



PUEBLO CITY-COUNTY LIBRARY DISTRICT

DECEMBER 31
2021

Annual Comprehensive Financial Report

100 E. Abriendo Ave. | Pueblo, CO 81004 | (719) 562-5600 | www.pueblolibrary.org

PUEBLO CITY-COUNTY LIBRARY DISTRICT

Finance Office

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

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the fiscal year ended December 31, 2021

Board of Trustees

Fredrick Quintana, President
Dustin Hodge, Vice President
Doreen Martinez, Trustee
Stephanie Garcia, Trustee
Marlene Bregar, Trustee
Lyndell Gairaud, Trustee
Jacquelyn Keith, Trustee

Executive Director

Jon Walker

Prepared by:

Alexandria Romero, CPA
Chief Financial Officer

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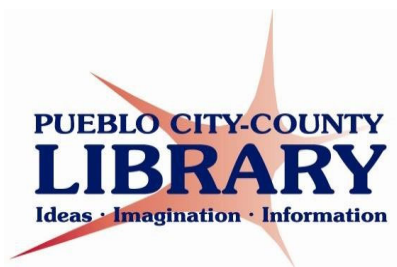
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100 E. Abriendo Avenue
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Rawlings Library

Barkman Library

Giodone Library

Greenhorn Valley Library

Lamb Library

Library @ the Y

Lucero Library

Pueblo West Library

**Community Satellite
Libraries:**

Avondale Elementary

Beulah School

Library at the U

PCCLD at PCC

June 22, 2022

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 Annual Comprehensive Financial Report for the Pueblo City-County Library District for the year ended December 31, 2021.

This is the thirteenth year that an annual financial report has been submitted to you in this format, in accordance with the guidelines of the Government Finance Officers Association (GFOA). The required components of a Comprehensive Annual Financial Report 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.

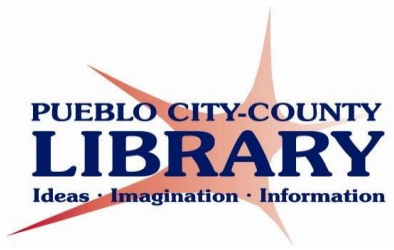
We submitted our 2009 – 2020 Annual Comprehensive Financial Report documents for review to the GFOA, and we were pleased and honored to receive the GFOA Award of Financial Reporting Achievement for each of these documents. It is our intent to submit the 2021 Annual Comprehensive Financial Report to the 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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Libraries:**

Avondale Elementary

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PCCLD at PCC

June 22, 2022

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 Annual Comprehensive Financial Report of Pueblo City-County Library District (the District) for the year ended December 31, 2021. 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 2021 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 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.

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 2021, we continued our focus on achieving four key results. The key results included:

- 1,451,042 checkouts.
- 491,472 visitors.
- 136,475 program participants.
- 1,258,894 digital uses

PCCLD has received a number of honors in recent years for exemplary library service to the local community. The library district recently was selected as a *2021 Star Library*, marking the sixth consecutive year for the institution to receive this prestigious recognition. This designation is based upon widely acknowledged library industry performance standards and it places PCCLD among the top three percent among 5,846 public libraries operating in the United States. PCCLD has been accorded other distinguished awards in recent years, included among these being both the *2018 National Medal for Museum and Library Service* and America's *Best Public Library*. The November 2019 election to increase the library district's tax levy also is notable. The landslide "yes" vote for the 2019 PCCLD ballot measure not only affirms the high regard local residents have for PCCLD, but it also helps assure a sound financial footing for local libraries for the foreseeable future.

These distinctions demonstrate strength and achievement. PCCLD's practice of sound planning practices and internal accountability helps sustains its success. The library district took important steps in this regard in late 2020 with the adoption of a new strategic plan. The strategic plan is based upon extensive background work that included stakeholder focus groups, a statistically significant survey of county residents about PCCLD; review of county demographics, community use of library district services and resources, examination of library industry trends, study of PCCLD financial, capital, and human resources; and analysis of the institution's strengths, weaknesses, threats, and opportunities. The outcome of this comprehensive effort resulted in the PCCLD Board of Trustees approving the 202-page document entitled *Growing Community Partnerships: The 2021-2025 Strategic Plan for the Pueblo City-County Library District*. This 2022 Annual Plan functions in support of the strategic plan.

It must be noted that the past two years have been burdened by the COVID-19 crisis. This public health calamity has impacted the entire world and the dire results for the local community are difficult to overstate. PCCLD has been forced to respond to the pandemic and it continues to have repercussions even now approximately two years since it commenced. The pandemic has required PCCLD to expend significant effort and resources in dramatically revamping services and activities on-the-fly in alignment with guidance and requirements from public health authorities such as the Pueblo Department of Public Health & Environment, the Colorado Department of Public Health & Environment, and the federal Centers for Disease Control & Prevention. This is expected to carry over into 2022.

PCCLD continues to prioritize positive outcomes for the community it serves even in the face of the public health challenges. This is occurring in conformity with the library mission to support reading, literacy, lifelong learning, and free and open access to information. PCCLD also has responded in new ways brought on by the pandemic. Two examples from among several that could be cited are (1) *Reading Pays: Pueblo's \$1 Million Reading Challenge* and (2) PCCLD hosting ongoing COVID-19 vaccination clinics at local libraries. With *Reading Pays*, the library district leveraged a unique opportunity by using federal American Rescue Plan funds provided by the City of Pueblo and Pueblo County. These funds were paid out to keep thousands of local young people engaged with reading and literacy activities during a period when student classroom time was limited due to the pandemic. The program has paid out more than \$700,000 so far in individual \$100 reading incentives to more than seven-thousand Pueblo County youth to help stimulate the local economy and keep young people reading and learning. The library-hosted vaccination clinics have assisted local citizens in protecting themselves from the deadly virus. Both these programs and others like them demonstrate how PCCLD has remained nimble in delivering great services to county residents.

PCCLD remains resilient and focused on providing the best possible library service to the community during this challenging period of time. The library district moved forward in a judicious manner in 2021 on key activities including modifying services due to public health conditions, kicking off implementation of its new strategic plan, and commencing renovation of the Rawlings Library. Refurbishing the Rawlings Library is the first among several capital facilities upgrades scheduled to occur in the coming years as described in the 154-page *Pueblo City-County Library District: Library Master Facilities Vision*.

Factors like those outlined above confirm the importance of PCCLD's dedication to planning, accountability, and service-oriented action plus strong support for the institution from the community it serves. PCCLD's long-standing activities, tactics, and strategies have consistently aimed at providing the finest library service for local residents. This relates directly to its success. PCCLD will strive in 2022 to implement specific objectives in further support of this. The objectives and action steps listed below are intended to accomplish this aim.

Plans for the future

PCCLD completed work on a new long-range strategic plan in 2020, which was officially adopted early in 2021. This new plan concentrates our attention on seven areas of focus for the district:

1. Access to services – inside and outside of the library
2. Culture and diversity – embracing opportunities
3. Education – encouraging lifelong learning
4. Employment – fostering economic and workforce development
5. Internal capacity – growing from within
6. Marketing and outreach – increasing awareness of library services
7. Technology – increasing digital access

The 2022 planning process has been thorough and includes considerations gained from ongoing consultation with PCCLD stakeholders. Each 2022 objective is provided in alphabetical order below and accompanied by action steps intended to facilitate their accomplishment. This is not intended to be a comprehensive list of all that will happen at PCCLD in 2022. Rather, it includes objectives representing important new initiatives for 2022 along with others identified with notable bearing on institutional resources. This document is the outcome of considerable deliberation and effort, and it provides positive direction for PCCLD in fulfilling its overarching aim to provide the best possible public library service to the community.

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

- I. Administer the newly developed employee training plan to assist individual staff in learning and developing skills to support the best possible job performance.
- II. Carry out Multi Factor Authentication (MFA) implementation in order to better secure PCCLD's online assets.
- III. Collaborate with the Friends of the Library (FOL) on the transition for management of *Books Again* store.
- IV. Commence a comprehensive effort to update PCCLD's brand to improve promotion of public library services to members of the community.
- V. Complete the project to renovate the Rawlings Library and fully reopen the updated facility.
- VI. Conclude the review and update to the library district's materials use policies to ensure current best practices are in place.

- VII. Continue to implement the PCCLD Masters Facilities Plan so library physical spaces best meet service needs.
- VIII. Finalize establishment of improved processes for reliable Internet service.
- IX. Finish updating PCCLD Finance Policies in support of high-quality financial management activities.
- X. Focus on PCCLD's summer reading program including the opportunity for year two of *Reading Pays: Pueblo's \$1 Million Reading Challenge* in support of youth reading and literacy.
- XI. Foster economic development and workforce development in the community as called for in the PCCLD strategic plan.
- XII. Implement an Inclusion, Diversity, Equity, and Accessibility (IDEA) project to foster the best possible work culture.
- XIII. Improve maintenance and upkeep of hotspots, tablets, and laptops checked-out for out-of-library usage by the general public.
- XIV. Incorporate Inclusion, Diversity, Equity, and Accessibility (IDEA) subject headings in the public catalog to improve accessibility to library materials.
- XV. Install a new corporate and workers' compensation insurance program for the institution to reduce financial uncertainty and make accidental loss manageable.
- XVI. Institute a program for maintaining PCCLD Information Technology (IT) capital assets to help ensure the public's library IT needs are well addressed.
- XVII. Investigate options to ensure satisfactory public access to services for earning a high school equivalency diploma.
- XVIII. Issue a Request for Proposals (RFP) for custodial services to maintain clean and attractive physical spaces.
- XIX. Maintain competitive employee pay with PCCLD's investment of an additional 3.5 percent in compensation tied to the Pay for Performance program.
- XX. Modernize the library district's Information Technology (IT) policies and write a strategic IT district plan to assure adherence to industry best practices.
- XXI. Move PCCLD to a new employee health benefits program in support of worker health.
- XXII. Participate in the Imagination Library of Colorado program to buttress literacy among Pueblo County youth.
- XXIII. Put in place an updated online accounting system in support of accurate and timely preparation and presentation of financial statements.

- XXIV. Renew the PCCLD ConnectEd program to leverage school utilization of library resources.
- XXV. Respond to guidance from public health authorities regarding the COVID-19 pandemic to better ensure safe and healthy libraries.
- XXVI. Return attention to achieving PCCLD key results – circulation, visits, digital use, and program attendance – to reinforce great local library service.
- XXVII. Revamp PCCLD website including migration to current web content management system.
- XXVIII. Review methods for library-sponsored online public programming with goal to reduce redundancy and oversaturating the viewing market.
- XXIX. Revise PCCLD meeting room policies and procedures to ensure currency.
- XXX. Seek a new agency to assist PCCLD's collection for unpaid bills from users who checkout materials but do not return them.
- XXXI. Sharpen librarian attention for reaching into the community to strengthen library relevance, remove barriers, and help citizens achieve their goals.
- XXXII. Undertake steps to improve PCCLD services to older adults in support of the PCCLD strategic plan.
- XXXIII. Upgrade selected PCCLD Information Technology capital assets, as budgeted.

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 2021 a transfer of \$170,000 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 Associate Executive Director, 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 CFO and the Associate Executive Director are authorized to initiate wire transfers or banking transactions.

The CFO 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 CFO, and the Associate Executive Director 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 expeditiously. 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 annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the twelfth 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 annual comprehensive financial report. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the 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 Associate Executive Director, Sherri Baca, the Director of Human Resources, Terri Daly, and the Finance Office team, Missy Mantelli, Darlene Sherwood, and Patricia Sanchez, 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,



Alexandria A. Romero, CPA, CFO

Pueblo City-County Library District

ADMINISTRATIVE TEAM

Jon Walker Executive Director

Sherri Baca..... Associate Executive Director

Alexandria Romero Chief Finance Officer

Robert Childress.....Director of Information Technology

Terri Daly.....Director of Human Resources

Jill KlevenDirector of User Services

Amy Nelson Director of Rawlings Library and Customer Experience

Nick Potter Director of Community Relations and Development

Alan Rocco.....Facilities Superintendent

MANAGERS

Kayci Barnett Giodone Library Manager

Alicia Griebel.....Barkman Library Manager

Linda Lewis Greenhorn Valley Library Manager

Kristi Roque Lucero Library Manager

Aaron Ramirez Special Collections and Museum Services Manager

Jennifer TozerLamb Library/Library @ Y Manager

Regina Renee WardReference/Readers Advisory Manager

Heather Wilder.....Pueblo West Library Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
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Presented to

**Pueblo City-County Library District
Colorado**

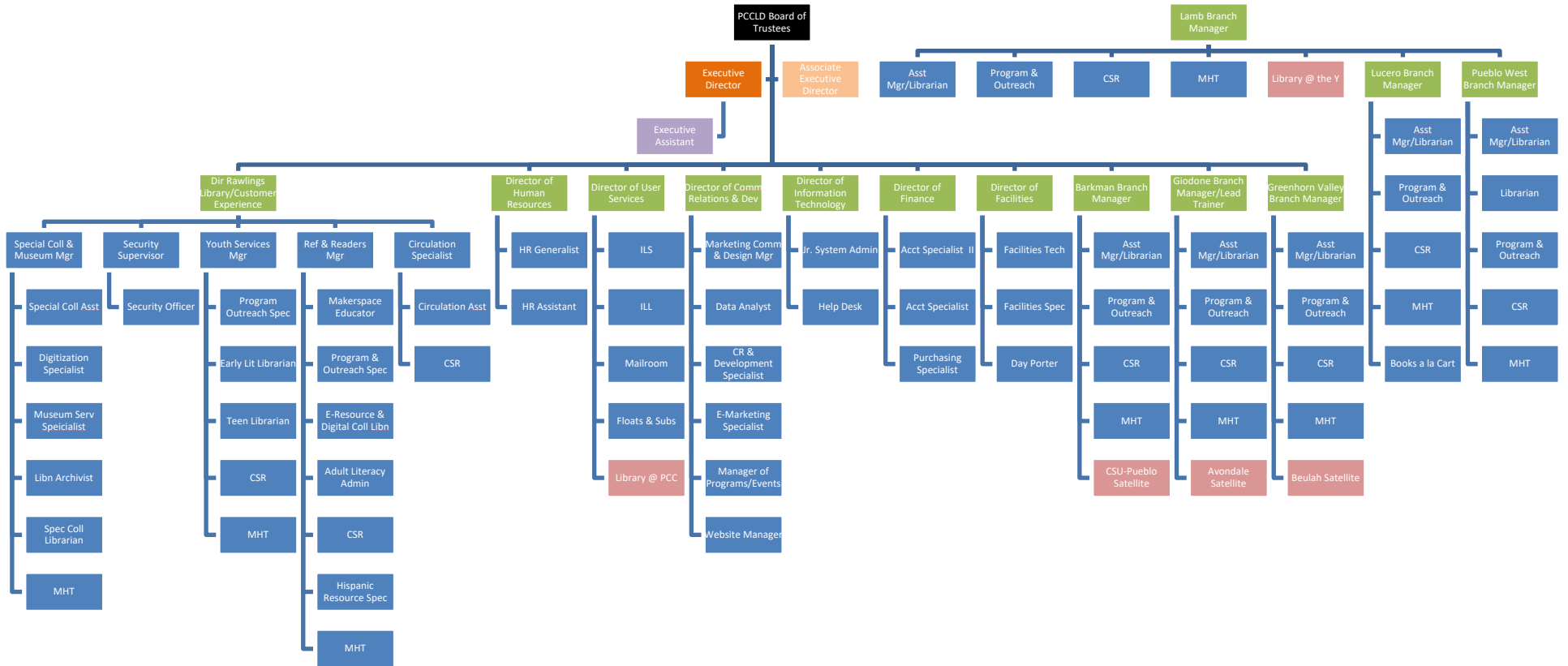
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

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 Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of District pension contributions, schedule of the proportionate share of the net OPEB liability, schedule of District OPEB contributions, the budgetary comparison schedule – General Fund, and related notes be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing

the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule – Capital Projects Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule – Capital Projects Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Pueblo City-County Library District (the District) annual comprehensive 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, 2021. 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$25,756,281 (net position) for the calendar year reported.
- Total net position is comprised of the following:
 - (1) Net Investment in Capital Assets of \$22,710,085 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 \$560,753 is restricted by constraints imposed from outside the District such as grantors, laws, or regulations.
 - (3) Unrestricted net position of \$2,485,443 represents the portion available to maintain the District's continuing obligations to citizens and creditors.
- The District's general fund reported total ending fund balance of \$4,453,181 this year. This compares to the prior year ending fund balance of \$4,382,849 showing an increase of \$70,332 during the current year.
- At the end of the current calendar year, total fund balance for all governmental funds were \$13,766,742 or 90.7% of the current year's total governmental fund expenditures. \$5,832,688 of the fund balance amount relates to unspent proceeds from the issuance of the 2020 Certificates of Participation.
- 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 type:

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 35-38 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 39 of this report.

Required Supplementary Information - On page 75, the budget to actual comparison for the general fund is presented as required supplementary information. On pages 71 – 74, 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, 2021 is \$25,756,281. The following table provides a summary of the District's net position:

	Government Activities			
	2021		2020	
	Amount	Percentage of Total	Amount	Percentage of Total
Assets:				
Current Assets	\$ 27,538,653	46.0%	\$ 26,328,264	46.3%
Capital Assets	32,319,165	54.0%	30,553,004	53.7%
Total Assets	59,857,818	100.0%	56,881,268	100.0%
 Deferred Outflows of Resources	 2,082,953	 100.0%	 2,069,210	 100.0%
Liabilities:				
Current Liabilities	1,439,872	7.1%	465,013	2.2%
Long-term Liabilities	18,813,819	92.9%	21,020,992	97.8%
Total Liabilities	20,253,691	100.0%	21,486,005	100.0%
 Deferred Inflows of Resources	 15,930,799	 100.0%	 10,858,005	 100.0%
Net Position:				
Net Investment in Capital Assets	22,710,085	88.2%	22,566,427	95.5%
Restricted	560,753	2.2%	7,743,556	32.8%
Unrestricted	2,485,443	9.6%	(6,682,154)	-28.3%
Total net position	\$ 25,756,281	100.0%	\$ 23,627,829	100.0%

The District continues to maintain a high current ratio. The current ratio is a liquidity and efficiency ratio that measures ability to pay off short-term liabilities with current assets. To make the ratio more meaningful, property taxes receivable can be eliminated for governmental activities resulting in current assets of \$15,176,388. Current liabilities are \$2,634,066, including the current portion of long-term liabilities. As a result, the current ratio for the District overall is 5.76 to 1 at December 31, 2021 compared with 9.37 to 1 at December 31, 2020. As of December 31, 2021, current assets include \$5,832,688 in unspent proceeds from the issuance of the 2020 Certificates of Participation which is a significant component of the current ratio in 2021.

The District reported positive balances in total net position for governmental activities in the current and prior year. Net position increased by \$2,128,452 for governmental activities in the current year, including the effect of the change in the net pension liability. The District's overall financial position increased during fiscal year 2021 by 9.0%.

Approximately 54.0% of the District's total assets are comprised of capital assets at December 31, 2021 compared to 53.7% at December 31, 2020. 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:

	Government Activities			
	2021		2020	
	Amount	Percentage of Total	Amount	Percentage of Total
Revenues:				
Program:				
Charges for Services	\$ 63,083	0.4%	\$ 54,729	0.4%
Operating Grants	951,074	6.7%	966,926	7.3%
Capital Grants	961,167	6.8%	407,500	3.1%
General:				
Taxes	12,191,285	86.0%	11,774,274	88.7%
Other	8,091	0.1%	73,587	0.6%
Total Revenues	<u>14,174,700</u>	<u>100.0%</u>	<u>13,277,016</u>	<u>100.0%</u>
Program Expenses:				
Library Services	11,681,526	97.0%	10,350,879	96.4%
Interest on Long-term Debt	364,722	3.0%	391,792	3.6%
Total Expenses	<u>12,046,248</u>	<u>100.0%</u>	<u>10,742,671</u>	<u>100.0%</u>
Change in Net Position	2,128,452		2,534,345	
Beginning Net Position	<u>23,627,829</u>		<u>21,093,484</u>	
Ending Net Position	<u>\$ 25,756,281</u>		<u>\$ 23,627,829</u>	

Revenues

The District is heavily reliant on taxes to support governmental operations. Taxes provided 86.0% of the District's total revenues in 2021, as compared to 88.7% in 2020. Total revenues increased by \$897,684 in 2021 compared to 2020. The increase in tax revenue of \$1,721,394 relates to an increase in the assessed valuation of property within the District's tax boundaries along with an increase in vehicle ownership taxes. The increase in operating grants is due to funding for a summer reading program received under the American Rescue Plan Act passed through both Pueblo County and the City of Pueblo. During 2020, the District received a Coronavirus Relief Fund grant for \$500,000. Capital grants increased during 2021 relating to significant contributions from donors for capital construction and renovation.

Also, note that program revenues, including grants and contributions, cover only 16.4% of governmental operating expenses. This means that the District's taxpayers and the District's other general revenues fund 83.6% of the governmental activities. As a result, the general economy and the changes in both residential and commercial property values have a significant 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 2021 interest on long-term debt amounted to 3.0% of the total District expenses. Depreciation expense of \$1,551,631 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 \$13,766,742 in 2021. Of this year-end total, \$3,643,622 is unassigned, indicating availability for continuing District service requirements. The total fund balance at the end of 2020 was \$14,778,352. The decrease in fund balance from 2020 to 2021 is \$1,011,610 attributable primarily to continuing to spend down the proceeds from the issuance of the 2020 Certificates of Participation.

Nonspendable fund balance of \$426,386 is available only for prepaid items. The restricted fund balance includes \$374,402 emergency reserve requirement pursuant to the TABOR constitutional amendment, \$177,580 contributed by the Rawlings Foundation and available only for upgrades and maintenance of the InfoZone museum and the Rawlings Library renovation, \$685 in distributions from the Chamberlain Fund to purchase books and equipment, \$8,086 in contributions restricted to employee activities, and \$5,832,688 restricted for capital projects as part of the proceeds from the issuance of the 2020 Certificates of Participation. Committed fund balance of \$1,639,409 holds Replacement Plan funding for future building, equipment and technology upgrades and improvements. Assigned fund balance contains the remainder of the fund balance for the Capital Projects Fund that is not committed to the Replacement Plan which is designated for future capital expenditures. The unassigned fund balance holds the remainder of funds available for operating the library. The total combined fund balance represents 90.7% 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 expenditures in unrestricted fund balance. For 2021, that percentage is 45.7%.

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, 2021 is \$4,453,181, an increase of \$70,332 from the previous year.

Expenditures show an increase of \$2,298,727 or (23.3%) over the prior year. This increase relates to an increase in debt service expenditures of \$874,702 based on the timing of the issuance of the 2020 Certificates of Participation along with increased expenditures for the reading program funded through the American Rescue Plan Act.

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 which is moving to the first floor of the Rawlings Library.

Fund balance at December 31, 2021 is \$9,313,561, a decrease of \$1,081,942. A significant component of fund balance in both 2021 and 2020 relates to unspent proceeds from the issuance of the 2020 Certificates of Participation.

Budgetary Highlights – General Fund

Actual revenues were under budget by \$11,895 as the governing Board of Trustees approved a budget amendment to include an additional \$700,000 in combined grant funding received from Pueblo County and the City of Pueblo. Specific Ownership Taxes were \$121,085 higher than anticipated, due to additional vehicle ownership taxes collected, which is outside of the District's control. Investment earnings were under budget by \$61,625 primarily due to significantly decreased interest yields available from investments in local government investment pools. In total, revenue for 2021 came in within 0.1% of budgeted projections. In 2020, revenues exceeded the forecast by 4.1%.

Actual expenditures were \$259,997 less than appropriated expenditures, or 2.1% of the budget. Actual expenditures for Information Technology were \$79,136 under the budgeted amount due to cost control measures. Contractual Library Services were under budget by \$39,216 due to decreased temporary staffing needs in 2021. More detailed information about budget to actual comparisons can be found in the section entitled REQUIRED SUPPLEMENTARY INFORMATION, beginning on page 71.

The District budgeted for an excess of revenues over expenditures of \$795,560 and had actual excess of revenues over expenditures of \$1,043,662.

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, 2021, was \$32,319,165. 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	
	2021	2020	2021	2020
Non-Depreciable Assets:				
Land	\$ 2,216,490	\$ 2,216,490	42%	86%
Construction in Progress	2,900,372	245,252	55%	10%
Artwork and Collectibles	117,276	117,276	2%	5%
Total Non-Depreciable	5,234,138	2,579,018	100%	100%
Depreciable Assets:				
Buildings	34,791,814	34,791,814	78%	78%
Furniture and Fixtures	1,289,850	1,311,676	3%	3%
Vehicles	142,255	136,823	0%	0%
Computer Equipment	2,465,736	2,427,310	6%	5%
Other Equipment	91,553	92,796	0%	0%
Library Books and Audio Visual Materials	5,816,674	5,932,419	13%	13%
Total Depreciable Assets	44,597,882	44,692,838	100%	100%
Less Accumulated Depreciation	17,512,855	16,718,852		
Book Value - Depreciable Assets	27,085,027	27,973,986		
Percentage Depreciated	39%	37%		
Book Value - All Assets	\$ 32,319,165	\$ 30,553,004		

At December 31, 2021, the depreciable capital assets for governmental activities were depreciated 39%, as compared to 37% at December 31, 2020.

Long-Term Debt

In September of 2012, the District issued \$11,410,000 in Certificates of Participation to refund the remaining amount from the 2007 certificates of participation and secure an additional \$5,410,000 to design, build and furnish three new library buildings. In November of 2020, the District issued \$15,040,000 to refund the remaining amount from the 2012 Certificates of Participation and secure an additional \$7,500,000 to finance renovations to the Rawlings Library and other District owned facilities. The coupon rate on the 2020 Certificates of Participation ranges from 2.00% to 4.00% which translates to a savings on future interest payments of approximately \$1,257,297 from the 2012 Certificates of Participation. 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 160,763 in the year 2012 and increased to 170,912 in 2021, an increase of 6.3% in that 10-year span. Pueblo County's growth rate in 2021 was .59% ahead .50% the growth rate of the state of Colorado. Pueblo County is ranked 10th among the top ten most populous counties in Colorado.

In 2020, the unemployment rate in Pueblo, Colorado Metropolitan Statistical Area was 11.3%, the average unemployment rate for 2021 decreased to 6.4%, which was higher than the state of Colorado and the national rate. The average unemployment rate in for Colorado in 2021 was 4.2%, 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 7.5% to begin 2021 and had a 2.5% drop in unemployment during the year. The labor force in Pueblo at the end of December 2021 totaled 77,843—2.5% of the 3,170,694 in Colorado. This was comprised of 73,381 employed and 4,462 unemployed.

The American Community Survey (ACS) conducted by the US Census Bureau shows the median household income for Colorado was \$75,231 between the years 2016-2020. The median household income in Pueblo County was \$42,902. In this same time frame, the percentage of Pueblo County residents estimated to be below the poverty level is 14.1%; Colorado is at 10.3%, and the US statistic is 12.5%. In 2021, Colorado ranked 9th in the nation for the percentage of people who had incomes below the poverty line (\$26,500 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 chilies, 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—\$306,587 median price of homes currently listed for sale as reported by Zillow.com.

The District is funded primarily by property tax revenues, and 2021 was a revaluation year for property taxes. Overall, property tax increased by 3% in 2021.

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, 2021**

	<u>Primary Government</u> <u>Governmental Activities</u>	<u>Component Unit</u> <u>Pueblo Library Foundation</u>
Assets		
Cash and Investments	\$ 8,619,010	\$ 445,441
Restricted Cash and Investments	5,832,688	-
Receivables:		
Accounts	298,304	23,507
Property Taxes	12,362,265	-
Prepaid Items	426,386	-
Capital Assets:		
Nondepreciable	5,234,138	-
Depreciable, Net	27,085,027	-
Total Assets	<u>59,857,818</u>	<u>468,948</u>
Deferred Outflows of Resources		
Loss on Debt Refunding	474,637	-
Deferred Pension Outflows	1,548,703	-
Deferred OPEB Outflows	59,613	-
Total Deferred Outflows of Resources	<u>2,082,953</u>	<u>-</u>
Liabilities		
Accounts Payable	1,232,111	6,800
Accrued Liabilities	177,535	-
Accrued Interest Payable	30,226	-
Noncurrent Liabilities:		
Due Within One Year	1,194,194	-
Due in More Than One Year	14,067,810	-
Net Pension Liability	3,118,558	-
Net OPEB Liability	433,257	-
Total Liabilities	<u>20,253,691</u>	<u>6,800</u>
Deferred Inflows of Resources		
Property Taxes	12,362,265	-
Deferred Pension Inflows	3,403,432	-
Deferred OPEB Inflows	165,102	-
Total Deferred Inflows of Resources	<u>15,930,799</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	22,710,085	-
Restricted for:		
Tabor Amendment	374,402	-
InfoZone Museum	177,580	-
Books & Equipment (Chamberlain Fund)	685	53,500
Employee Activities (Nesbitt)	8,086	-
Capital Projects	-	93,971
Other Foundation Programs	-	23,690
Unrestricted	2,485,443	290,987
Total Net Position	<u>\$ 25,756,281</u>	<u>\$ 462,148</u>

See accompanying notes to the financial statements

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services, Sales and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Pueblo Library Foundation
Primary Government						
Governmental Activities						
Library Services	\$ 11,681,526	\$ 63,083	\$ 951,074	\$ 961,167	\$ (9,706,202)	\$ -
Interest on Long-Term Debt	364,722	-	-	-	(364,722)	-
Total Governmental Activities	\$ 12,046,248	\$ 63,083	\$ 951,074	\$ 961,167	(10,070,924)	-
Component Unit						
Pueblo Library Foundation	\$ 77,298	\$ -	\$ 158,972	\$ -	-	81,674
General Revenues						
Property Taxes Levied for Library Purposes					11,099,695	-
Specific Ownership Taxes					1,091,590	-
Investment Income					6,052	36,847
Miscellaneous					2,039	-
Total General Revenues					12,199,376	36,847
Change in Net Position					2,128,452	118,521
Net Position, Beginning of Year					23,627,829	343,627
Net Position, End of Year					\$ 25,756,281	\$ 462,148

See accompanying notes to the financial statements

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Investments	\$ 4,083,694	\$ 4,535,316	\$ 8,619,010
Restricted Cash and Investments	-	5,832,688	5,832,688
Receivables:			
Accounts	298,304	-	298,304
Property Taxes	12,362,265	-	12,362,265
Due From Other Funds	-	15,000	15,000
Prepaid Items	426,386	-	426,386
Total Assets	<u>\$ 17,170,649</u>	<u>\$ 10,383,004</u>	<u>\$ 27,553,653</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable	\$ 162,668	\$ 1,069,443	\$ 1,232,111
Due to Other Funds	15,000	-	15,000
Accrued Liabilities	177,535	-	177,535
Total Liabilities	<u>355,203</u>	<u>1,069,443</u>	<u>1,424,646</u>
Deferred Inflows of Resources			
Property Taxes	12,362,265	-	12,362,265
Fund Balances			
Nonspendable - Prepaid Items	426,386	-	426,386
Restricted for:			
Tabor Amendment	374,402	-	374,402
InfoZone Museum	-	177,580	177,580
Books & Equipment (Chamberlain Fund)	685	-	685
Employee Activities (Nesbitt)	8,086	-	8,086
Capital Projects	-	5,832,688	5,832,688
Committed - Library Replacement Plan	-	1,639,409	1,639,409
Assigned - Capital Projects	-	1,663,884	1,663,884
Unassigned	3,643,622	-	3,643,622
Total Fund Balances	<u>4,453,181</u>	<u>9,313,561</u>	<u>13,766,742</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,170,649</u>	<u>\$ 10,383,004</u>	<u>\$ 27,553,653</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, 2021**

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

Total Governmental Fund Balances	\$ 13,766,742
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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	\$ 49,832,020
Less Accumulated Depreciation	(17,512,855)

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

Compensated Absences	\$ (373,277)
Certificates of Participation	(14,200,000)
Certificates of Participation Premium	(694,906)
Certificates of Participation Discount	6,179
Accrued Interest Payable	(30,226)
Net Pension Liability	(3,118,558)
Net OPEB Liability	(433,257)

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

Loss on Debt Refunding	474,637
Pension Deferred Outflows of Resources	1,548,703
OPEB Deferred Outflows of Resources	59,613

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	(3,403,432)
OPEB Deferred Inflows of Resources	(165,102)

Total Net Position of Governmental Activities	\$ <u>25,756,281</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, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues			
Property Taxes	\$ 11,099,695	\$ -	\$ 11,099,695
Specific Ownership Taxes	1,091,590	-	1,091,590
Grants and Contributions	951,074	961,167	1,912,241
Fees, Fines and Sales	63,083	-	63,083
Investment Earnings	2,875	3,177	6,052
Miscellaneous	2,039	-	2,039
	<u>13,210,356</u>	<u>964,344</u>	<u>14,174,700</u>
Total Revenues			
Expenditures			
Current:			
Library Support	10,917,664	-	10,917,664
Capital Outlay	-	3,019,616	3,019,616
Debt Service:			
Principal	840,000	-	840,000
Interest	409,030	-	409,030
	<u>12,166,694</u>	<u>3,019,616</u>	<u>15,186,310</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,043,662</u>	<u>(2,055,272)</u>	<u>(1,011,610)</u>
Other Financing Sources (Uses)			
Transfers In	-	973,330	973,330
Transfers Out	(973,330)	-	(973,330)
	<u>(973,330)</u>	<u>973,330</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	70,332	(1,081,942)	(1,011,610)
Fund Balances, Beginning of Year	<u>4,382,849</u>	<u>10,395,503</u>	<u>14,778,352</u>
Fund Balances, End of Year	<u>\$ 4,453,181</u>	<u>\$ 9,313,561</u>	<u>\$ 13,766,742</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, 2021**

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	\$ (1,011,610)
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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	\$ 3,277,792
Depreciation Expense	(1,511,631)

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. Repayments of long-term debt are reported as expenditures or other financing uses in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and do 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.

Principal Payments	840,000
Amortization of Discount and Premium	66,554
Amortization of Deferred Loss on Debt Refunding	(43,149)

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	20,903
Accrued Compensated Absences	19,941
Pension Expense	429,126
OPEB Expense	40,526

Change in Net Position of Governmental Activities	\$ 2,128,452
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**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

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 nine-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, 2021**

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.

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 only reports governmental funds.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Basis of Accounting

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

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2021 is revenue for the 2022 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.

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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and have a useful life extending beyond one year. 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 five thousand dollars except for library books and audio-visual materials, which are all capitalized regardless of cost. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Furniture and Fixtures	10 years
Vehicles	4 years
Computer Equipment	4 years
Other Equipment	5 years
Computer Software	3 years
Library Books and Audio Visual Materials	5 years

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

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."

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Payments on 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/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. Contributions to the LGDTF are made from the general fund.

Postemployment Benefits Other Than Pensions (OPEB)

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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; contributions to the Nesbitt Fund, and distributions from the Chamberlain Fund are restricted in the General Fund.

The required reserve for the Certificates of Participation is restricted in the Capital Projects Fund. Committed fund balances are internally designated by the District’s Board of Trustees for a specific purpose. Commitments may be established, modified, or rescinded only through resolutions approved by the Board. The Library Replacement Plan, shown as committed, represents the amount designated by the District’s Board to replace or update capital assets. Assigned fund balances are internally designated by the District for a specific purpose. Under the District’s Financial Management policies and procedures, amounts may be assigned by the Executive Director. The remaining fund balance of the Capital Projects Fund is internally designated for future capital acquisitions. Unassigned fund balance represents the net resources in excess of the other spendable classifications.

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, 2021**

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, 2021, the District's cash deposits had a carrying balance of \$611,873. The Foundation has cash deposits with a carrying balance of \$66,210.

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, 2021, were as follows:

Investment Type	Rating	Investment Maturities (in Years)	Total
		Less Than 1	
Local Government Investment Pools	AAAm	\$ 6,535,531	\$ 6,535,531
Local Government Investment Pools	AAAf	7,304,294	7,304,294
Total		<u>\$ 13,839,825</u>	<u>\$ 13,839,825</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). The Foundation had \$379,231 invested in various mutual funds as of December 31, 2021, which were valued using quoted market prices for identical assets in active markets and are classified within Level 1.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

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, 2021, the District had \$5,839,746 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, 2021, the District had \$6,978,051 invested in the Colotrust Edge 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 \$10.00. 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 and the redemption frequency is daily with a five business day notice period.

At December 31, 2021, the District had \$326,243 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 with a one business day notice period and a limit of three redemptions per month.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

At December 31, 2021, the District had \$695,785 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.

Cash and Investment Reconciliation

Reporting Level:

Cash and Investments	\$ 8,619,010
Restricted Cash and Investments	5,832,688
Total	<u>\$ 14,451,698</u>

Per Note Disclosure Above:

Deposits	\$ 611,873
Investments	13,839,825
Total	<u>\$ 14,451,698</u>

At December 31, 2021, the Capital Projects Fund held debt proceeds of \$5,832,688 which is restricted for capital related expenditures as part of the 2020 Certificates of Participation agreement.

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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, is summarized below.

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,216,490	\$ -	\$ -	\$ 2,216,490
Construction in Progress	245,252	2,655,120	-	2,900,372
Art and Collectibles	117,276	-	-	117,276
Total Capital Assets, Not Being Depreciated	\$ 2,579,018	\$ 2,655,120	\$ -	\$ 5,234,138
Capital Assets, Being Depreciated:				
Buildings	\$ 34,791,814	\$ -	\$ -	\$ 34,791,814
Furniture and Fixtures	1,311,676	-	21,826	1,289,850
Vehicles	136,823	5,432	-	142,255
Computer Equipment	2,427,310	38,426	-	2,465,736
Other Equipment	92,796	-	1,243	91,553
Library Books and Audio Visual Materials	5,932,419	578,814	694,559	5,816,674
Total Capital Assets, Being Depreciated	\$ 44,692,838	\$ 622,672	\$ 717,628	\$ 44,597,882
Total Capital Assets	\$ 47,271,856	\$ 3,277,792	\$ 717,628	\$ 49,832,020
Accumulated Depreciation:				
Buildings	\$ 11,198,687	\$ 754,528	\$ -	\$ 11,953,215
Furniture and Fixtures	1,160,630	34,087	-	1,194,717
Vehicles	89,279	14,979	21,826	82,432
Computer Equipment	2,282,026	76,068	-	2,358,094
Other Equipment	47,791	10,204	1,243	56,752
Library Books and Audio Visual Materials	1,940,439	621,765	694,559	1,867,645
Total Accumulated Depreciation	\$ 16,718,852	\$ 1,511,631	\$ 717,628	\$ 17,512,855
Book Value of Depreciable Capital Assets	\$ 27,973,986	\$ (888,959)	\$ -	\$ 27,085,027
Governmental Activities Capital Assets, Net	\$ 30,553,004	\$ 1,766,161	\$ -	\$ 32,319,165

Depreciation expense was charged to the Library Services function.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 6 LONG-TERM DEBT

Certificates of Participation - The following is a summary of the outstanding long-term debt issue at December 31, 2021:

Year Issued	Purpose	Interest Rate %	Interest Due Dates	Issued Date	Maturity Date	Authorized and Issued
2020	Certificates of Participation	2.00 - 4.00	6/1, 12/1	11/1/2020	12/1/2035	\$ 15,040,000

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.

On November 1, 2020, the District issued \$15,040,000 in Certificates of Participation, Series 2020A&B, to finance improvements to the Rawlings Library and other District-owned facilities, to pay the costs of issuance of the 2020A&B Certificates of Participation, and to refund the outstanding Certificates of Participation, Series 2012, originally issued to finance the acquisition and construction of three new library facilities. Interest payments are due semi-annually in June and December. Principal payments are due annually in December, through 2035.

Annual debt service requirements as of December 31, 2021, follow:

Year	Principal	Interest	Total
2022	\$ 885,000	\$ 362,712	\$ 1,247,712
2023	905,000	345,013	1,250,013
2024	920,000	326,912	1,246,912
2025	935,000	315,413	1,250,413
2026	945,000	303,725	1,248,725
2027-2031	5,010,000	1,226,150	6,236,150
2032-2036	4,600,000	391,950	4,991,950
Total	<u>\$ 14,200,000</u>	<u>\$ 3,271,875</u>	<u>\$ 17,471,875</u>

Changes in Long-term Debt - Changes in the District's long-term obligations consisted of the following for the year ended December 31, 2021:

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 393,218	\$ 255,707	\$ 275,648	\$ 373,277	\$ 249,240
2020A&B Certificates of Participation	15,040,000	-	840,000	14,200,000	885,000
2020A Premium	762,818	-	67,912	694,906	61,127
2020B Discount	(7,537)	-	(1,358)	(6,179)	(1,173)
Total	<u>\$ 16,188,499</u>	<u>\$ 255,707</u>	<u>\$ 1,182,202</u>	<u>\$ 15,262,004</u>	<u>\$ 1,194,194</u>

The compensated absences liability will be paid from the General Fund.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 7 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, 2026. Rent expense for the year ended December 31, 2021 was \$29,045, 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:

<u>Year Ended December 31,</u>	
2022	\$ 34,138
2023	35,162
2024	36,217
2025	37,304
2026	38,423
Total	<u>\$ 181,244</u>

NOTE 8 NET INVESTMENT IN CAPITAL ASSETS

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

Net Investment in Capital Assets:	
Cost of Capital Assets	\$ 49,832,020
Less: Accumulated Depreciation	<u>(17,512,855)</u>
Book Value	32,319,165
Capital Related Debt	(14,200,000)
Capital Related Payables	(1,027,678)
Unspent Debt Proceeds	5,832,688
Debt Premium	(694,906)
Debt Discount	6,179
Loss on Debt Refunding	474,637
Net Investment in Capital Assets	<u>\$ 22,710,085</u>

NOTE 9 INTERFUND TRANSACTIONS

During the year ended December 31, 2021, the General Fund provided \$973,330 to the Capital Projects Fund to fund a portion of the renovations at the Rawlings library location and to replenish the library replacement plan reserve.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN

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/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.

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. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of December 31, 2021.

General Information about the Pension Plan

Plan Description: Eligible employees of the District are provided with pensions through the 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 annual comprehensive financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020: 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 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent 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 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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 percent or 100 percent 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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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 lifetime retirement benefit formula(s) 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 provisions as of December 31, 2021: 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. and § 24-51-413. Employee contribution rates for the period of January 1, 2021 through December 31, 2021 were 8.5%.

The employer contribution requirements for all employees are summarized in the table below:

	January 1, 2021 Through December 31, 2021
Employer Contribution Rate ¹	10.50 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	9.48 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	2.20 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	1.50 %
Defined Contribution Supplement as specified in in C.R.S. § 24-51-415	0.02 %
Total Employer Contribution Rate to the LGDTF ¹	13.20 %

¹ Contribution rates for the LGDTF 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, 2021**

NOTE 10 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 \$604,091 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of \$3,118,558 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the District's proportion was 0.59842571 percent, which was an increase of 0.00723707 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension expense of (\$1,033,216). At December 31, 2021, 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	\$ 150,779	\$ -
Changes of Assumptions or Other Inputs	753,633	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,372,548
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	40,200	30,884
Contributions Subsequent to the Measurement Date	604,091	-
Total	<u>\$ 1,548,703</u>	<u>\$ 3,403,432</u>

\$604,091 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2022	\$ (383,187)
2023	(400,136)
2024	(1,143,232)
2025	(532,265)

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions: The December 31, 2019 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)	1.25% Compounded Annually Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

Post-retirement non-disabled mortality assumptions 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.

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

The actuarial assumptions used in the December 31, 2019, 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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.20 - 11.30%
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)	1.25% Compounded Annually Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the LGDTF, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Pre-retirement mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Post-retirement non-disabled mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis. The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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 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, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (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
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives ¹	6.00	4.70
Total	100.00	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 percent.

Discount Rate: The discount rate used to measure the total pension liability was 7.25 percent. 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 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect 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 to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

- 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. 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 middle of the year.

Based on the above assumptions and methods, 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 percent 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 percent. 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 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 7,183,915	\$ 3,118,558	\$ (275,485)

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

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description

Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (HCTF) —a cost-sharing multiple-employer defined benefit OPEB plan administered by 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. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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, School, Local Government and Judicial), 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.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. 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.

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% 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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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 the District were \$46,680 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of \$433,257 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District's proportion was 0.0455953%, which was an increase of 0.0003467% from its proportion measured as of December 31, 2019. For the year ended 2021, the District recognized OPEB expense of (\$87,205).

At December 31, 2021, 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	\$ 1,150	\$ 95,251
Changes of Assumptions or Other Inputs	3,237	26,567
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	17,703
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	8,546	25,581
Contributions Subsequent to the Measurement Date	46,680	-
Total	<u>\$ 59,613</u>	<u>\$ 165,102</u>

\$46,680 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2022	\$ (35,754)
2023	(33,278)
2024	(36,126)
2025	(35,316)
2026	(11,019)
Thereafter	(676)

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using 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 % 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	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2020, gradually increasing to 4.50% in 2029

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	\$ 601	\$ 240	\$ 550
Kaiser Permanente Medicare Advantage HMO	605	237	586

The 2020 Medicare Part A premium is \$458 per month. All costs are subject to the health care cost trend rates, as discussed below.

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

Year	PERACare Medicare	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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.

Post-retirement non-disabled 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.

Post-retirement non-disabled 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.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period 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.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Price Inflation	2.30%	2.30%	2.30%	2.30%
Real Wage Growth	0.70%	0.70%	0.70%	0.70%
Wage Inflation	3.00%	3.00%	3.00%	3.00%
Salary Increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- 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 2020 plan year.
- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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 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, 2021**

NOTE 11 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
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives ¹	6.00	4.70
Total	100.00	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 422,059	\$ 433,257	\$ 446,294

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, 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 3.00%.
- 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected 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, and therefore, the discount rate is 7.25%.

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

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the 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 rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 496,304	\$ 433,257	\$ 379,389

OPEB plan fiduciary net position

Detailed information about the HCTF plan's fiduciary net position is available in PERA's annual comprehensive financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 12 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 13 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 14 TAX-EXEMPT STATUS

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

REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014
Plan Measurement Date ending December 31,	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.59842571%	0.59118863%	0.61888071%	0.60845958%	0.61862748%	0.65904646%	0.62394689%	0.61841431%
District's Proportionate Share of the Net Pension Liability	\$ 3,118,558	\$ 4,323,900	\$ 7,780,649	\$ 6,774,771	\$ 8,353,580	\$ 7,259,931	\$ 5,592,492	\$ 5,089,061
District's Covered Payroll	4,233,297	4,073,446	4,059,200	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	73.7%	106.1%	191.7%	175.1%	223.0%	201.6%	163.6%	154.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.3%	86.3%	76.0%	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.
This schedule is intended to show information for ten years. Additional years' information will be presented as it becomes available.

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

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	\$ 604,091	\$ 547,695	\$ 516,513	\$ 514,707	\$ 490,558	\$ 474,963	\$ 456,668	\$ 433,523	\$ 418,351	\$ 454,730
Contributions in Relation to the Contractually Required Contribution	604,091	547,695	516,513	514,707	490,558	474,963	456,668	433,523	418,351	454,730
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$4,576,429	\$4,233,297	\$4,073,446	\$4,059,200	\$3,868,757	\$3,745,767	\$3,601,482	\$3,418,950	\$3,299,298	\$3,586,203
Contributions as a Percentage of Covered Payroll	13.20%	12.94%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Plan Measurement Date ending December 31,	2020	2019	2018	2017	2016
District's Proportion of the Net OPEB Liability	0.0455953%	0.0452485%	0.0479942%	0.0472801%	0.0474882%
District's Proportionate Share of the Net OPEB Liability	\$ 433,257	\$ 508,593	\$ 652,981	\$ 614,452	\$ 615,701
District's Covered Payroll	\$ 4,233,297	\$ 4,077,674	\$ 4,059,200	\$ 3,868,757	\$ 3,745,767
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	10.2%	12.5%	16.1%	15.9%	16.4%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.8%	24.5%	17.0%	17.5%	16.7%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.
This schedule is intended to show information for ten years. Additional years' information will be presented as it becomes available.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 46,680	\$ 43,180	\$ 41,592	\$ 41,404	\$ 39,461	\$ 38,207	\$ 36,735	\$ 34,873	\$ 33,653	\$ 36,579
Contributions in Relation to the Contractually Required Contribution	<u>46,680</u>	<u>43,180</u>	<u>41,592</u>	<u>41,404</u>	<u>39,461</u>	<u>38,207</u>	<u>36,735</u>	<u>34,873</u>	<u>33,653</u>	<u>36,579</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	\$4,576,429	\$4,233,297	\$4,077,674	\$4,059,200	\$3,868,757	\$3,745,767	\$3,601,482	\$3,418,950	\$3,299,298	\$3,586,203
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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$ 11,091,484	\$ 11,091,484	\$ 11,099,695	\$ 8,211
Specific Ownership Taxes	970,505	970,505	1,091,590	121,085
Grants and Contributions	282,262	992,262	951,074	(41,188)
Fees, Fines and Sales	100,000	100,000	63,083	(36,917)
Investment Earnings	64,500	64,500	2,875	(61,625)
Miscellaneous	3,500	3,500	2,039	(1,461)
Total Revenues	12,512,251	13,222,251	13,210,356	(11,895)
Expenditures				
Current:				
Salaries and Wages	4,839,791	4,839,791	4,782,580	57,211
PERA	649,933	649,933	651,567	(1,634)
Employee Benefits	729,590	729,590	730,669	(1,079)
Books, Periodicals, Non-print, Processing Programs	1,549,419	1,549,419	1,533,036	16,383
Rental	356,644	1,066,644	1,056,930	9,714
Contractual Library Services	30,000	30,000	29,045	955
Treasurers' Fees	447,479	447,479	408,263	39,216
Office Supplies	166,372	166,372	166,139	233
Utilities and Insurance	71,001	71,001	51,873	19,128
Building Maintenance	589,242	589,242	574,141	15,101
Vehicle Maintenance	465,593	465,593	453,124	12,469
Community Relations	13,000	13,000	17,653	(4,653)
Postage and Shipping	15,850	15,850	4,319	11,531
Friends' Grants - Expenditures	38,000	38,000	37,142	858
Courier Service	21,000	21,000	15,260	5,740
Information Technology	2,000	2,000	887	1,113
Other	471,237	471,237	392,101	79,136
Debt Service:	11,510	11,510	12,935	(1,425)
Principal	840,000	840,000	840,000	-
Interest	409,030	409,030	409,030	-
Total Expenditures	11,716,691	12,426,691	12,166,694	259,997
Excess of Revenues Over Expenditures	795,560	795,560	1,043,662	248,102
Other Financing Sources (Uses)				
Transfer Out to Capital Projects Fund	(980,000)	(980,000)	(973,330)	(6,670)
Total Other Financing Sources (Uses)	(980,000)	(980,000)	(973,330)	(6,670)
Net Change in Fund Balance	(184,440)	(184,440)	70,332	241,432
Fund Balance, Beginning of Year	4,565,786	4,382,849	4,382,849	-
Fund Balance, End of Year	\$ 4,381,346	\$ 4,198,409	\$ 4,453,181	\$ 254,772

See notes to required supplementary information

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021**

NOTE 1 – BUDGETARY INFORMATION

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

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

On or before October 15th the proposed budget is submitted to the Board of Trustees, a “Notice of Budget” is published in the newspaper, and copies of the proposed budget are distributed to 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 10th. The certification of mill levy is due to the Board of County Commissioners by December 15th.

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

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

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021**

NOTE 2 – DISTRICT’S PARTICIPATION IN THE PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION (PERA)

There were no changes of benefit terms.

Changes in assumptions or other inputs were made during the December 31, 2019 valuation as follows:

- Price inflation assumption decreased from 2.40 percent to 2.30 percent per year.
- Real wage growth assumption decreased from 1.10 percent to 0.70 percent per year
- Salary increases assumption, including wage inflation changed from 3.50 percent – 10.45 percent to 3.20 percent – 11.30 percent.
- Mortality rates were changed from the RP-2014 White Collar Employee Mortality Table to PubG-2010 Healthy Retiree Table with generational projection using scale MP-2019.

Changes in assumptions or other inputs were made during the December 31, 2016 valuation as follows:

- The long-term investment rate of return was reduced from 7.50 percent to 7.25 percent.
- The discount rate was reduced from 7.5 percent to 7.25 percent.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.
- Mortality rates were changed from the RP-2000 Combined Mortality Table for Males or Females was adjusted to the RP-2014 White Collar Employee Mortality Table.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

SUPPLEMENTARY INFORMATION

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Grants and Contributions	\$ 501,654	\$ 961,167	\$ 459,513
Investment Earnings	30,000	3,177	(26,823)
Total Revenues	<u>531,654</u>	<u>964,344</u>	<u>432,690</u>
Expenditures			
<i>Capital Outlay:</i>			
Information Technology	347,654	218,809	128,845
Vehicles	10,000	5,432	4,568
Furniture and Fixtures	62,000	43,503	18,497
Building Improvements	4,773,238	2,751,872	2,021,366
Total Expenditures	<u>5,192,892</u>	<u>3,019,616</u>	<u>2,173,276</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,661,238)</u>	<u>(2,055,272)</u>	<u>2,605,966</u>
Other Financing Sources (Uses)			
Transfers In From General Fund	980,000	973,330	(6,670)
Total Other Financing Sources (Uses)	<u>980,000</u>	<u>973,330</u>	<u>(6,670)</u>
Net Change in Fund Balance	(3,681,238)	(1,081,942)	2,599,296
Fund Balance, Beginning of Year	<u>10,202,877</u>	<u>10,395,503</u>	<u>192,626</u>
Fund Balance, End of Year	<u>\$ 6,521,639</u>	<u>\$ 9,313,561</u>	<u>\$ 2,791,922</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 81-85

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 86-89

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 90-93

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 94-95

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 96-98

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment										
in capital assets	\$ 25,640,514	\$ 25,454,927	\$ 26,573,350	\$ 25,898,666	\$ 24,197,032	\$ 23,696,771	\$ 23,087,722	\$ 22,769,389	\$ 22,566,427	\$ 22,710,085
Restricted	1,283,866	1,846,951	1,263,412	1,230,851	1,185,406	1,163,895	1,167,930	1,150,201	7,743,556	560,753
Unrestricted	4,057,682	3,386,592	2,537,967	(2,266,558)	(2,989,631)	(4,223,435)	(4,468,614)	(2,826,106)	(6,682,154)	2,485,443
Total	<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>\$ 19,787,038</u>	<u>\$ 21,093,484</u>	<u>\$ 23,627,829</u>	<u>\$ 25,756,281</u>
Governmental activities										
Net investment										
in capital assets	82.80%	83.00%	87.50%	104.20%	108.10%	114.80%	97.71%	88.40%	87.62%	88.17%
Restricted	4.10%	6.00%	4.20%	5.00%	5.30%	5.60%	4.94%	4.47%	30.06%	2.18%
Unrestricted	13.10%	11.00%	8.30%	-9.20%	-13.40%	-20.40%	-18.91%	-10.97%	-25.94%	9.65%
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>83.74%</u>	<u>81.90%</u>	<u>91.74%</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, 2021, the District's proportionate share of the Net Pension Liability was \$3,118,558.

This amount is included in the unrestricted net position.

Data Source:

Applicable years' annual comprehensive financial report.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
Library Services	\$9,033,639	\$9,873,567	\$10,092,677	\$10,525,062	\$11,180,655	\$11,767,526	\$11,540,905	\$9,201,373	\$10,350,879	\$11,681,526
Interest	208,768	370,451	361,934	353,217	343,922	330,634	320,525	302,078	391,792	364,722
Total Expenses	<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>	<u>9,503,451</u>	<u>10,742,671</u>	<u>12,046,248</u>
Program Revenues										
Charges for services, sales and fines	214,279	218,008	167,693	175,254	176,275	143,137	166,857	130,484	54,729	63,083
Operating grants and contributions	41,714	101,277	61,692	173,836	171,644	404,966	423,724	358,190	966,926	951,074
Capital grants and contributions	192,918	184,603	554,721	192,577	4,333	16,000	102,803	88,244	407,500	961,167
Total Program Revenues	<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>	<u>576,918</u>	<u>1,429,155</u>	<u>1,975,324</u>
Net (Expense)/Revenue	<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>	<u>(8,926,533)</u>	<u>(9,313,516)</u>	<u>(10,070,924)</u>
General Revenues:										
Property taxes levied for library purposes	7,804,163	8,493,998	8,493,206	8,582,963	8,743,618	8,770,163	9,059,826	9,073,771	10,825,853	11,099,695
Specific ownership tax	623,435	644,217	670,065	719,445	752,678	879,432	890,331	979,109	948,421	1,091,590
Grants not restricted for specific purposes	-	136,729	-	-	-	-	-	-	-	-
Investment earnings	42,427	40,264	38,844	14,376	30,770	55,299	112,584	130,477	41,961	6,052
Miscellaneous	136,348	131,330	154,649	163,596	213,342	73,587	14,530	42,774	31,626	2,039
Total General Revenues	<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>	<u>10,226,131</u>	<u>11,847,861</u>	<u>12,199,376</u>
Change in Net Position	<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>	<u>\$1,299,598</u>	<u>\$ 2,534,345</u>	<u>\$ 2,128,452</u>

Data Source:

Applicable years' annual comprehensive financial report.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
Library Services	97.7%	96.4%	96.5%	96.8%	97.0%	97.3%	97.3%	96.8%	96.4%	97.0%
Interest	2.3%	3.6%	3.5%	3.2%	3.0%	2.7%	2.7%	3.2%	3.6%	3.0%
Total Expenses	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Program Revenues										
Charges for services, sales and fines	47.7%	43.3%	21.4%	32.4%	50.0%	25.4%	24.1%	22.6%	3.8%	3.2%
Operating grants and contributions	9.3%	20.1%	7.9%	32.1%	48.7%	71.8%	61.1%	62.1%	67.7%	48.1%
Capital grants and contributions	43.0%	36.6%	70.7%	35.6%	1.2%	2.8%	14.8%	15.3%	28.5%	48.7%
Total Program Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
General Revenues:										
Property taxes levied for library purposes	90.7%	89.9%	90.8%	90.5%	89.8%	89.7%	89.9%	88.7%	91.3%	91.0%
Specific ownership tax	7.2%	6.8%	7.2%	7.6%	7.7%	9.0%	8.8%	9.6%	8.0%	9.0%
Grants not restricted for specific purposes	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment earnings	0.5%	0.4%	0.4%	0.2%	0.3%	0.6%	1.1%	1.3%	0.4%	0.0%
Miscellaneous	1.6%	1.4%	1.7%	1.7%	2.2%	0.7%	0.2%	0.4%	0.3%	0.0%
Total General Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Data Source: Applicable years' annual comprehensive financial report

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Non-Spendable	\$ 341,545	\$ 258,766	\$ 314,462	\$ 339,831	\$ 248,138	\$ 347,412	\$ 367,039	\$ 297,016	\$ 386,169	\$ 426,386
Restricted	274,545	298,315	304,078	300,383	308,588	296,531	317,796	325,502	372,433	383,173
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	3,207,149	2,722,465	2,292,000	1,909,373	1,986,593	1,993,523	1,853,772	2,271,131	3,624,247	3,643,622
Total General Fund	<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>	<u>\$ 2,893,649</u>	<u>\$ 4,382,849</u>	<u>\$ 4,453,181</u>
General Fund										
Percentage Change	23.90%	-14.20%	-11.30%	-12.40%	-0.20%	3.70%	-3.75%	13.99%	51.46%	1.60%
All Other Governmental Funds										
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,301	\$ -	\$ -	\$ -	\$ -
Restricted - Capital Projects Fund	4,964,236	5,235,727	1,052,133 (1)	929,966	875,428	866,645	875,492	849,976	7,344,768 (3)	6,010,268
Restricted - Special Revenue Fund	38,657	653	3,201	502	1,390	719	950	- (2)	-	-
Committed - Capital Projects Fund	902,149	809,747	228,738	685,290	842,372	803,994	1,188,985	1,353,985	1,647,092	1,639,409
Assigned - Capital Projects	-	-	-	-	-	49,688	-	4,278	1,377,288	1,663,884
Total Other Governmental Funds	<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>\$ 2,208,239</u>	<u>\$ 10,369,148</u>	<u>\$ 9,313,561</u>
Total Governmental Funds	\$ 5,439,947	\$ 9,184,588	\$ 8,956,667	\$ 3,833,659	\$ 4,159,077	\$ 4,356,656	\$ 4,263,954	\$ 5,101,888	\$ 14,751,997	\$ 13,766,742
All Governmental Funds										
Percentage Change	2.99%	68.84%	-2.48%	-57.20%	8.49%	4.75%	-2.13%	19.65%	189.15%	-6.68%

- (1) Refunded 2007 debt; secured additional funding for construction of three new libraries - 2012 - 2014.
(2) The Special Revenue Fund was combined with the General Fund beginning in 2019.
(3) Refunded 2012 debt; secured additional funding for renovation of the Rawlins Library - 2020 - 2022

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property taxes	\$ 7,804,163	\$ 8,493,998	\$ 8,493,206	\$ 8,582,963	\$ 8,743,618	\$ 8,770,163	\$ 9,059,826	\$ 9,073,771	\$ 10,825,853	\$ 11,099,695
Specific ownership taxes	623,435	644,217	670,065	719,445	752,678	879,432	890,331	979,109	948,421	1,091,590
Grants and contributions	210,574	351,941	616,413	366,413	175,977	420,966	526,527	446,434	1,374,426	1,912,241
Gifts and donations	24,058	26,065	-	-	-	-	-	-	-	-
Fees, fines and sales	193,857	179,897	167,693	175,254	176,275	143,137	166,857	130,484	54,729	63,083
Investment earnings	42,427	40,264	38,844	14,376	30,770	55,299	112,584	130,477	41,961	6,052
Miscellaneous	156,770	169,441	154,649	163,596	213,342	20,149	11,530	2,792	25,626	2,039
Total Revenues	<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>	<u>10,763,067</u>	<u>13,271,016</u>	<u>14,174,700</u>
Expenditures										
Library Support	7,859,313	8,061,612	8,931,838	9,001,086	9,042,955	9,074,883	9,337,351	9,266,597	9,716,304	10,917,664
Capital outlay	2,186,240	1,438,069	5,529,843	238,678	139,891	474,190	382,383	234,746	410,529	3,019,616
Debt issuance costs	122,131	-	-	-	-	-	-	-	222,665	-
Debt service principal	-	425,000	435,000	445,000	455,000	465,000	475,000	495,000	-	840,000
Debt service interest	224,197	383,750	375,250	366,550	357,650	344,000	334,700	315,700	151,663	409,030
Total Expenditures	<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>	<u>10,312,043</u>	<u>10,501,161</u>	<u>15,186,310</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<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>	<u>451,024</u>	<u>2,769,855</u>	<u>(1,011,610)</u>
Other Financing Sources (Uses)										
Insurance proceeds	-	-	-	-	-	169,231	-	39,982	1,000	-
Debt issued	11,410,000 (1)	-	-	-	-	-	-	-	15,040,000 (2)	-
Debt Premium	383,853	-	-	-	-	-	-	-	771,378	-
Debt Discount	-	-	-	-	-	-	-	-	(7,709)	-
Payments to Escrow Agent	(6,155,975) (1)	-	-	-	-	-	-	-	(8,903,060) (2)	-
Sale of Assets	-	-	-	-	-	-	3,000	-	5,000	-
Transfers in	100,000	1,341,500	203,500	392,000	200,000	275,000	575,000	200,000	1,489,000	973,330
Transfers out	(100,000)	(1,341,500)	(203,500)	(392,000)	(200,000)	(275,000)	(575,000)	(200,000)	(1,489,000)	(973,330)
Total Other Financing Sources (Uses)	<u>5,637,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,231</u>	<u>3,000</u>	<u>39,982</u>	<u>6,906,609</u>	<u>-</u>
Net Change in Fund Balances	<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>	<u>\$ 491,006</u>	<u>\$ 9,676,464</u>	<u>\$ (1,011,610)</u>
Debt services as a percentage of non-capital expenditures	2.81%	9.12%	8.99%	8.92%	8.87%	8.83%	8.34%	8.34%	1.59%	10.49%

(1) Certificates of participation were issued to refund 2007 debt and build three new libraries.

(2) Certificates of participation were issued to refund 2012 debt and renovate existing facilities.

Data Source:

Applicable years' annual comprehensive 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
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%	(1)(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%
2019	9,082,949	9,056,177	99.71%	352	9,056,529	99.71%
2020	10,848,066	10,801,285	99.57%	1,566	10,802,851	99.58%
2021	11,136,028	11,067,697	99.39%	8,096	11,075,793	99.46%

- (1) 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)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Direct										
Pueblo City-County Library District	5.293	5.258	5.262	5.255	5.282	5.288	5.271	5.865	5.872	5.899
Overlapping Governments										
Pueblo County	30.090	30.750	30.769	30.710	30.867	30.887	30.722	30.088	30.109	30.199
Library	0.514	0.404	0.294	0.184	0.074	0.000	0.000	0.000	0.000	0.000
Animal Shelter	0.355	0.255	0.155	0.055	0.000	0.000	0.000	0.000	0.000	0.000
City and Towns Rates										
Boone	15.867	16.613	17.397	17.397	17.397	17.397	17.397	16.629	16.629	16.629
Pueblo	15.633	15.633	15.633	15.633	15.633	15.633	15.633	15.633	15.633	15.633
Rye	6.972	6.972	6.972	6.972	6.972	6.972	6.972	6.972	6.132	5.893
School Districts										
Edison 54J	37.044	37.861	37.340	40.834	36.502	36.504	36.503	36.501	36.501	31.603
Fowler R4J	36.123	36.098	34.953	33.500	33.595	33.882	33.750	27.000	27.007	40.330
Pueblo 60	36.032	35.573	35.347	35.234	35.392	35.418	34.690	45.110	45.021	43.642
Pueblo 70	39.243	39.033	39.653	39.995	40.242	39.993	40.035	40.063	40.268	40.039
Improvement & Service Districts										
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	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	5.000	5.000
Beulah Ambulance District	13.500	13.500	13.500	13.500	22.500	22.130	22.060	21.210	21.170	20.130
Colorado City Cemetery	1.071	1.071	1.071	1.071	1.071	1.071	1.071	1.071	1.071	0.091
Colorado City Metro	17.967	17.967	17.967	17.967	17.967	17.967	17.967	17.683	16.592	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	3.777	3.410	3.310	2.770	2.940	3.090	3.045	3.123	3.013	2.952
Lower Arkansas Valley Water Conservancy	1.502	1.503	1.503	1.503	1.503	1.503	1.503	1.503	1.503	1.503
Midway Ranches Fire Protection District	18.760	18.760	18.760	18.760	15.000	15.000	15.000	15.000	10.000	10.000
Pine Drive Water	15.196	16.348	15.999	15.369	15.060	14.677	14.814	13.507	13.448	12.396
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	19.838	20.239	20.216	20.230	20.230	20.230	20.230
Rye Fire	10.036	10.036	10.036	10.036	15.536	15.536	15.536	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	0.944	0.940	0.940	0.941	0.940	0.939	0.944	0.902	0.942	0.839
St. Charles Mesa Sanitation	4.190	4.250	4.250	4.019	4.250	3.930	1.500	1.500	3.250	3.250
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	5.500	5.321	5.443

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)**

Fiscal Year Ended December 31,	Vacant Unimproved Land	Residential Property	Natural resources	Commercial property	Industrial Property	Agricultural Property	Public Utilities	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Exempt Property Assessed Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
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%
2019	48,625	734,182	3,289	337,137	218,237	26,828	538,479	1,906,777	5.865	14,311,607	171,306	13.32%
2020	46,754	747,886	3,728	339,427	217,074	29,331	565,599	1,949,799	5.872	15,161,146	161,834	12.86%
2021	62,814	920,443	3,697	361,552	223,218	31,930	558,441	2,162,060	5.889	18,019,530	254,965	12.00%

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 2020 at 7.15% 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	2021			2012		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Public Service Co. of CO (Excel Energy Company)	\$ 251,698,701	1	11.99%	\$ 202,708,594	1	12.14%
Black Hills Colorado	85,569,904	2	4.08%	113,968,256	7	6.83%
GCC Rio Grande Inc.	49,570,800	3	2.36%	76,085,331	2	4.56%
Black Hills Colorado IPP LLC	45,650,300	4	2.17%		4	0.00%
Intermountain Rural Electric	41,194,700	5	1.96%	51,608,300		
EVRAZ (Rocky Mountain Steel Mills)	29,265,580	6	1.39%	15,521,845	6	0.93%
BNSF Railway Company	27,168,800	7	1.29%	13,281,999	9	0.80%
Union Pacific Railroad Co	26,117,800	8	1.24%	13,170,100	10	0.79%
Vestas Towers of America, Inc.	16,732,540	9	0.80%	46,673,719	3	2.80%
Holy Cross Electric Assn Inc.	14,159,800	10	0.67%	13,429,300	8	0.80%
Qwest Corporation (U.S. West Communications)				19,166,000	5	1.15%
Total Top Ten Principal Taxpayers	<u>587,128,925</u>		<u>27.97%</u>	<u>565,613,444</u>		<u>33.87%</u>
Total Assessed Valuation	<u>\$2,099,212,928</u>		<u>100.00%</u>	<u>\$1,669,817,619</u>		<u>100.00%</u>

Data Source:
Pueblo County Assessor's Office

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
LEGAL DEBT LIMIT INFORMATION
(UNAUDITED)
DECEMBER 31, 2021**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation	\$ 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	\$ 1,906,776,371	\$ 1,950,190,741	\$ 2,099,212,928
Debt limitation - 1.5% of total assessed value	\$ 25,047,255	\$ 25,018,563	\$ 25,218,510	\$ 25,848,165	\$ 25,803,197	\$ 26,414,685	\$ 26,637,690	\$ 28,601,646	\$ 29,252,861	\$ 31,488,194
Certificates of Participation (1)	\$ 11,410,000	\$ 10,985,000	\$ 10,550,000	\$ 10,105,000	\$ 9,650,000	\$ 9,185,000	\$ 8,710,000	\$ 8,215,000	\$ 15,795,281	\$ 14,888,727
Legal debt limit less COP debt	\$ 13,637,255	\$ 14,033,563	\$ 14,668,510	\$ 15,743,165	\$ 16,153,197	\$ 17,229,685	\$ 17,927,690	\$ 20,386,646	\$ 13,457,580	\$ 16,599,467
Total net debt applicable to the limit as a percentage of debt limit	46%	44%	42%	39%	37%	35%	33%	29%	54%	47%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Valuation	<u>\$ 2,099,212,928</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 31,488,194</u>
Debt applicable to limit: Certificates of Participation	<u>\$ 14,888,727</u>
Legal debt limit less COP debt	<u>\$ 16,599,467</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
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
2019		8,464,503	0.13%	50.53
2020	(4)	15,803,669	0.22%	92.53
2021		14,952,072	0.19%	88.15

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.
- (4) In November 2020, \$15,040,000 in Certificates of Participation were issued; \$8,215,000 refunded old debt; additional \$6,825,000 to finance renovating the Rawlings Library

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
CERTIFICATES OF PARTICIPATION TO GENERAL FUND EXPENDITURES
(UNAUDITED)
LAST TEN FISCAL YEARS**

Year Ended December 31,	Principal Payments	Interest Payments	Total Debt Service	Total General Fund Expenditures	Ratio of Total Debt Service to Total General Fund Expenditures
2012	- (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%
2019	495,000	315,700	810,700	10,077,297	8.04%
2020	- (3)	151,663	151,663	9,867,967	1.54%
2021	840,000	409,030	1,249,030	12,167,279	10.27%

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.
- (3) In November of 2020, the 2012 COPs issue was refunded through a new issue of \$15,040,000 to refinance the original debt and provide funds to renovate the Rawlings Library

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)
DECEMBER 31, 2020**

	<u>Governmental Activites Debt</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Direct Debt			
Pueblo City-County Library District	\$ 14,888,727		
Overlapping Debt:			
City of Pueblo	\$ 7,722,375	100%	7,722,375
County of Pueblo	104,604,425	100%	104,604,425
Pueblo West Metropolitan District	11,785,705	100%	11,785,705
School District #60 - Pueblo City Schools	229,103,042	100%	229,103,042
School District #70	142,513,442	100%	142,513,442
Subtotal, Overlapping Debt			<u>495,728,989</u>
Total Direct and Overlapping Debt			<u><u>\$ 510,617,716</u></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**

									<u>Commercial Construction</u>	<u>Residential Construction</u>
Year	Population	Personal Income (Thousands)	Per Capita Personal Income	Median Age	Education Level Percent High School Graduates	School Enrollment	Unemployment Rate	No. of Units	Estimated Costs (thousands)	Estimated Costs (thousands)
		(1)							No. of Units	
2012	160,763	5,007,408	31,148	38.9	73.3%	26,799	10.6%	38	67,185	180
2013	161,096	5,107,917	31,707	39.0	76.9%	27,247	9.6%	31	16,687	159
2014	161,434	5,384,811	33,356	39.2	77.3%	27,247	6.4%	74	32,653	147
2015	163,101	5,667,938	34,751	39.2	77.3%	27,247	4.9%	79	38,386	236
2016	164,883	5,825,730	35,333	39.3	73.9%	26,996	4.1%	101	40,621	273
2017	166,370	6,026,956	36,226	39.4	81.7%	26,771	4.6%	121	27,217	269
2018	167,574	6,362,694	37,969	39.6	88.8%	26,409	5.0%	110	31,174	465
2019	168,409	6,657,646	39,533	39.8	89.7%	26,564	3.6%	67	19,015	496
2020	169,823	7,335,716	43,196	40.0	81.3%	24,592	11.3%	38	53,229	596
2021	170,912	7,773,020	45,434	37.8	85.0%	25,381	6.4%	43	35,558	729

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 2012-2020 has been updated using information from the Bureau of Economic Analysis, US Dept of Commerce.

2021 Personal Income and Per Capital Personal Income are estimated reflecting the previous 10-yr trend.

(2021 data is released beyond the publication date of this Annual Comprehensive Financial Report.)

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

Employer	2021			2012		
	Employees	Rank	% of Pueblo, CO (MSA) Total Employment	Employees	Rank	% of Pueblo, CO (MSA) Total Employment
Parkview Medical Center	2,210	1	2.80%	2,471	1	3.26%
Pueblo City Schools (District #60)	1,657	2	2.10%	1,850	2	2.44%
Evraz Rocky Mountain Steel Mls	1,332	3	1.69%	1,169	3	1.54%
Pueblo County Government	1,089	4	1.38%	1100	5	1.45%
Walmart	1088	5	1.38%	1,000	7	1.32%
School District #70	1,068	6	1.35%	997	8	1.32%
St. Mary Corwin Medical Center	810	7	1.03%	1165	4	1.54%
Convergys Corp.	700	8	0.89%	685	10	0.90%
Target Corp.	700	8	0.89%			
City of Pueblo	672	10	0.85%	720	9	0.95%
Colorado Mental Health Institute				1,000	6	1.32%
Total	11,326		14.35%	12,157		16.04%

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**

Fiscal Year	Number of Volumes Owned	Number of AV Items Owned	Total Items Owned	Acquisition Cost of Collections	Net Book Value of Collections (1)	Number of Items Circulated	Turn-over Rate (2)
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	(3) 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
2019	268,952	74,760	343,712	5,884,667	4,063,351	2,140,691	6.23
2020	272,676	74,229	346,905	5,932,420	3,991,982	1,166,864	3.36
2021	358,325	66,525	424,850	5,816,676	3,949,032	1,451,042	3.42

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) 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, 2020**

Libraries	Address	Owned (O) Leased (L)	Square Feet	Employees (1)	Operating Budget
Barkman Public Library	1300 Jerry Murphy Rd. Pueblo, CO 81001	O	7,100	5.65	330,591
Lucero Library	1315 7th St. E. Pueblo CO, 81001	O	7,500	5.70	368,366
Greenhorn Valley Library	Cibola Drive Colorado City, CO 81019	O	7,500	4.50	279,281
Lamb Public Library	2525 W. Pueblo Blvd. Pueblo, CO 81005	O	10,500	6.10	355,632
Library @ the Y	3200 Spaulding Pueblo, CO 81008	L (2)	1,183	1.10	43,409
Giodone Library	24655 US Highway 50 E. Pueblo, Co 81006	O	7,500	4.50	306,093
Pueblo West Library	298 S. Joe Martinez Blvd. Pueblo West, CO 81007	O	28,500	7.80	559,969
Rawlings Public Library	100 E. Abriendo Ave. Pueblo, CO 81004	O	110,000	39.56	2,992,557
SUPPORT SERVICES:					
Community Relations	100 E. Abriendo Avenue Pueblo, CO 81004	O	(3)	5.50	\$ 500,586
Director's Office	100 E. Abriendo Avenue Pueblo, CO 81004	O	(3)	3.00	\$ 470,816
Facilities Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	(3)	7.00	\$ 1,347,824
Finance Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	(3)	3.40	\$ 327,165
Human Resources Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	(3)	2.50	\$ 265,341
Information Technology Dept.	100 E. Abriendo Avenue Pueblo, CO 81004	O	(3)	4.50	\$ 798,732
Technical Services Department	100 E. Abriendo Avenue Pueblo, CO 81004	O	(3), (4)	8.60	\$ 2,188,451

NOTES:

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

(2) Located in the YMCA facility

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

(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**

Fiscal Year	Rawlings Library	Barkman Library	Lamb Library	Pueblo West Library (1)	Lucero Library (4)	Greenhorn Valley Library	Giodone Library	Library @ the Y (3)	Outreach Services (2)
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	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	-
2019	1,066,623	240,175	257,267	324,507	84,466	66,831	83,164	17,658	-
2020 (5)	677,754	98,802	105,119	167,453	32,826	36,063	39,328	9,519	-
2021	789,347	119,586	140,677	236,040	28,046	54,922	66,234	16,190	-

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) The Library @ the Y is a small branch located within the YMCA building which opened to the public in 2009.
- (4) The Lucero, Greenhorn Valley and Giodone Libraries were all built and added in 2014. These buildings replaced seven of the Satellite locations, recorded in Outreach Services.
- (5) In 2020, circulation numbers were considerably lower than in previous years. This was due to the impact that COVID-19 had on the District.

