transfers in	-	-	302,000	2,027,429
Transfers out	-	-	(302,000)	(2,027,429)
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,280,477 ²</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 363,570</u>	<u>\$ 6,170,677</u>	<u>\$ (4,418,673)</u>	<u>\$ (1,198,585)</u>
Debt services as a percentage of non-capital expenditures	0.00%	0.00%	4.92%	4.47%

Notes:

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

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

³ Prior to 2008, Copier income was included with Fines. In 2008 copier income was included with miscellaneous.

Data Source:

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

Exhibit V

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 7,118,422	\$ 7,307,351	\$ 7,804,163	\$ 8,493,998	\$ 8,493,206	\$ 8,582,963
626,834	612,037	623,435	644,217	670,065	719,445
229,180	95,595	210,574	351,941	616,413	366,413
28,842	173,350	24,058	26,065	-	-
106,945	117,282	193,857	179,897	167,693	175,254
50,414	32,305	42,427	40,264	38,844	14,376
96,345	219,440	156,770	169,441	154,649	163,596
<u>8,256,982</u>	<u>8,557,360</u>	<u>9,055,284</u>	<u>9,905,823</u>	<u>10,140,870</u>	<u>10,022,047</u>
7,321,230	7,372,276	7,859,313	8,061,612	8,931,838	9,001,086
136,761	464,171	2,186,240	1,438,069	5,529,843	238,678
-	-	122,131	-	-	-
-	-	-	425,000	435,000	445,000
311,950	311,950	224,197	383,750	375,250	366,550
<u>7,769,941</u>	<u>8,148,397</u>	<u>10,391,881</u>	<u>10,308,431</u>	<u>15,271,931</u>	<u>10,051,314</u>
487,041	408,963	(1,336,597)	(402,608)	(5,131,061)	(29,267)
-	-	11,410,000	-	-	-
-	-	383,853	-	-	-
-	-	(6,155,975) ²	-	-	-
382,952	-	100,000	1,341,500	203,500	392,000
(382,952)	-	(100,000)	(1,341,500)	(203,500)	(392,000)
<u>-</u>	<u>-</u>	<u>5,637,878</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 487,041	\$ 408,963	\$ 4,301,281	\$ (402,608)	\$ (5,131,061)	\$ (29,267)
4.26%	4.23%	2.81%	9.12%	8.99%	8.92%

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

Exhibit VI

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2005	5,086,434	5,080,267	99.88%	₂	\$ (299)	5,079,968	99.87%
2006	5,499,250	5,533,497	100.62%	₁	\$ 1,899	5,535,396	100.66%
2007	5,686,850	5,685,681	99.98%		\$ 1,130	5,686,811	100.00%
2008	6,372,512	6,341,679	99.52%		\$ 8,641	6,350,320	99.65%
2009	6,566,348	6,501,274	99.01%		\$ 6,162	6,507,436	99.10%
2010	7,071,319	7,118,422	100.67%	₁	\$ 74,164	7,192,586	101.71%
2011	7,323,657	7,307,351	99.78%		\$ 4,339	7,311,690	99.84%
2012	7,832,972	7,800,388	99.58%		\$ 3,775	7,804,163	99.63%
2013	8,513,442	8,493,998	99.77%		\$ 3,161	8,497,159	99.81%
2014	8,515,249	8,493,206	99.74%		\$ 766	8,493,972	99.75%
2015	8,589,026	8,571,984	99.80%	₂	\$ (2,035)	8,569,949	99.78%

Notes:

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

Data Source:

Pueblo County Assessor and Office of Budget and Finance

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

	2006	2007	2008	2009
Direct				
Pueblo City-County Library District	5.250	5.250	5.261	5.302
Overlapping Governments				
Pueblo County	26.999	26.999	26.999	29.619
Library	1.094	1.073	0.954	0.844
Animal Shelter	0.866	0.835	0.755	0.655
City and Towns Rates				
Boone	16.252	17.880	9.670	12.058
Pueblo	15.441	15.633	15.633	15.633
Rye	6.120	5.609	5.488	6.771
School Districts				
Edison 54J	36.837	36.357	38.814	37.525
Fowler R4J	40.410	39.896	38.183	37.511
Pueblo 60	42.515	42.587	39.152	36.629
Pueblo 70	49.959	48.831	41.873	40.804
Improvement & Service Districts				
Avondale Water & Sanitation	10.641	10.641	10.641	10.641
Bandera Blvd. Special Improvement	5.000	5.000	5.000	5.000
Beulah Ambulance District	-	-	7.000	7.000
Colorado City Cemetery	1.147	1.147	1.071	1.071
Colorado City Metro	16.745	17.967	16.646	17.967
Edison Fire Protection District	-	-	9.000	9.000
Fowler Rural Fire	4.630	4.635	4.546	4.109
Lower Arkansas Valley Water Conservancy	1.446	1.502	1.502	1.502
Midway Ranches Fire Protection District	-	-	-	-
Pine Drive Water	13.708	13.812	14.776	14.391
Pueblo Rural Fire	24.268	24.268	24.268	24.268
Pueblo West Metro	18.934	20.193	20.193	20.193
Rye Fire	10.036	10.036	10.036	10.036
South Point Special Improvement	5.000	5.000	5.000	5.000
Southeastern Water Conservancy	0.943	0.941	0.915	0.940
St. Charles Mesa Sanitation	4.024	4.250	4.064	4.090
Thunder Village Special District	-	-	-	5.000
West Park Fire	5.433	5.346	5.433	5.433

Data Source:

Pueblo County Abstract of Assessment

Year Taxes are Payable					
2010	2011	2012	2013	2014	2015
5.413	5.268	5.293	5.258	5.262	5.255
30.388	29.793	30.090	30.750	30.769	30.710
0.734	0.624	0.514	0.404	0.294	0.184
0.555	0.455	0.355	0.255	0.155	0.055
14.466	15.621	15.867	16.613	17.397	17.397
15.633	15.633	15.633	15.633	15.633	15.633
6.888	6.972	6.972	6.972	6.972	6.972
36.207	36.104	37.044	37.861	37.340	40.834
37.389	37.263	36.123	36.098	34.953	33.500
38.811	34.324	36.032	35.573	35.347	35.234
39.297	39.297	39.243	39.033	39.653	39.995
10.641	10.641	10.641	10.641	10.641	10.641
5.000	3.000	3.000	3.000	3.000	3.000
7.000	7.000	13.500	13.500	13.500	13.500
1.071	1.071	1.071	1.071	1.071	1.071
17.967	17.967	17.967	17.967	17.967	17.967
9.000	9.000	9.000	9.000	9.000	9.000
4.057	3.900	3.777	3.410	3.310	2.770
1.502	1.502	1.502	1.503	1.503	1.503
-	18.760	18.760	18.760	18.760	18.760
14.352	15.115	15.196	16.348	15.999	15.369
24.268	24.268	24.268	24.268	24.268	24.268
20.193	20.193	20.193	20.193	20.193	19.838
10.036	10.036	10.036	10.036	10.036	10.036
5.000	5.000	5.000	5.000	5.000	5.000
0.947	0.947	0.944	0.940	0.940	0.941
4.250	4.250	4.190	4.250	4.250	4.019
5.000	5.000	5.000	5.000	5.000	5.000
5.433	5.433	5.433	5.433	5.433	5.433

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

Fiscal Year Ended December 31,	Vacant Unimproved Land	Residential Property	Natural Resources	Commercial Property	Industrial Property	Agricultural Property	Public Utilities
2006	60,760	521,390	1,662	239,482	104,997	10,614	120,018
2007	58,304	542,161	1,674	247,349	108,087	10,731	118,276
2008	78,048	611,510	2,420	271,278	117,003	10,457	125,655
2009	77,017	626,504	2,800	284,856	128,941	10,563	129,353
2010	75,388	626,002	2,959	298,026	185,283	10,332	152,191
2011	63,728	592,631	2,690	301,583	243,564	11,635	343,290
2012	62,804	596,087	2,685	300,801	226,488	11,222	469,730
2013	53,676	564,333	2,986	303,331	217,626	12,901	513,052
2014	52,973	569,106	2,948	303,058	221,464	13,055	518,630
2015	50,853	593,218	2,878	303,355	240,991	15,788	516,128

Notes:

Property in Pueblo County is reassessed once every two years, in odd-numbered years. The county assessed residential property at various rates from 1997 at 10.35% to 2011 at 7.96% of actual value. All other property was assessed at 29% of actual value. Actual taxable value is obtained from the prior year Abstract of Assessment for the fiscal year for which levied. Tax rates are per \$1,000 of assessed value.

Source Data:

Pueblo Abstract of Assessment

Exhibit VIII

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Exempt Property Assessed Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1,058,923	5.250	8,401,841	88,997	12.603%
1,086,582	5.250	8,671,580	116,798	12.530%
1,216,371	5.261	9,766,507	123,006	12.455%
1,260,034	5.302	10,530,161	124,404	11.966%
1,350,181	5.413	10,376,477	129,829	13.012%
1,559,121	5.268	11,353,178	152,654	13.733%
1,669,817	5.293	11,154,788	155,686	14.970%
1,667,905	5.258	10,894,765	163,999	15.309%
1,681,234	5.262	11,053,408	163,795	15.210%
1,723,211	5.255	11,349,117	168,456	15.184%

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

Principal Taxpayer	<u>2015</u>			<u>2006</u>		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Public Service Co. of CO (Excel Energy Company)	\$ 229,707,300	1	13.33%	\$ 52,580,570	1	4.84%
GCC Rio Grand Inc.	\$ 72,506,188	2	4.21%			
Black Hills Colorado	\$ 71,527,400	3	4.15%	\$ 9,817,010	4	0.90%
Intermountain Rural Electric	\$ 48,690,900	4	2.83%			
Black Hills Colorado IPP LLC	\$ 40,355,200	5	2.34%			
Vestas Towers America Inc	\$ 36,862,197	6	2.14%			
EVRAZ (Rocky Mountain Steel Mills)	\$ 25,436,974	7	1.48%	\$ 19,043,160	2	1.75%
Union Pacific Railroad	\$ 19,595,569	8	1.14%	\$ 7,237,020	5	0.67%
Qwest Corporation (U.S. West Communications)	\$ 18,677,600	9	1.14%	\$ 14,575,400	3	1.34%
Holy Cross Electric Association, Inc.	\$ 17,587,600	10	1.02%			
Trane Company in Pueblo				\$ 7,126,100	6	0.66%
Wheel & Brake				\$ 7,100,700	7	0.65%
BNSF Railroad				\$ 6,988,660	8	0.64%
Dayton Hudson Company				\$ 6,277,450	9	0.58%
CF&I Steel, LP				\$ 5,735,550	10	0.53%
Total Top Ten Principal Taxpayers	<u>\$ 580,946,928</u>		<u>33.71%</u>	<u>\$ 136,481,620</u>		<u>12.56%</u>
Total Assessed Valuation,	<u>\$ 1,723,211,379</u>		<u>100.00%</u>	<u>\$ 1,086,217,400</u>		<u>100.00%</u>

Notes:

These figures represent **Net** Total Assessed Valuation, with Tax Increment Financing (TIF) amounts remove

Data Source:

Pueblo County Assessor's Office

Pueblo City-County Library District
Legal Debt Limit Information
December 31, 2015
(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed valuation	<u>\$ 1,058,923,000</u>	<u>\$ 1,086,582,000</u>	<u>\$ 1,216,371,000</u>	<u>\$ 1,260,034,000</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 15,883,845</u>	<u>\$ 16,298,730</u>	<u>\$ 18,245,565</u>	<u>\$ 18,900,510</u>
Certificates of Participation (1)	<u>\$ -</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>
Legal debt limit less COP debt	<u>\$ 15,883,845</u>	<u>\$ 10,298,730</u>	<u>\$ 12,245,565</u>	<u>\$ 12,900,510</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	37%	33%	32%

NOTE:

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

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed valuation	<u>\$ 1,723,211,000</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 25,848,165</u>
Debt applicable to limit: Certificates of Participation (1)	<u>\$ 10,105,000</u>
Legal debt limit less COP debt	<u>\$ 15,743,165</u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>\$ 1,350,181,000</u>	<u>\$ 1,559,121,000</u>	<u>\$ 1,669,817,000</u>	<u>\$ 1,667,905,000</u>	<u>\$ 1,681,234,000</u>	<u>\$ 1,723,211,000</u>
<u>\$ 20,252,715</u>	<u>\$ 23,386,815</u>	<u>\$ 25,047,255</u>	<u>\$ 25,018,563</u>	<u>\$ 25,218,510</u>	<u>\$ 25,848,165</u>
<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 11,410,000</u>	<u>\$ 10,985,000</u>	<u>\$ 10,550,000</u>	<u>\$ 10,105,000</u>
<u>\$ 14,252,715</u>	<u>\$ 17,386,815</u>	<u>\$ 13,637,255</u>	<u>\$ 14,033,563</u>	<u>\$ 14,668,510</u>	<u>\$ 15,743,165</u>
30%	26%	46%	44%	42%	39%

PUEBLO CITY-COUNTY LIBRARY DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE
Last ten fiscal years
(Unaudited)

Exhibit XI

<u>Year ended December 31,</u>		<u>Certificates of Participation</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita</u>
2006		-	0.0000%	-
2007	(1)	6,278,051	0.1874%	40.58
2008		6,266,832	0.1842%	39.97
2009		6,255,613	0.1407%	39.39
2010		6,244,394	0.1323%	38.87
2011		6,233,175	0.1295%	38.54
2012	(3)	11,793,853	0.2384%	73.06
2013		11,349,660	0.2124%	70.35
2014		10,895,467	0.2039%	67.54
2015		10,431,274	0.1914%	63.76

NOTES:

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

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

Exhibit XII

Year ended December 31,	Principal Payments	Interest Payments	Total Debt Service	Total General Fund Expenditures	Ratio of total Debt Service to total General Fund Expenditures
2006	- (1)	-	-	7,356,047	0.00%
2007	-	75,163	75,163	7,618,044	0.99%
2008	-	356,143	356,143	7,344,448	4.85%
2009	-	311,950	311,950	7,289,393	4.28%
2010	-	311,950	311,950	7,633,180	4.09%
2011	-	311,950	311,950	7,684,226	4.06%
2012	- (2)	224,197	224,195	8,079,410	2.77%
2013	425,000	383,750	808,750	8,870,362	9.12%
2014	435,000	375,250	810,250	9,742,088	8.32%
2015	445,000	366,550	811,550	9,800,636	8.28%

NOTES:

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

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level Percent High School Graduates
2005	151,104	3,870,097	25,612	36.0	84.5%
2006	153,243	4,009,351	26,363	36.8	85.3%
2007	154,712	3,350,443	21,656	36.4	86.1%
2008	156,781	3,402,618	21,703	36.3	86.9%
2009	158,804	4,444,600	28,357	36.3	87.8%
2010	160,630	4,720,695	21,044	38.0	77.7%
2011	161,718	4,815,084	30,194	37.5	75.7%
2012	161,422	4,946,411	21,482	39.1	73.3%
2013	161,320	5,343,150	21,609	39.3	76.9%
2014	161,875	5,427,408	21,940	39.6	77.3%
2015	163,591	5,449,642	22,229	38.0	77.3%

Data Sources:

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

School Enrollment	Unemployment Rate	Commercial Construction		Residential Construction	
		No. Of Units	Estimated Costs (thousands of dollars)	No. Of Units	Estimated Costs (thousands of dollars)
26,826	6.8%	63	35,085	1,116	181,576
27,232	5.0%	95	91,945	1223	194,287
27,559	5.5%	98	56,915	664	112,955
27,749	7.5%	64	169,825	400	66,188
27,659	8.3%	34	31,162	186	30,545
27,256	10.5%	38	38,058	209	43,270
26,848	10.2%	52	14,995	160	22,467
26,799	10.6%	38	67,185	180	34,808
27,247	9.6%	31	16,687	159	28,934
27,247	6.4%	74	32,653	147	26,169
27,247	4.9%	79	38,386	236	51,146

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

Exhibit XIV

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Parkview Medical Center	2,700	1	3.73%	1,538	2	2.38%
Pueblo City Schools	1,800	2	2.49%	2,400	1	3.72%
Evraz Inc. (Rocky Mtn Steel)	1,153	3	1.59%	780	10	1.21%
St. Mary Corwin Hospital	1,239	4	1.71%	1,228	3	1.90%
Wal-Mart Stores	1,200	5	1.66%			0.00%
Colorado Mental Health Institute	1,200	6	1.66%	1,041	6	1.61%
School District #70	1,101	7	1.52%	1,200	4	1.86%
Pueblo County	1,064	8	1.47%	1,020	7	1.58%
City of Pueblo	620	9	0.86%	710		1.10%
Express Scripts	600	10	0.83%	-	-	-
Convergys	-		0.00%	1,000	8	1.55%
Trane	-		0.00%	1,000	9	1.55%
Loaf n' Jug			0.00%	1,100	5	-
Total	<u>12,677</u>		<u>17.52%</u>	<u>13,017</u>		<u>18.46%</u>

Data Source:

Pueblo Economic Development Corporation

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

Exhibit XV

Fiscal Year	Number of volumes owned	Number of AV items owned	Total items owned	Acquisition cost of collections	Net book value of collections ¹	Number of items circulated	Turn-over rate ²
2006	433,652	48,563	535,871	6,685,570	-	1,093,460	2.04
2007	445,276	55,176	500,452	7,919,653	-	1,173,097	2.34
2008	459,745	60,839	520,584	8,111,016	4,549,170	1,313,434	2.52
2009	450,572	65,745	516,317	8,293,424	4,546,378	1,460,495	2.83
2010	444,223	90,300	534,523	8,554,059	4,701,459	1,716,076	3.21
2011 ³	403,581	82,076	485,657	8,187,221	4,971,027	1,680,454	3.46
2012	337,927	139,477	477,404	7,885,413	5,000,144	1,808,956	3.79
2013	331,451	143,501	474,952	7,892,222	4,994,625	1,640,626	3.45
2014	330,512	147,813	478,325	7,095,551	4,197,954	2,484,858	5.19
2015	349,807	132,979	482,786	7,100,007	5,436,319	2,918,125	6.04

NOTES:

- ¹ GASB Statement 34 requires that capital assets be depreciated - this was implemented in 2003.
Determination was made in 2008 that the District's collection of books and audio-visual materials is considered a capital asset, therefore subject to depreciation. Collections have an estimated useful life of 5 years.
Net book value represents total acquisition cost of circulating materials less accumulated depreciation to date.
- ² Turn-over rate is the number of times an item is checked out. This is an average of all publicly circulating items in the total collection.
- ³ A major weeding project was undertaken in 2011 to clean up the collection and eliminate those materials that were no longer circulating. This resulted in an overall reduction in items owned, but vastly improved the circulation rate.

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Pueblo City-County Library District
Miscellaneous Statistical Data
Schedule of Service Locations
December 31, 2015
(Unaudited)

LIBRARIES:	Address	Owned (O) Leased (L)	Square feet	Number of employees ¹	Operating budget
Barkman Public Library	1300 Jerry Murphy Rd. Pueblo, CO 81001	O	7,100	5.50	\$ 446,218
Lucero Library	1315 7th St. E. Pueblo, CO 81001	O	7,500	5.20	\$ 505,608
Greenhorn Valley Library	Cibola Drive Colorado City, CO 81006	O	7,500	4.50	\$ 486,524
Lamb Public Library	2525 W. Pueblo Blvd. Pueblo, CO 81005	O	10,500	5.60	\$ 466,873
Library @ the Y	3200 Spaulding Pueblo, CO 81008	L ²	1,183	1.50	\$ 81,011
Giodone Library	24655 US Highway 50 E. Pueblo, CO 81006	O	7,500	4.50	\$ 466,864
Pueblo West Library	298 S. Joe Martinez Blvd. Pueblo West, CO 81007	O	28,500	7.50	\$ 1,234,438
Rawlings Public Library	100 E. Abriendo Ave. Pueblo, CO 81004	O	110,000	32.15	\$ 2,953,979
<u>SUPPORT SERVICES:</u>					
Community Relations	100 E. Abriendo Avenue Pueblo, CO 81004	O	³	5.50	\$ 524,100
Director's Office	100 E. Abriendo Avenue Pueblo, CO 81004	O	³	2.00	\$ 310,048
Facilities Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	³	5.50	\$ 308,332
Finance Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	³	3.50	\$ 400,852
Human Resources Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	³	2.00	\$ 173,832
Information Technology Dept.	100 E. Abriendo Avenue Pueblo, CO 81004	O	³	4.50	\$ 793,587
Technical Services Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	³	8.60	\$ 559,443

NOTES:

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

² Located in the YMCA facility

³ Square footage for this location is included in the Rawlings Library square footage number

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

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

NOTES:

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