

# Comprehensive Annual Financial Report

For the year ended December 31, 2018

Pueblo City-County Library District  
Finance Office

100 E. Abriendo Avenue  
Pueblo, CO 81004  
[www.pueblolibrary.org](http://www.pueblolibrary.org)

**PUEBLO CITY-COUNTY LIBRARY DISTRICT**

**Finance Office**

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the fiscal year ended December 31, 2018**

**Board of Trustees**

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Stephanie Garcia, Vice President  
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Sonya West, Secretary to the Board

**Executive Director**

Jon Walker

**Prepared by:**

Sherry L. Baca, CPA  
Chief Financial Officer

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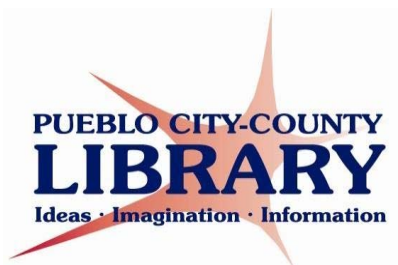
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Pueblo, CO 81004-4232

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Robert Hoag Rawlings  
Library

Barkman Library

Lamb Library Pueblo

West Library @ the

Y

Greenhorn Valley Library

Giodone Library

Patrick Lucero Library

**Community Satellites:**

Avondale Elementary

Beulah School

June 14, 2019

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, 2018.

This is the tenth 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 eighteen 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 – 2017 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 2018 CAFR document to the GFOA for review as well, where a panel of financial professionals will critique the document for thoroughness, accuracy, and presentation.

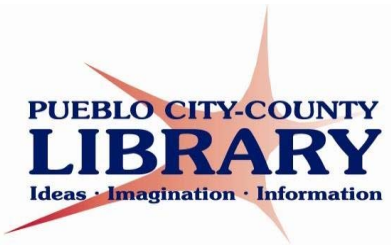
Thank you for your review of this document and for your continuing support and guidance.

Sincerely,

Jon Walker  
Executive Director

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Avenue  
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**Community Satellites:**

Avondale Elementary

June 14, 2019

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, 2018. 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 ensure 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 CliftonLarsonAllen LLP. to audit the 2018 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 2018, PCCLD added two satellites, located at Colorado State University-Pueblo and Pueblo Community College, respectively.

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**

In 2018, we continued our focus on achieving four key results. The key results included:

- 2,336,512 checkouts.
- 1,309,285 visitors.
- 428,373 program participants.
- 2,491,643 digital uses

In 2018, we were pleased to announce the District was recognized in the results of the eleventh annual *Library Journal* Index of Public Library Service as a Four Star Library. The *LJ* Index, as it is known, rates U.S. public libraries based on key results measures and is among the most prestigious recognitions nationally for public libraries. The 2018 *LJ* Index derives from data recently released by the Institute of Museum and Library Services. 7,361 U.S. public libraries qualified to be rated in the *LJ* Index of Public Library Service. There are only 257 Star Libraries. This places the Library District in the top 3.5 percent of all libraries nationally. This recognition also affirms the dedication to planning, accountability, and service of those involved with the District in recent years plus strong support from the community.

The District recently received the prestigious 2018 National Medal for Museum and Library Service. This follows the District's receipt of the *Library Journal's* renowned Star Library award in 2016, 2017 and 2018, which places the local public library among the top three percent of all public libraries in the United States. In addition, PCCLD beat out more than 100 nominated public libraries from across the country to be selected on March 5, 2018, as "America's Best Library" by Engaging Local Government Leaders in a "people's choice" competition by getting the most votes from its supporters. These types of recognitions affirm the dedication to planning, accountability, and service by those who are intimately involved in the work of the district plus strong support for the institution from the community.

The fourth full year of operation in 2018 brought success to the three newest 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 continues to meet or exceed expectations for community impact. The new libraries, along with existing five full-service libraries and four satellite locations—including the two new college campus satellites—now provide the Library District service area with a total of twelve public library outlets serving a population of over 160,000 people. These outlets are supplemented with outreach programs, including Books in the Park, 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 2018. A network analysis and study of the District's network infrastructure completed in 2017 served as a basis for planned upgrades to the data network. A procurement process for wide-area network telecommunications and internet services was completed in 2018 resulting in cost savings. There was also investment in the digitization of significant historical works of local significance, such as the scanning into computer format of early editions of the local newspaper of record dating from the mid-nineteenth century. Courier services and security activities were brought in-house through the establishment of a team of security personnel. The district library catalog was migrated to a new platform. A new financial audit firm was engaged to conduct PCCLD's annual audit. District facility improvements and asset procurements included parking lot lighting at the Rawlings and Pueblo West Libraries; new air conditioning units, roof and basement lighting at the Lamb Library; a new passenger van; and parking lot seal coating at the Barkman Library.

Cultural and educational programs and library collections constitute a significant component of the District's service to the community. 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 books and other library materials, computers, plus 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. Summer Read Club participation continued to enjoy a high level of participation as did All Pueblo Reads, a signature library project that featured in 2018 the very popular book *The Cold Dish* (2004) including local public appearances by the author Craig Johnson. Other programs with special focus in 2018 included the proceeds from grant funds to enhance literacy efforts aimed at young readers and adults; special work in socio-economically challenged areas to work on gang intervention; community impact of ConnectED, a program that was expanded in 2018 to provide a public library account for all students enrolled in the local community college and charter schools; and other formal contracts to collaborate with the Sangre de Cristo Arts Center, the American Library Association, Colorado State University-Pueblo, the Colorado State Library, and Pueblo Community College, among others.

Finally, 2018 saw the evaluation of current processes and operating contracts for the annual financial audit, integrated library system (ILS), asset valuation, WAN and internet services, Rawlings Library interior space planning, and patron fee collections. After considerable effort to complete requests for proposals, the district executed new contracts for the 2018 audit, a new ILS, architectural services, and museum exhibit planning and creation. A request for proposals was released by the district for security services in the third quarter of 2017 coupled with a review of district courier services, then outsourced to a local company. In 2018, both activities were established internally within the district using employed individuals and district equipment.

### **Plans for the future**

PCCLD completed work on a new long-range strategic plan in 2015, 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 2019 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 10. 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. Achieve safety training for 100% of district staff in order to attain 10% savings on PCCLD SDA pool insurance.
- II. Carry on work to respond positively and proactively to revenue challenges for PCCLD posed by the state's Gallagher Amendment so local libraries can continue to thrive.
- III. Complete transition to the new Integrated Library System (Koha) and refine associated services and procedures.
- IV. Conduct a salary market study of jobs like those at PCCLD to help ensure employees are compensated fairly and competitively.
- V. Continue work toward reimagining and refreshing interior space of the Rawlings Library in alignment with contemporary and projected future public library use.
- VI. Establish a PCCLD employee power-user curriculum to better ensure excellent customer service.
- VII. Expand PCCLD program attendance key result dashboard to include effective tools for analyzing other district key results.
- VIII. Finalize transition to updated financial accounting and procurement software to help ensure high quality fiscal tracking and reporting.
- IX. Find a new purchase card vendor and implement associated changes in support of effective and efficient procurement practices.
- X. Finish process for updating policies for employment and IT, and commence work to refresh finance policies so PCCLD's guiding practices are current and up-to-date.
- XI. Focus attention on building E-Circulation output to make certain the district is an industry leader in this emerging measure of public library success.
- XII. Formulate district policies and practices for maker programming and "learning by doing" activities so PCCLD remains at the forefront of contemporary public library service.
- XIII. Implement Ingram Eidelveiss collection development software tool to ensure PCCLD has the right materials available for its users.
- XIV. Implement Electronic Data Interchange (EDI) for procuring materials collaboratively with community stakeholders to help address problems.
- XV. Improve PCCLD's information and referral services to help connect individuals seeking knowledge about human services available locally.
- XVI. Increase the bandwidth of the back-up Internet service to better ensure high quality user experiences.

- XVII. Initiate a pilot program for more site-based collection development in support of unique dispositions of individual neighborhoods.
- XVIII. Participate with the Pueblo City-County Health Department (PCCHD) as a distribution point for medications to better serve in the event of a community health crisis.
- XIX. Prepare an updated orientation and on-boarding program for new PCCLD staff members in support of a employing a successful library workforce.
- XX. Refine PCCLD's performance evaluation system based upon recommendations accepted from the PCCLD Performance Evaluation Review Committee in alignment with the goal of providing useful feedback to support superb employee accomplishment.
- XXI. Replace or update capital assets in step with the district's Replacement Plan so PCCLD's physical facilities remain top-notch.
- XXII. Revisit services provided at PCCLD's satellite locations so ancillary services are positioned to best support the institution's mission.
- XXIII. Update the collections program for delinquent payment on user fees so the public library's materials are well looked after.
- XXIV. Visit PCCLD's outsourced IT systems and network administration agreements so the library's online environment is well maintained, supported, and developed.
- XXV. Work collaboratively with community stakeholders to help address problems presented by those facing homelessness in the community.

### **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 2018 a transfer of \$575,000 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, which includes assumptions for revenues, expenditures and fund balances for both the General and Capital Projects funds. This projection 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 Projection 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, and 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 Senior 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 is accomplished through self-check terminals in all locations, reducing the amount of cash collected directly by staff throughout the District. As a result of a current systems upgrade, the finance office can remotely monitor the terminals and their cash activity. A locked bag collection process is in place to move funds to the main library for reconciliation and bank deposit preparation. The minimal amount of cash collected at each library location for the sale of items and small transactions which can't be processed through self-service is also sent to the main library. The accuracy and oversight of cash collections has been enhanced by these methods.



## **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, 2017. This was the ninth 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, Jeanette Cortez, Darlene Sherwood, and Loretta McDaniel, 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 CliftonLarsonAllen LLP., 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,



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  
Robert Childress .....Director of Information Technology  
Midori Clark.....Director of Community Relations and Development  
Terri Daly.....Human Resources Manager  
Jill Deulen ..... Director of User Services  
Alan Rocco .....Facilities Superintendent

## **MANAGERS**

Kayci Barnett ..... Giodone Library Manager  
Alicia Griebel..... Barkman Library Manager  
Maria Kramer ..... Youth Services Manager  
Lori Kozel .....Lamb/Library @ Y Library Manager  
Diann Logie.....Lucero Library Manager  
Amy Martin.....Reference/Readers Advisory Manager  
Joanna Stankiewicz .....Greenhorn Valley Library Manager  
Maria Tucker .....Special Collections and Museum Services Manager  
Heather Wilder ..... Pueblo West Library Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Pueblo City-County Library District  
Colorado**

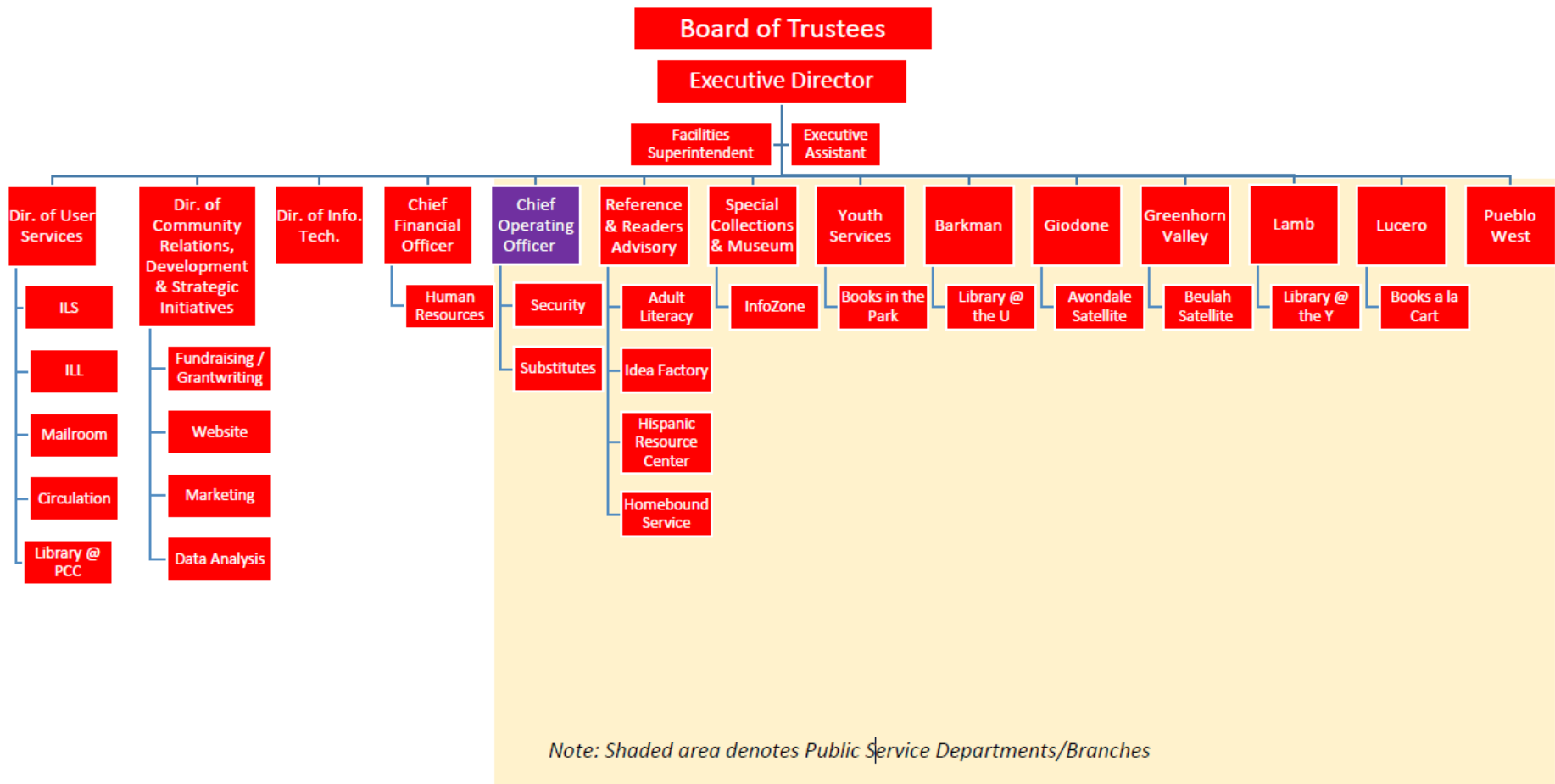
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

# ORGANIZATIONAL CHART



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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

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 (District), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pueblo City-County Library District as of December 31, 2018, 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 Matters***

#### *Change in Accounting Principle*

Pueblo City-County Library District adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. As a result of the implementation of GASB Statement No. 75, Pueblo City-County Library District reported a restatement for the change in accounting principle, as described in Note 16. Our opinions are not modified with respect to the restatement.

#### *Correction of an Error*

As described in Note 16, the District restated its net position for governmental activities due to a correction of an error for deferred outflows and deferred inflows relating to the net pension liability. Our opinions are not modified with respect to the restatement.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required pension information, required postemployment benefits other than pension benefits, and General Fund budgetary comparison information on pages 24-31 and 72-77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pueblo City-County Library District's basic financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Board of Trustees  
Pueblo City-County Library District

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
June 14, 2019



## 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, 2018. 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 \$19,787,038 (net position) for the calendar year reported.
- Total net position is comprised of the following:
  - (1) Net Investment in Capital Assets of \$23,087,722 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 \$1,167,930 is restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations. Included in that amount is \$798,305 restricted for debt service.
  - (3) Unrestricted net position of (\$4,468,614) represents the portion available to maintain the District's continuing obligations to citizens and creditors. Unrestricted net position is negative due to the reporting of the net pension liability and the net other postemployment benefits (OPEB) liability. As of December 31, 2018, the District's proportionate share of the Colorado Public Employees' Retirement Association (PERA) net pension liability was \$6,774,771 and the District's proportionate share of the PERA net OPEB liability was \$614,452.
- The District's general fund reported total ending fund balance of \$2,538,607 this year. This compares to the prior year ending fund balance of \$2,637,466 showing a decrease of \$98,859 during the current year.
- At the end of the current calendar year, restricted, committed, unassigned, and nonspendable fund balances for all governmental funds were \$4,604,034 or 43.7% 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 and deferred inflows of resources and deferred outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District 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 balances provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental funds financial statements are presented on pages 33-38 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 39 and 40 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 41 of this report.

Required Supplementary Information - On page 76, the budget to actual comparison for the general fund is presented as required supplementary information. On pages 72 – 75, the net pension liability and net OPEB liability related schedules are presented as required supplementary information.

Supplementary Information - As discussed, the District reports major funds in the basic financial statements. The budgetary comparison for the capital projects fund is presented in a supplementary information section of this report beginning on page 79.

The District's net position at December 31, 2018 is \$19,787,038. The following table provides a summary of the District's net position:

	<b>Government Activities</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Amount</b>	<b>Percentage of Total</b>	<b>Amount</b>	<b>Percentage of Total</b>
<b>Assets:</b>				
Current Assets	\$ 14,018,846	30.4%	\$ 13,719,236	29.3%
Capital Assets	32,152,247	69.6%	33,077,227	70.7%
<b>Total Assets</b>	<b>46,171,093</b>	<b>100.0%</b>	<b>46,796,463</b>	<b>100.0%</b>
Deferred Outflows of Resources	1,138,294	100.0%	1,355,873	100.0%
<b>Liabilities:</b>				
Current Liabilities	358,171	2.1%	855,341	4.6%
Long-term Liabilities	16,669,924	97.9%	17,571,623	95.4%
<b>Total Liabilities</b>	<b>17,028,095</b>	<b>100.0%</b>	<b>18,426,964</b>	<b>100.0%</b>
Deferred Inflows of Resources	10,494,254	100.0%	9,088,141	100.0%
<b>Net Position:</b>				
Net Investment in Capital Assets	23,087,722	116.7%	23,696,771	114.8%
Restricted	1,167,930	5.9%	1,163,895	5.6%
Unrestricted	(4,468,614)	-22.6%	(4,223,435)	-20.5%
<b>Total net position</b>	<b>\$ 19,787,038</b>	<b>100.0%</b>	<b>\$ 20,637,231</b>	<b>100.0%</b>

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 \$4,935,897. Current liabilities are \$1,102,094, including the current portion of long-term

liabilities. As a result, the current ratio for the District overall is 4.48 to 1 at December 31, 2018 compared with 5.45 to 1 at December 31, 2017.

The District reported positive balances in total net position for governmental activities in the current and prior year. Net position decreased by \$1,090,187 for governmental activities in the current year (including the effect of GASB 68). The District's overall financial position decreased during calendar year 2018 by 5.2%.

Approximately 69.6% of the District's total assets are comprised of capital assets at December 31, 2018 compared to 70.7% at December 31, 2017. 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:

	<b>Government Activities</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Amount</b>	<b>Percentage of Total</b>	<b>Amount</b>	<b>Percentage of Total</b>
Revenues:				
Program:				
Charges for Services	\$ 166,857	1.5%	\$ 143,137	1.4%
Operating Grants	423,724	3.9%	404,966	3.9%
Capital Grants	102,803	1.0%	16,000	0.2%
General:				
Taxes	9,950,157	92.4%	9,649,595	93.3%
Other	127,114	1.2%	128,886	1.2%
<b>Total Revenues</b>	<b>10,770,655</b>	<b>100.0%</b>	<b>10,342,584</b>	<b>100.0%</b>
Program Expenses:				
Library Services	11,540,317	97.3%	11,767,526	97.3%
Interest on Long-term Debt	320,525	2.7%	330,634	2.7%
<b>Total Expenses</b>	<b>11,860,842</b>	<b>100.0%</b>	<b>12,098,160</b>	<b>100.0%</b>
Change in Net Position	(1,090,187)		(1,755,576)	
Beginning Net Position, as Restated	20,877,225		22,392,807	
Ending Net Position	<b>\$19,787,038</b>		<b>\$20,637,231</b>	

Beginning net position for 2018 was restated for implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and for the correction of an error, as described in Note 16.

### **Revenues**

The District is heavily reliant on taxes to support governmental operations. Taxes provided 92.4% of the District's total revenues in 2018, as compared to 93.3% in 2017. Revenues increased in 2018 from 2017 by \$428,071 due primarily to an increase in property valuation.

Also, note that program revenues cover only 5.8% of governmental operating expenses. This means that the District's taxpayers and the District's other general revenues fund 94.2% 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 interest expense, relating to the debt service of the Certificates of Participation.

The 2018 interest on long-term debt amounted to 2.7% of the total District expenses. Depreciation expense of \$1,706,978 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 \$4,604,034 in 2018. Of this year-end total, \$1,853,772 is unassigned, indicating availability for continuing District service requirements. The total fund balance at the end of 2017 was \$4,362,813. The increase in fund balance from 2017 to 2018 is \$241,221 attributable to an increase in property taxes and moderate capital spending.

Nonspendable fund balance of \$367,039 is available only for prepaid items. The restricted fund balance includes \$317,796 emergency reserve requirement pursuant to the TABOR constitutional amendment, \$50,879 contributed by the Rawlings Foundation and available only for upgrades and maintenance of the InfoZone museum, \$950 in distributions from the Chamberlain Fund to purchase books and equipment, and \$824,613 restricted for debt service. Committed fund balance of \$1,188,985 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 43.7% 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, 2018 is \$2,538,607, a decrease of \$98,859 from the previous year.

Expenditures show an increase of \$259,168 or 2.6% over the prior year. This increase relates primarily to increases in costs relating to books and audiovisual materials along with increased program expenses. The only capital assets that are budgeted and expensed out of the general fund are collection items – books and audiovisual materials.

### ***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, 2018 is \$2,064,477, an increase of \$339,849. This increase reflects the activity within the Library Replacement Plan, specifically a transfer from the general fund of \$575,000.

## Budgetary Highlights – General Fund

Actual revenues were over budget by \$352,142. Property taxes were over budget by \$9,872, while specific ownership taxes came in over budget by \$175,385. There were no negative variances comparing budget to actual revenues in the General Fund.

In total, revenue for 2018 came in above projections by 3.3%. In 2017, revenues exceeded the forecast by 2.8%.

All appropriated expenditures were under-spent by a total of \$86,077, or 0.8% 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 72.

The deficit of revenues over expenditures for 2018 was \$98,859. The projected outcome was a deficit of \$537,078, so fund balance ended the year with \$438,219 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, 2018, was \$32,151,247. See Note 6 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:

	Governmental Activities		Percentage of Total	
	2018	2017	2018	2017
Non-Depreciable Assets:				
Land	\$ 2,216,490	\$ 2,216,490	96%	96%
Artwork and Collectibles	92,180	87,780	4%	4%
Total Non-Depreciable	<u>2,308,670</u>	<u>2,304,270</u>	<u>100%</u>	<u>100%</u>
Depreciable Assets:				
Buildings	34,785,534	34,847,910	78%	78%
Furniture and Fixtures	1,303,937	1,215,185	3%	3%
Vehicles	122,398	115,673	0%	0%
Computer Equipment	2,361,510	1,093,328	5%	2%
Other Equipment	92,796	1,461,394	0%	3%
Computer Software	-	161,217	0%	0%
Library Books and Audio Visual Materials	<u>5,924,032</u>	<u>5,883,536</u>	<u>13%</u>	<u>13%</u>
Total Depreciable Assets	<u>44,590,207</u>	<u>44,778,243</u>	<u>100%</u>	<u>100%</u>
Less Accumulated Depreciation	<u>14,746,630</u>	<u>14,005,286</u>		
Book Value - Depreciable Assets	<u>29,843,577</u>	<u>30,772,957</u>		
Percentage Depreciated	<u>33%</u>	<u>31%</u>		
Book Value - All Assets	<u>\$ 32,152,247</u>	<u>\$ 33,077,227</u>		

At December 31, 2018, the depreciable capital assets for governmental activities were depreciated 33%, as compared to 31% at December 31, 2017.

### **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 7 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 158,804 in the year 2009 and increased to 167,529 in 2018, an increase of 5.5% in that 10-year span. Pueblo County's growth rate in 2018 was 0.6% lagging 0.9% behind the growth rate of the state of Colorado. Pueblo County is ranked 10th among the top ten most populous counties in Colorado.

In 2017, the unemployment rate in Pueblo, Colorado Metropolitan Statistical Area was 4.6%, but the average unemployment rate for 2018 increased to 5.8%, which was higher than the state of Colorado and the national rate. The average unemployment rate in for Colorado in 2018 was 3.6%, and the national average unemployment rate was 3.9%. The Western Census Region of the United States, consisting of the 13 western most states, posted an unemployment rate of 4.2% to begin 2018 and had a 0.1% drop in unemployment during the year. The labor force in Pueblo at the end of December 2018 totaled 76,526—2.5% of the 3,128,678 in Colorado. This was comprised of 72,067 employed and 4,459 unemployed.

The American Community Survey (ACS) conducted by the US Census Bureau shows the median household income for Colorado was \$65,458 between the years 2013-2017. The median household income in Pueblo County was \$42,386. In this same time frame, the percentage of Pueblo County residents estimated to be below the poverty level is 19.8%; Colorado is at 11.5%, and the US statistic is 14.6%. In 2017, Colorado ranked 40<sup>th</sup> in the nation for the percentage of people who had incomes below the poverty line (\$25,094 for a family of four). 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 Historic Preservation. 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 chillies, the Sangre de Cristo Arts Center, Colorado State University-Pueblo and affordable real estate. Typically, Pueblo ranks in the top 10 least expensive urban areas in the cost of living index—\$229,500 median price of homes currently listed for sale as reported by Zillow.com.

The District is funded primarily by property tax revenues, and 2017 was not a revaluation year for property taxes, so significant increases were not anticipated in 2018 property tax collections. Overall, property tax increased by 3.1% in 2018.

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.



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**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Pueblo Library Foundation</u>
<b>Assets</b>		
Cash and Investments	\$ 3,650,437	\$ 235,570
Restricted Cash and Investments	824,613	-
Receivables:		
Accounts	81,808	130
Property Taxes	9,082,949	-
Prepaid Expenses	367,039	333
Note Receivable	12,000	-
Capital Assets:		
Nondepreciable	2,308,670	-
Depreciable, Net	29,843,577	-
<b>Total Assets</b>	<u>46,171,093</u>	<u>236,033</u>
<b>Deferred Outflows of Resources</b>		
Loss on Debt Refunding	85,830	-
Deferred Pension Outflows	1,010,097	-
Deferred OPEB Outflows	42,367	-
<b>Total Deferred Outflows of Resources</b>	<u>1,138,294</u>	<u>-</u>
<b>Liabilities</b>		
Accounts Payable	224,680	589
Accrued Liabilities	107,183	-
Accrued Interest Payable	26,308	-
Noncurrent Liabilities:		
Due Within One Year	743,923	-
Due in More Than One Year	8,536,778	-
Net Pension Liability	6,774,771	-
Net OPEB Liability	614,452	-
<b>Total Liabilities</b>	<u>17,028,095</u>	<u>589</u>
<b>Deferred Inflows of Resources</b>		
Property Taxes	9,082,949	-
Deferred Pension Inflows	1,398,770	-
Deferred OPEB Inflows	12,535	-
<b>Total Deferred Inflows of Resources</b>	<u>10,494,254</u>	<u>-</u>
<b>Net Position</b>		
Net Investment in Capital Assets	23,087,722	-
Restricted for:		
Tabor Amendment	317,796	-
InfoZone Museum	50,879	-
Books & Equipment (Chamberlain Fund)	950	31,500
Capital Projects	-	90,396
Debt Service	798,305	-
Other Foundation Programs	-	4,560
Unrestricted	(4,468,614)	108,988
<b>Total Net Position</b>	<u>\$ 19,787,038</u>	<u>\$ 235,444</u>

See accompanying notes to the financial statements

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

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	Component
					Governmental	Unit
					Governmental	Pueblo
					Activities	Library Foundation
<b>Primary Government</b>						
<b>Governmental Activities</b>						
Library Services	\$ 11,540,317	\$ 166,857	\$ 423,724	\$ 102,803	\$ (10,846,933)	\$ -
Interest on Long-Term Debt	320,525	-	-	-	(320,525)	-
<b>Total Governmental Activities</b>	<u>\$ 11,860,842</u>	<u>\$ 166,857</u>	<u>\$ 423,724</u>	<u>\$ 102,803</u>	<u>(11,167,458)</u>	<u>-</u>
<b>Component Unit</b>						
Pueblo Library Foundation	<u>\$ 54,393</u>	<u>\$ -</u>	<u>\$ 66,186</u>	<u>\$ 24,630</u>	<u>-</u>	<u>36,423</u>
		<b>General Revenues</b>				
		Property Taxes Levied for Library Purposes			9,059,826	-
		Specific Ownership Taxes			890,331	-
		Investment Income			112,584	-
		Miscellaneous			14,530	-
		<b>Total General Revenues</b>			<u>10,077,271</u>	<u>-</u>
		<b>Change in Net Position</b>			(1,090,187)	36,423
		<b>Net Position, Beginning of Year, as Restated</b>			<u>20,877,225</u>	<u>199,021</u>
		<b>Net Position, End of Year</b>			<u>\$ 19,787,038</u>	<u>\$ 235,444</u>

See accompanying notes to the financial statements

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Special Revenue</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and Investments	\$ 2,324,529	\$ 1,325,560	\$ 348	\$ 3,650,437
Restricted Cash and Investments	-	824,613	-	824,613
Receivables:				
Accounts	81,206	-	602	81,808
Property Taxes	9,082,949	-	-	9,082,949
Prepaid Items	367,039	-	-	367,039
Note Receivable	-	12,000	-	12,000
<b>Total Assets</b>	<u>\$ 11,855,723</u>	<u>\$ 2,162,173</u>	<u>\$ 950</u>	<u>\$ 14,018,846</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 126,984	\$ 97,696	\$ -	\$ 224,680
Accrued Liabilities	107,183	-	-	107,183
<b>Total Liabilities</b>	<u>234,167</u>	<u>97,696</u>	<u>-</u>	<u>331,863</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	9,082,949	-	-	9,082,949
<b>Fund Balances</b>				
Nonspendable - Prepaid Items	367,039	-	-	367,039
Restricted for:				
Tabor Amendment	317,796	-	-	317,796
InfoZone Museum	-	50,879	-	50,879
Books & Equipment (Chamberlain Fund)	-	-	950	950
Debt Service	-	824,613	-	824,613
Committed - Library Replacement Plan	-	1,188,985	-	1,188,985
Unassigned	1,853,772	-	-	1,853,772
<b>Total Fund Balances</b>	<u>2,538,607</u>	<u>2,064,477</u>	<u>950</u>	<u>4,604,034</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 11,855,723</u>	<u>\$ 2,162,173</u>	<u>\$ 950</u>	<u>\$ 14,018,846</u>

See accompanying notes to the financial statements

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

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

Total Governmental Fund Balances		\$ 4,604,034
----------------------------------	--	--------------

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	\$ 46,898,877	
Less Accumulated Depreciation	<u>(14,746,630)</u>	32,152,247

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

Compensated Absences	\$ (302,006)	
Certificates of Participation	(8,710,000)	
Certificates of Participation Premium	(268,695)	
Accrued Interest Payable	(26,308)	
Net Pension Liability	(6,774,771)	
Net OPEB Liability	<u>(614,452)</u>	\$ (16,696,232)

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Loss on Debt Refunding	85,830	
Pension Deferred Outflows of Resources	1,010,097	
OPEB Deferred Outflows of Resources	<u>42,367</u>	1,138,294

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Pension Deferred Inflows of Resources	(1,398,770)	
OPEB Deferred Inflows of Resources	<u>(12,535)</u>	<u>(1,411,305)</u>

Total Net Position of Governmental Activities		<u>\$ 19,787,038</u>
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**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Special Revenue</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Property Taxes	\$ 9,059,826	\$ -	\$ -	\$ 9,059,826
Specific Ownership Taxes	890,331	-	-	890,331
Grants and Contributions	414,624	102,803	9,100	526,527
Fees, Fines and Sales	166,857	-	-	166,857
Investment Earnings	71,024	41,429	131	112,584
Miscellaneous	11,530	-	-	11,530
<b>Total Revenues</b>	<u>10,614,192</u>	<u>144,232</u>	<u>9,231</u>	<u>10,767,655</u>
<b>Expenditures</b>				
<b>Current:</b>				
Library Support	9,328,351	-	9,000	9,337,351
<b>Capital Outlay</b>	-	382,383	-	382,383
<b>Debt Service:</b>				
Principal	475,000	-	-	475,000
Interest	334,700	-	-	334,700
<b>Total Expenditures</b>	<u>10,138,051</u>	<u>382,383</u>	<u>9,000</u>	<u>10,529,434</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>476,141</u>	<u>(238,151)</u>	<u>231</u>	<u>238,221</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	-	3,000	-	3,000
Transfers In	-	575,000	-	575,000
Transfers Out	(575,000)	-	-	(575,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(575,000)</u>	<u>578,000</u>	<u>-</u>	<u>3,000</u>
<b>Net Change in Fund Balances</b>	(98,859)	339,849	231	241,221
<b>Fund Balances, Beginning of Year</b>	<u>2,637,466</u>	<u>1,724,628</u>	<u>719</u>	<u>4,362,813</u>
<b>Fund Balances, End of Year</b>	<u>\$ 2,538,607</u>	<u>\$ 2,064,477</u>	<u>\$ 950</u>	<u>\$ 4,604,034</u>

See accompanying notes to the financial statements

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

A reconciliation reflecting the differences between the governmental funds net change in fund balance and change in net position reported for governmental activities in the statement of activities is as follows:

Net Change in Fund Balances - Total Governmental Funds	\$	241,221
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 817,839		
Depreciation Expense	(1,706,978)		
Disposals	<u>(35,841)</u>		(924,980)

Repayments of long-term debt are reported as expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and do not affect the statement of activities		475,000
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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 and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities.

Amortization of Loss on Debt Refunding	(6,602)		
Amortization of Premium	<u>19,193</u>		12,591

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. The decrease (increase) in these activities consist of the following:

Change in Accrued Interest Payable	1,584		
Accrued Compensated Absences	(26,812)		
Pension Expense	(858,468)		
OPEB Expense	<u>(10,323)</u>		<u>(894,019)</u>

Change in Net Position of Governmental Activities		<u>\$ (1,090,187)</u>
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**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
J.T. NESBITT EMPLOYEE TRUST FUND  
DECEMBER 31, 2018**

<b>Assets</b>	
Cash	\$ 2,506
Investments	
Local Government Investment Pool	<u>4,342</u>
<b>Total Assets</b>	<u><u>\$ 6,848</u></u>
<b>Net Position</b>	
Held in Trust for Employee Benefits	
Nonexpendable	\$ 3,000
Expendable	<u>3,848</u>
<b>Total Net Position</b>	<u><u>\$ 6,848</u></u>

*See accompanying notes to the financial statements*



**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
SUMMARY OF CHANGES IN FIDUCIARY NET POSITION  
J.T. NESBITT EMPLOYEE TRUST FUND  
YEAR ENDED DECEMBER 31, 2018**

<b>Additions</b>	
Fundraising	\$ 2,905
Interest	<u>90</u>
<b>Total Additions</b>	<u>2,995</u>
<b>Deductions</b>	
Employee Activities	<u>3,713</u>
<b>Change in Net Position</b>	(718)
<b>Net Position, Beginning of Year</b>	<u>7,566</u>
<b>Net Position, End of Year</b>	<u><u>\$ 6,848</u></u>

See accompanying notes to the financial statements

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

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 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 is 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.

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 2 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 government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

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

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

**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  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 2 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, liabilities, and deferred inflows of resources 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 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.

*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 potluck meals and sale of snack items, are held throughout the year to replenish this fund.

**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.

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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

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

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. 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 2017 is revenue for the 2018 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.

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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

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

**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.

**Receivables**

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

**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.

**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 the acquisition value on 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. Effective January 1, 2018, the capitalization threshold increased to \$5,000. 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 not capitalized.

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:

<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

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

**Compensated Absences**

It is the District's policy to permit all employees to accumulate a limited amount of earned but unused sick leave, 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 in the government-wide financial statements. Governmental funds report this liability at the fund reporting level only "when due."

**Accrued Liabilities and Long-Term Obligations**

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

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."

**Debt Premium**

In the government-wide statement of net position, debt premium is netted against debt payable. In the government-wide statement of activities, debt premium is 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 are reported as current expenses or expenditures.

**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 economic resources measurement focus and the accrual basis of accounting, 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. Contributions to the LGDTF are made from the general fund.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

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

**Postemployment Benefits Other Than Pensions (OPEB)**

District employees receive postemployment benefits other than pensions (OPEB) relating to the District's participation in the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCTF and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value. Contributions to the HCTF are made from the general fund.

**Fund 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 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 are internally designated by the District for a specific purpose. The Library Replacement Plan, shown as committed, represents the amount designated by the District's Board to replace or update capital assets.

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, assigned, 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, then assigned amounts then unassigned amounts.

**Net Position**

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

**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  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 3 CASH AND INVESTMENTS**

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. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2018, the District's cash deposits had a carrying balance of \$370,690, including fiduciary funds.

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, 2018, were as follows:

Investment Type	Rating	Investment Maturities (in Years)	Total
		Less Than 1	
Local Government Investment Pools	AAAm	\$ 4,111,208	\$ 4,111,208
Total		<u>\$ 4,111,208</u>	<u>\$ 4,111,208</u>

**Fair Value Measurements**

The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. The District's investments in external investment pools are measured as net asset value (NAV).

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

**Credit Risk**

State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

**Concentration of Credit Risk**

State statutes do not limit the amount the District may invest in one issuer of investment securities, except for corporate securities.

**Local Government Investment Pools**

At December 31, 2018, the District had \$3,116,049 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) Plus+ Fund, which is an external investment pool established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pool. The external investment pool is measured at the net asset value (NAV) per share, with each share valued at \$1.00. The pool is rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

At December 31, 2018, the District had \$315,701 invested in the Colorado Surplus Asset Fund Trust (CSAFE) Core Fund, which is an external investment pool established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pool. The external investment pool is measured at the net asset value (NAV) per share, with each share valued at \$2.00. The pool is rated AAAs by Fitch Ratings. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

At December 31, 2018, the District had \$675,116 invested in the Colorado Statewide Investment Pool (CSIP), which is an external investment pool established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pool. The external investment pool is measured at the net asset value (NAV) per share, with each share valued at \$1.00. The pool is rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Cash and Investment Reconciliation**

Reporting Level:	
Cash and Investments	\$ 3,650,437
Restricted Cash and Investments	824,613
Fiduciary Fund	<u>6,848</u>
Total	<u>\$ 4,481,898</u>

Per Note Disclosure Above:	
Deposits	\$ 370,690
Investments	<u>4,111,208</u>
Total	<u>\$ 4,481,898</u>

At December 31, 2018, the Capital Projects Fund held debt proceeds of \$824,613 restricted by the 2012 Certificates of Participation agreement for debt service.

**NOTE 4 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.

**NOTE 5 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, 2018, the balance of the promissory note was \$12,000.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
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**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018, is summarized below.

	Balance 12/31/2017	Reclassification	Additions	Deletions	Balance 12/31/2018
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,216,490	\$ -	\$ -	\$ -	\$ 2,216,490
Art and Collectibles	87,780	4,400	-	-	92,180
Total Capital Assets, Not Being Depreciated	<u>\$ 2,304,270</u>	<u>\$ 4,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,308,670</u>
Capital Assets, Being Depreciated:					
Buildings	\$ 34,847,910	\$ (62,376)	\$ -	\$ -	\$ 34,785,534
Furniture and Fixtures	1,215,185	94,740	62,645	68,633	1,303,937
Vehicles	115,673	-	28,954	22,229	122,398
Computer Equipment	1,093,328	1,369,588	34,384	135,790	2,361,510
Other Equipment	1,461,394	(1,406,352)	37,754	-	92,796
Computer Software	161,217	-	-	161,217	-
Library Books and Audio Visual Materials	5,883,536	-	654,102	613,606	5,924,032
Total Capital Assets, Being Depreciated	<u>\$ 44,778,243</u>	<u>\$ (4,400)</u>	<u>\$ 817,839</u>	<u>\$ 1,001,475</u>	<u>\$ 44,590,207</u>
Total Capital Assets	<u>\$ 47,082,513</u>	<u>\$ -</u>	<u>\$ 817,839</u>	<u>\$ 1,001,475</u>	<u>\$ 46,898,877</u>
Accumulated Depreciation:					
Buildings	\$ 8,939,402	\$ (3,147)	\$ 754,109	\$ -	\$ 9,690,364
Furniture and Fixtures	1,001,243	66,700	55,856	32,922	1,090,877
Vehicles	113,132	-	3,585	22,229	94,488
Computer Equipment	887,539	1,226,414	141,941	135,660	2,120,234
Other Equipment	1,308,276	(1,289,967)	7,732	-	26,041
Computer Software	161,217	-	-	161,217	-
Library Books and Audio Visual Materials	1,594,477	-	743,755	613,606	1,724,626
Total Accumulated Depreciation	<u>\$ 14,005,286</u>	<u>\$ -</u>	<u>\$ 1,706,978</u>	<u>\$ 965,634</u>	<u>\$ 14,746,630</u>
Book Value of Depreciable Capital Assets	<u>\$ 30,772,957</u>	<u>\$ (4,400)</u>	<u>\$ (889,139)</u>	<u>\$ 35,841</u>	<u>\$ 29,843,577</u>
Governmental Activities Capital Assets, Net	<u>\$ 33,077,227</u>	<u>\$ -</u>	<u>\$ (889,139)</u>	<u>\$ 35,841</u>	<u>\$ 32,152,247</u>

For the year ended December 31, 2018, the District updated its capital asset classification policy and reclassified previously recorded capital assets based on the updated policy.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
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YEAR ENDED DECEMBER 31, 2018**

**NOTE 7 LONG-TERM DEBT**

**Certificates of Participation** - The following is a summary of the outstanding long-term debt issue at December 31, 2018:

Year Issued	Purpose	Interest Rate %	Interest Due Dates	Issued 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 District issued \$11,410,000 Certificates of Participation, Series 2012, to finance the acquisition and construction of three new library facilities and to 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, 2018, follow:

Year	Principal	Interest	Total
2019	\$ 495,000	\$ 315,700	\$ 810,700
2020	510,000	303,325	813,325
2021	525,000	288,025	813,025
2022	540,000	272,275	812,275
2023	555,000	256,075	811,075
2024-2028	3,105,000	944,700	4,049,700
2029-2032	2,980,000	262,413	3,242,413
Total	<u>\$ 8,710,000</u>	<u>\$ 2,642,513</u>	<u>\$ 11,352,513</u>

**Changes in Long-term Debt** - Changes in the District's long-term obligations consisted of the following for the year ended December 31, 2018:

	Balance 12/31/2017	Additions	Reductions	Balance 12/31/2018	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 275,194	\$ 303,482	\$ 276,670	\$ 302,006	\$ 229,730
2012 Certificates of Participation	9,185,000	-	475,000	8,710,000	495,000
2012 Premium	287,888	-	19,193	268,695	19,193
Total	<u>\$ 9,748,082</u>	<u>\$ 303,482</u>	<u>\$ 770,863</u>	<u>\$ 9,280,701</u>	<u>\$ 743,923</u>

The compensated absences liability will be paid from the general fund.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 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 has been renewed through December 31, 2021. Rent expense for the year ended December 31, 2018 was \$29,080, which included a reduction equal to the amount of real estate tax for the portion of the building occupied by the District. Future minimum lease payments under this agreement are as follows:

Year Ended December 31,	
2019	\$ 33,144
2020	33,144
2021	33,144
Total	\$ 99,432

**NOTE 9 NET INVESTMENT IN CAPITAL ASSETS**

The “net investment in capital assets” amount reported on the government-wide statement of net position as of December 31, 2018, consists of the following:

Net Investment in Capital Assets:	
Cost of Capital Assets	\$ 46,898,877
Less: Accumulated Depreciation	(14,746,630)
Book Value	32,152,247
Capital Related Debt	(8,710,000)
Debt Premium	(268,695)
Loss on Debt Refunding	(85,830)
Net Investment in Capital Assets	\$ 23,087,722

**NOTE 10 INTERFUND TRANSACTIONS**

During the year ended December 31, 2018, the General Fund provided \$575,000 to the Capital Projects Fund to replenish the library replacement plan reserve.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 11 DEFINED BENEFIT PENSION PLAN**

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund 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/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. Governmental accounting standards require the net pension liability and related amounts of the LGDTF for financial reporting purposes be measured using the plan provisions in effect as of the LGDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled Changes between the measurement date of the net pension liability and December 31, 2018.

**General Information about the Pension Plan**

*Plan Description:* Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code.

Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided:* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled. Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

*Contributions:* Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate <sup>1</sup>	10.00 %	10.00 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF <sup>1</sup>	8.98 %	8.98 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 <sup>1</sup>	2.20 %	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 <sup>1</sup>	1.50 %	1.50 %
Total Employer Contribution Rate to the LGDTF <sup>1</sup>	12.68 %	12.68 %

<sup>1</sup> Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).



**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$514,707 for the year ended December 31, 2018.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2018, the District reported a liability of \$6,774,771 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2017 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2017, the District's proportion was 0.608459576%, which was a decrease of 0.010167899% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the District recognized pension expense of \$882,617. At December 31, 2018, 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
Difference Between Expected and Actual Experience	\$ 423,823	\$ -
Changes of Assumptions or Other Inputs	71,567	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,316,853
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	-	81,917
Contributions Subsequent to the Measurement Date	514,707	-
Total	\$ 1,010,097	\$ 1,398,770

\$514,707 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	
2019	\$ 232,762
2020	(168,947)
2021	(478,906)
2022	(488,289)

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Actuarial Assumptions* - The December 31, 2016 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 10.45%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	2.00%
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
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YEAR ENDED DECEMBER 31, 2018**

**NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and 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 by the investment consultant 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.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
<b>Total</b>	<u>100.00</u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Discount Rate:* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rate as of the measurement date. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the single equivalent interest rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District's Proportionate Share 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 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 10,790,014	\$ 6,774,771	\$ 3,427,489

*Pension Plan Fiduciary Net Position* - Detailed information about the LGDTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
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**NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Changes between the measurement date of the net pension liability and December 31, 2018**

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability the Division Trust Funds and thereby reach a 100% funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employee contribution rates by a total of 2% (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

At December 31, 2018, the District reported a liability of \$6,774,771 for its proportionate share of the net pension liability, which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 7.25%. For comparative purposes, the following schedule presents an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the LGDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the LGDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

<b>Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)</b>	<b>Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)</b>
7.25%	\$ 4,791,911

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**General Information about the OPEB Plan**

*Plan Description*

Eligible employees of the District are provided with postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies.

PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided*

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four divisions (State Division, School Division, Local Government Division and Judicial Division Trust Funds), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

*PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*Contributions*

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$41,404 for the year ended December 31, 2018.

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

At December 31, 2018, the District reported a liability of \$614,452 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2017. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF. At December 31, 2017, the District's proportion was 0.047280069%, which was a decrease of 0.000208130% from its proportion measured as of December 31, 2016.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

For the year ended December 31, 2018, the District recognized OPEB expense of \$8,380. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,906	\$ -
Changes of Assumptions or Other Inputs	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	10,280
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	-	2,255
Contributions Subsequent to the Measurement Date	39,461	-
Total	\$ 42,367	\$ 12,535

\$39,461 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	
2019	\$ (2,442)
2020	(2,442)
2021	(2,442)
2022	(2,441)
2023	128
Thereafter	10

*Actuarial Assumptions*

The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the Aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.00% for 2017, Gradually Rising to 4.25% in 2023



**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare</u>	<u>Medicare Part A</u>
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four of five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and 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 by the investment consultant 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  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
<b>Total</b>	<u>100.00</u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A Trend Rate	3.25%	4.25%	5.25%
Proportionate Share of the Net OPEB Liability	\$ 597,546	\$ 614,452	\$ 634,814

*Discount Rate*

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the HCTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the District’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 690,837	\$ 614,452	\$ 549,255

*OPEB plan fiduciary net position*

Detailed information about the HCTF plan’s fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 13 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.

**NOTE 14 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.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending, excluding bonded debt service. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE 15 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).

**NOTE 16 RESTATEMENT OF NET POSITION**

For the year ended December 31, 2018, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB no. 75), which is effective for financial statements beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) to record their proportionate share, as defined in GASB No. 75, of the HCTF's net OPEB liability.

For the District, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 16 RESTATEMENT OF NET POSITION (CONTINUED)**

The District restated beginning net position to correct an error in the calculations of deferred inflows and outflows relating to the net pension liability.

The restatement of the prior period net position for implementation of the new standard and correction of the error is shown below.

Net Position, June 30, 2017, as Previously Reported	\$ 20,637,231
Effect of a prior period adjustment to restate the deferred outflows and deferred inflow relating to the net pension liability	814,291
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	<u>(574,297)</u>
Net Position, June 30, 2017, as Restated	<u>\$ 20,877,225</u>

## REQUIRED SUPPLEMENTARY INFORMATION



**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 FISCAL YEARS**

Fiscal Year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan Measurement Date	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
District's Proportion of the Net Pension Liability	0.608459576%	0.618627475%	0.659046464%	0.623946893%	0.618414314%
District's Proportionate Share of the Net Pension Liability	\$ 6,774,771	\$ 8,353,580	\$ 7,259,931	\$ 5,592,492	\$ 5,089,061
District's Covered Payroll	3,868,757	3,745,767	3,601,482	3,418,950	3,299,298
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	166.9%	215.9%	193.8%	155.3%	148.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.4%	73.6%	76.9%	80.7%	77.7%

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 514,707	\$ 490,558	\$ 474,963	\$ 456,668	\$ 433,523	\$ 418,351	\$ 454,730	\$ 430,960	\$ 428,250	\$ 388,528
Contributions in Relation to the Contractually Required Contribution	<u>514,707</u>	<u>490,558</u>	<u>474,963</u>	<u>456,668</u>	<u>433,523</u>	<u>418,351</u>	<u>454,730</u>	<u>430,960</u>	<u>428,250</u>	<u>388,528</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 4,059,200	\$ 3,868,757	\$ 3,745,767	\$ 3,601,482	\$ 3,418,950	\$ 3,299,298	\$ 3,586,203	\$ 3,398,736	\$ 3,377,365	\$ 3,298,205
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	11.78%

The amounts presented for each fiscal year were determined as of December 31.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
LAST 10 FISCAL YEARS**

Fiscal Year	<u>2018</u>	<u>2017</u>
Plan Measurement Date	2017	2016
District's Proportion of the Net OPEB Liability	0.047280069%	0.047488199%
District's Proportionate Share of the Net OPEB Liability	\$ 614,452	\$ 615,701
District's Covered Payroll	\$ 3,868,757	\$ 3,745,767
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	15.1%	15.9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17.5%	16.7%

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 41,404	\$ 39,461	\$ 38,207	\$ 36,735	\$ 34,873	\$ 33,653	\$ 36,579	\$ 34,667	\$ 34,449	\$ 33,642
Contributions in Relation to the Contractually Required Contribution	41,404	39,461	38,207	36,735	34,873	33,653	36,579	34,667	34,449	33,642
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 4,059,200	\$ 3,868,757	\$ 3,745,767	\$ 3,601,482	\$ 3,418,950	\$ 3,299,298	\$ 3,586,203	\$ 3,398,736	\$ 3,377,365	\$ 3,298,205
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

\*The amounts presented for each fiscal year were determined as of December 31.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2018**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Property Taxes	\$ 9,049,954	\$ 9,059,826	\$ 9,872
Specific Ownership Taxes	714,946	890,331	175,385
Grants and Contributions	330,350	414,624	84,274
Fees, Fines and Sales	132,500	166,857	34,357
Investment Earnings	28,300	71,024	42,724
Miscellaneous	6,000	11,530	5,530
<b>Total Revenues</b>	<u>10,262,050</u>	<u>10,614,192</u>	<u>352,142</u>
<b>Expenditures</b>			
<b>Current:</b>			
Salaries and Wages	4,123,371	4,224,376	(101,005)
PERA	566,623	556,297	10,326
Employee Benefits	672,621	576,841	95,780
Books, Periodicals, Non-print, Processing Programs	1,394,919	1,385,978	8,941
Rental	29,112	29,080	32
Contractual Library Services	465,383	449,080	16,303
Treasurers' Fees	135,749	135,666	83
Office Supplies	64,816	82,100	(17,284)
Utilities and Insurance	608,944	530,252	78,692
Building Maintenance	435,779	431,966	3,813
Vehicle Maintenance	6,400	12,699	(6,299)
Community Relations	54,000	66,737	(12,737)
Postage and Shipping	35,000	35,749	(749)
Friends' Grants - Expenditures	30,000	39,865	(9,865)
Courier Service	66,040	23,881	42,159
Information Technology	556,100	530,029	26,071
<b>Debt Service:</b>			
Principal	475,000	475,000	-
Interest	334,700	334,700	-
<b>Total Expenditures</b>	<u>10,224,128</u>	<u>10,138,051</u>	<u>86,077</u>
<b>Excess of Revenues Over Expenditures</b>	<u>37,922</u>	<u>476,141</u>	<u>438,219</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out to Capital Projects Fund	(575,000)	(575,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(575,000)</u>	<u>(575,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(537,078)	(98,859)	438,219
<b>Fund Balance, Beginning of Year</b>	<u>2,630,543</u>	<u>2,637,466</u>	<u>6,923</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,093,465</u>	<u>\$ 2,538,607</u>	<u>\$ 445,142</u>

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2018**

**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 15<sup>th</sup> 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 all public libraries and posted on the District’s website 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 10<sup>th</sup>. The certification of mill levy is due to the Board of County Commissioners by December 15<sup>th</sup>.

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  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
YEAR ENDED DECEMBER 31, 2018**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Grants and Contributions	\$ 45,000	\$ 102,803	\$ 57,803
Investment Earnings	10,000	41,429	31,429
Miscellaneous	-	-	-
<b>Total Revenues</b>	<u>55,000</u>	<u>144,232</u>	<u>89,232</u>
<b>Expenditures</b>			
<i>Capital Outlay:</i>			
InfoZone Expenditures	55,000	3,594	51,406
Information Technology	292,100	205,116	86,984
Furniture and Fixtures	50,000	38,480	11,520
Building Improvements	206,200	106,239	99,961
Vehicles	-	28,954	(28,954)
<b>Total Expenditures</b>	<u>603,300</u>	<u>382,383</u>	<u>220,917</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(548,300)</u>	<u>(238,151)</u>	<u>310,149</u>
<b>Other Financing Sources</b>			
Sale of Assets	-	3,000	3,000
Transfers In From General Fund	575,000	575,000	-
<b>Total Other Financing Sources</b>	<u>575,000</u>	<u>578,000</u>	<u>3,000</u>
<b>Net Change in Fund Balance</b>	26,700	339,849	313,149
<b>Fund Balance, Beginning of Year</b>	<u>1,783,093</u>	<u>1,724,628</u>	<u>(58,465)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,809,793</u>	<u>\$ 2,064,477</u>	<u>\$ 254,684</u>



**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Grants and Contributions	\$ 5,000	\$ 8,498	\$ 9,100	\$ 602
Investment Earnings	20	119	131	12
<b>Total Revenues</b>	<u>5,020</u>	<u>8,617</u>	<u>9,231</u>	<u>614</u>
<b>Expenditures</b>				
Library Support	<u>5,000</u>	<u>9,000</u>	<u>9,000</u>	-
<b>Total Expenditures</b>	<u>5,000</u>	<u>9,000</u>	<u>9,000</u>	-
<b>Net Change in Fund Balance</b>	20	(383)	231	614
<b>Fund Balance, Beginning of Year</b>	<u>420</u>	<u>719</u>	<u>719</u>	-
<b>Fund Balance, End of Year</b>	<u>\$ 440</u>	<u>\$ 336</u>	<u>\$ 950</u>	<u>\$ 614</u>

**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**

**Financial Trends** Pages 82-86

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.

**Revenue Capacity** Pages 87-90

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.

**Debt Capacity** Pages 91-94

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.

**Demographic and Economic Information** Pages 95-96

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.

**Operating Information** Pages 97-99

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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
GOVERNMENT-WIDE NET POSITION BY COMPONENT  
(UNAUDITED)  
LAST TEN CALENDAR YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
Net investment										
in capital assets	\$ 27,804,631	\$ 27,066,385	\$ 26,602,810	\$ 25,640,514	\$ 25,454,927	\$ 26,573,350	\$ 25,898,666	\$ 24,197,032	\$ 23,696,771	\$ 23,087,134
Restricted	239,181	247,595	502,525	1,283,866	1,846,951	1,263,412	1,230,851	1,185,406	1,163,895	1,167,930
Unrestricted	3,114,521	3,671,115	4,063,850	4,057,682	3,386,592	2,537,967	(2,266,558)	(2,989,631)	(4,223,435)	(4,468,614)
Total	<u>\$ 31,158,333</u>	<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>	<u>\$ 22,392,807</u>	<u>\$ 20,637,231</u>	<u>\$ 19,786,450</u>
Governmental activities										
Net investment										
in capital assets	89.20%	87.40%	85.30%	82.80%	83.00%	87.50%	104.20%	108.10%	114.80%	116.68%
Restricted	0.80%	0.80%	1.60%	4.10%	6.00%	4.20%	5.00%	5.30%	5.60%	5.90%
Unrestricted	10.00%	11.80%	13.00%	13.10%	11.00%	8.30%	-9.20%	-13.40%	-20.40%	-22.58%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</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.

The District implemented GASB Statement No. 68 effective January 1, 2015. As of December 31, 2018, the District's proportionate share of the Net Pension Liability was \$6,774,771. This amount is included in the unrestricted net position.

**Data Source:**

Applicable years' comprehensive annual financial report.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES  
(UNAUDITED)  
LAST TEN CALENDAR YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses										
Governmental activities:										
Library Services	\$ 8,120,764	\$ 8,107,051	\$ 8,072,539	\$ 9,033,639	\$ 9,873,567	\$10,092,677	\$10,525,062	\$11,180,655	\$11,767,526	\$11,540,905
Interest	323,169	323,169	300,731	208,768	370,451	361,934	353,217	343,922	330,634	320,525
Total Expenses	<u>8,443,933</u>	<u>8,430,220</u>	<u>8,373,270</u>	<u>9,242,407</u>	<u>10,244,018</u>	<u>10,454,611</u>	<u>10,878,279</u>	<u>11,524,577</u>	<u>12,098,160</u>	<u>11,861,430</u>
Program Revenues										
Charges for services, sales and fines	94,965	106,945	117,282	214,279	218,008	167,693	175,254	176,275	143,137	166,857
Operating grants and contributions	145,789	143,263	124,947	41,714	101,277	61,692	173,836	171,644	404,966	423,724
Capital grants and contributions	63,750	-	143,998	192,918	184,603	554,721	192,577	4,333	16,000	102,803
Total Program Revenues	<u>304,504</u>	<u>250,208</u>	<u>386,227</u>	<u>448,911</u>	<u>503,888</u>	<u>784,106</u>	<u>541,667</u>	<u>352,252</u>	<u>564,103</u>	<u>693,384</u>
Net (Expense)/Revenue	<u>(8,139,430)</u>	<u>(8,180,012)</u>	<u>(7,987,043)</u>	<u>(8,793,496)</u>	<u>(9,740,130)</u>	<u>(9,670,505)</u>	<u>(10,336,612)</u>	<u>(11,172,325)</u>	<u>(11,534,057)</u>	<u>(11,168,046)</u>
General Revenues:										
Property taxes levied for library purposes	6,501,274	7,118,422	7,307,351	7,804,163	8,493,998	8,493,206	8,582,963	8,743,618	8,770,163	9,059,826
Specific ownership tax	661,851	626,834	612,037	623,435	644,217	670,065	719,445	752,678	879,432	890,331
Grants not restricted for specific purposes	-	-	-	-	136,729	-	-	-	-	-
Investment earnings	26,498	50,414	32,305	42,427	40,264	38,844	14,376	30,770	55,299	112,584
Miscellaneous	188,710	211,014	219,440	136,348	131,330	154,649	163,596	213,342	73,587	14,530
Total General Revenues	<u>7,378,333</u>	<u>8,006,774</u>	<u>8,171,133</u>	<u>8,606,373</u>	<u>9,446,538</u>	<u>9,356,764</u>	<u>9,480,380</u>	<u>9,740,408</u>	<u>9,778,481</u>	<u>10,077,271</u>
Change in Net Position	<u>\$ (761,097)</u>	<u>\$ (173,238)</u>	<u>\$ 184,090</u>	<u>\$ (187,123)</u>	<u>\$ (293,592)</u>	<u>\$ (313,741)</u>	<u>\$ (856,232)</u>	<u>\$ (1,431,917)</u>	<u>\$ (1,755,576)</u>	<u>\$ (1,090,775)</u>

**Data Source:**

Applicable years' comprehensive annual financial report.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES  
(UNAUDITED)  
LAST TEN CALENDAR YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Expenses										
Governmental activities:										
Library Services	96.2%	96.2%	96.4%	97.7%	96.4%	96.5%	96.8%	97.0%	97.3%	97.3%
Interest	3.8%	3.8%	3.6%	2.3%	3.6%	3.5%	3.2%	3.0%	2.7%	2.7%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Program Revenues										
Charges for services, sales and fines										
	31.2%	42.7%	30.4%	47.7%	43.3%	21.4%	32.4%	50.0%	25.4%	24.1%
Operating grants and contributions										
	47.9%	57.3%	32.4%	9.3%	20.1%	7.9%	32.1%	48.7%	71.8%	61.1%
Capital grants and contributions										
	20.9%	0.0%	37.3%	43.0%	36.6%	70.7%	35.6%	1.2%	2.8%	14.8%
Total Program Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues:										
Property taxes levied for library purposes										
	88.1%	88.9%	89.4%	90.7%	89.9%	90.8%	90.5%	89.8%	89.7%	89.9%
Specific ownership tax										
	9.0%	7.8%	7.5%	7.2%	6.8%	7.2%	7.6%	7.7%	9.0%	8.8%
Grants not restricted for specific purposes										
	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment earnings										
	0.4%	0.6%	0.4%	0.5%	0.4%	0.4%	0.2%	0.3%	0.6%	1.1%
Miscellaneous										
	2.6%	2.6%	2.7%	1.6%	1.4%	1.7%	1.7%	2.2%	0.8%	0.2%
Total General Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Data Source:** Applicable years' comprehensive annual financial report

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
FUND BALANCE – GOVERNMENTAL ACTIVITIES  
(UNAUDITED)  
LAST TEN CALENDAR YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved	\$ 455,605	\$ 477,034 (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	653,323	1,621,260	-	-	-	-	-	-	-	-
Non-Spendable	-	-	179,303	341,545	258,766	314,462	339,831	248,138	347,412	367,039
Restricted	-	-	256,611	274,545	298,315	304,078	300,383	308,588	296,531	317,796
Committed	-	-	1,536,845	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	1,113,436	3,207,149	2,722,465	2,292,000	1,909,373	1,986,593	1,993,523	1,853,772
Total General Fund	<u>\$ 1,108,928</u>	<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>	<u>\$ 2,543,319</u>	<u>\$ 2,637,466</u>	<u>\$ 2,538,607</u>
General Fund										
Percentage Change	-61.40%	(2) 89.20%	47.10%	23.90%	-14.20%	-11.30%	-12.40%	-0.20%	3.70%	-3.75%
All Other Governmental Funds										
Reserved	(1) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue funds	40,369	44,176	-	-	-	-	-	-	-	-
Capital Projects funds	2,657,602	2,151,470	-	-	-	-	-	-	-	-
Non-Spendable	-	-	-	-	-	-	-	-	4,301	-
Restricted - Capital Projects Fund	-	-	211,034	4,964,236	5,235,727	1,052,133 (4)	929,966	875,428	866,645	875,492
Restricted - Special Revenue Fund	-	-	34,880	38,657	653	3,201	502	1,390	719	950
Committed - Capital Projects Fund	-	-	1,370,794	902,149	809,747	228,738	685,290	842,372	803,994	1,188,985
Assigned - Capital Projects	-	-	-	-	-	-	-	-	49,688	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Governmental Funds	<u>\$ 2,697,971</u>	<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>	<u>\$ 1,719,190</u>	<u>\$ 1,725,347</u>	<u>\$ 2,065,427</u>
All Governmental Funds										
Percentage Change	26.70%	-18.60%	-26.40%	265.30%	2.40%	-78.80%	25.80%	6.40%	0.40%	19.71%

- (1) Certificates of Participation issued for expansion and new construction of Pueblo West Library - 2006-2009.  
(2) Transferred library replacement plan account from general fund to capital project fund - reclassification.  
(3) Implementation of new GASB 54 Fund Balance presentation. Prior designations are shown from 2002 - 2010; new presentation will be illustrated going forward.  
(4) Refunded 2007 debt; secured additional funding for construction of three new libraries - 2012 - 2014.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT**  
**SUMMARY OF CHANGES IN FUND BALANCE – GOVERNMENTAL ACTIVITIES**  
**(UNAUDITED)**  
**LAST TEN CALENDAR YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>										
Property taxes	\$ 6,501,274	\$ 7,118,422	\$ 7,307,351	\$ 7,804,163	\$ 8,493,998	\$ 8,493,206	\$ 8,582,963	\$ 8,743,618	\$ 8,770,163	\$ 9,059,826
Specific ownership taxes	661,851	626,834	612,037	623,435	644,217	670,065	719,445	752,678	879,432	890,331
Grants and contributions	134,207	229,180	95,595	210,574	351,941	616,413	366,413	175,977	420,966	526,527
Gifts and donations	75,332	28,842	173,350	24,058	26,065	-	-	-	-	-
Fees, fines and sales	94,965	106,945	117,282	193,857	179,897	167,693	175,254	176,275	143,137	166,857
Investment earnings	26,498	50,414	32,305	42,427	40,264	38,844	14,376	30,770	55,299	112,584
Miscellaneous	191,930	96,345	219,440	156,770	169,441	154,649	163,596	213,342	20,149	11,530
<b>Total Revenues</b>	<u>7,686,057</u>	<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>	<u>10,092,660</u>	<u>10,289,146</u>	<u>10,767,655</u>
<b>Expenditures</b>										
Library Support	6,977,443	7,321,230	7,372,276	7,859,313	8,061,612	8,931,838	9,001,086	9,042,955	9,074,883	9,337,351
Capital outlay	(1) 1,595,249	136,761	464,171	2,186,240	1,438,069	5,529,843	238,678	139,891	474,190	382,383
Debt issuance costs	-	-	-	122,131	-	-	-	-	-	-
Debt service principal	-	-	-	-	425,000	435,000	445,000	455,000	465,000	475,000
Debt service interest	311,950	311,950	311,950	224,197	383,750	375,250	366,550	357,650	344,000	334,700
<b>Total Expenditures</b>	<u>8,884,642</u>	<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>	<u>9,995,496</u>	<u>10,358,073</u>	<u>10,529,434</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,198,585)</u>	<u>487,041</u>	<u>408,963</u>	<u>(1,336,597)</u>	<u>(402,608)</u>	<u>(5,131,061)</u>	<u>(29,267)</u>	<u>97,164</u>	<u>(68,927)</u>	<u>238,221</u>
Other Financing Sources (Uses)										
Insurance proceeds	-	-	-	-	-	-	-	-	169,231	-
Debt issued	-	-	-	11,410,000 (2)	-	-	-	-	-	-
Debt Premium	-	-	-	383,853	-	-	-	-	-	-
Payments to Escrow Agent	-	-	-	(6,155,975) (2)	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-	3,000
Transfers in	2,027,429	382,952	-	100,000	1,341,500	203,500	392,000	200,000	275,000	575,000
Transfers out	(2,027,429)	(382,952)	-	(100,000)	(1,341,500)	(203,500)	(392,000)	(200,000)	(275,000)	(575,000)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,637,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,231</u>	<u>3,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,198,585)</u>	<u>\$ 487,041</u>	<u>\$ 408,963</u>	<u>\$ 4,301,281</u>	<u>\$ (402,608)</u>	<u>\$ (5,131,061)</u>	<u>\$ (29,267)</u>	<u>\$ 97,164</u>	<u>\$ 100,304</u>	<u>\$ 241,221</u>
Debt services as a percentage of non-capital expenditures	4.47%	4.26%	4.23%	2.81%	9.12%	8.99%	8.92%	8.87%	8.83%	8.34%

(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.

**Data Source:**

Applicable years' comprehensive annual financial report.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
(UNAUDITED)  
LAST TEN CALENDAR YEARS**

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
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%
2016	8,750,818	8,728,727	99.75%	1,444	8,730,171	99.76%
2017	8,835,027	8,782,582	99.41%	(23,847)	8,758,735	99.14%
2018	9,059,013	9,036,343	99.75%	7,936	9,044,280	99.84%

(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  
(UNAUDITED)  
LAST TEN CALENDAR YEARS  
(PER \$1,000 OF ASSESSED VALUE)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Direct</b>										
Pueblo City-County Library District	5.302	5.413	5.268	5.293	5.258	5.262	5.255	5.282	5.288	5.271
<b>Overlapping Governments</b>										
Pueblo County	29.619	30.388	29.793	30.090	30.750	30.769	30.710	30.867	30.887	30.722
Library	0.844	0.734	0.624	0.514	0.404	0.294	0.184	0.074	0.000	0.000
Animal Shelter	0.655	0.555	0.455	0.355	0.255	0.155	0.055	0.000	0.000	0.000
<b>City and Towns Rates</b>										
Boone	12.058	14.466	15.621	15.867	16.613	17.397	17.397	17.397	17.397	17.397
Pueblo	15.633	15.633	15.633	15.633	15.633	15.633	15.633	15.633	15.633	15.633
Rye	6.771	6.888	6.972	6.972	6.972	6.972	6.972	6.972	6.972	6.972
<b>School Districts</b>										
Edison 54J	37.525	36.207	36.104	37.044	37.861	37.340	40.834	36.502	36.504	36.503
Fowler R4J	37.511	37.389	37.263	36.123	36.098	34.953	33.500	33.595	33.882	33.750
Pueblo 60	36.629	38.811	34.324	36.032	35.573	35.347	35.234	35.392	35.418	34.690
Pueblo 70	40.804	39.297	39.297	39.243	39.033	39.653	39.995	40.242	39.993	40.035
<b>Improvement &amp; Service Districts</b>										
Avondale Water & Sanitation	10.641	10.641	10.641	10.641	10.641	10.641	10.641	10.641	10.641	10.641
Bandera Blvd. Special Improvement	5.000	5.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Beulah Ambulance District	7.000	7.000	7.000	13.500	13.500	13.500	13.500	22.500	22.130	22.060
Colorado City Cemetery	1.071	1.071	1.071	1.071	1.071	1.071	1.071	1.071	1.071	1.071
Colorado City Metro	17.967	17.967	17.967	17.967	17.967	17.967	17.967	17.967	17.967	17.967
Edison Fire Protection District	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000
Fowler Rural Fire	4.109	4.057	3.900	3.777	3.410	3.310	2.770	2.940	3.090	3.045
Lower Arkansas Valley Water Conservancy	1.502	1.502	1.502	1.502	1.503	1.503	1.503	1.503	1.503	1.503
Midway Ranches Fire Protection District	0.000	0.000	18.760	18.760	18.760	18.760	18.760	15.000	15.000	15.000
Pine Drive Water	14.391	14.352	15.115	15.196	16.348	15.999	15.369	15.060	14.677	14.814
Pueblo Rural Fire	24.268	24.268	24.268	24.268	24.268	24.268	24.268	24.268	24.268	24.268
Pueblo West Metro	20.193	20.193	20.193	20.193	20.193	20.193	19.838	20.239	20.216	20.230
Rye Fire	10.036	10.036	10.036	10.036	10.036	10.036	10.036	15.536	15.536	15.536
South Point Special Improvement	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Southeastern Water Conservancy	0.940	0.947	0.947	0.944	0.940	0.940	0.941	0.940	0.939	0.944
St. Charles Mesa Sanitation	4.090	4.250	4.250	4.190	4.250	4.250	4.019	4.250	3.930	1.500
Thunder Village Special District	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
West Park Fire	5.433	5.433	5.433	5.433	5.433	5.433	5.433	5.433	5.433	5.433

**Data Source:**

Pueblo County Abstract of Assessment

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 (UNAUDITED)  
 LAST TEN CALENDAR YEARS  
 (IN THOUSANDS)**

<b>Fiscal Year Ended December 31,</b>	<b>Vacant Unimproved Land</b>	<b>Residential Property</b>	<b>Natural resources</b>	<b>Commercial property</b>	<b>Industrial Property</b>	<b>Agricultural Property</b>	<b>Public Utilities</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Exempt Property Assessed Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
2009	\$ 77,017	\$ 626,504	\$ 2,800	\$ 284,856	\$ 128,941	\$ 10,563	\$ 129,353	\$ 1,260,034	5.302	\$ 10,530,161	\$ 124,404	11.97%
2010	75,388	626,002	2,959	298,026	185,283	10,332	152,191	1,350,181	5.413	10,376,477	129,829	13.01%
2011	63,728	592,631	2,690	301,583	243,564	11,635	343,290	1,559,121	5.268	11,353,178	152,654	13.73%
2012	62,804	596,087	2,685	300,801	226,488	11,222	469,730	1,669,817	5.293	11,154,788	155,686	14.97%
2013	53,676	564,333	2,986	303,331	217,626	12,901	513,052	1,667,905	5.258	10,894,765	163,999	15.31%
2014	52,973	569,106	2,948	303,058	221,464	13,055	518,630	1,681,234	5.262	11,053,408	163,795	15.21%
2015	50,853	593,218	2,878	303,355	240,991	15,788	516,128	1,723,211	5.255	11,349,117	168,456	15.18%
2016	50,591	600,069	3,002	307,413	225,716	18,565	514,857	1,720,213	5.282	11,154,895	167,045	15.42%
2017	49,557	618,206	2,906	309,696	212,005	23,679	544,930	1,760,979	5.288	12,280,492	166,539	14.34%
2018	47,329	628,204	3,310	322,609	213,698	25,207	535,489	1,775,846	5.271	12,685,454	165,656	14.00%

**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 2018 at 7.2% 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

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
(UNAUDITED)  
CURRENT YEAR AND NINE YEARS AGO**

Principal Taxpayer	2018			2009		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Public Service Co. of CO (Excel Energy Company)	\$ 240,893,700	1	13.57%	\$ 63,152,590	2	4.68%
Black Hills Colorado	83,640,330	2	4.71%	16,168,250	5	1.20%
GCC Rio Grande Inc.	60,632,511	3	3.41%	63,153,740	1	4.68%
Intermountain Rural Electric	48,561,900	4	2.73%			
Black Hills Colorado IPP LLC	40,415,500	5	2.28%			
EVRAZ (Rocky Mountain Steel Mills)	24,829,310	6	1.40%	20,211,830	3	1.50%
Union Pacific Railroad	20,350,473	7	1.15%	10,014,600	8	0.74%
BNSF Railway Company	19,647,200	8	1.14%	10,828,620	6	0.80%
Vestas Towers of America, Inc.	16,555,602	9	0.93%			
Holy Cross Electric Association, Inc.	15,510,600	10	0.87%			
Qwest Coporation (U.S. West Communications)				19,448,500	4	1.44%
Trane US, Inc.				10,680,130	7	0.79%
Wheel & Brake				7,692,690	9	0.57%
CF&I Steel, LP				6,296,220	10	0.47%
<b>Total Top Ten Principal Taxpayers</b>	<b>571,037,126</b>		<b>32.19%</b>	<b>227,647,170</b>		<b>16.86%</b>
<b>Total Assessed Valuation</b>	<b>\$1,775,845,704</b>		<b>100.00%</b>	<b>\$1,350,292,630</b>		<b>100.00%</b>

**Data Source:**  
Pueblo County Assessor's Office

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
LEGAL DEBT LIMIT INFORMATION  
(UNAUDITED)  
DECEMBER 31, 2018**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed valuation	\$ 1,260,034,000	\$ 1,350,181,000	\$ 1,559,121,000	\$ 1,669,817,000	\$ 1,667,905,000	\$ 1,681,234,000	\$ 1,723,211,000	\$ 1,720,213,128	\$ 1,760,979,000	\$ 1,775,846,000
Debt limitation - 1.5% of total assessed value	\$ 18,900,510	\$ 20,252,715	\$ 23,386,815	\$ 25,047,255	\$ 25,018,563	\$ 25,218,510	\$ 25,848,165	\$ 25,803,197	\$ 26,414,685	\$ 26,637,690
Certificates of Participation (1)	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 11,410,000	\$ 10,985,000	\$ 10,550,000	\$ 10,105,000	\$ 9,650,000	\$ 9,185,000	\$ 8,710,000
Legal debt limit less COP debt	\$ 12,900,510	\$ 14,252,715	\$ 17,386,815	\$ 13,637,255	\$ 14,033,563	\$ 14,668,510	\$ 15,743,165	\$ 16,153,197	\$ 17,229,685	\$ 17,927,690
Total net debt applicable to the limit as a percentage of debt limit	32%	30%	26%	46%	44%	42%	39%	37%	35%	33%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Assessed Valuation	<u>\$ 1,775,846,000</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 26,637,690</u>
Debt applicable to limit: Certificates of Participation	<u>\$ 8,710,000</u>
Legal debt limit less COP debt	<u>\$ 17,927,690</u>

**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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
RATIO OF OUTSTANDING DEBT BY TYPE  
(UNAUDITED)  
LAST TEN FISCAL YEARS**

Year Ended December 31,	Certificates of Participation (1)	Percentage of Personal Income (2)	Per Capita
2009	\$ 6,255,613	0.14%	39.39
2010	6,244,394	0.13%	38.87
2011	6,233,175	0.13%	38.54
2012	(3) 11,793,853	0.24%	73.06
2013	11,349,660	0.21%	70.35
2014	10,895,467	0.20%	67.54
2015	10,431,274	0.19%	63.76
2016	9,957,081	0.17%	60.30
2017	9,472,888	0.16%	56.90
2018	8,978,695	0.14%	53.59

**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 to 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  
(UNAUDITED)  
LAST TEN FISCAL YEARS**

<u>Year Ended December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Total Debt Service to Total General Fund Expenditures</u>
2009	(1) \$ -	\$ 311,950	\$ 311,950	\$ 7,289,393	4.28%
2010	(1) -	311,950	311,950	7,633,180	4.09%
2011	(1) -	311,950	311,950	7,684,226	4.06%
2012	(1) -	(2) 224,197	224,197	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%
2016	455,000	357,650	812,650	9,850,105	8.25%
2017	465,000	344,000	809,000	9,878,883	8.19%
2018	475,000	334,700	809,700	10,138,051	7.99%

**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  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
(UNAUDITED)  
DECEMBER 31, 2018**

	<b>Governmental Activites Debt</b>	<b>Percentage Applicable</b>	<b>Share of Overlapping Debt</b>
<b>Direct Debt</b>			
Pueblo City-County Library District	\$ 8,978,695		
<b>Overlapping Debt:</b>			
City of Pueblo	\$ 19,680,834	100%	\$ 19,680,834
County of Pueblo	87,374,285	100%	87,374,285
Pueblo West Metropolitan District	680,964	100%	680,964
School District #60 - Pueblo City Schools	22,100,000	100%	22,100,000
School District #70	101,693,228	100%	101,693,228
Subtotal, Overlapping Debt			<u>231,529,311</u>
Total Direct and Overlapping Debt			<u>\$ 240,508,006</u>

**Source:** Individual governmental entities located within the geographic boundaries of Pueblo County.

The overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Library District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by residents and businesses of the County of Pueblo. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore is responsible for repaying the debt of each overlapping government. The overlapping percentage is estimated using taxable assessed property values by determining the portion of another governmental entity's taxable assessed value that is within Pueblo County's boundaries. All of the entities are located within the geographic boundaries of Pueblo County.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
(UNAUDITED)  
LAST TEN CALENDAR YEARS**

Commercial Construction Residential Construction

Year	Population	Personal Income (Thousands) (1)	Per Capita Personal Income	Median Age	Education Level Percent	School Enrollment	Unemployment Rate	No. of Units	Estimated Costs (thousands)	No. of Units	Estimated Costs (thousands)
					High School Graduates						
2009	158,804	\$ 4,530,418	\$ 28,702	36.3	87.8%	27,659	8.3%	34	\$ 31,162	186	\$ 30,545
2010	160,630	4,712,429	29,552	38.0	77.7%	27,256	10.5%	38	38,058	209	43,270
2011	161,718	4,924,867	30,748	37.5	75.7%	26,848	10.2%	52	14,995	160	22,467
2012	161,422	5,085,250	31,637	39.1	73.3%	26,799	10.6%	38	67,185	180	34,808
2013	161,320	5,161,280	32,044	39.3	76.9%	27,247	9.6%	31	16,687	159	28,934
2014	161,875	5,478,029	33,937	39.6	77.3%	27,247	6.4%	74	32,653	147	26,169
2015	163,591	2,789,351	35,508	38.0	77.3%	27,247	4.9%	79	38,386	236	51,146
2016	165,123	5,975,250	36,250	37.6	73.9%	26,996	4.1%	101	40,621	273	47,047
2017	166,475	6,198,065	37,231	38.8	81.7%	26,771	4.6%	121	27,217	269	47,049
2018	167,529	6,384,007	38,348	37.5	88.8%	26,438	5.0%	110	31,174	465	72,187

**Data Sources:**

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

(1) Data for years 2009-2017 has been updated using information from the Bureau of Economic Analysis, US Dept of Commerce.  
2018 Personal Income and Per Capital Personal Income are estimated reflecting the previous 10-yr trend.  
(2018 data is released beyond the publication date of this CAFR.)



**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
TOP TEN PRINCIPAL EMPLOYERS  
(UNAUDITED)  
CURRENT YEAR AND TEN YEARS AGO**

<b>Employer</b>	<b>2018</b>			<b>2009</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Pueblo, CO (MSA) Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Pueblo, CO (MSA) Total Employment</b>
Parkview Medical Center	3,100	1	4.06%	2,158	1	3.89%
Pueblo City Schools	1,766	2	2.31%			
Pueblo County Government	1,099	3	1.44%	1,050	3	1.89%
Walmart	1,040	4	1.36%			
School District #70	1,026	5	1.34%	1,009	4	1.82%
Evraz Rocky Mtn Steel	979	6	1.28%	978	7	1.76%
Vestas Towers America, Inc.	863	7	1.13%			
City of Pueblo	767	8	1.00%	642	9	1.16%
Convergys Corp.	700	9	0.92%	685	8	1.23%
Target Corp.	700	9	0.92%			
Pueblo Community College	617	10	0.81%			
Pueblo City Schools-District #60				2,100	2	3.78%
Colorado Mental Health Institute				1,000	5	1.80%
St. Mary Corwin Hospital				979	6	1.76%
Colorado State University-Pueblo				580	10	1.04%
<b>Total</b>	<b>12,657</b>		<b>16.57%</b>	<b>11,181</b>		<b>20.13%</b>

**Data Source:**

Pueblo County GIS Department

City of Pueblo

US Department of Labor, Bureau of Labor Statistics

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
MISCELLANEOUS STATISTICAL DATA  
LIBRARY MATERIALS PURCHASED AND CIRCULATED  
(UNAUDITED)  
LAST TEN CALENDAR YEARS**

<b>Fiscal Year</b>	<b>Number of Volumes Owned</b>	<b>Number of AV Items Owned</b>	<b>Total Items Owned</b>	<b>Acquisition Cost of Collections</b>	<b>Net Book Value of Collections (1)</b>	<b>Number of Items Circulated</b>	<b>Turn-over Rate (2)</b>
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
2016	(4) 250,143	80,298	330,441	5,725,513	4,310,306	2,559,661	7.75
2017	262,516	82,209	344,725	5,883,536	4,289,059	2,530,790	7.34
2018	267,422	80,606	348,028	5,924,032	4,329,555	2,336,512	6.71

**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 audi-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.
- (4) For the year ended December 31, 2017, prior year financial statements were restated to more accurately report library books and audio visual materials using information from the existing perpetual inventory system.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
MISCELLANEOUS STATISTICAL DATA  
SCHEDULE OF SERVICE LOCATIONS  
(UNAUDITED)  
DECEMBER 31, 2018**

<b>Libraries</b>	<b>Address</b>	<b>Owned (O) Leased (L)</b>	<b>Square Feet</b>	<b>Number of Employees (1)</b>	<b>Operating Budget</b>
Barkman Public Library	1300 Jerry Murphy Rd. Pueblo, CO 81001	O	7,100	5.65	297,590
Lucero Library	1315 7th St. E. Pueblo CO, 81001	O	7,500	5.80	473,919
Greenhorn Valley Library	Cibola Drive Colorado City, CO 81019	O	7,500	4.18	359,489
Lamb Public Library	2525 W. Pueblo Blvd. Pueblo, CO 81005	O	10,500	5.60	306,741
Library @ the Y	3200 Spaulding Pueblo, CO 81008	L (2)	1,183	1.10	41,750
Giodone Library	24655 US Highway 50 E. Pueblo, Co 81006	O	7,500	4.30	354,619
Pueblo West Library	298 S. Joe Martinez Blvd. Pueblo West, CO 81007	O	28,500	7.30	938,351
Rawlings Public Library	100 E. Abriendo Ave. Pueblo, CO 81004	O	110,000	34.84	2,576,459
<b>SUPPORT SERVICES:</b>					
Community Relations	100 E. Abriendo Avenue Pueblo, CO 81004	O	<b>(3)</b>	5.50	\$ 475,193
Director's Office	100 E. Abriendo Avenue Pueblo, CO 81004	O	<b>(3)</b>	2.00	\$ 314,042
Facilities Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	<b>(3)</b>	7.00	\$ 380,368
Finance Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	<b>(3)</b>	3.35	\$ 399,673
Human Resources Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	<b>(3)</b>	1.50	\$ 176,435
Information Technology Dept.	100 E. Abriendo Avenue Pueblo, CO 81004	O	<b>(3)</b>	2.50	\$ 868,781
Technical Services Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	<b>(3), (4)</b>	8.00	\$ 1,930,931

**NOTES:**

(1) Numbers of employees refers to total Full Time Equivalent (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.

(4) Library collection of books and materials is included in Technical Services budget.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT  
MISCELLANEOUS STATISTICAL DATA  
CIRCULATION SUMMARY BY LOCATION  
(UNAUDITED)  
LAST TEN CALENDAR YEARS**

<b>Fiscal Year</b>	<b>Rawlings Library</b>	<b>Barkman Library</b>	<b>Lamb Library</b>	<b>Pueblo West Library (1)</b>	<b>Lucero Library (4)</b>	<b>Greenhorn Valley Library</b>	<b>Giodone Librar</b>	<b>Library @ the Y (3)</b>	<b>Outreach Services (2)</b>
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	-
2016	1,184,527	326,878	340,593	379,151	135,521	74,890	95,437	22,664	-
2017	<b>(5)</b> 1,145,521	324,639	343,472	382,476	124,453	78,993	108,739	22,497	-
2018	1,096,595	276,374	300,016	362,920	107,616	73,351	95,567	24,073	-

**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 Rawlings; 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) Books-in-the-Park, a summer outdoor reading and craft program, absorbed by Rawlings; Books-a-la-Cart, a mobile book delivery program introduced in 2009, absorbed by Lucero; and Homebound delivery service, absorbed by each respective branch.
- (4) The Library @ the Y is a small branch located within the new YMCA building, which opened to the public in 2009.
- (5) 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.