

# Pikes Peak Library District

Administrative Offices  
20 North Cascade Avenue  
Colorado Springs, Colorado 80903

Comprehensive  
Annual Financial Report  
For the year ended December 31, 2011

## Board of Trustees

(As of December 31, 2011)

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Jill Gaebler .....	Vice President
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Robert Hilbert.....	Trustee
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Executive Director

Paula J. Miller

Prepared by

Michael E. Varnet, CPA  
Chief Finance and Business Officer

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June 27, 2012

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

Dear Trustees:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Pikes Peak Library District (the District) for the year ended December 31, 2011.

This is the twenty-first consecutive year that an annual financial report has been submitted to you in CAFR format, in accordance with guidelines of the Government Finance Officers Association of the United States and Canada (GFOA).

Please refer to pages 31 to 42 for the section of the CAFR called "Management's Discussion and Analysis." This section provides a discussion of the significant issues and analysis of the District's 2011 financial statements.

Last year's CAFR received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the twentieth consecutive year. This award is gratifying because it represents acknowledgment that the District has achieved excellence in financial reporting. The District will submit the 2011 CAFR for recognition again this year.

Finally, I want to take this opportunity to thank the Board of Trustees for their oversight, support, and direction of the District's fiscal activities.

Respectfully submitted,

Paula J. Miller  
Executive Director

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Penrose Library  
20 N. Cascade Ave.  
Colorado Springs CO  
80903

East Library  
5550 N. Union Blvd.  
Colorado Springs CO  
80918

CyberShelf: eBooks,  
eMusic, and more  
Library Express  
Mobile Library Service

Community Libraries  
Briargate  
Cheyenne Mountain  
Fountain  
High Prairie  
Monument  
Old Colorado City  
Palmer Lake  
Rockrimmon  
Ruth Holley  
Sand Creek  
Ute Pass

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June 27, 2012

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

State law requires that every general-purpose local government publish within seven months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2011.

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

**BKD, LLP**, our independent certified public accountants, have issued an unqualified (“clean”) opinion on the Pikes Peak Library District’s (the District or PPLD) financial statements as of and for the year ended December 31, 2011. The independent accountant’s report is located at the front of the financial section of this report.

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

## *PROFILE OF THE GOVERNMENT*

### **Government Structure**

The District 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 any other government entity, including El Paso County, Colorado, and is financially, managerially and operationally independent, and meets the guidelines of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*.

The District has two component unit affiliations: The Pikes Peak Library District Building Authority (a blended component unit) and the Pikes Peak Library District Foundation, Inc. (a discretely presented component unit), organized in 2003 to raise funds for the sole benefit of the District.

The District provides library services to all of El Paso County, excluding the Town of Manitou Springs and the Security/Widefield School District #3.

There are fourteen library facilities located in the District service area and three mobile libraries covering a service area of nearly 2,000 square miles. The District owns seven facilities – East Library, Fountain Library, High Prairie Library, Old Colorado City Library, Penrose Library Complex, Sand Creek Library, and the facility at 1175 Chapel Hills Drive – and leases the other seven facilities – Briargate Library, Cheyenne Mountain Library, Monument Library, Palmer Lake Library, Rockrimmon Library, Ruth Holley Library, and Ute Pass Library. Additionally, the District maintains a leased Express Library at First & Main Town Center.

The District's Administrative divisions include the Executive Director's Office, the Finance and Business Office, the Administrative Services Office (human resources, circulation, shelving, collection management, facilities and security operations), the Information Technology and Virtual Services Office, and the Community Engagement and Outreach Office (public relations, video production, and design/print operations).

The District's Board of Trustees consists of seven members. A joint committee comprised of the Board of El Paso County Commissioners and the City of Colorado Springs Council appoints the members to five-year terms of office. Appointees serve a maximum of two five-year terms. The Trustees convene at regular meetings and at special meetings when necessary to conduct the business of the District. While prohibited by law from receiving compensation, Trustees are reimbursed for necessary travel, training, and miscellaneous expenses.

The Board of Trustees is required to adopt a final budget by no later than December 15<sup>th</sup> of each fiscal year. The annual budget serves as a foundation of the Pikes Peak Library District's financial planning and control. The budget is prepared by fund and by department. Managers and supervisors may transfer funds within the same expenditure category. Transfers between expenditure categories require special approval by the Board of Trustees.

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

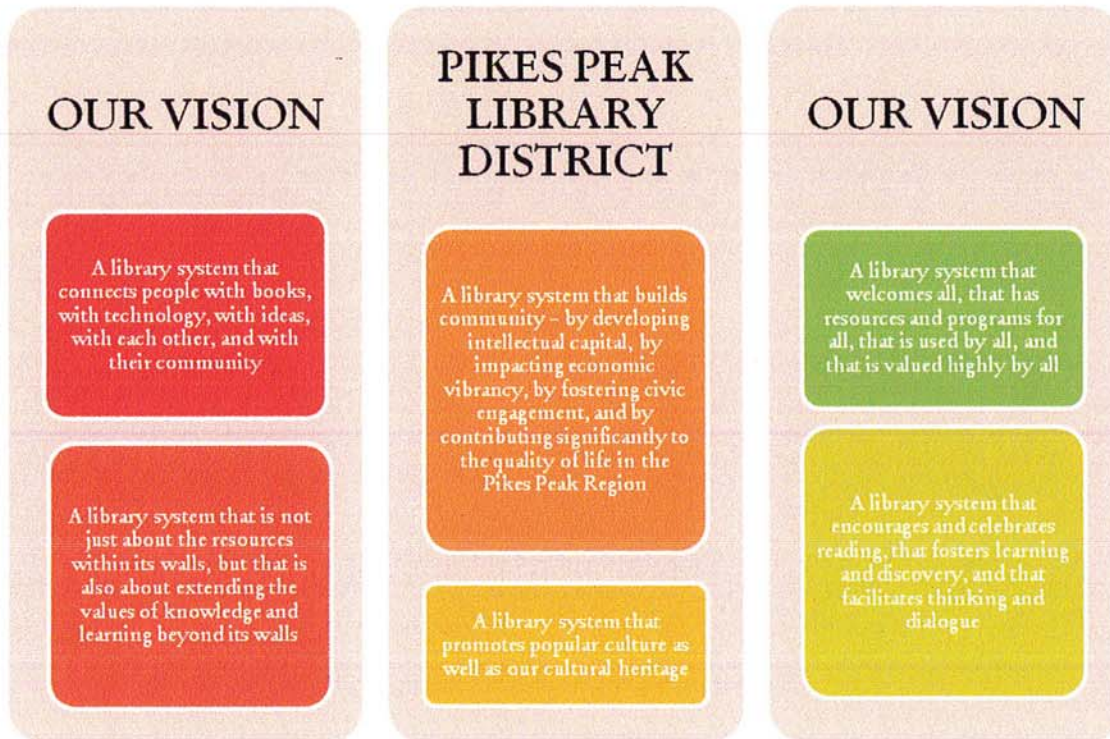
PPLD is a nationally recognized system of public libraries serving a population of more than 575,000 in El Paso County, Colorado. PPLD's thirteen facilities, online resources, and mobile library service make it a vital force for individual and community transformation. PPLD has an employee base of 446 full and part-time staff, and utilizes roughly 1,500 volunteers. It strives to reach all members of the community, providing free and equitable access to information and an avenue for personal and community enrichment. PPLD is recognized for its commitment to diversity and community collaboration, its quality programming, and its excellent customer service.

Pikes Peak Library District is the second largest library district in the State of Colorado and regularly places in the top tier of national library rankings. The District serves a 2,000 square mile service area in El Paso County, including all unincorporated areas and cities of Colorado Springs, Fountain, Monument, Palmer Lake, and Calhan.

## OUR MISSION



**Providing resources and opportunities  
that change individual lives and build community.**



## OUR VISION



The history of public libraries in the region began in October 1885 when the Colorado Springs Social Union established a library on the corner of Tejon and Cucharras Streets in downtown Colorado Springs. In 1905, a new library opened at 21 West Kiowa Street with funds donated by Andrew Carnegie and land granted by General William Jackson Palmer.

In 1962, a majority of the citizens of El Paso County voted to establish a special taxing district and The District was formed. The District serves all of El Paso County except Security/Widefield School District #3 and the Town of Manitou Springs. Library policy is set by a Board of Trustees: seven citizens appointed jointly by the Colorado Springs City Council and Board of El Paso County Commissioners for a maximum of two five-year terms.

### *MAJOR INITIATIVES*

Numerous milestones were commemorated in 2011, from anniversaries to service launches. The Ruth Holley Library celebrated 25 years of service in the community and Cheyenne Mountain Library reached 35 years. PPLD opened its first Library Express, an unstaffed service center with vending machines for materials and catalog access. The Library Express, at First & Main Town Center, is a beta project for this new service model. The District also began checking out eReaders in a campaign to help traditional readers transition to new technologies and changing service delivery.

Awards were also numerous. Among the recognized: Special Collections Manager Tim Blevins received the Filby Award for Genealogical Librarianship; ILL Specialist Kirk Farber won a Colorado Book Award for his debut novel; Video Producers Dave Franklyn and Jamey Hastings won Telly Awards for their work; Chief Finance Officer Michael Varnet, CPA received the Unsung Hero Award from Colorado Association of Libraries; Associate Director Sydne Dean received the Career Achievement Award from Colorado Association of Libraries; Mobile Library Manager Jan Meadows (retired) received the John Philip Award for Leadership from the Association for Bookmobiles and Outreach Services; and PPLD was honored with the Award for Diversity and Inclusion by the Colorado Springs Diversity Forum. In addition, PPLD earned the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the 21st consecutive year.

PPLD's focus on efficiency and sustainable funding paid off with the acquisition of a new facility in north central El Paso County in January 2012. The 112,883 square foot building, which effectively increases the District's space almost 50 percent, was purchased as part of an in-depth look at community needs and real estate opportunities. Planned public and internal spaces include expansion of the Briargate Library, development of a Creative Computer Commons, relocation of administrative services, and redeployment of collection development.

Additional highlights from 2011 include participation in a federal Broadband Technology Opportunity Program grant that supported the build out of computer service at Cheyenne Mountain, Sand Creek, and Penrose Libraries. Funds were also secured for the development of employment classes and resources. The Endowment for the Asian-Pacific American Historical Cultural Fund was established to ensure that Asian-Pacific Americans are richly represented in the Library's collections and programs.

A study of the District's materials processing delivery system – from acquisition to first use – is planned for 2012. A Tech Services workgroup and the materials handling hot team will direct the project, which will be conducted by a consultant. The report will include strategic performance objectives, a process flowchart and timeline analysis, performance gap analysis, recommendations and concept designs, and a cost benefit analysis.

New initiatives included: Cinema Spotlight, a film project that gives Colorado Film makers an opportunity to show and talk about their work; Career Compass, an online toolkit connecting job seekers and others with resources and opportunities; Frozen to Death on Pikes Peak, a film promoting use of library resources and historical records; Latina Voices, a community based program honoring the contributions of Latinas in our community; LitSource Adult Literacy and ESL participation in the GIVE! Campaign raising funds and friends in the community.

Energy Performance Guarantee Contracts for its East Library, Penrose Library and the office building located adjacent to the Penrose Library will be completed by midyear 2012. The District will realize guaranteed savings from the upgrades to systems and facilities.

### *LOCAL ECONOMY*

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

#### **Population**

As of December 31, 2011, the population of El Paso County was estimated at 634,886 (the District's legal service area comprises 575,789 of this total). Colorado Springs, the largest municipality within El Paso County (the County), is the 41st largest city in the nation. The County's population has increased by about 105,000 since 2000, with about half of the increase due to in-migration and the balance due to natural growth.

#### **Age**

The projected median age for El Paso County is 34 at the end of 2011. The following are estimates of the population for El Paso County by certain age categories:

Under 15	135,756	21.4%
15-24	98,380	15.5%
25-44	171,462	27.0%
45-64	163,751	25.8%
65+	65,537	10.3%
 Total	 634,886	

## Industries

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

Government, including military	19.7%
Professional and business	15.7%
Wholesale and retail trade	13.6%
Leisure and hospitality	12.4%
Education, health care	12.3%
Financial	6.3%
Manufacturing	5.0%
All other	15.0%

## Wage/Salary

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

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

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

<u>Occupation</u>	<u>Annual Wages</u>
Accountants and Auditors	\$ 60,680
Bank Tellers	27,100
Bookkeeping, Accounting, and Auditing Clerks	33,520
Carpenters	38,760
Civil Engineers	73,940
Computer Programmers	82,140
Correctional Officers	41,780
Dental Hygienists	66,560
Electrical Engineers	83,670
Elementary School Teachers	45,790
Executive Secretaries	45,960
Financial Analysts	81,350
Graphic Designers	43,410
Order Clerks	31,570
Payroll Clerks	36,060
Physicians and Surgeons	187,710
Property Managers	59,100
Social Workers	54,690
Systems Analysts	86,080



### Consumer Spending

Retail sales for 2011 were about 1.1% higher than 2010. Population and per capita income drive consumer spending. Both are expected to increase in the future.

### Cost of Living

Colorado Springs' cost of living index for 2011 was 92.5, which is slightly lower than the nation as a whole. The following chart compares the cost of living index for Colorado Springs to other cities:

Los Angeles, CA	132.8
Seattle, WA	117.1
Portland, OR	113.6
Denver, CO	105.0
Las Vegas, NV	100.1
National Average	100.0
Phoenix, AZ	96.5
Dallas, TX	96.2
Boise, ID	96.1
Albuquerque, NM	94.6
Salt Lake City, UT	94.6
Colorado Springs, CO	92.5

### Housing

Colorado Springs currently has a supply of reasonably affordable housing, which is important because much of the country is having a difficult time providing this necessity. Colorado Springs' median household income is currently above the levels needed to meet the average cost of housing.

The following chart compares the average price of a new 2,400 sq. ft. home in Colorado Springs to other cities at the end of 2011:

Los Angeles, CA	\$ 540,850
Portland, OR	356,341
Seattle, WA	342,917
Denver, CO	339,420
National Average	286,731
Salt Lake City, UT	273,368
Las Vegas, NV	261,021
Colorado Springs, CO	247,964
Phoenix, AZ	241,396
Boise, ID	238,006
Dallas, TX	207,192

At the end of 2011, apartment rental rates are equally reasonable when compared to approximately 950 square foot apartments with 2 bedrooms and 1.5 or 2 full baths in other cities:

	<u>Per Month</u>
Los Angeles, CA	\$ 1,863
Seattle, WA	1,473
Portland, OR	1,289
Phoenix, AZ	889
Denver, CO	853
National Average	840
Colorado Springs, CO	808
Salt Lake City, UT	789
Las Vegas, NV	766
Dallas, TX	738
Boise, ID	703

### Tourism

Tourism remains one of the main draws to the Colorado Springs area. More than 4.7 million visitors per year put nearly \$1 billion dollars into the local economy. Top attractions include the world renowned Garden of the Gods followed by the United States Air Force Academy. Most visitors to the Colorado Springs area come from Colorado followed by Texas and California.

### Roads

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

### Airport

Air travel is easy from Colorado Springs with two airports from which to choose in close proximity. The Colorado Springs airport features 16 gates and a 13,500-foot runway, which allows modern aircraft to reach any city in North America. The airport is capable of handling all jet aircraft including wide body planes. Denver International Airport is just 75 miles to the north (about 1 hour and 30 minutes by car on Interstate 25 and E-470).

### Legislation

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

**Education**

El Paso County has seventeen school districts, as well as private elementary/high schools, charter schools, and the state-sponsored Colorado School for the Deaf and the Blind. The 79.8% high school graduation rates in El Paso County are higher than those for Colorado, but are still below the Colorado Department of Education’s target of 90%.

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

	<b><u>Total Enrollment</u></b>
Pikes Peak Community College	13,572
University of Colorado at Colorado Springs	9,348
United States Air Force Academy	4,619

**National Rankings**

- Colorado Springs ranked 17th Most Secure Place to Live by Farmers Insurance Group’s 8th annual study.
- Colorado Springs ranked 2nd in the nation for military veterans and their families to call home by Livability.com.
- Colorado Springs ranked 5th Great City for Young Adults by Kiplinger.
- Colorado Springs ranked 9th for recovery in the economic downturn according to The Brookings Institute.
- Colorado Springs ranked 11th Best Drivers Report by Allstate.
- Colorado Springs ranked 4th Best Value City by Kiplinger’s Personal Finance.
- Colorado Springs ranked 15th Best City for Families according to Parenting.com.
- Colorado Springs ranked 6th best metropolitan area in America for getting the most “bang for your buck” by U.S. News.
- Colorado Springs ranked 7th in the nation for cities poised for an “early turnaround” in the housing market according to a study released by Realtor.com.
- Colorado Springs ranked 18th greenest city by The Daily Beast.

*OTHER ITEMS*

**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 government accounting regulations, and good business practice. The objectives of these policies and procedures are commensurate with our District-wide goals to effectively manage the current assets and resources of the District.

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

The Executive Director has the authority to negotiate and sign regular operational contracts, and to approve expenditures up to \$50,000. The Chief Finance Officer can authorize purchase orders under \$5,000. Purchases in excess of \$50,000 are submitted to the Board of Trustees for approval. These, and other stipulations, are included in an extensive Financial Guidelines Policy, which was approved by the Board of Trustees.

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

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

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

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

#### *AWARDS and ACKNOWLEDGMENTS*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pikes Peak Library District for its Comprehensive Annual Financial Report for the year ended December 31, 2010. This was the twentieth consecutive year that the District has received this prestigious award.

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

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

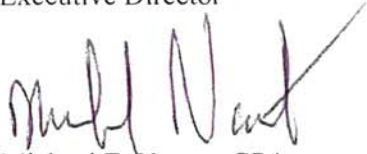
Finally, we would like to offer special thanks to the following individuals who are employed by the District's Finance Office, and whose efforts and contributions made the preparation of the 2011 CAFR a success:

Dana Austin  
Leslie Campbell  
Carol Holt  
Dawn Ouradnik  
Laurie Sullivan  
Arnie Wehofer  
Tatiana Zonte  
Merry Zumwalt

Respectfully submitted,



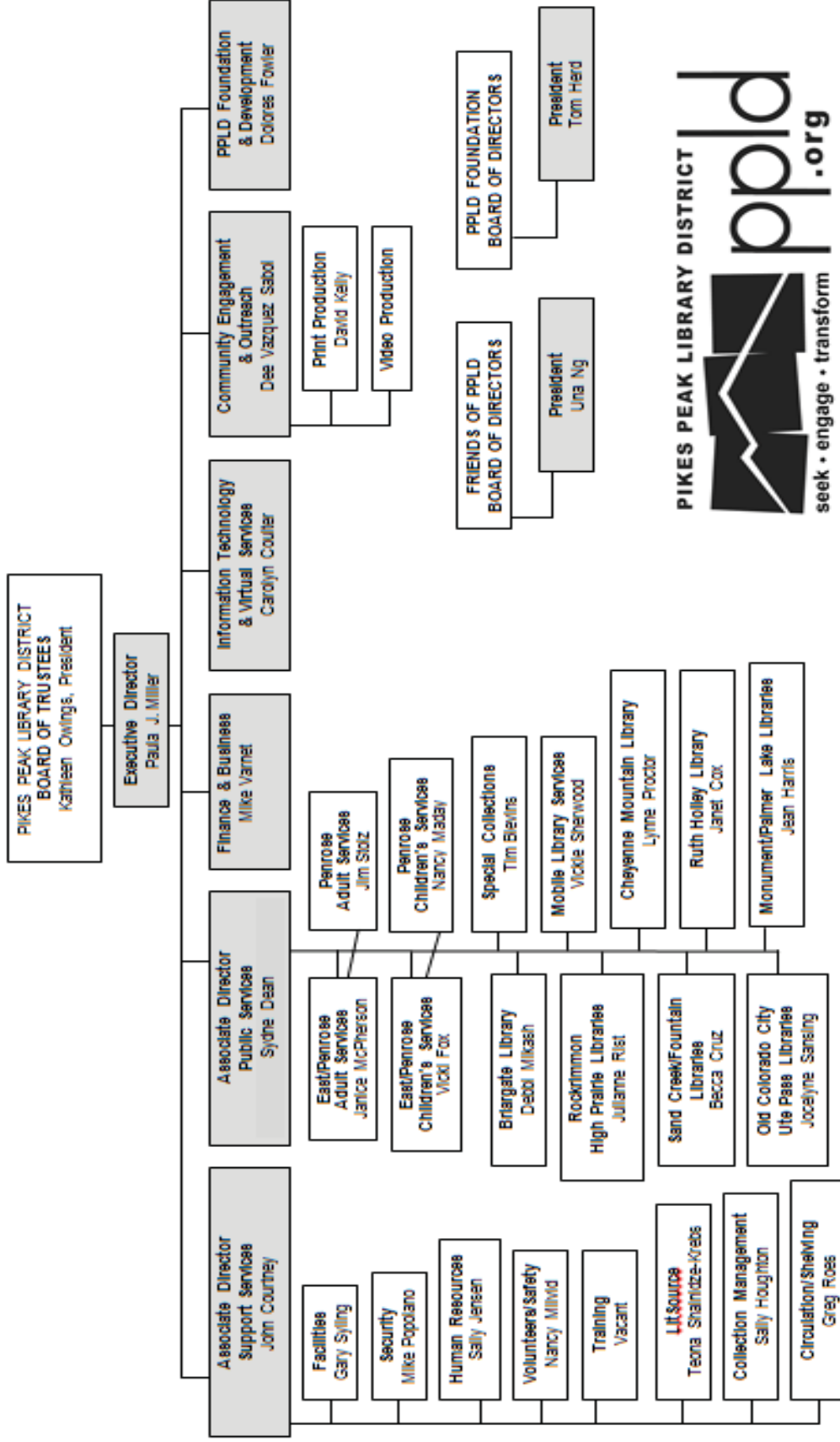
Paula J. Miller  
Executive Director



Michael E. Varnet, CPA  
Chief Finance and Business Officer

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# 2012 PPLD Organizational Chart



**Executive Director's Leadership Team  
December 31, 2011**

Paula J. Miller ..... Executive Director  
Sydne Dean ..... Associate Director, Public Services  
John Courtney ..... Associate Director, Support Services  
Carolyn Coulter..... Information Technology and Virtual Services Officer  
Dolores Fowler..... Development and Foundation Officer  
Dee Vazquez Sabol ..... Community Engagement and Outreach Officer  
Michael E. Varnet, CPA ..... Chief Finance and Business Officer  
Sue Hammond..... Executive Staff Assistant



# Pikes Peak Library District

## List of Managers

As of December 31, 2011

<u>Manager's Name</u>	<u>Job Title</u>
Blakely, Evelyn	Old Colorado City Supervisor
Blevins, Tim	Special Collections Manager
Nelson, Jim	Penrose Facilities Supervisor
Campbell, Becky	High Prairie Librarian/Supervisor
Cox, Janet	Ruth Holley Library Manager
Cruz, Becca	Fountain Library Manager
Cruz, Becca	Sand Creek Library Manager
Daily, Dennis	Special Collections Assistant Manager
Vacant	Children's Services Manager
Fuqua-Jones, Linda	Palmer Lake Supervisor
Garcia, Dave	East Library Facilities Supervisor
Garcia, Lisa	Sand Creek Supervisor
Robert, Marion	Shelving Supervisor
Gonzales, Esther	Penrose Circulation/Shelving Supervisor
Grimes, Malinda	Employment & Recruitment Specialist
Haase, Pat	Collection Management Materials Specialist
Harris, Jean	Monument/Palmer Lake Library Manager
Houghton, Sally	Collection Management Manager
Ibrahim, Angela	Training Coordinator
Jensen, Sally	Benefits/Compensation Specialist
Kelly, Dave	Print Shop Coordinator
Vacant	Ute Pass Supervisor
Krow, Cele	Cheyenne Mountain Supervisor
Kyer, Kathy	Circulation Lead Worker
Maday, Nancy	Penrose Children's Services Manager
McPherson, Janice	Adult Services Manager
Sherwood, Vickie	Mobile Library Services Coordinator
Mikash, Debbi	Briargate Library Manager
Milvid, Nancy	Volunteer/Library Card Program Coordinator
Popolano, Michael	Security Specialist
Ballard, Marie	Ruth Holley Supervisor
Preller, Kathryn	Fountain Supervisor
Proctor, Lynne	Cheyenne Mountain Library Manager
Rist, Julianne	Rockrimmon and High Prairie Library Manager
Roes, Greg	Circulation Manager
Sansing, Jocelyne	Old Colorado City/Ute Pass Library Manager
Shainidze-Krebs, Teona	Literacy Coordinator
Stolz, Jim	Penrose Adult Services Manager
Syling, Gary	Facilities Manager

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pikes Peak Library District  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Sandison*

President

*Jeffrey R. Emer*

Executive Director

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## Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Trustees  
Pikes Peak Library District  
Colorado Springs, Colorado

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pikes Peak Library District (the District) as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pikes Peak Library District as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Board of Trustees  
Pikes Peak Library District

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not 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 2011 supplementary information has been subjected to the auditing procedures applied in the audit of the 2011 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 supplementary information is fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2011, as a whole. We also have previously audited in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements as of and for the year ended December 31, 2010, which are not presented with the accompanying financial statements. In our report dated July 26, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. In our opinion, the 2010 comparative combining and individual fund financial statements and schedules supplementary information is fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2010, taken as a whole.

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*BKD, LLP*

June 27, 2012

# Pikes Peak Library District

## Management's Discussion and Analysis (Unaudited)

### December 31, 2011

As management of the Pikes Peak Library District, we offer readers of the Pikes Peak Library District financial statements this narrative overview and analysis of the financial activities of the Pikes Peak Library District (the District or PPLD) for the year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 11 through 21 of this report.

#### **Financial Highlights**

- The District's assets exceed its liabilities by \$44,417,735 (net assets) as of December 31, 2011.
- Total net assets are comprised of the following:
  - (1) Invested in capital assets, net of related debt of \$32,872,879 includes property and equipment, net of accumulated depreciation, less a capital lease with an outstanding balance of \$65,401, and less accounts payable incurred for capital projects as of December 31, 2011.
  - (2) Net assets of \$858,203 are restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net assets of \$10,686,653 represent 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 \$6,037,042 this year. This compares to the prior year ending fund balance of \$8,355,418 showing a decrease of \$2,318,376 during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$2,681,795 or 16.75% of total General Fund expenditures including transfers for the year ended December 31, 2011.
- Overall, the District continues to maintain a moderately strong financial position, in spite of a weakened local and national economy.

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

#### **Overview of the Financial Statements**

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

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

**Government-wide Financial Statements**

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

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets 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 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 assets changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

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

The government-wide financial statements also include the financial statements of Pikes Peak Library District Foundation, Inc., a legally separate entity. Financial information for this component unit is reported separately from the financial information presented for the District (primary government) in accordance with GASB 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*.

The government-wide financial statements are presented on pages 43 through 48 of this report.

**Fund Financial Statements**

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



**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

The District has the following fund types:

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

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

The basic governmental fund financial statements are presented on pages 49 through 52 of this report.

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

The basic Internal Service fund financial statements are presented on pages 53 through 55 of this report.

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

The basic fiduciary fund financial statement can be found on page 56 of this report.

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 57 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's detailed budget presentations for its general fund. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. The required supplementary information can be found on pages 83 through 87.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

As discussed, the District reports two major funds and several nonmajor funds in the basic financial statements. The individual governmental fund comparative statements are presented in a subsequent section of this report beginning on page 88.

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

The District's net assets at calendar year-end are \$44,417,735. The following table provides a summary of the District's net assets as of December 31, 2011 and 2010:

	Summary of Net Assets			
	2011		2010	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
<b>Assets</b>				
Current and other assets	\$ 38,360,121	54%	\$ 35,726,177	52%
Capital assets	33,056,668	46%	33,004,545	48%
Total assets	71,416,789	100%	68,730,722	100%
<b>Liabilities</b>				
Current liabilities	25,888,116	96%	25,032,625	96%
Noncurrent liabilities	1,110,938	4%	1,150,767	4%
Total liabilities	26,999,054	100%	26,183,392	100%
<b>Net Assets</b>				
Invested in capital assets, net of related debt	32,872,879	74%	32,881,474	77%
Restricted	858,203	2%	771,319	2%
Unrestricted	10,686,653	24%	8,894,537	21%
Total net assets	\$ 44,417,735	100%	\$ 42,547,330	100%

The District continues to maintain a moderately high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. However, to make this ratio meaningful, we have eliminated the property taxes receivable and the unearned revenue for an identical amount for governmental activities. After this elimination, governmental activities' current assets are \$14,705,743 and current liabilities are \$2,233,738. As a result, the current ratio for the District overall is 6.6 to 1. The current ratio as of December 31, 2010 was 5.8 to 1. This ratio is strong.

The District reported positive balances in net assets. Net assets increased \$1,870,405 for governmental activities. The increase in net assets indicates the District's overall financial position improved during 2011.

Approximately 74% of the District's net assets is comprised of capital assets as of December 31, 2011. The District uses these capital assets to provide services to its citizens.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

The following table provides a summary of the District's changes in governmental activities' net assets for the years ended December 31, 2011 and 2010:

	Summary of Changes in Net Assets			
	2011		2010	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues				
Program				
Charges for services, sales and fines	\$ 521,577	2%	\$ 526,805	2%
Operating grants/donations	181,675	1%	163,885	1%
Capital grants/donations	249,275	1%	1,136,247	4%
General				
Taxes	24,796,451	95%	24,272,079	92%
Other	242,981	1%	200,280	1%
Total revenues	<u>25,991,959</u>	<u>100%</u>	<u>26,299,296</u>	<u>100%</u>
Program expenses				
Public services	7,704,551	32%	8,132,184	33%
Administrative services	11,256,992	47%	10,916,543	45%
Director's Office	366,455	2%	339,211	1%
Finance Office	404,789	2%	451,191	2%
Information Technology Office	1,634,549	7%	1,472,077	6%
Community Relations Office	676,199	3%	731,409	3%
Other administration	2,073,758	9%	2,235,421	9%
Interest expense	4,261	0%	6,085	0%
Total expenses	<u>24,121,554</u>	<u>100%</u>	<u>24,284,121</u>	<u>100%</u>
Change in net assets	1,870,405		2,015,175	
Beginning net assets	<u>42,547,330</u>		<u>40,532,155</u>	
Ending net assets	<u>\$ 44,417,735</u>		<u>\$ 42,547,330</u>	

**Governmental Revenues**

The District is heavily reliant on taxes to support governmental activities. Taxes provided 95% of the District's total revenues. Also, note that program revenues generated only 4% of governmental activities' revenues for the year ended December 31, 2011. This means that the government's taxpayers and the District's other general revenues fund 96% of the governmental activities. As a result, the general economy and the changes in both residential and commercial property values have a major impact on the District's revenue streams.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

**Governmental Function Expenses**

Public services comprise 32% of the District's total governmental expenses. Approximately 68% of the District's expenses provide supporting services to the public service function. Approximately \$898,000 of depreciation expense on the District's buildings is included in total expenses and total depreciation expense was approximately \$5.4 million.

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

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, 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 \$13,057,398.

Fund balances as of December 31, 2011 and 2010 include:

	<u>2011</u>	<u>2010 *</u>
Amount to be set aside for emergency reserve pursuant to the TABOR amendment	\$ -	\$ 765,671
Encumbrances	-	1,087,136
Debt service	-	5,648
Prepaid items	-	329,278
Unreserved - designated	-	4,810,136
Unreserved - undesignated	-	4,159,619
Nonspendable	302,673	-
Restricted	858,203	-
Committed	6,930,814	-
Assigned	2,283,913	-
Unassigned	2,681,795	-
	<u>\$ 13,057,398</u>	<u>\$ 11,157,488</u>

\*Net assets presentation as of January 1, 2011 has been changed due to the implementation of a new accounting standard; however, 2010 numbers have not been adjusted as it is not practical to do so. There was no impact on beginning fund balance or change on fund balance as a result of this implementation.

Major Governmental Funds

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$2,318,376 during 2011. The total fund balance in the General Fund as of December 31, 2011 is \$6,037,042. The total fund balance as of December 31, 2010 was \$8,355,418.

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

The fund balance of the General Fund is broken down as follows as of December 31, 2011 and 2010:

	2011	2010 *
Reserved fund balance	\$ -	\$ 1,684,352
Unreserved designated fund balance	-	2,511,447
Unreserved undesignated fund balance	-	4,159,619
Nonspendable	302,673	-
Restricted	768,933	-
Assigned	2,283,641	-
Unassigned	2,681,795	-
	\$ 6,037,042	\$ 8,355,418

\*Net assets presentation as of January 1, 2011 has been changed due to the implementation of a new accounting standard; however, 2010 numbers have not been adjusted as it is not practical to do so. There was no impact on beginning fund balance or change on fund balance as a result of this implementation.

The primary reason for the decrease in fund balance as a whole was the transfer of \$4,050,000 from the General Fund to the North Facility Project Fund (a major governmental fund) for the purchase of and renovation of a facility in the north proximity of Colorado Springs Colorado. The purchase occurred in January 2012.

Nonmajor Governmental Funds

Nonmajor governmental funds include one Special Revenue Fund, a Debt Service Fund, and seven Capital Projects Funds.

Special Revenue Fund – Total fund balance as of December 31, 2011 is \$582,580. This amount is \$271,399 higher than the fund balance as of December 31, 2010.

Debt Service Fund – The debt service fund was closed in 2011 because there was no activity.

Capital Projects Funds – As of December 31, 2011, fund balance for specific funds equals the following and represent ongoing projects; funds not listed have zero balances and were closed as projects were completed:

East Library Renovation Fund	\$ 799,707
Penrose Library Renovation Fund	207,521
Monument Facility Project Fund	300,000
Capital Reserve Fund	159,621

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

For 2011, capital outlay for those specific funds equaled the following:

Bookmobile Purchase and Falcon Project Fund	\$ 2,173
East Library Renovation Fund	692,727
Penrose Library Renovation Fund	367,366
Capital Reserve Fund	585,962

**Budgetary Highlights**

General Fund

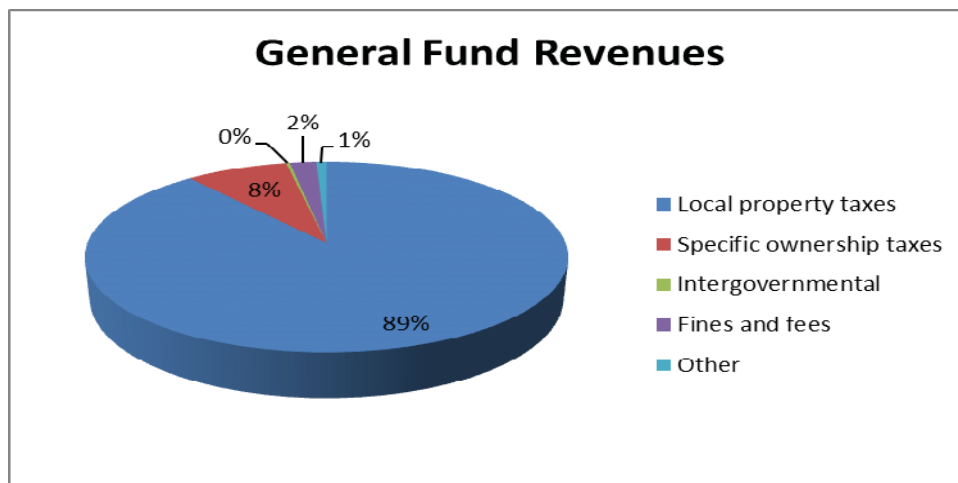
The original budget (expenditures and transfers out) was amended by \$5,985,018 principally to utilize prior year fund balances that were primarily either reserved for encumbrances or designated for specific capital projects and the unspent library material budget from fiscal year 2010. Such reserves and designations of fund balance were not included in the original 2011 budget.

In addition, the District established a capital projects fund to account for all financial activity related to significant capital purchases not otherwise accounted for under a specific capital projects fund. The District had previously set up line items in its capital outlay accounts for such activity. Given the magnitude of this activity and because financial resources are being accumulated over several years, the District concluded that the financial activities for such purchases should be accounted for as Capital Projects Fund.

General Fund Revenues

Total General Fund actual revenues for fiscal year 2011 are \$25,541,098. This amount was less than the 2011 budget, as amended, by (\$101,085), which is less than 1% of the total revenue budget.

The following chart depicts General Fund revenue for 2011 by category:

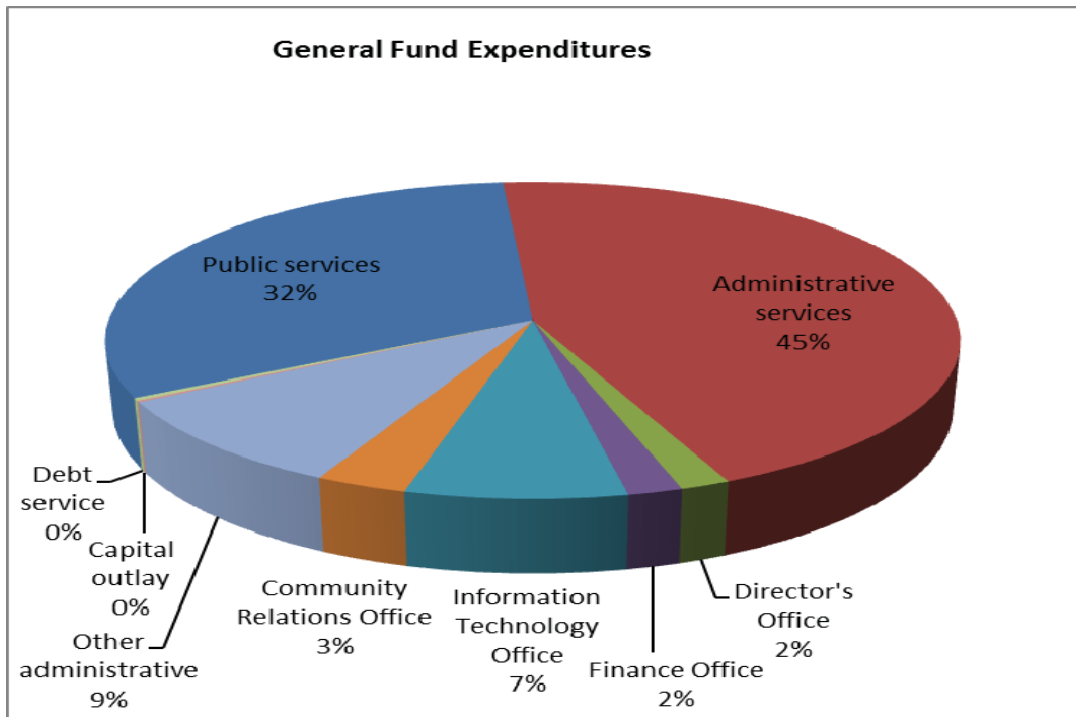


**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

General Fund Expenditures

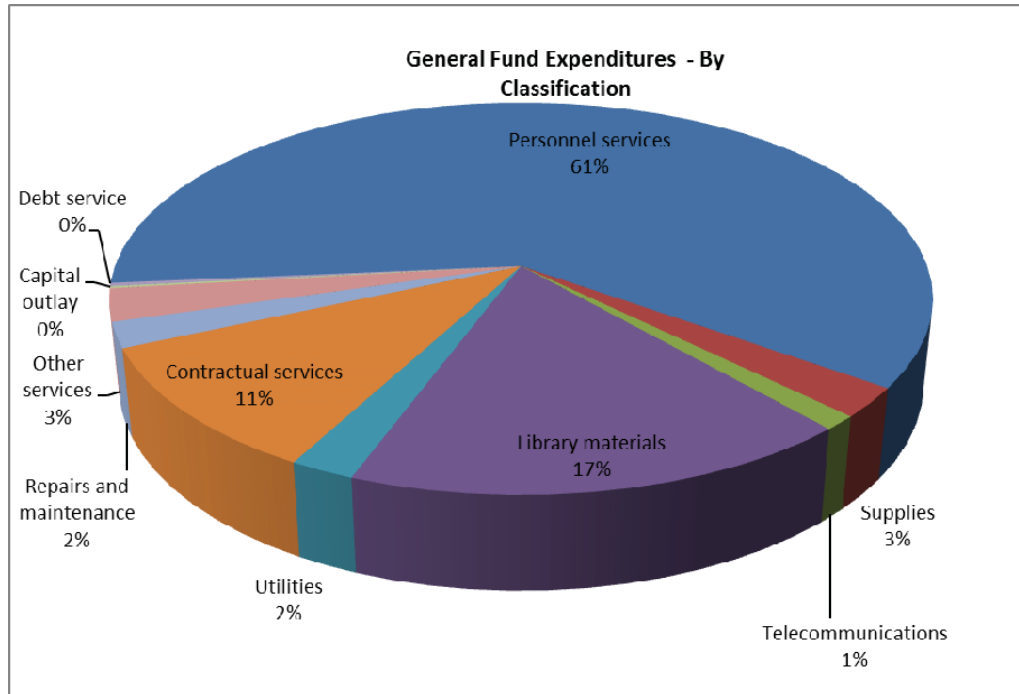
Total General Fund actual expenditures for fiscal year 2011 are \$21,972,312. This amount was less than the 2011 budget, as amended, by \$3,655,230, which is approximately 14% of the total budget.

The following chart depicts 2011 General Fund expenditures by function:



**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

The following chart depicts 2011 General Fund expenditures by classification:



The following is a summary of the departments or accounts that significantly contributed to the difference between the 2011 budget and actual expenditures:

Public Services – For 2011, this function was under budget by \$433,844. The primary cause is due to staff positions that were vacant at some point throughout 2011. The budget includes all authorized positions budgeted at the amount for full employment during the entire year. During the year, there are periods of time when positions are vacant, and it is during this time when savings are realized.

Administrative Services – For 2011, this function was under budget by \$2,146,620. The primary reason for this amount is the library material budget was under budget by approximately \$1.5 million.

Information Technology – For 2011, this function was under budget by \$259,227. In short, anticipated expenditures related to telecommunications expansion, computer related contractual services and systems maintenance were not as high as expected for 2011.

Other Administrative – For 2011, the accounts included in this category were under budget by \$352,058. The primary reason for this is the District budgets for possible payouts of accrued leave should there be turnover in staff. The total turnover resulting in payouts was not as high as estimated.



**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

Capital Outlay – Any unspent capital outlay funds during the year are carried forward to the subsequent year as part of the mid-year budget adjustment. The total amount spent less than the 2011 budget is \$367,407. Certain capital projects have either started late during 2011 or they were deferred to a subsequent year.

**Capital Assets**

The District's capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2011 was \$33,056,668. See note III-D on page 76 for additional information about changes in capital assets during the calendar year and balances at the end of the year.

The following table provides a summary of capital assets as of December 31, 2011 and 2010:

	<b>Capital Assets</b>			
	<b>2011</b>		<b>2010</b>	
	<b>Governmental Activities</b>	<b>Percentage of Total</b>	<b>Governmental Activities</b>	<b>Percentage of Total</b>
Nondepreciable assets				
Land	\$ 4,331,987	6%	\$ 4,331,987	6%
Construction-in-progress	99,257	0%	-	0%
Collections of historical treasures	9,275,615	12%	9,115,453	12%
Total nondepreciable	<u>13,706,859</u>		<u>13,447,440</u>	
Depreciable assets				
Leasehold improvements	1,221,221	2%	1,211,368	2%
Buildings	30,355,917	39%	29,433,156	39%
Equipment, furniture and fixtures	6,056,131	8%	5,880,575	8%
Bookmobiles and vans	801,494	1%	764,781	1%
Books and materials	25,667,449	33%	25,050,585	33%
Total depreciable assets	<u>64,102,212</u>	<u>100%</u>	<u>62,340,465</u>	<u>100%</u>
Less accumulated depreciation	<u>(44,752,403)</u>		<u>(42,783,360)</u>	
Book value - depreciable assets	<u>19,349,809</u>		<u>19,557,105</u>	
Percentage depreciated	<u>70%</u>		<u>69%</u>	
Book value - all capital assets	<u>\$ 33,056,668</u>		<u>\$ 33,004,545</u>	

**Pikes Peak Library District**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2011**

At December 31, 2011, the depreciable capital assets for governmental activities were 70% depreciated. This compares consistently to the December 31, 2010 percentage of 69%.

North Facility Project Fund

The purpose of the North Facility Project Fund is to account for all financial activity related to the purchase and renovation of a facility in Northern Colorado Springs. The purchase of the facility was completed in January 2012. The purchase price was \$3.75 million. During 2011, a total of \$5,049,927 was transferred into this fund, primarily from the general fund. Additionally, during 2011, a total of \$79,000 was spent as a deposit which allowed the District to complete its due diligence work on the facility.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following factors have been considered when the 2012 budget was prepared:

1. The unemployment rate for El Paso County, Colorado was 8.9%, which is a decrease from a rate of 10.5% a year ago.
2. Inflationary trends in the region and the cost of living indexes in the region compare favorably to national indices.

At December 31, 2011, unassigned fund balance in the General Fund totaled \$2,681,795. The District has not appropriated any of this balance for spending in the 2012 fiscal year budget.

For the fiscal year 2012 budget, the total mill levy is 3.999 mills. The mill levy for fiscal year 2011 was 3.556 mills. The gross assessed valuation for all taxable property within the District's legal service area is \$5,968,035,500 and \$6,462,164,700 for 2012 and 2011, respectively.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This Financial Report is designed to provide a general overview of the District's finances, compliance with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report, or would like to request additional information, contact the District's Financial Office at 5550 N. Union Blvd., Colorado Springs, Colorado 80918.

**Pikes Peak Library District**  
**Statement of Net Assets**  
**December 31, 2011**

	<u>Primary Government Governmental Activities</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and investments	\$ 14,153,361
Property taxes receivable	23,654,378
Other receivables	25,638
Due from discretely presented component units	35,500
Due from other governments	151,904
Prepaid items	339,340
Total current assets	38,360,121
<b>Noncurrent Assets</b>	
Capital assets	
Nondepreciable property	13,706,859
Depreciable building, property and equipment, net	19,349,809
Total noncurrent assets	33,056,668
Total assets	71,416,789
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	839,047
Due to discretely presented component units	53,426
Accrued compensation payable	1,281,006
Capital lease	60,259
Unearned revenue	23,654,378
Total current liabilities	25,888,116
<b>Noncurrent Liabilities</b>	
Noncurrent portion of long-term obligations	
Capital lease	5,142
Accrued compensated absences	1,105,796
Total noncurrent liabilities	1,110,938
Total liabilities	26,999,054
<b>Net Assets</b>	
Invested in capital assets, net of related debt	32,872,879
Restricted for	
Declared emergencies	765,813
Debt service	3,120
Gifts and grants	89,270
	858,203
Unrestricted	10,686,653
Total net assets	\$ 44,417,735

**Pikes Peak Library District Foundation, Inc.**  
**Statement of Financial Position**  
**December 31, 2011**

**Assets**

Cash and cash equivalents	\$	151,087
Contributions receivable, net		33,203
Accounts receivable, related party		53,426
Investments		<u>1,128,773</u>
Total assets	\$	<u><u>1,366,489</u></u>

**Liabilities**

Accounts payable	\$	211
Accounts payable, related party		<u>35,500</u>
Total liabilities		<u>35,711</u>

Net assets

Unrestricted		496,476
Temporarily restricted		810,102
Permanently restricted		<u>24,200</u>
Total net assets		<u>1,330,778</u>
Total liabilities and net assets	\$	<u><u>1,366,489</u></u>

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**Pikes Peak Library District**  
**Statement of Activities**  
**Year Ended December 31, 2011**

Functions/Programs	Expenses	Charges for Services, Sales and Fines
<b>Primary Government</b>		
Governmental activities		
Public Services	\$ 7,704,551	\$ 521,577
Administrative Services	11,256,992	-
Director's Office	366,455	-
Finance Office	404,789	-
Information Technology Office	1,634,549	-
Community Relations Office	676,199	-
Other administration	2,073,758	-
Interest expense	4,261	-
	<u>\$ 24,121,554</u>	<u>\$ 521,577</u>
General revenues		
Property taxes levied for library purposes		
Specific ownership taxes		
Investment earnings		
Miscellaneous		
Total general revenues		
Change in net assets		
Net assets, January 1,		
Net assets, December 31		

<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
\$ 181,675	\$ 168,993	\$ (6,832,306)
-	80,282	(11,176,710)
-	-	(366,455)
-	-	(404,789)
-	-	(1,634,549)
-	-	(676,199)
-	-	(2,073,758)
-	-	(4,261)
<u>\$ 181,675</u>	<u>\$ 249,275</u>	<u>(23,169,027)</u>
		22,783,130
		2,013,321
		15,988
		<u>226,993</u>
		<u>25,039,432</u>
		1,870,405
		<u>42,547,330</u>
		<u>\$ 44,417,735</u>

# Pikes Peak Library District Foundation, Inc.

## Statement of Activities Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support				
Contributions	\$ 197,189	\$ 1,346,109	\$ 6,372	\$ 1,549,670
Investment return	(7,530)	7,037	209	(284)
Net assets released from restrictions	1,331,781	(1,331,781)	-	-
Total revenues, gains and other support	<u>1,521,440</u>	<u>21,365</u>	<u>6,581</u>	<u>1,549,386</u>
Expenses				
Program services				
Support for PPLD	1,334,833	-	-	1,334,833
Total program services	<u>1,334,833</u>	<u>-</u>	<u>-</u>	<u>1,334,833</u>
Support services				
General and administrative	10,970	-	-	10,970
Fundraising	98,730	-	-	98,730
Total support services	<u>109,700</u>	<u>-</u>	<u>-</u>	<u>109,700</u>
Total expenses	<u>1,444,533</u>	<u>-</u>	<u>-</u>	<u>1,444,533</u>
Change in net assets	76,907	21,365	6,581	104,853
Net assets, beginning of year	<u>419,569</u>	<u>788,737</u>	<u>17,619</u>	<u>1,225,925</u>
Net assets, end of year	<u>\$ 496,476</u>	<u>\$ 810,102</u>	<u>\$ 24,200</u>	<u>\$ 1,330,778</u>



**Pikes Peak Library District**  
**Balance Sheet – Governmental Funds**  
**December 31, 2011**

	General	North Facility Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 13,718,390	\$ -	\$ -	\$ 13,718,390
Property taxes receivable	23,654,378	-	-	23,654,378
Other receivables	116,492	-	21,034	137,526
Due from discretely presented component units	-	-	35,500	35,500
Due from other governments	151,904	-	-	151,904
Due from other funds	40,590	4,970,927	2,170,046	7,181,563
Prepaid items	302,673	-	-	302,673
<b>Total assets</b>	<b>\$ 37,984,427</b>	<b>\$ 4,970,927</b>	<b>\$ 2,226,580</b>	<b>\$ 45,181,934</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 387,255	\$ -	\$ 136,561	\$ 523,816
Due to discretely presented component units	53,426	-	-	53,426
Accrued compensation payable	711,353	-	-	711,353
Deferred revenue	23,654,378	-	-	23,654,378
Due to other funds	7,140,973	-	40,590	7,181,563
<b>Total liabilities</b>	<b>31,947,385</b>	<b>-</b>	<b>177,151</b>	<b>32,124,536</b>
<b>Fund Balances</b>				
Nonspendable				
Prepaid expenditures	302,673	-	-	302,673
Restricted for:				
Declared emergencies	765,813	-	-	765,813
Debt service	3,120	-	-	3,120
Gifts and grants	-	-	89,270	89,270
Committed to:				
Capital projects	-	4,970,927	1,959,887	6,930,814
Assigned to:				
Capital projects	372,339	-	-	372,339
Library materials	1,478,846	-	-	1,478,846
Encumbrances	432,456	-	-	432,456
Gifts and grants	-	-	272	272
Unassigned	2,681,795	-	-	2,681,795
<b>Total fund balances</b>	<b>6,037,042</b>	<b>4,970,927</b>	<b>2,049,429</b>	<b>13,057,398</b>
<b>Total liabilities and fund balances</b>	<b>\$ 37,984,427</b>	<b>\$ 4,970,927</b>	<b>\$ 2,226,580</b>	<b>\$ 45,181,934</b>

**Pikes Peak Library District**  
**Reconciliation of the Balance Sheet of Governmental**  
**Funds to the Statement of Net Assets**  
**December 31, 2011**

Amounts reported for governmental activities in the statement of net assets (page 43) are different because:

Fund balances - total governmental funds (page 49)		\$ 13,057,398
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Cost of capital assets	\$ 77,809,071	
Less: accumulated depreciation	<u>(44,752,403)</u>	
		33,056,668
Liabilities that are not due and payable in the current period and, therefore, are not reported in the funds		
Accounts payable - operating leases with escalation clauses		(219,973)
Capital lease		(65,401)
Accrued compensated absences		(1,675,449)
Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets		
		<u>264,492</u>
Net assets - governmental activities (page 43)		<u><u>\$ 44,417,735</u></u>

**Pikes Peak Library District**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2011**

	General	North Facility Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 24,796,451	\$ -	\$ -	\$ 24,796,451
Intergovernmental	71,515	-	114,213	185,728
Fines and fees	521,577	-	-	521,577
Interest earnings	15,988	-	-	15,988
Donations	1,577	-	243,646	245,223
Miscellaneous	133,990	-	43,350	177,340
<b>Total revenues</b>	<b>25,541,098</b>	<b>-</b>	<b>401,209</b>	<b>25,942,307</b>
<b>Expenditures</b>				
<b>Current</b>				
Public Services	6,923,414	-	186,210	7,109,624
Administrative Services	9,798,248	-	-	9,798,248
Director's Office	366,455	-	-	366,455
Finance Office	404,789	-	-	404,789
Information Technology Office	1,634,549	-	-	1,634,549
Community Relations Office	676,199	-	-	676,199
Other administrative	2,073,758	-	-	2,073,758
Debt service	61,931	-	-	61,931
Capital outlay	32,969	79,000	1,854,527	1,966,496
<b>Total expenditures</b>	<b>21,972,312</b>	<b>79,000</b>	<b>2,040,737</b>	<b>24,092,049</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,568,786</b>	<b>(79,000)</b>	<b>(1,639,528)</b>	<b>1,850,258</b>
<b>Other financing sources (uses)</b>				
Transfers in	13,864	5,049,927	2,496,779	7,560,570
Transfers out	(5,950,678)	-	(1,609,892)	(7,560,570)
Proceeds from sale of capital assets	49,652	-	-	49,652
<b>Total other financing sources (uses)</b>	<b>(5,887,162)</b>	<b>5,049,927</b>	<b>886,887</b>	<b>49,652</b>
<b>Net change in fund balances</b>	<b>(2,318,376)</b>	<b>4,970,927</b>	<b>(752,641)</b>	<b>1,899,910</b>
<b>Fund balances, beginning of year</b>	<b>8,355,418</b>	<b>-</b>	<b>2,802,070</b>	<b>11,157,488</b>
<b>Fund balances, end of year</b>	<b>\$ 6,037,042</b>	<b>\$ 4,970,927</b>	<b>\$ 2,049,429</b>	<b>\$ 13,057,398</b>

**Pikes Peak Library District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2011**

Amounts reported for governmental activities in the statement of activities (pages 46 and 47) are different because:

Net change in fund balances - total governmental funds (page 51)	\$ 1,899,910
--	--------------

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

Depreciation expense	(5,369,338)
Capital outlay for building, furniture, land and vehicles	1,593,090
Amounts paid for books and audio visual materials	3,900,814

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

Operating leases with rental escalation clauses that are reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	35,634
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In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the capital assets sold	(72,443)
---	----------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	
Principal payments	57,670

Compensated absences expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(17,819)
--	----------

Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to the individual funds. The net revenue of the internal service fund is reported with governmental activities	(157,113)
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Change in net assets - governmental activities (page 47)	\$ <u>1,870,405</u>
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# Pikes Peak Library District

## Statement of Net Assets

### Proprietary Fund

December 31, 2011

	<b>Governmental Activities - Internal Service Fund</b>
	<u>                    </u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 434,971
Accounts receivable	1,818
Deposit	<u>36,667</u>
Total current assets	<u>473,456</u>
 <b>Liabilities</b>	
<b>Current Liabilities</b>	
Claims payable	95,258
Due to other funds	<u>113,706</u>
Total current liabilities	<u>208,964</u>
 <b>Net Assets</b>	
Total Net Assets - Unrestricted	<u><u>\$ 264,492</u></u>

**Pikes Peak Library District**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Fund**  
**Year Ended December 31, 2011**

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues	
Employer contributions	\$ 1,228,498
Employee contributions	<u>239,472</u>
Total operating revenues	<u>1,467,970</u>
Operating expenses	
Claims incurred	1,082,507
Administrative	<u>542,596</u>
Total operating expenses	<u>1,625,103</u>
Operating loss	(157,133)
Nonoperating revenues (expenses)	
Investment earnings	<u>20</u>
Change in net assets	(157,113)
Total net assets, beginning	<u>421,605</u>
Total net assets, ending	<u><u>\$ 264,492</u></u>

**Pikes Peak Library District**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended December 31, 2011**

	<b>Governmental Activities - Internal Service Fund</b>
Cash flows from operating activities	
Employee and employer contributions	\$ 1,467,970
Payment of claims and administrative expenses	<u>(1,334,048)</u>
Net cash provided by operating activities	<u>133,922</u>
Cash flows from investing activities	
Interest received	<u>20</u>
Net increase in cash and cash equivalents	133,942
Cash and cash equivalents - January 1	<u>301,029</u>
Cash and cash equivalents - December 31	<u><u>\$ 434,971</u></u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (157,133)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Decrease in due from other funds	243,696
Increase in deposits	(36,667)
Increase in due to other funds	73,485
Increase in claims payable	<u>10,541</u>
Total adjustments	<u>291,055</u>
Net cash provided by operating activities	<u><u>\$ 133,922</u></u>
Noncash investing, capital and financing activities	
None	

**Pikes Peak Library District**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Fund**  
**December 31, 2011**

	<u>Agency Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 13,939
Accounts receivable	<u>27,143</u>
Total assets	<u>\$ 41,082</u>
<b>Liabilities</b>	
Accounts payable	<u>\$ 41,082</u>



**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2011**

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# Pikes Peak Library District

## Notes to Financial Statements

### December 31, 2011

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

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

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

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

As required by US GAAP, these financial statements present the District and its component units, entities for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the District's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, if any, on the other hand, is reported in a separate statement in the financial statements to emphasize it is legally separate from the District.

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

**Blended Component Units** – The Pikes Peak Library District Building Authority does not issue separate financial statements. Given the nature and relationship between the Pikes Peak Library District and the Pikes Peak Library District Building Authority, exclusion of the Authority from the financial statements would cause the statements to be incomplete. The Board members of both the Pikes Peak Library District and the Pikes Peak Library District Building Authority are substantially the same. The District had no other blended component units during the fiscal year ended December 31, 2011.

In connection with the issuance of the Certificates of Participation, Series 1996, the Pikes Peak Library District Building Authority (the Authority) was established. The Authority is comprised of three board members, of which one member is the Secretary of the District's Board of Trustees. The Authority is not fiscally dependent on the District.

There was no financial activity applicable to the Pikes Peak Library District Building Authority during 2011 and the only asset of the authority is the title of the property, and that property is included in the District's capital assets.

**Related Organizations** – The District had no financial relationships of this type during the fiscal year ended December 31, 2011.

# Pikes Peak Library District

## Notes to Financial Statements

### December 31, 2011

**Joint Ventures** – The District did not participate in any joint venture during the fiscal year ended December 31, 2011.

**Jointly Governed Organizations** – The District had no financial relationships of this type during the fiscal year ended December 31, 2011.

#### **Discretely Presented Component Unit**

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

This Foundation, which was formed in 2003, was established exclusively for the benefit of, to perform the function of, or to carry out the charitable and educational purposes of the Pikes Peak Library District. The Foundation is a tax-exempt corporation under the provisions of 501(c)(3) of the Internal Revenue Code. The Foundation issues separate financial statements and a copy can be obtained from the District's Financial Office at 5550 North Union Boulevard, Colorado Springs, Colorado 80918.

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

- The Board of Trustees of the District originally elected members of the Foundation's Board of Directors. The Members of the Foundation Board make subsequent Board appointments.
- The Foundation may not disburse funds for costs that have not been recommended by the District's Board of Trustees.
- There are two members of the District's Board of Trustees that serve on the Foundation's Board of Directors at all times.

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

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

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

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

# Pikes Peak Library District

## Notes to Financial Statements

### December 31, 2011

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

The Foundation reports under not-for-profit accounting and financial reporting principles promulgated by the AICPA's Financial Accounting Standards Board, including FASB Codification ASC 958-205. As such, certain revenue recognition criteria and presentation features are difference from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences. Because the Foundation uses a generally accepted accounting principles (GAAP) reporting model that is different than the District's reporting model, the District has elected to present the Foundation's financial statements separately from those of the District as provided for under GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14*.

The District's statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar 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 including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*.

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, proprietary, and fiduciary funds.

The major individual governmental funds (the General Fund and North Project Fund) are reported in separate columns with a composite column for nonmajor funds.

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

# Pikes Peak Library District

## Notes to Financial Statements

### December 31, 2011

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

The following are the District's major governmental funds:

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

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

Additionally, the District reports the following nonmajor governmental fund types:

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

*Debt Service Fund* – This fund accounted for the servicing of the long-term debt not being financed by proprietary funds. The debt service fund was closed during 2011.

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

The District also reports the following proprietary fund type:

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

Additionally, the District reports the following fiduciary fund type:

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to customers for sales and services. Operating expenses for the District's internal service fund include the cost of

# Pikes Peak Library District

## Notes to Financial Statements

### December 31, 2011

sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

*Government-wide Financial Statements* – The District's government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets. 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., revenue and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the District's government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

##### *District*

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

*Revenues – Exchange Transactions* – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, the phrase "available for exchange transactions" means expected to be received within 90 days of year-end.

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

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

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

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

Property taxes receivable not collected within 60 days of the year-end have been recorded as deferred revenue. Since property taxes are levied in December (i.e., there is a legal claim) for the next calendar year's operations, the total levy is reported as taxes receivable and deferred revenue.

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

Deferred revenue is reclassified as "unearned revenue" on the government-wide statement of net assets.

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

*Foundation*

The Foundation uses the accrual basis of accounting.

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity.

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

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and for which the restriction is met in the same time period, are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets.

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

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

In addition to receiving cash contributions, the Foundation receives in-kind contributions from various donors. It is the policy of the Foundation to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the year ended December 31, 2011, \$1,022,713 was received in in-kind contributions.

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation had no unrelated business taxable income for the year ended December 31, 2011. The Foundation is not considered a private foundation.

The Foundation files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Foundation is no longer subject to U.S. federal examinations by tax authorities for years before 2007.

***I-E. Assets, Liabilities and Net Assets or Fund Balances***

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

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

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

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

- a. Obligations of the United States and certain U.S. government agencies' securities;
- b. Certain international agency securities;
- c. General obligation and revenue bonds of U.S. local government entities;
- d. Bankers' acceptances of certain banks;
- e. Commercial paper;
- f. Local government investment pools;



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- g. Written repurchase agreements collateralized by certain authorized securities;
- h. Certain money market funds;
- i. Guaranteed investment contracts
- j. Certain corporate bonds

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

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

All trade and property tax receivables are reported net of an allowance for uncollectibles, when applicable. Property tax allowance as of December 31, 2011 was \$122,155.

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

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

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in the internal service fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between funds reported in the governmental activities column are eliminated.

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

Payments made to vendors for services (e.g., insurance, rents, and library services from other libraries) that will benefit periods beyond December 31, 2011, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as nonspendable, as this amount is not available for general appropriation.

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

Capital assets may include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, books and audio visual materials and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. These assets generally result from expenditures in governmental funds. The District reports these

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assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000. Improvements to capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are expensed.

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

Description	Estimated Lives
Buildings	20 years
Vehicles	5 to 10 years
Computer equipment	3 to 5 years
Other equipment	3 to 5 years
Furniture and fixtures	10 to 30 years
Books and audio visual materials	6 years

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

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

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

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

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

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

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

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

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when matured".

***I-E-8. Accrued Liabilities and Long-term Obligations***

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

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

***I-E-9. Net Assets or Fund Balances***

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net assets".

*Net Assets* – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

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

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

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

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*Committed Fund Balance* – is constrained for a specific purpose by resolution or ordinance adopted by the Board of Trustees, and can be rescinded only through the same type of formal action used to establish the original commitment.

*Assigned Fund Balance* – is constrained for specific purposes as determined by Management and the Board of Trustees.

*Unassigned Fund Balance* – is unconstrained and comprised of residual uncategorized fund balance amounts.

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

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

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

***I-E-11. GASB Statement 54***

For the year ended December 31, 2011, the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This standard, which applies only to governmental funds, clarifies definitions for governmental fund types, establishes accounting and financial reporting standards for all governments that report governmental funds, and establishes criteria for categorizing fund balances into specifically defined classifications. GASB 54 required the District to classify fund balance based on the extent to which the District is bound to honor constraints on how the funds can be spent and also clarified the definitions of governmental fund types. Adoption of GASB 54 has no effect on beginning fund balance or change in fund balance.

**Note II: Stewardship, Compliance and Accountability**

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

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

1. The District adopts an annual operating budget for its General Fund, Special Revenue Fund, Debt Service Fund and capital projects funds. During October, the Executive Director submits to the Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and means of financing them.

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2. Public hearings are conducted by the Board of Trustees to obtain taxpayer comments.
3. Prior to December 15, the budget is adopted by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department in the General Fund rests with the Executive Director and/or Finance Officer. The Board of Trustees must approve revisions that alter the total expenditures of any fund.
5. Budgets for all fund types are adopted on a basis consistent with generally accepted accounting principles.
6. Budgeted amounts reported in the accompanying financial statements are as originally adopted per a separate budget report, and as amended by the Executive Director and/or the Board of Trustees throughout the year.

The original appropriation for all Governmental Funds has been amended as follows:

<b>Changes to Original Budget</b>			
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budget Change</u>
General Fund	\$ 25,593,202	\$ 31,578,220	\$ 5,985,018
Designated Purpose Fund	146,811	499,977	353,166
Certificates of Participation Fund	-	1,488	1,488
Bookmobile Purchase and Falcon Project Fund	-	217,949	217,949
Sand Creek Library Renovation Project Fund	-	80,325	80,325
RFID Capital Projects Fund	-	479,927	479,927
North Facility Project Fund	-	5,049,927	5,049,927
Capital Reserve Fund	1,385,500	1,575,583	190,083
Monument Facility Fund	-	300,000	300,000

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

***II-B. Encumbrances***

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

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

*III-A. Deposits and Investments*

*III-A-1. Deposits*

Deposits include bank accounts and short-term investments.

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

The District has noninterest-bearing transaction accounts which are covered under the FDIC Temporary Liquidity Unlimited Coverage for noninterest-bearing transaction accounts program. For the period December 31, 2010 through December 31, 2012, at all FDIC-insured institutions, deposits held in noninterest-bearing accounts will be fully insured regardless of the amount in the account. FDIC insurance limits for interest-bearing cash accounts is \$250,000. The carrying amount of the District's deposits as of December 31, 2011 was \$568,308. The bank balances were \$832,744, of which noninterest-bearing accounts totaling \$793,243 and interest-bearing accounts of \$39,501 are covered by federal deposit insurance. Any interest-bearing accounts in excess of \$250,000 during the year would be uninsured but collateralized in accordance with provisions of the PDPA. Additionally, the District had \$11,685 in cash on hand as of December 31, 2011.

*III-A-2. Investments*

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

The primary objectives of the investment policy are:

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

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

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

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

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The following is a list of eligible instruments for investments:

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

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

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

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

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

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

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

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

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

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

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

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

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*Credit Risk*

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

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

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

The District's policy permits investment in local government investment pools. Current investments of \$13,587,307 are held in COLOTRUST, which was rated AAAM by Standard & Poor's at December 31, 2011. The District policy also encourages diversification of investments, limited to the Colorado Revised Statute CRS 24-75-701.



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*Cash and Investment Reconciliation*

	<b>Cash and Cash Equivalents</b>	<b>Investments</b>	<b>Total</b>
Governmental activities - statement of net assets	\$ 566,054	\$ 13,587,307	\$ 14,153,361
Agency Fund	13,939	-	13,939
Less cash on hand and petty cash	(11,685)	-	(11,685)
Total deposits and investments	\$ 568,308	\$ 13,587,307	\$ 14,155,615
Per note disclosure above			
Deposits			\$ 568,308
Investments			13,587,307
Primary Government total			\$ 14,155,615

The Foundation's cash and investments are comprised of the following as of December 31, 2011:

	<b>2011 Amount</b>	<b>Institutions</b>	<b>Insurance or Collateral</b>	<b>Credit Ratings of Underlying Securities *</b>
Money market savings account	\$ 5,128	ENT Federal Credit Union	\$ 5,128	N/A
Investments (stocks, bonds, mutual funds)	1,069,673	Members Trust Company	\$ -	A/AAA
Investment level money market account	205,059	Members Trust Company	\$ -	A1/P1
Total	\$ 1,279,860			

\* As applicable

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Foundation's cash and investments are exposed to \$1,274,732 of custodial credit risk as of December 31, 2011.

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*III-B. Taxes*

*III-B-1. Property Taxes*

Property taxes for the current year are certified in arrears to El Paso County on December 15 and attach as a lien on property the previous January 1. For example, property taxes owed in 2011 are certified to the County in December 2010 and are available for collection on the due date, January 1, 2011. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. El Paso County bills and collects property taxes for all taxing districts in the County. The property tax receipts collected by El Paso County are remitted to the District in the subsequent month.

Property taxes are reported as a receivable and unearned revenue when the District has an enforceable legal claim to the taxes and as revenue when available for collection in the following year. Available means when due, or past due and receivable within the period, and collected within the period or expected to be collected soon enough thereafter, generally within sixty days, to be used to pay liabilities of the period.

*III-B-2. Specific Ownership Taxes*

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

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

The following schedule reflects the District's interfund receivables and payables as of December 31, 2011.

<b>Receivable Fund</b>	<b>Payable Fund</b>		<b>Total</b>
	<b>General Fund</b>	<b>Designated Purpose Fund</b>	
General Fund	\$ -	\$ 40,590	\$ 40,590
Designated Purpose Fund	584,809	-	584,809
Penrose Library Renovation Fund	207,521	-	207,521
East Library Renovation Fund	898,964	-	898,964
Monument Facility Project Fund	300,000	-	300,000
North Facility Project Fund	4,970,927	-	4,970,927
Capital Reserve Fund	178,752	-	178,752
<b>Total</b>	<b>\$ 7,140,973</b>	<b>\$ 40,590</b>	<b>\$ 7,181,563</b>

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

Interfund transfers:

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Transfers In	Transfers Out							Total
	General Fund	Designated Purpose Fund	Certificates of Participation Fund	Bookmobile Purchase and Falcon Project Fund	Sand Creek Library Renovation Project Fund	RFID Capital Project Fund	Capital Reserve Fund	
General Fund	\$ -	\$ 12,376	\$ 1,488	\$ -	\$ -	\$ -	\$ -	\$ -
East Library Renovation Fund	882,230	-	-	-	-	-	-	882,230
Penrose Library Renovation Fund	574,887	-	-	-	-	-	-	574,887
North Facility Project Fund	4,050,000	-	-	-	-	479,927	520,000	4,520,000
Monument Facility Project Fund	-	-	-	-	-	-	300,000	300,000
Designated Purpose Fund	12,978	-	-	215,776	80,325	-	-	299,079
Capital Reserve Fund	430,583	-	-	-	-	-	-	430,583
	<u>\$ 5,950,678</u>	<u>\$ 12,376</u>	<u>\$ 1,488</u>	<u>\$ 215,776</u>	<u>\$ 80,325</u>	<u>\$ 479,927</u>	<u>\$ 820,000</u>	<u>\$ 7,540,570</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) as residual equity transfers of remaining fund balances when funds are closed out.

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**III-D. Capital Assets**

Capital asset activity for the year ended December 31, 2011 was as follows:

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Governmental activities				
Capital assets not being depreciated				
Land	\$ 4,331,987	\$ -	\$ -	\$ 4,331,987
Construction-in-progress	-	99,257	-	99,257
Collections of historical treasurers	9,115,453	224,169	(64,007)	9,275,615
Total capital assets not being depreciated	<u>13,447,440</u>	<u>323,426</u>	<u>(64,007)</u>	<u>13,706,859</u>
Capital assets, being depreciated				
Leasehold improvements	1,211,368	9,853	-	1,221,221
Buildings	29,433,156	922,761	-	30,355,917
Equipment, furniture and fixtures	5,880,575	300,337	(124,781)	6,056,131
Vehicles	764,781	36,713	-	801,494
Books and audit visual materials	25,050,585	3,900,814	(3,283,950)	25,667,449
Total capital assets being depreciated	<u>62,340,465</u>	<u>5,170,478</u>	<u>(3,408,731)</u>	<u>64,102,212</u>
Less accumulated depreciation for				
Leasehold improvements	(688,976)	(118,220)	-	(807,196)
Buildings	(19,196,786)	(898,178)	-	(20,094,964)
Equipment, furniture and fixtures	(3,713,766)	(580,840)	116,345	(4,178,261)
Vehicles	(547,452)	(57,744)	-	(605,196)
Books and audit visual materials	(18,636,380)	(3,714,356)	3,283,950	(19,066,786)
Total accumulated depreciation	<u>(42,783,360)</u>	<u>(5,369,338)</u>	<u>3,400,295</u>	<u>(44,752,403)</u>
Total capital assets, being depreciated, net	<u>19,557,105</u>	<u>(198,860)</u>	<u>(8,436)</u>	<u>19,349,809</u>
Governmental activities capital assets, net	<u>\$ 33,004,545</u>	<u>\$ 124,566</u>	<u>\$ (72,443)</u>	<u>\$ 33,056,668</u>
Governmental activities depreciation expense				
Public services				\$ 675,828
Administrative services				<u>4,693,510</u>
Total governmental activities depreciation expense				<u>\$ 5,369,338</u>

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2011**

*III-E. Long-Term Liabilities*

*III-E-1. Capital Leases*

During 2010, the District entered into a capital lease for equipment. The assets acquired through the capital lease are reported as capital assets of \$174,192 with accumulated amortization of \$111,290 as of December 31, 2011. The amortization of assets recorded under capital leases is included in depreciation expense. The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2011, were as follows:

<b>Year Ending December 31, 2011</b>	
2012	\$ 61,931
2013	5,161
Total minimum lease payments	67,092
Less: amount representing interest	(1,691)
Present value of minimum lease payments	\$ 65,401

*III-E-2. Changes in Long-term Liabilities*

Long-term liability activity of the District for the year ended December 31, 2011 was as follows:

	<b>Balance January 1, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance December 31, 2011</b>	<b>Due Within One Year</b>
Governmental activities					
Capital lease	\$ 123,071	\$ -	\$ (57,670)	\$ 65,401	\$ 60,259
Compensated absences	1,657,630	1,339,291	(1,321,472)	1,675,449	569,653 *
Total governmental activities long-term liabilities	\$ 1,780,701	\$ 1,339,291	\$ (1,379,142)	\$ 1,740,850	\$ 629,912

Compensated absences are generally liquidated by the General Fund.

\* Reported in accrued compensation payable in the statement of net assets.

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2011**

***III-E-3. Computation of Legal Debt Margin***

Assessed valuation	\$ 6,462,164,700
Debt limitation - 1.5% of total assessed value	96,932,471
Total debt (excluding compensated absences)	65,401
Less capital lease	(65,401)
Total debt applicable to limitation	-
Legal debt margin	\$ 96,932,471

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

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

The District has entered into several agreements for building leases, equipment and services. All agreements are renewable on a year-to-year basis. Should the Board of Trustees fail to appropriate funds for the subsequent budget year, the agreements can be terminated. The total cost for such agreements was \$977,731 for the year ended December 31, 2011.

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

<u>Year Ending</u>	
2012	\$ 990,639
2013	939,258
2014	838,440
2015	444,913
2016	219,212
2017	137,122
Total	\$ 3,569,584

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note IV: Other Information**

*IV-A. Retirement Plan*

*IV-A-1. General*

All permanent, full-time employees of the District are eligible to participate in the El Paso County Retirement Plan (the Plan), a cost-sharing multiple-employer defined benefit plan. The Plan has six participating employers. The Plan provides benefits to members at retirement or disability, or to their beneficiaries in the event of death. The El Paso County Board of Retirement has the authority to establish and amend benefit provisions of the Plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the El Paso County Retirement Plan, 105 E. Vermijo, Suite 200, Colorado Springs, Colorado 80903-2007, or by calling (719) 520-5491.

The District and covered employees are each required by District Resolution to contribute 6 percent of the employees' salary to the Plan. The current District contribution rate is 6 percent of annual covered payroll. The contribution requirements of Plan members and the District are established and may be amended by the El Paso County Board of Retirement. The District's annual contributions to the Plan for the years ended December 31, 2009, 2010 and 2011, were \$402,732, \$434,440 and \$476,098, respectively, equal to the required contributions for each year.

*IV-B. Deferred Compensation Plan*

The District offers its employees the Pikes Peak Library District Deferred Compensation Plan, an Internal Revenue Code Section 457 deferred compensation plan. Participation is voluntary. The District does not contribute to the Plan and the maximum amount that may be deferred under the Plan for 2011, excluding catch-up provisions for participants age 55 or over, was the lesser of \$16,500 or 33-1/3 percent of the participant's includable compensation. The District does not have fiduciary accountability for the Plan and does not hold the Plan's assets in a trustee capacity. Accordingly, the Plan's assets and related liabilities to Plan participants are not recorded on the financial statements of the District.

*IV-C. Contingencies*

*IV-C-1. Risk Management*

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

**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2011**

The following is a summary of claims activity for the District's employee health plan for the years ended December 31, 2011 and 2010:

	Claims Payable Beginning of Year	Claims Incurred	Claims Paid	Claims Payable End of Year
Fiscal Year 2010	\$ 57,824	\$ 1,022,001	\$ (995,108)	\$ 84,717
Fiscal Year 2011	\$ 84,717	\$ 1,082,507	\$ (1,071,966)	\$ 95,258

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

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

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

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

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

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



**Pikes Peak Library District**  
**Notes to Financial Statements**  
**December 31, 2011**

*IV-C-4. Economic Conditions*

The current economic environment presents governmental and not-for-profit organizations with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, declines in contributions and tax revenues, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the District.

Current economic conditions have made it difficult for many donors to continue to contribute to governmental and not-for-profit organizations. A significant decline in contribution revenue could have an adverse impact on the District's future operating results.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for contributions and property tax receivable that could negatively impact the District's ability to maintain sufficient liquidity.

*IV-D. Commitments*

As of December 31, 2011, the District had construction commitments of approximately \$277,000.

*IV-E. Subsequent Event*

In January 2012, the District completed the purchase of a facility (112,883 sq. ft.) at a cost of \$3.75 million. The facility will be used for both library and administrative services.

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## Required Supplementary Information

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Local property taxes				
Current	\$ 22,671,133	\$ 22,671,133	\$ 22,708,581	\$ 37,448
Delinquent	40,000	40,000	19,503	(20,497)
Omitted	5,000	5,000	4,202	(798)
Specific ownership taxes	2,100,000	2,100,000	2,013,321	(86,679)
Interest on taxes	35,000	35,000	50,844	15,844
Total taxes	<u>24,851,133</u>	<u>24,851,133</u>	<u>24,796,451</u>	<u>(54,682)</u>
Intergovernmental	65,000	65,000	71,515	6,515
Fines and fees	543,250	543,250	521,577	(21,673)
Interest earnings	60,000	60,000	15,988	(44,012)
Donations/fundraising	-	-	1,577	1,577
Miscellaneous				
Copy sales	54,900	54,900	61,562	6,662
Parking lot collections	40,000	40,000	35,945	(4,055)
Other	27,900	27,900	36,483	8,583
Total miscellaneous	<u>122,800</u>	<u>122,800</u>	<u>133,990</u>	<u>11,190</u>
Total revenues	<u>25,642,183</u>	<u>25,642,183</u>	<u>25,541,098</u>	<u>(101,085)</u>
Expenditures				
Current				
Public services				
Personnel services	6,810,016	6,973,223	6,602,854	370,369
Supplies	92,035	118,882	105,374	13,508
Contractual services	131,655	137,420	117,842	19,578
Other services	127,269	127,733	97,344	30,389
Total public services	<u>7,160,975</u>	<u>7,357,258</u>	<u>6,923,414</u>	<u>433,844</u>

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Administrative services				
Personnel services	3,747,962	3,887,004	3,625,116	261,888
Supplies	267,406	284,865	201,756	83,109
Library materials	4,029,500	5,327,401	3,796,733	1,530,668
Utilities	532,036	534,247	483,211	51,036
Contractual services	1,385,439	1,408,663	1,340,319	68,344
Repairs and maintenance	297,125	312,061	211,143	100,918
Other services	141,192	190,627	139,970	50,657
Total administrative services	10,400,660	11,944,868	9,798,248	2,146,620
Director's Office				
Personnel services	229,002	251,084	236,587	14,497
Supplies	4,500	4,500	4,612	(112)
Other services	152,378	152,378	125,256	27,122
Total Director's Office	385,880	407,962	366,455	41,507
Finance Office				
Personnel services	331,574	343,307	309,839	33,468
Supplies	9,000	11,103	9,737	1,366
Contractual services	48,915	48,915	51,635	(2,720)
Other services	21,860	21,860	33,578	(11,718)
Total Finance Office	411,349	425,185	404,789	20,396
Information Technology Office				
Personnel services	770,060	780,895	756,959	23,936
Supplies	172,050	173,919	161,366	12,553
Telecommunications	305,240	313,560	258,893	54,667
Contractual services	210,000	205,300	195,794	9,506
Repairs and maintenance	536,402	396,402	246,392	150,010
Other services	13,700	23,700	15,145	8,555
Total Information Technology Office	2,007,452	1,893,776	1,634,549	259,227
Community Relations Office				
Personnel services	495,111	505,495	510,294	(4,799)
Supplies	87,600	87,600	51,223	36,377
Contractual services	21,000	35,479	34,758	721
Repairs and maintenance	1,000	1,000	11	989
Other services	76,297	80,796	79,913	883
Total Community Relations Office	681,008	710,370	676,199	34,171

**Pikes Peak Library District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other administrative				
Personnel services	1,974,611	1,689,247	1,408,024	281,223
Supplies	30,000	-	3,961	(3,961)
Library materials	2,500	2,500	-	2,500
Contractual services	695,000	633,069	561,581	71,488
Other services	101,000	101,000	100,192	808
Total other administrative	2,803,111	2,425,816	2,073,758	352,058
Total administrative services	16,689,460	17,807,977	14,953,998	2,853,979
Capital outlay	45,150	400,376	32,969	367,407
Debt service	-	61,931	61,931	-
Total expenditures	23,895,585	25,627,542	21,972,312	3,655,230
Excess (deficiency) of revenues over (under) expenditures	1,746,598	14,641	3,568,786	3,554,145
Other financing sources (uses)				
Proceeds from sale of capital assets	49,020	49,020	49,652	632
Transfers in		14,879	13,864	(1,015)
Transfers out	(1,697,617)	(5,950,678)	(5,950,678)	-
Total other financing sources (uses)	(1,648,597)	(5,886,779)	(5,887,162)	(383)
Net change in fund balance	98,001	(5,872,138)	(2,318,376)	3,553,762
Fund balance, beginning of year	8,355,418	8,355,418	8,355,418	-
Fund balance, end of year	\$ 8,453,419	\$ 2,483,280	\$ 6,037,042	\$ 3,553,762

**Pikes Peak Library District**  
**Notes to Required Supplementary Information**  
**Year Ended December 31, 2011**

**Note I: General Fund Budgetary Information**

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

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## Supplementary Information

## **MAJOR FUNDS**

### **General Fund**

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

### **North Facility Project Fund**

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

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**General Fund**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 13,718,390	\$ 11,524,353
Receivables, net of allowance for uncollectibles		
Property taxes	23,654,378	22,791,133
Accounts	116,492	35,023
Due from other governments	151,904	164,796
Due from other funds	40,590	406,422
Prepaid items	302,673	329,278
	<hr/>	<hr/>
Total assets	\$ 37,984,427	\$ 35,251,005
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 387,255	\$ 630,337
Due to discretely presented component units	53,426	-
Accrued compensation payable	711,353	613,735
Deferred revenue	23,654,378	22,791,133
Due to other funds	7,140,973	2,860,382
	<hr/>	<hr/>
Total liabilities	31,947,385	26,895,587
	<hr/> <hr/>	<hr/> <hr/>
<b>Fund Balances</b>		
Nonspendable		
Prepaid expenditures	302,673	329,278
Restricted for:		
Declared emergencies	765,813	765,671
Debt service	3,120	4,160
Assigned to:		
Capital projects	372,339	509,134
Library materials	1,478,846	1,102,313
Encumbrances	432,456	585,243
Long-term liabilities	-	900,000
Unassigned	2,681,795	4,159,619
	<hr/>	<hr/>
Total fund balances	6,037,042	8,355,418
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and fund balances	\$ 37,984,427	\$ 35,251,005
	<hr/> <hr/>	<hr/> <hr/>

**Pikes Peak Library District**  
**Comparative Statement of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**General Fund**  
**Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Revenues		
Taxes		
Local property taxes		
Current	\$ 22,708,581	\$ 22,096,603
Delinquent	19,503	44,982
Omitted	4,202	4,421
Specific ownership taxes	2,013,321	2,072,875
Interest on taxes	50,844	53,198
Total taxes	<u>24,796,451</u>	<u>24,272,079</u>
Intergovernmental	71,515	72,058
Fines and fees	521,577	526,805
Interest earnings	15,988	30,838
Donations/fundraising	1,577	19,374
Miscellaneous		
Copy sales	61,562	59,499
Parking lot collections	35,945	38,532
Other	36,483	29,059
Total miscellaneous	<u>133,990</u>	<u>127,090</u>
Total revenues	<u>25,541,098</u>	<u>25,048,244</u>
Expenditures		
Current		
Public services	6,923,414	6,648,234
Administrative services	9,798,248	9,847,450
Director's Office	366,455	339,211
Finance Office	404,789	451,191
Information Technology Office	1,634,549	1,472,077
Community Relations Office	676,199	731,409
Other administrative	2,073,758	2,235,421
Capital outlay	32,969	642,521
Debt service	61,931	56,770
Total expenditures	<u>21,972,312</u>	<u>22,424,284</u>
Excess of revenues over expenditures	<u>3,568,786</u>	<u>2,623,960</u>
Other financing sources (uses)		
Proceeds from sale of capital assets	49,652	48,207
Proceeds from capital lease	-	173,756
Transfers in	13,864	-
Transfers out	(5,950,678)	(1,771,200)
Total other financing sources (uses)	<u>(5,887,162)</u>	<u>(1,549,237)</u>
Net change in fund balance	(2,318,376)	1,074,723
Fund balance, beginning of year	<u>8,355,418</u>	<u>7,280,695</u>
Fund balance, end of year	<u>\$ 6,037,042</u>	<u>\$ 8,355,418</u>

**Pikes Peak Library District**  
**Schedule of Expenditures by Natural Classification –**  
**Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Personnel services	\$ 14,358,336	\$ 14,430,257	\$ 13,449,670	\$ 980,587
Supplies	662,591	680,868	538,030	142,838
Telecommunications	305,240	313,560	258,893	54,667
Library materials	4,032,000	5,329,901	3,796,733	1,533,168
Utilities	532,036	534,247	483,211	51,036
Contractual services	2,492,009	2,468,846	2,301,929	166,917
Repairs and maintenance	834,527	711,558	457,546	254,012
Other services	625,359	689,757	590,090	99,667
Capital outlay	53,487	406,617	34,279	372,338
Debt service	-	61,931	61,931	-
Total expenditures	\$ 23,895,585	\$ 25,627,542	\$ 21,972,312	\$ 3,655,230

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**North Facility Project Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Due from other funds	\$ 4,970,927	\$ -
 <b>Liabilities and Fund Balance</b>		
<b>Fund Balance</b>		
Committed to		
Capital projects	\$ 4,970,927	\$ -
Total liabilities and fund balance	\$ 4,970,927	\$ -

**Pikes Peak Library District**  
**Comparative Statements of Revenue, Expenditures**  
**and Changes in Fund Balance**  
**North Facility Project Fund**  
**Years Ended December 31, 2011 and 2010**

	2011	2010
Expenditures		
Capital outlay	\$ 79,000	\$ -
Deficit of revenues over expenditures	(79,000)	-
Other financing sources		
Transfers in	5,049,927	-
Net change in fund balance	4,970,927	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ 4,970,927	\$ -

**Pikes Peak Library District**  
**Comparative Statements of Revenue, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**North Facility Project Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Capital outlay	\$ -	\$ 5,049,927	\$ 79,000	\$ 4,970,927
Deficit of revenues over expenditures	-	5,049,927	(79,000)	4,970,927
Other financing sources				
Transfers in	-	5,049,927	5,049,927	-
Net change in fund balance	-	-	4,970,927	4,970,927
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 4,970,927	\$ 4,970,927



## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

### **DEBT SERVICE FUNDS**

A Debt Service Fund is used to account for the accumulation of resources for the payment of principal, interest, and related costs relevant to long-term debt. The District has one debt service fund as follows:

#### **Certificates of Participation Reserve Fund**

This fund is used to account for the accumulation of resources for the payment of principal, interest and related costs relevant to the \$2,500,000 Pikes Peak Library District Certificates of Participation, Series 1996 (Series 1996 COPs). The outstanding principal balance due on the Series 1996 COPs is \$0. This fund was closed during 2011.

### **CAPITAL PROJECTS FUNDS**

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

#### **Bookmobile Purchase and Falcon Project Fund**

This fund is used to account for all financial activity related to the acquisition of a bookmobile and for the construction of a 6,000 sq. ft. facility in the Falcon, Colorado vicinity. This project was substantially completed during 2009. This fund was closed during 2011.

#### **Sand Creek Library Renovation Project Fund**

This fund is used to account for all financial activity related to the renovation of the Sand Creek Library facility. The primary sources of funding for this project include fundraising and the General Fund. This project was substantially completed during 2009. This fund was closed during 2011.

#### **RFID Capital Project Fund**

This fund is used to account for all financial activity related to the RFID capital project. The first phase commenced during 2011. The primary source of funding for this project has been the General Fund. This fund was closed during 2011.

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

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

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

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

#### **Monument Facility Project Fund**

This fund is used to account for all financial activity related to the acquisition of land and the construction of a library facility located in the proximity of Monument, Colorado. Funds are being accumulated over a period of several years. Anticipated sources of funding include fundraising, federal, and state grants and transfers from the General Fund.

#### **Capital Reserve Fund**

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

**Pikes Peak Library District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2011**

	Special Revenue Fund	Debt Service Fund	Bookmobile Purchase and Falcon Project Fund
	Designated Purpose Fund	Certificates of Participation Reserve Fund	
<b>Assets</b>			
Accounts receivable	\$ 21,034	\$ -	\$ -
Due from discretely presented component units	35,500	-	-
Due from other funds	584,809	-	-
Total assets	\$ 641,343	\$ -	\$ -
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 18,173	\$ -	\$ -
Due to other funds	40,590	-	-
Total liabilities	58,763	-	-
<b>Fund Balance</b>			
Restricted for:			
Gifts and grants	89,270	-	-
Committed to:			
Capital projects	493,038	-	-
Assigned to:			
Gifts and grants	272	-	-
Total fund balance	582,580	-	-
Total liabilities and fund balance	\$ 641,343	\$ -	\$ -

**Capital Project Funds**

Sand Creek Library Renovation Project Fund	RFID Capital Projects Fund	East Library Renovation Fund	Penrose Library Renovation Fund	Monument Facility Project Fund	Capital Reserve Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,034
-	-	-	-	-	-	35,500
-	-	898,964	207,521	300,000	178,752	2,170,046
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 898,964</u>	<u>\$ 207,521</u>	<u>\$ 300,000</u>	<u>\$ 178,752</u>	<u>\$ 2,226,580</u>
\$ -	\$ -	\$ 99,257	\$ -	\$ -	\$ 19,131	\$ 136,561
-	-	-	-	-	-	40,590
-	-	99,257	-	-	19,131	177,151
-	-	-	-	-	-	89,270
-	-	799,707	207,521	300,000	159,621	1,959,887
-	-	-	-	-	-	272
-	-	799,707	207,521	300,000	159,621	2,049,429
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 898,964</u>	<u>\$ 207,521</u>	<u>\$ 300,000</u>	<u>\$ 178,752</u>	<u>\$ 2,226,580</u>

**Pikes Peak Library District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2011**

	Special Revenue Fund	Debt Service Fund	Bookmobile Purchase and Falcon Project Fund
	Designated Purpose Fund	Certificates of Participation Reserve Fund	
Revenues			
Intergovernmental	\$ 114,213	\$ -	\$ -
Donations	243,646	-	-
Miscellaneous	9,346	-	-
Total revenues	<u>367,205</u>	<u>-</u>	<u>-</u>
Expenditures			
Current			
Public services	186,210	-	-
Capital outlay	206,299	-	2,173
Total expenditures	<u>392,509</u>	<u>-</u>	<u>2,173</u>
Excess (deficit) of revenues over expenditures	<u>(25,304)</u>	<u>-</u>	<u>(2,173)</u>
Other financing sources (uses)			
Transfers in	309,079	-	-
Transfers out	(12,376)	(1,488)	(215,776)
Total other financing sources (uses)	<u>296,703</u>	<u>(1,488)</u>	<u>(215,776)</u>
Net change in fund balances	271,399	(1,488)	(217,949)
Fund balances, beginning of year	<u>311,181</u>	<u>1,488</u>	<u>217,949</u>
Fund balances, end of year	<u>\$ 582,580</u>	<u>\$ -</u>	<u>\$ -</u>

**Capital Project Funds**

<b>Sand Creek</b>							
<b>Library Renovation Project Fund</b>	<b>RFID Capital Projects Fund</b>	<b>East Library Renovation Fund</b>	<b>Penrose Library Renovation Fund</b>	<b>Monument Facility Project Fund</b>	<b>Capital Reserve Fund</b>		<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 114,213
-	-	-	-	-	-		243,646
-	-	34,004	-	-	-		43,350
-	-	34,004	-	-	-		401,209
-	-	-	-	-	-		186,210
-	-	692,727	367,366	-	585,962		1,854,527
-	-	692,727	367,366	-	585,962		2,040,737
-	-	(658,723)	(367,366)	-	(585,962)		(1,639,528)
-	-	882,230	574,887	300,000	430,583		2,496,779
(80,325)	(479,927)	-	-	-	(820,000)		(1,609,892)
(80,325)	(479,927)	882,230	574,887	300,000	(389,417)		886,887
(80,325)	(479,927)	223,507	207,521	300,000	(975,379)		(752,641)
80,325	479,927	576,200	-	-	1,135,000		2,802,070
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 799,707</u>	<u>\$ 207,521</u>	<u>\$ 300,000</u>	<u>\$ 159,621</u>		<u>\$ 2,049,429</u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Designated Purpose Fund**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Accounts receivable - other	\$ 21,034	\$ 49,414
Due from discretely presented component units	35,500	-
Due from other funds	<u>584,809</u>	<u>331,928</u>
Total assets	<u>\$ 641,343</u>	<u>\$ 381,342</u>
 <b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 18,173	\$ 9,516
Due to other funds	<u>40,590</u>	<u>60,645</u>
Total liabilities	<u>58,763</u>	<u>70,161</u>
 <b>Fund Balance</b>		
Restricted for:		
Gifts and grants	89,270	80,161
Committed to:		
Capital projects	493,038	230,668
Assigned to:		
Gifts and grants	<u>272</u>	<u>352</u>
Total fund balance	<u>582,580</u>	<u>311,181</u>
Total liabilities and fund balance	<u>\$ 641,343</u>	<u>\$ 381,342</u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Designated Purpose Fund**  
**Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Revenues		
Intergovernmental	\$ 114,213	\$ -
Donations	243,646	144,511
Other	<u>9,346</u>	<u>42,352</u>
Total revenues	<u>367,205</u>	<u>186,863</u>
Expenditures		
Current - public services	186,210	211,725
Capital outlay	<u>206,299</u>	<u>12,824</u>
Total expenditures	<u>392,509</u>	<u>224,549</u>
Deficit of revenues over expenditures	<u>(25,304)</u>	<u>(37,686)</u>
Other financing sources		
Transfers in	309,079	-
Transfers out	<u>(12,376)</u>	<u>-</u>
Net change in fund balance	271,399	(37,686)
Fund balance, beginning of year	<u>311,181</u>	<u>348,867</u>
Fund balance, end of year	<u>\$ 582,580</u>	<u>\$ 311,181</u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Designated Purpose Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Donations	\$ 116,241	\$ 420,558	\$ 243,646	\$ (176,912)
Intergovernmental	-	13,000	114,213	101,213
Other	-	-	9,346	9,346
Total revenues	116,241	433,558	367,205	(66,353)
Expenditures				
Current - Public services	111,011	273,196	186,210	86,986
Capital outlay	35,800	213,390	206,299	7,091
Total expenditures	146,811	486,586	392,509	94,077
Deficit of revenues over expenditures	(30,570)	(53,028)	(25,304)	27,724
Other financing sources (uses)				
Transfers in	-	311,252	309,079	(2,173)
Transfers out	-	(13,391)	(12,376)	1,015
Net change in fund balance	(30,570)	244,833	271,399	26,566
Fund balance, beginning of year	311,181	311,181	311,181	-
Fund balance, end of year	<u>\$ 280,611</u>	<u>\$ 556,014</u>	<u>\$ 582,580</u>	<u>\$ 26,566</u>



**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Certificates of Participation Reserve Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Due from other funds	\$ -	\$ 1,488
<b>Fund Balance</b>		
Restricted for:		
Debt service	\$ -	\$ 1,488
Total liabilities and fund balance	\$ -	\$ 1,488

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Certificates of Participation Reserve Fund**  
**Years Ended December 31, 2011 and 2010**

	2011	2010
Other financing sources (uses)		
Transfers out	\$ (1,488)	\$ -
Fund balance, beginning of year	1,488	1,488
Fund balance, end of year	\$ -	\$ 1,488

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Certificates of Participation Reserve Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses)				
Transfers out	\$ -	\$ (1,488)	\$ (1,488)	\$ -
Fund balance, beginning of year	1,488	1,488	1,488	-
Fund balance, end of year	\$ 1,488	\$ -	\$ -	\$ -

**Pikes Peak Library District**  
**Comparative Balance Sheet**  
**Bookmobile Purchase and Falcon Project Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Due from other governments	\$ -	\$ 531,151
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 7,646
Due to other funds	-	305,556
Total liabilities	-	313,202
<b>Fund Balance</b>		
Committed to:		
Capital projects	-	216,056
Assigned to:		
Encumbrances	-	1,893
Total fund balance	-	217,949
Total liabilities and fund balance	\$ -	\$ 531,151

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Bookmobile Purchase and Falcon Project Fund**  
**Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Revenues		
Intergovernmental	\$ -	\$ 1,054,189
Donations	-	10,000
	<u>-</u>	<u>1,064,189</u>
Total revenues		
Expenditures		
Capital outlay		
Falcon project	2,173	1,759,567
	<u>2,173</u>	<u>1,759,567</u>
Deficit of revenues over expenditures	<u>(2,173)</u>	<u>(695,378)</u>
Other financing sources (uses)		
Transfers out	<u>(215,776)</u>	<u>(475,000)</u>
Net change in fund balance	(217,949)	(1,170,378)
Fund balance, beginning of year	<u>217,949</u>	<u>1,388,327</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 217,949</u>

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Bookmobile Purchase and Falcon Project Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Capital outlay				
Falcon project	\$ -	\$ -	\$ 2,173	\$ (2,173)
Deficit of revenues over expenditures	-	-	(2,173)	2,173
Other financing sources (uses)				
Transfers out	-	(217,949)	(215,776)	(2,173)
Fund balance, beginning of year	217,949	217,949	217,949	-
Fund balance, end of year	\$ 217,949	\$ -	\$ -	\$ -

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Sand Creek Library Renovation Project Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Due from other funds	\$ -	\$ 80,325
 <b>Liabilities and Fund Balance</b>		
<b>Fund Balance</b>		
Committed to:		
Capital projects	\$ -	\$ 80,325
Total liabilities and fund balance	\$ -	\$ 80,325

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Sand Creek Library Renovation Project Fund**  
**Years Ended December 31, 2011 and 2010**

	2011	2010
Other financing sources (uses)		
Transfers out	\$ (80,325)	\$ -
Fund balance, beginning of year	80,325	80,325
Fund balance, end of year	\$ -	\$ 80,325



**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Sand Creek Library Renovation Project Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses)				
Transfers out	\$ -	\$ (80,325)	\$ (80,325)	\$ -
Fund balance, beginning of year	80,325	80,325	80,325	-
Fund balance, end of year	\$ 80,325	\$ -	\$ -	\$ -

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**RFID Capital Projects Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Due from other funds	\$ -	\$ 479,927
 <b>Liabilities and Fund Balance</b>		
<b>Fund Balance</b>		
Committed to:		
Capital projects	\$ -	\$ 479,927
Total liabilities and fund balance	\$ -	\$ 479,927

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**RFID Capital Projects Fund**  
**Years Ended December 31, 2011 and 2010**

	2011	2010
Expenditures		
Capital outlay	\$ -	\$ 1,400,073
Deficit of revenues over expenditures	-	(1,400,073)
Other financing sources (uses)		
Transfers in	-	600,000
Transfers out	(479,927)	-
Net change in fund balance	(479,927)	(800,073)
Fund balance, beginning of year	479,927	1,280,000
Fund balance, end of year	\$ -	\$ 479,927

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**RFID Capital Projects Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses)				
Transfers out	\$ -	\$ (479,927)	\$ (479,927)	\$ -
Fund balance, beginning of year	479,927	479,927	479,927	-
Fund balance, end of year	\$ 479,927	\$ -	\$ -	\$ -

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**East Library Renovation Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Due from other funds	\$ 898,964	\$ 576,200
 <b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 99,257	\$ -
<b>Fund Balance</b>		
Committed to:		
Capital projects	799,707	576,200
Total fund balance	799,707	576,200
Total liabilities and fund balance	\$ 898,964	\$ 576,200

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**East Library Renovation Fund**  
**Years Ended December 31, 2011 and 2010**

	2011	2010
Revenues		
Other	\$ 34,004	\$ -
Total revenues	34,004	-
Expenditures		
Capital outlay	692,727	-
Deficit of revenues over expenditures	(658,723)	-
Other financing sources (uses)		
Transfers in	882,230	501,200
Net change in fund balance	223,507	501,200
Fund balance, beginning of year	576,200	75,000
Fund balance, end of year	\$ 799,707	\$ 576,200

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**East Library Renovation Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ -	\$ -	\$ 34,004	\$ 34,004
Total revenues	<u>-</u>	<u>-</u>	<u>34,004</u>	<u>34,004</u>
Expenditures				
Capital outlay	1,331,913	1,331,913	692,727	639,186
Deficit of revenues over expenditures	<u>(1,331,913)</u>	<u>(1,331,913)</u>	<u>(658,723)</u>	<u>673,190</u>
Other financing sources (uses)				
Transfers in	882,230	882,230	882,230	-
Net change in fund balance	(449,683)	(449,683)	223,507	673,190
Fund balance, beginning of year	<u>576,200</u>	<u>576,200</u>	<u>576,200</u>	<u>-</u>
Fund balance, end of year	<u>\$ 126,517</u>	<u>\$ 126,517</u>	<u>\$ 799,707</u>	<u>\$ 673,190</u>

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Penrose Library Renovation Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Due from other governments	\$ 207,521	\$ -
 <b>Liabilities and Fund Balance</b>		
<b>Fund Balance</b>		
Committed to:		
Capital projects	\$ 207,521	\$ -
Total liabilities and fund balance	\$ 207,521	\$ -



**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Penrose Library Renovation Fund**  
**Years Ended December 31, 2011 and 2010**

	2011	2010
Expenditures		
Capital outlay	\$ 367,366	\$ -
Deficit of revenues over expenditures	(367,366)	-
Other financing sources (uses)		
Transfers in	574,887	-
Net change in fund balance	(207,521)	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ (207,521)	\$ -

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Penrose Library Renovation Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Capital outlay	\$ 574,887	\$ 574,887	\$ 367,366	\$ 207,521
Deficit of revenues over expenditures	(574,887)	(574,887)	(367,366)	207,521
Other financing sources (uses)				
Transfers in	574,887	574,887	574,887	-
Net change in fund balance	-	-	207,521	207,521
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 207,521	\$ 207,521

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Monument Facility Project Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Due from other funds	\$ 300,000	\$ -
 <b>Liabilities and Fund Balance</b>		
<b>Fund Balance</b>		
Committed to:		
Capital projects	\$ 300,000	\$ -
Total liabilities and fund balance	\$ 300,000	\$ -

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Monument Facility Project Fund**  
**Years Ended December 31, 2011 and 2010**

	2011	2010
Other financing sources (uses)		
Transfers in	\$ 300,000	\$ -
Net change in fund balance	300,000	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ 300,000	\$ -

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Monument Facility Project Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses)				
Transfers in	\$ -	\$ 300,000	\$ 300,000	\$ -
Net change in fund balance	-	300,000	300,000	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 300,000	\$ 300,000	\$ -

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Capital Reserve Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Due from other funds	\$ 178,752	\$ 1,145,000
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	19,131	10,000
<b>Fund Balance</b>		
Committed to:		
Capital projects	159,621	635,000
Assigned to:		
Encumbrances	-	500,000
Total fund balance	159,621	1,135,000
Total liabilities and fund balance	\$ 178,752	\$ 1,145,000

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Capital Reserve Fund**  
**Years Ended December 31, 2011 and 2010**

	2011	2010
Expenditures		
Capital outlay	\$ 585,962	\$ 10,000
Deficit of revenues over expenditures	(585,962)	(10,000)
Other financing sources (uses)		
Transfers in	430,583	1,145,000
Transfers out	(820,000)	-
Total other financing sources (uses)	(389,417)	1,145,000
Net change in fund balance	(975,379)	1,135,000
Fund balance, beginning of year	1,135,000	-
Fund balance, end of year	\$ 159,621	\$ 1,135,000

**Pikes Peak Library District**  
**Comparative Statements of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Capital Reserve Fund**  
**Year Ended December 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Capital outlay	\$ 1,385,500	\$ 755,583	\$ 585,962	\$ 169,621
Deficit of revenues over expenditures	(1,385,500)	(755,583)	(585,962)	169,621
Other financing sources (uses)				
Transfers in	240,500	430,583	430,583	-
Transfers out	-	(820,000)	(820,000)	-
Total other financing sources (uses)	240,500	(389,417)	(389,417)	-
Net change in fund balance	(1,145,000)	(1,145,000)	(975,379)	169,621
Fund balance, beginning of year	1,145,000	1,145,000	1,135,000	(10,000)
Fund balance, end of year	\$ -	\$ -	\$ 159,621	\$ 159,621



### **INTERNAL SERVICE FUND**

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

The District has one Internal Service Fund.

### **Employee Health Plan Fund**

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

**Pikes Peak Library District**  
**Internal Service Fund**  
**Comparative Statements of Net Assets**  
**Employee Health Plan Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 434,971	\$ 301,029
Accounts receivable	1,818	-
Due from other funds	-	245,514
Deposit	36,667	-
Total current assets	473,456	546,543
 <b>Liabilities</b>		
<b>Current Liabilities</b>		
Claims payable	95,258	84,717
Due to other funds	113,706	40,221
	208,964	124,938
 <b>Net Assets</b>		
Total net assets - unrestricted	\$ 264,492	\$ 421,605

**Pikes Peak Library District**  
**Internal Service Fund**  
**Comparative Statements of Revenue, Expenses**  
**and Changes in Fund Net Assets**  
**Employee Health Plan Fund**  
**Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Operating revenues		
Employer contributions	\$ 1,228,498	\$ 1,120,435
Employee contributions	<u>239,472</u>	<u>214,383</u>
Total operating revenues	<u>1,467,970</u>	<u>1,334,818</u>
Operating expenses		
Claims incurred	1,082,507	1,022,001
Administrative	<u>542,596</u>	<u>487,326</u>
Total operating expenses	<u>1,625,103</u>	<u>1,509,327</u>
Operating income (loss)	<u>(157,133)</u>	<u>(174,509)</u>
Nonoperating revenues (expenses)		
Investment earnings	<u>20</u>	<u>168</u>
Change in net assets	(157,113)	(174,341)
Total net assets, beginning	<u>421,605</u>	<u>595,946</u>
Total net assets, ending	<u><u>\$ 264,492</u></u>	<u><u>\$ 421,605</u></u>

**Pikes Peak Library District**  
**Internal Service Fund**  
**Comparative Statements of Cash Flows**  
**Employee Health Plan Fund**  
**Years Ended December 31, 2011 and 2010**

	2011	2010
Cash flows from operating activities		
Employee and employer contributions	\$ 1,467,970	\$ 1,337,828
Payment of claims and administrative expenses	<u>(1,334,048)</u>	<u>(1,482,434)</u>
Net cash provided by (used in) operating activities	133,922	(144,606)
Cash flows from investing activities		
Interest received	<u>20</u>	<u>168</u>
Net increase (decrease) in cash and cash equivalents	133,942	(144,438)
Cash and cash equivalents, January 1	<u>301,029</u>	<u>445,467</u>
Cash and cash equivalents, December 31	<u><u>\$ 434,971</u></u>	<u><u>\$ 301,029</u></u>
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ (157,133)	\$ (174,509)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Decrease in due from other funds	243,696	3,010
Increase in deposits	(36,667)	-
Increase in due to other funds	73,485	26,893
Increase in claims payable	<u>10,541</u>	<u>-</u>
Total adjustments	<u>291,055</u>	<u>29,903</u>
Net cash provided by (used in) operating activities	<u><u>\$ 133,922</u></u>	<u><u>\$ (144,606)</u></u>
Noncash investing, capital and financing activities		
None		

### **AGENCY FUND**

Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, and other governments.

The District has one agency fund.

### **Flexible Spending Accounts**

This fund is used to account for contributions made by employees who elect to participate in the District's Internal Revenue Service Section 125 program (medical care or dependent care accounts). Employee contributions for the medical accounts come from wages and/or accrued vacation, and employee contributions for the dependent care accounts come from wages. Such amounts are to be used for either certain medical expenses or dependent care expenses incurred which are not covered by the District's employee benefits coverage.

**Pikes Peak Library District**  
**Comparative Balance Sheets**  
**Flexible Spending Accounts – Agency Fund**  
**December 31, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Cash and cash equivalents	\$ 13,939	\$ 64,982
Accounts receivables	27,143	-
Total assets	\$ 41,082	\$ 64,982
<b>Liabilities</b>		
Accounts payable	\$ 41,082	\$ 64,982

**Pikes Peak Library District**  
**Statement of Changes in Assets and Liabilities**  
**Flexible Spending Accounts – Agency Fund**  
**Year Ended December 31, 2011**

	Flexible spending accounts			Balance December 31, 2011
	Balance January 1, 2011	Additions	Deletions	
<b>Assets</b>				
Cash and cash equivalents	\$ 64,982	\$ 180,645	\$ 231,688	\$ 13,939
Other receivables	-	27,143	-	27,143
	<u>64,982</u>	<u>207,788</u>	<u>231,688</u>	<u>41,082</u>
Total assets	<u>\$ 64,982</u>	<u>\$ 207,788</u>	<u>\$ 231,688</u>	<u>\$ 41,082</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ 64,982</u>	<u>\$ 207,788</u>	<u>\$ 231,688</u>	<u>\$ 41,082</u>

**Pikes Peak Library District**  
**Notes to Supplemental Information**  
**December 31, 2011**

**Note I: Reclassifications**

Certain 2010 balances have been reclassified to conform with 2011 presentation.



## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends	139
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	152
These schedules contain information to help the reader assess the District's most significant revenue source, the property tax.	
Debt Capacity	165
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	172
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	174
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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Pikes Peak Library District  
 Government-wide Net Assets by Component  
 Last Nine Fiscal Years  
 (Unaudited)

Governmental Activities

Fiscal Year	Invested in Capital Assets, Net of Related debt	Restricted	Unrestricted	Total
2003	\$ 36,592,926	\$ 862,901	\$ 1,028,649	\$ 38,484,476
2004	32,465,943	899,552	2,229,938	35,595,433
2005	31,188,493	858,170	2,918,722	34,965,385
2006	29,688,346	650,401	3,747,915	34,086,662
2007	31,044,662	690,363	5,189,755	36,924,780
2008	30,800,858	714,126	6,459,901	37,974,885
2009	31,464,402	754,282	8,313,471	40,532,155
2010	32,881,474	771,319	8,894,537	42,547,330
2011	32,872,879	858,203	10,686,653	44,417,735

Business-type Activities

Fiscal Year	Invested in Capital Assets, Net of Related debt	Restricted	Unrestricted	Total
2003	\$ -	\$ -	\$ -	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-

Total Primary Government

Fiscal Year	Invested in Capital Assets, Net of Related debt	Restricted	Unrestricted	Total
2003	\$ 36,592,926	\$ 862,901	\$ 1,028,649	\$ 38,484,476
2004	32,465,943	899,552	2,229,938	35,595,433
2005	31,188,493	858,170	2,918,722	34,965,385
2006	29,688,346	650,401	3,747,915	34,086,662
2007	31,044,662	690,363	5,189,755	36,924,780
2008	30,800,858	714,126	6,459,901	37,974,885
2009	31,464,402	754,282	8,313,471	40,532,155
2010	32,881,474	771,319	8,894,537	42,547,330
2011	32,872,879	858,203	10,686,653	44,417,735

Note - In 2003, the District implemented GASB Statement 34 and began the annual process of calculating government-wide data.

Schedule 2

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

Fiscal Year	Expenses					
	Governmental Activities					
	Public Services	Support and Outreach Services	Administrative Services	Director's Office	Finance Office	Information Technology Office
2003	\$ 9,411,158	\$ 4,360,214	\$ 2,799,103	\$ 229,945	\$ 346,112	\$ 914,932
2004	11,193,804	4,544,083	2,459,547	227,065	347,043	842,005
2005	11,117,184	3,630,203	2,605,173	104,498	375,241	968,456
2006	10,641,943	4,796,671	2,817,382	181,162	406,645	1,113,515
2007	8,271,488	4,081,256	3,476,979	219,409	426,739	1,359,962
2008	10,043,347	4,962,156	3,337,749	224,311	514,702	1,343,640
2009	10,029,059	5,111,509	3,304,300	239,948	449,031	1,383,900
2010	8,132,184	-	10,916,543	339,211	451,191	1,472,077
2011	7,704,551	-	11,256,992	366,455	404,789	1,634,549

Fiscal Year	Program Revenues					
	Governmental Activities					
	Charges For Services			Operating Grants and Contributions		
	Public Services	Support and Outreach Services	Total	Public Services	Support and Outreach Services	Total
2003	\$ 286,264	\$ 95,422	\$ 381,686	\$ 154,975	\$ 58,159	\$ 213,134
2004	321,657	100,548	422,205	175,566	65,803	241,369
2005	347,828	115,294	463,122	278,055	102,057	380,112
2006	339,909	130,184	470,093	151,071	57,859	208,930
2007	351,762	135,005	486,767	167,117	64,138	231,255
2008	370,841	147,394	518,235	224,384	89,183	313,567
2009	379,233	153,934	533,167	194,605	78,991	273,596
2010	526,805	-	526,805	163,885	-	163,885
2011	521,577	-	521,577	181,675	-	181,675

Fiscal Year	Total Net Expenses
	Total Primary Government
2003	\$ (19,045,421)
2004	(21,420,216)
2005	(20,011,909)
2006	(21,209,838)
2007	(19,156,542)
2008	(21,978,263)
2009	(21,794,671)
2010	(22,457,184)
2011	(23,169,027)

Exhibit I-2

	Community Relations Office	Other Administration	Interest Expense	Total Primary Government
\$	790,987	\$ 845,107	\$ 130,241	\$ 19,827,799
	693,902	1,709,108	67,233	22,083,790
	683,433	1,662,242	42,154	21,188,584
	717,133	1,684,150	22,373	22,380,974
	762,408	1,741,607	2,680	20,342,528
	821,686	1,973,592	298	23,221,481
	797,124	2,153,292	-	23,468,163
	731,409	2,235,421	6,085	24,284,121
	676,199	2,073,758	4,261	24,121,554

Capital Grants and Contributions				Total Primary Government
Public Services	Support and Outreach Services	Administrative Services	Total	
\$ 159,597	\$ 27,961	\$ -	\$ 187,558	\$ 782,378
-	-	-	-	663,574
66,155	267,286	-	333,441	1,176,675
355,831	136,282	-	492,113	1,171,136
27,807	440,157	-	467,964	1,185,986
146,295	265,121	-	411,416	1,243,218
79,354	787,375	-	866,729	1,673,492
1,093,374	-	42,873	1,136,247	1,826,937
168,993	-	80,282	249,275	952,527

Schedule 3

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

					Governmental	
					General Revenues	
Fiscal Year	Property Taxes	Specific Ownership Taxes	Investment Earnings	Miscellaneous		
2003	\$ 15,493,287	\$ 2,277,219	\$ 54,823	\$	81,524	
2004	15,934,770	2,367,614	82,346		146,443	
2005	16,711,932	2,473,287	251,813		177,509	
2006	17,436,541	2,347,386	418,492		128,696	
2007	18,899,082	2,571,483	493,172		185,898	
2008	20,382,917	2,325,426	282,118		140,716	
2009	21,881,357	2,247,518	50,888		172,178	
2010	22,199,204	2,072,875	30,838		169,442	
2011	22,783,130	2,013,321	15,988		226,993	

		Total Changes in Net Assets
		Total
Fiscal Year	Primary Government	
2003	\$	(1,138,568)
2004		(2,889,043)
2005		(630,048)
2006		(878,723)
2007		2,838,118
2008		1,050,105
2009		2,557,270
2010		2,015,175
2011		1,870,405

Exhibit I-3

Activities			
		TABOR Refund Fiscal Year Spending and Property Tax Revenue in Excess of Limit	Total Primary Government
	Total		
\$	17,906,853	\$ -	\$ 17,906,853
	18,531,173	-	18,531,173
	19,614,541	(232,680)	19,381,861
	20,331,115	-	20,331,115
	22,149,635	(154,975)	21,994,660
	23,131,177	(102,809)	23,028,368
	24,351,941	-	24,351,941
	24,472,359	-	24,472,359
	25,039,432	-	25,039,432

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

General Fund

Fiscal Year	Reserved	Unreserved	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2002	\$ 1,040,855	\$ 405,819	\$ -	\$ -	\$ -	\$ -	\$ -	1,446,674
2003	953,785	1,134,590	-	-	-	-	-	2,088,375
2004	1,554,432	1,957,409	-	-	-	-	-	3,511,841
2005	1,728,856	2,297,160	-	-	-	-	-	4,026,016
2006	1,388,558	3,382,300	-	-	-	-	-	4,770,858
2007	1,449,061	4,064,631	-	-	-	-	-	5,513,692
2008	1,706,414	4,139,543	-	-	-	-	-	5,845,957
2009	1,686,328	5,594,367	-	-	-	-	-	7,280,695
2010	1,684,352	6,671,066	-	-	-	-	-	8,355,418
2011	-	-	302,673	768,933	-	2,283,641	2,681,795	6,037,042

North Facility Project Fund

2011	\$ -	\$ -	\$ -	\$ -	\$ -	4,970,927	\$ -	\$ -	4,970,927
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Other Governmental Funds

Fiscal Year	Reserved	Unreserved - Fund Type			Restricted	Committed	Unassigned	Grand Total
		Special Revenue	Capital Projects	Total				
2002	\$ 451,650	\$ -	\$ 144,434	\$ 144,434	\$ -	\$ -	\$ -	596,084
2003	309,413	12,887	36,495	49,382	-	-	-	358,795
2004	322,196	(625)	37,093	36,468	-	-	-	358,664
2005	250,224	309,857	-	309,857	-	-	-	560,081
2006	2,024	428,587	-	428,587	-	-	-	430,611
2007	348,926	353,743	686,498	1,040,241	-	-	-	1,389,167
2008	1,373,307	344,470	628,498	972,968	-	-	-	2,346,275
2009	132,884	322,133	2,718,990	3,041,123	-	-	-	3,174,007
2010	503,381	311,181	1,987,508	2,298,689	-	-	-	2,802,070
2011	-	-	-	-	89,270	1,959,887	272	2,049,429

Note: In 2011 GASB 54 was implemented with new fund balance classifications.

Schedule 5

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

		<u>Other Financing</u>				
Fiscal Year	Revenues	Expenditures	Capital Lease Financing	Proceeds from Sale of Capital Assets		
2002	\$ 18,613,823	\$ 19,064,151	\$ -	\$ 1,288		
2003	18,841,328	18,766,906	276,144	188		
2004	19,194,747	17,777,982	-	6,570		
2005	20,791,216	19,890,232	-	47,288		
2006	21,502,251	20,943,653	-	56,774		
2007	23,279,941	21,478,806	-	55,680		
2008	24,374,395	23,034,259	-	51,596		
2009	25,417,133	23,205,387	-	50,724		
2010	26,299,296	25,818,473	173,756	48,207		
2011	25,942,307	24,092,049	-	49,652		

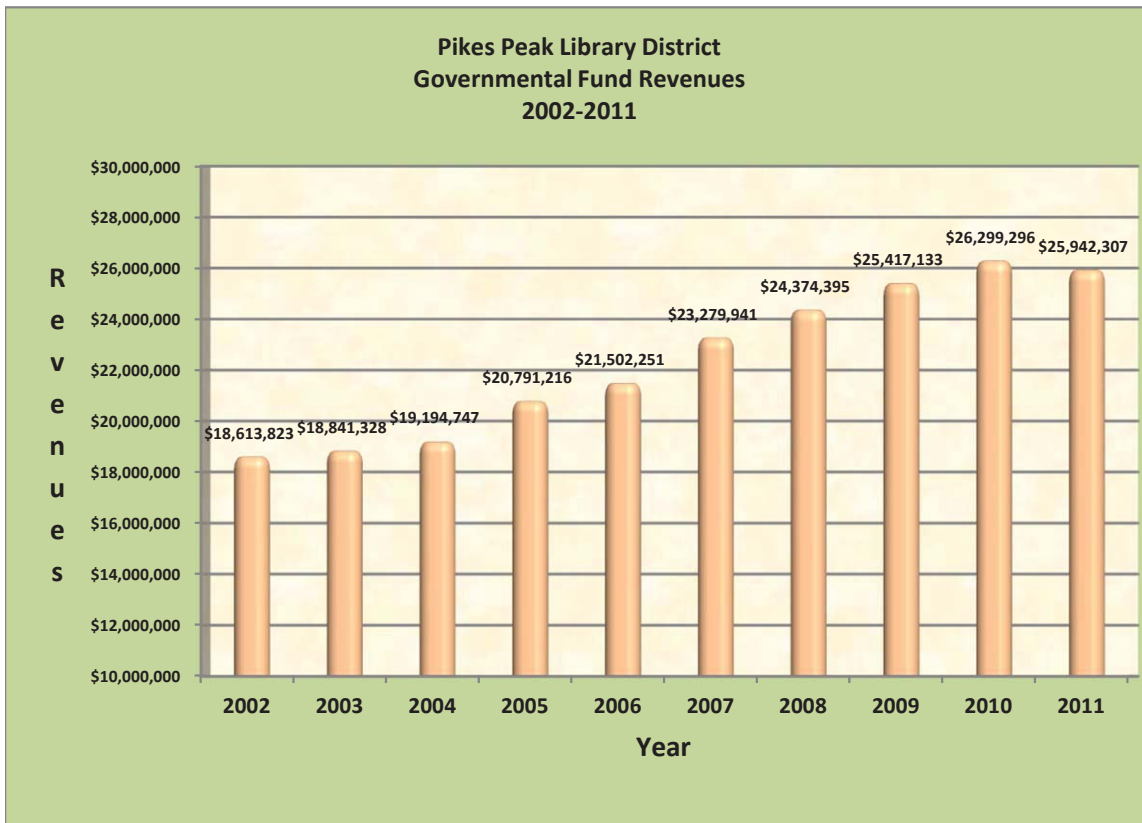
Exhibit I-5

<u>Sources (Uses)</u>			
<u>TABOR Refund</u>		<u>Net Change In</u>	<u>Ratio of</u>
<u>Fiscal Year Spending</u>		<u>Fund Balance</u>	<u>Debt Service</u>
<u>and Property Tax</u>			<u>Expenditures to</u>
<u>Revenue In Excess</u>			<u>Noncapital</u>
<u>of Limit</u>			<u>Expenditures</u>
\$	-	\$ (449,040)	8.54%
	-	350,754	8.34%
	-	1,423,335	2.42%
	(232,680)	715,592	2.21%
	-	615,372	1.98%
	(154,975)	1,701,840	0.25%
	(102,809)	1,288,923	0.08%
	-	2,262,470	0.00%
	-	702,786	0.26%
	-	1,899,910	0.30%

Schedule 6

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

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Intergovernmental</b>	<b>Fines and Fees</b>	<b>Interest Earnings</b>
2002	\$ 16,761,790	\$ 345,596	\$ 355,749	\$ 93,152
2003	17,770,506	81,765	381,686	54,823
2004	18,302,384	41,119	408,730	82,346
2005	19,185,219	132,490	463,122	251,813
2006	19,783,927	32,492	470,093	418,492
2007	21,470,565	302,805	486,767	493,172
2008	22,708,343	291,416	518,235	282,118
2009	24,128,875	241,372	533,167	50,888
2010	24,272,079	1,126,247	526,805	30,838
2011	24,796,451	185,728	521,577	15,988



**Exhibit I-6**

<b>Miscellaneous</b>	<b>Total</b>
\$ 1,057,536	\$ 18,613,823
552,548	18,841,328
360,168	19,194,747
758,572	20,791,216
797,247	21,502,251
526,632	23,279,941
574,283	24,374,395
462,831	25,417,133
343,327	26,299,296
422,563	25,942,307

Schedule 7

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

Fiscal Year	Current						Contractual Services
	Personnel Services	Supplies	Library Materials	Utilities	Telecommunications		
2002	\$ 9,551,515	\$ 425,391	\$ 2,138,966	\$ 521,493	\$ -	\$ 1,382,034	
2003	10,188,446	489,179	2,336,353	352,319	172,110	1,506,327	
2004	10,276,904	680,421	2,446,834	404,955	169,298	1,504,944	
2005	10,568,609	338,555	2,719,407	437,625	186,841	1,687,860	
2006	11,263,711	395,714	3,108,355	443,950	228,413	1,853,785	
2007	11,731,741	491,139	2,833,458	476,110	245,310	2,526,167	
2008	12,636,652	497,294	3,189,695	443,750	230,476	2,210,009	
2009	12,991,937	493,755	3,165,955	475,102	226,694	1,986,951	
2010	13,225,570	495,039	3,881,375	468,604	215,510	2,459,797	
2011	13,475,371	538,030	3,817,412	483,211	258,893	2,301,929	

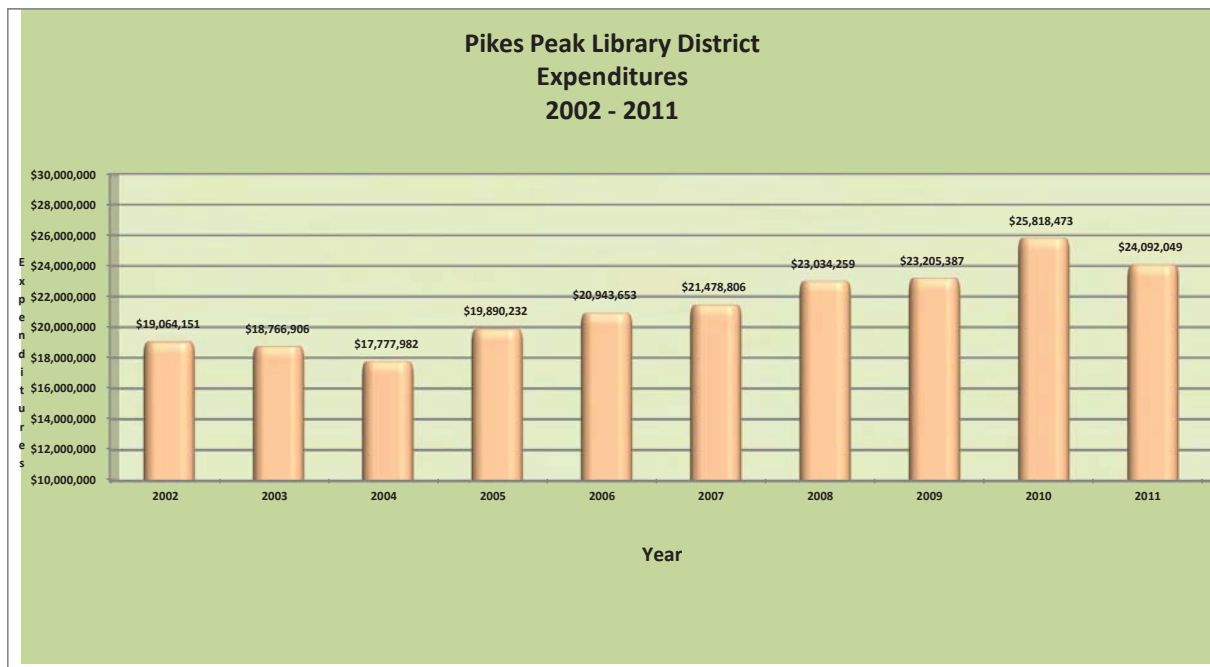


Exhibit I-7

	Repairs and Maintenance		Total	Capital Outlay	Debt Service		Total Expenditures
		Other Services			Principal	Interest	
\$	202,144	\$ 792,325	\$ 15,013,868	\$ 2,647,736	\$ 1,220,000	\$ 182,547	\$ 19,064,151
	224,332	866,437	16,135,503	1,163,551	1,337,611	130,241	18,766,906
	200,792	905,262	16,589,410	776,524	344,815	67,233	17,777,982
	230,807	990,828	17,160,532	2,341,977	345,569	42,154	19,890,232
	264,728	974,081	18,532,737	2,035,680	352,863	22,373	20,943,653
	321,387	970,787	19,596,099	1,834,521	45,506	2,680	21,478,806
	336,980	1,159,216	20,704,072	2,314,125	15,764	298	23,034,259
	264,760	1,059,682	20,664,836	2,540,551	-	-	23,205,387
	417,822	773,001	21,936,718	3,824,985	50,685	6,085	25,818,473
	457,546	729,920	22,062,312	1,967,806	57,670	4,261	24,092,049

Schedule 8

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

Assessment Year	Collection Year	Residential		All Other
		Assessed Value	Estimated Actual value	Assessed Value
2001	2002	\$ 2,239,870,350	\$ 24,479,457,379	\$ 2,331,293,630
2002	2003	2,398,639,732	26,214,641,877	2,408,253,518
2003	2004	2,294,378,764	28,823,853,818	2,359,533,536
2004	2005	2,386,571,171	29,982,049,884	2,373,243,689
2005	2006	2,742,554,533	34,454,202,670	2,494,326,377
2006	2007	2,876,530,671	36,137,319,991	2,530,481,869
2007	2008	3,286,142,024	41,283,191,255	2,856,179,516
2008	2009	3,350,480,089	42,091,458,408	2,857,561,581
2009	2010	3,497,892,156	43,943,368,798	2,956,974,344
2010	2011	3,526,403,277	44,301,548,703	2,935,761,423

Notes:

(1) The following are the assessment rates for collection years 2002 through 2011:

Collection Year	Residential	All Other Categories
2002	9.74%	29.00%
2003 - 2004	9.15%	29.00%
2005 - 2011	7.96%	29.00%

Data source - El Paso County Assessor's Office Abstracts of Assessment



Exhibit I-8

<u>Property</u>	<u>Estimated Actual Value</u>	<u>Total Assessed Value</u>	<u>Total Mill Levy</u>	<u>Estimated Actual Value</u>	<u>Ratio of Total Assessed Value to Total Estimated Actual Value</u>
\$	8,038,943,551	\$ 4,571,163,980	3.216	\$ 32,518,400,930	14.1%
	8,304,322,477	4,806,893,250	3.271	34,518,964,354	13.9%
	8,136,322,538	4,653,912,300	3.434	36,960,176,356	12.6%
	8,183,598,928	4,759,814,860	3.495	38,165,648,812	12.5%
	8,601,125,439	5,236,880,910	3.296	43,055,328,109	12.2%
	8,725,799,547	5,407,012,540	3.515	44,863,119,538	12.1%
	9,848,894,883	6,142,321,540	3.325	51,132,086,138	12.0%
	9,853,660,623	6,208,041,670	3.540	51,945,119,031	12.0%
	10,196,463,254	6,454,866,500	3.468	54,139,832,052	11.9%
	10,123,315,252	6,462,164,700	3.556	54,424,863,955	11.9%

Schedule 9

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

Taxing Authority	Collection Year					
	2002	2003	2004	2005	2006	2007
Direct						
Pikes Peak Library District	3.216	3.271	3.434	3.495	3.296	3.515
Overlapping Governments						
El Paso County	7.821	7.880	7.947	8.012	7.673	7.710
Cities and Towns						
Calhan	16.856	17.307	17.563	17.563	17.525	17.563
Colorado Springs	5.032	5.032	5.032	4.944	4.944	4.944
Fountain	10.239	10.239	10.239	10.239	10.239	10.239
Green Mountain Falls	14.588	14.588	14.588	14.588	14.588	14.588
Monument	6.407	6.469	6.454	6.408	5.872	6.458
Palmer Lake	19.442	20.038	21.536	21.753	19.070	16.544
Ramah	19.827	19.827	19.827	19.827	19.827	19.827
Fire Districts						
Big Sandy	-	-	-	-	7.000	8.000
Black Forest	8.467	8.283	8.292	8.189	7.659	7.287
Black Forest (OPS)	-	-	-	-	2.694	2.322
Broadmoor	4.500	4.500	4.500	4.500	4.500	4.500
Calhan	7.576	7.655	7.648	7.641	7.297	7.672
Cascade	5.333	5.487	6.181	6.451	6.007	6.544
Cimarron Hills	7.598	7.599	7.598	9.870	10.314	10.780
Donald Wescott	1.944	1.944	7.000	7.000	7.000	7.000
Edison	-	-	-	-	-	-
Elbert	4.575	4.575	4.575	4.575	4.575	4.575
Ellicott	3.626	3.721	3.802	4.511	4.427	4.481
Falcon	5.712	5.712	5.712	5.712	5.712	5.712
Green Mountain Falls	5.959	6.300	7.077	7.482	6.916	7.314
Hanover	4.720	4.720	4.720	4.720	4.720	4.720
Peyton	2.000	2.085	2.139	2.241	2.130	6.114
Security	5.458	5.416	5.879	7.538	6.391	6.692
Stratmoor Hills	10.465	10.797	10.842	12.813	12.527	12.660
SW Hwy 115	7.200	7.200	7.200	7.200	7.200	7.200
Tri-County	1.865	1.899	3.000	3.000	3.000	3.000
Tri-Lakes	7.000	7.000	7.000	7.000	7.000	8.500
Woodmoor Monument	9.500	9.921	9.921	9.921	9.921	9.921
Woodman Valley	6.798	6.793	6.793	9.050	9.050	9.050

Exhibit I - 9

2008	2009	2010	2011
3.325	3.540	3.468	3.999
7.514	7.583	7.531	7.717
17.563	17.563	17.563	17.563
4.944	4.944	4.279	4.279
10.239	10.239	10.239	10.239
15.558	14.588	13.588	14.588
6.289	6.289	6.289	6.289
15.340	16.180	15.989	16.459
19.827	19.827	19.827	19.827
8.000	8.000	8.000	8.000
6.600	6.444	6.322	10.406
1.635	1.479	1.357	1.191
4.500	4.500	4.500	4.500
7.558	7.461	6.313	6.500
6.333	6.748	6.940	7.968
11.110	11.082	11.110	12.150
7.000	7.000	7.000	7.000
9.000	9.000	9.000	9.000
4.575	4.575	4.575	4.575
4.354	9.116	9.374	9.999
5.712	5.712	5.712	8.612
7.775	6.829	6.905	8.048
4.720	4.720	4.720	4.720
6.137	6.135	6.109	6.257
6.675	6.706	6.687	6.681
12.423	12.423	12.423	7.200
7.200	7.200	7.200	12.423
3.000	3.000	3.000	3.000
8.500	8.500	8.500	8.500
8.500	-	-	-
9.050	9.050	9.050	9.050

Schedule 9

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

Taxing Authority	Collection Year					
	2002	2003	2004	2005	2006	2007
<b>Water Districts</b>						
Cheyenne Creek	3.677	3.677	1.000	1.000	0.800	0.800
Forest View	-	-	-	-	-	5.000
Park Forest	9.525	9.657	10.437	10.437	14.437	14.437
Red Rock Valley Estates	11.238	12.870	15.300	16.279	14.285	14.135
Stratmoor Hills	2.643	2.456	2.459	2.463	2.390	2.391
S.E. Colo. Water Conser.	0.865	0.897	0.947	0.947	0.943	0.941
Security	6.063	6.354	6.354	6.354	6.082	6.367
Turkey Canyon Ranch	6.317	6.317	7.533	8.341	7.841	8.416
Upper Arkansas Water Conserv.	-	-	-	-	-	-
Upper Big Sandy	0.532	0.532	0.532	0.532	0.532	0.532
Upper Black Squirrel	0.751	0.748	0.755	0.755	0.706	0.706
<b>Sanitation Districts</b>						
Fountain	5.439	4.999	5.254	3.714	3.759	4.134
Palmer Lake	4.477	-	-	-	-	-
Security	0.960	0.960	0.960	0.960	0.921	0.962
Stratmoor Hills	0.664	0.664	0.665	0.666	0.650	0.650
Monument	4.220	4.090	3.950	3.500	3.300	3.200
<b>Sanitation and Water Districts</b>						
Academy	26.960	26.960	32.198	30.911	26.955	27.613
Donala (Area A)	16.158	16.296	16.296	16.296	16.121	16.296
Donala (Area B)	-	-	-	8.148	7.127	8.148
Garden Valley	3.191	3.174	3.429	3.981	3.831	4.142
Garden Valley #2	-	-	-	-	-	-
Westmoor	16.311	17.200	11.447	34.044	30.645	31.840
Woodmoor	9.500	9.500	9.500	9.500	8.500	8.500

Exhibit I - 9

2008	2009	2010	2011
0.800	0.800	0.800	0.500
5.000	5.000	5.000	5.000
14.437	14.437	14.437	14.437
12.325	12.409	13.123	16.803
2.391	2.128	2.224	2.000
0.915	0.943	0.940	0.947
5.946	5.822	5.961	5.952
7.858	8.523	8.622	11.005
-	-	0.445	0.495
0.534	0.532	0.532	0.532
0.682	0.682	0.682	1.082
4.500	4.501	4.500	5.334
-	-	-	-
0.898	0.889	0.896	0.899
0.650	0.579	0.621	0.549
-	-	-	-
24.817	25.517	23.637	24.950
16.296	16.296	16.296	16.296
8.148	8.148	8.148	8.148
4.065	4.001	7.000	8.617
-	-	7.000	5.500
31.423	33.070	29.055	35.508
7.250	7.000	6.950	-

Schedule 9

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

Taxing Authority	Collection Year					
	2002	2003	2004	2005	2006	2007
<b>School Districts</b>						
Calhan #RJ-1	44.322	41.970	42.124	40.980	36.829	36.180
Harrison #2	36.244	38.519	42.256	43.256	44.081	44.039
Fountain/Ft. Carson #8	28.356	27.818	27.697	21.568	20.096	19.699
Colorado Springs #11	39.744	39.812	41.698	42.094	43.813	44.045
Cheyenne Mountain #12	46.688	46.525	54.800	54.800	54.800	50.391
Air Force Academy #20	58.897	58.897	60.216	60.216	60.216	60.216
Ellicott #22	49.516	49.429	49.211	48.476	48.419	47.903
Peyton #23	32.313	32.587	41.042	39.399	36.261	36.279
Hanover #28	26.128	26.013	21.717	27.541	26.043	26.043
Lewis-Palmer #38	47.937	47.937	55.181	55.224	32.746	53.786
Fremont/Florence #39	24.591	24.886	33.387	34.190	30.920	30.380
Falcon #49	47.522	46.424	44.575	43.281	46.848	45.547
Edison #54	39.103	36.213	36.195	36.278	36.837	36.357
Miami/Yoder #60	37.965	36.422	35.829	35.099	32.047	31.283
Big Sandy #100J	43.152	42.131	40.727	30.272	26.499	25.397
<b>Miscellaneous Districts</b>						
	381.945	573.763	566.236	581.993	1,087.400	1,568.774

Data source - El Paso County Assessor's Office Abstracts of Assessment

Exhibit I - 9

2008	2009	2010	2011
33.800	33.645	30.031	30.049
42.473	41.409	41.434	41.147
19.715	24.301	29.695	24.723
44.045	42.331	42.183	44.004
44.741	44.794	43.765	49.764
60.216	60.216	60.216	60.216
46.947	46.009	45.633	41.148
35.000	34.000	33.969	34.041
25.442	25.459	23.436	27.551
49.586	46.077	48.074	52.343
28.934	29.548	29.695	33.907
45.795	45.674	45.572	45.842
38.814	38.801	37.525	36.104
40.906	41.281	41.366	42.853
25.481	25.499	25.509	42.067
2,094.822	2,115.266	2,710.623	2,554.140

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

Principal Taxpayer	Type of Business	Fiscal Year 2011		Fiscal Year 2002	
		Assessed Valuation	Percent of Total Assessed Valuation	Assessed Valuation	Percent of Total Assessed Valuation
Qwest Corporation	Telecommunications	\$ 74,510,040	1.15%	\$ 73,196,300	1.60%
Wal-Mart Businesses	Merchandise/retail	30,838,560	0.48%	-	0.00%
Fountain Valley Power LLC	Utilities	31,490,600	0.49%	-	0.00%
Front Range Power, LLC	Utilities	28,253,400	0.44%	-	0.00%
Broadmoor Hotel, Inc.	Hotel	29,918,340	0.46%	27,358,130	0.60%
Mountain View Electric Association	Utility	21,045,400	0.33%	-	0.00%
MCI Telecommunications Corp.	Communications	19,382,000	0.30%	44,724,890	0.98%
Atmel Corp.	Investments	-	0.00%	69,712,340	1.53%
Chapel Hills Mall LLP	Retail Mall	-	0.00%	12,182,520	0.27%
MMP Citadel LLP	Retail Mall	15,322,230	0.24%	14,698,230	0.32%
Agilent Technologies	Technology	-	0.00%	30,413,570	0.67%
LSI Logic, Inc.	Manufacturing	-	0.00%	35,989,460	0.79%
Palmer Center LTD	Hotel, Office Center	15,210,080	0.24%	12,153,920	0.27%
dpiX, LLC	Technology	26,714,450	0.41%	-	0.00%
Intel Corp	Technology	-	0.00%	18,850,020	0.41%
<b>Total Top Ten Principal Taxpayers</b>		<u>\$ 292,685,100</u>	<u>4.53%</u>	<u>\$ 339,279,380</u>	<u>7.42%</u>
<b>Total Assessed Valuation</b>		<u>\$ 6,462,164,700</u>	<u>100.00%</u>	<u>\$ 4,571,163,980</u>	<u>100.00%</u>

Data source: El Paso County Assessor's Office



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Schedule 11

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

Assessment Year	Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections
2001	2002	\$ 14,700,917	\$ 14,503,321	98.7%	\$ 17,645
2002	2003	15,723,350	15,447,633	98.2%	18,673
2003	2004	15,981,537	15,803,185	98.9%	124,450
2004	2005	16,632,772	16,454,522	98.9%	28,368
2005	2006	17,559,260	17,391,950	99.0%	15,562
2006	2007	18,997,055	18,828,686	99.1%	30,205
2007	2008	20,404,148	20,325,222	99.6%	14,552
2008	2009	21,952,801	21,802,319	99.3%	17,902
2009	2010	22,348,644	22,096,603	98.9%	44,982
2010	2011	22,907,471	22,708,581	99.1%	19,503

Data sources - District's financial records and El Paso County Treasurer's Office.

Exhibit I-11

Omitted Property Tax Collections	Total Tax Collection	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
\$ -	\$ 14,520,966	98.8%	\$ 123,615	0.8%
-	15,466,306	98.4%	266,864	1.7%
-	15,927,635	99.7%	160,463	1.0%
200,444	16,683,334	100.3%	156,650	0.9%
2,938	17,410,450	99.2%	158,635	0.9%
1,429	18,860,320	99.3%	135,189	0.7%
2,533	20,342,307	99.7%	112,302	0.6%
6,683	21,826,904	99.4%	123,563	0.6%
4,421	22,146,006	99.1%	86,509	0.4%
4,202	22,732,286	99.2%	93,389	0.4%

Schedule 12

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

Year Ended December 31,	Population	Certificates of Participation			General Obligation Bonds		
		Gross Debt	Funds Available in Debt Service Fund	Net Debt	Gross Bonded Debt	Funds Available in Debt Service Fund	Net Bonded Debt
2002	473,320	\$ 1,155,000	\$ 250,000	\$ 905,000	\$ 1,015,000	\$ 201,650	\$ 813,350
2003	488,533	885,000	250,000	635,000	-	-	-
2004	495,265	605,000	250,000	355,000	-	-	-
2005	506,992	310,000	250,137	59,863	-	-	-
2006	516,366	-	-	-	-	-	-
2007	527,600	-	-	-	-	-	-
2008	535,537	-	-	-	-	-	-
2009	547,061	-	-	-	-	-	-
2010	554,355	-	-	-	-	-	-
2011	575,789	-	-	-	-	-	-

N/A - not available

Capital Leases									
Gross Debt	Funds Available in Debt Service Fund	Net Debt	Total Net Debt	Net Debt Per Capita	Personal Income	Debt as a Percentage of Personal Income	Assessed Value Used for Next Year's Collections	Ratio of Net Bonded Debt to Assessed Value	
\$ -	\$ -	\$ -	\$ 1,718,350	3.63	\$ 17,523,399,000	0.010%	\$ 4,571,163,980	0.018%	
223,533	-	223,533	858,533	1.76	17,888,571,000	0.005%	4,806,893,250	0.000%	
158,718	-	158,718	513,718	1.04	18,879,052,000	0.003%	4,653,912,300	0.000%	
108,149	-	108,149	168,012	0.33	20,147,935,000	0.001%	4,759,814,860	0.000%	
65,286	-	65,286	65,286	0.13	21,479,738,000	-	5,236,880,910	0.000%	
19,780	-	19,780	19,780	0.04	22,803,097,000	-	5,407,012,540	0.000%	
-	-	-	-	-	23,758,135,000	-	6,142,321,540	0.000%	
-	-	-	-	-	24,047,682,000	-	6,208,041,670	0.000%	
123,071	-	123,071	123,071	0.22	24,986,786,000	-	6,454,866,500	0.000%	
65,401	-	65,401	65,401	0.11	Not Available	-	6,462,164,700	0.000%	

**Pikes Peak Library District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2011**  
**(Unaudited)**

<u>Tax District</u>	<u>Governmental Activities Debt</u>	<u>Percentage Applicable to Pikes Peak Library District</u>	<u>Amount Applicable to Pikes Peak Library District</u>
<b>Direct:</b>			
Pikes Peak Library District		100.00%	\$ 65,401
<b>Overlapping:</b>			
Cities and Towns			
Colorado Springs	92,103,000	100.00%	92,103,000
Fountain	565,613	100.00%	565,613
Monument	54,025	100.00%	54,025
Palmer Lake	597,036	100.00%	597,036
<b>Total Cities and Towns</b>			<u>93,319,674</u>
<b>El Paso County</b>	122,347,506	94.18%	<u>115,226,881</u>
<b>Special Districts</b>			
Fire protection	3,099,294	100.00%	3,099,294
Miscellaneous	67,348,632	100.00%	67,348,632
Water	35,242,885	100.00%	35,242,885
Water and Sanitation	18,808,823	100.00%	18,808,823
General Improvement	54,647,192	100.00%	54,647,192
Metropolitan	285,010,933	100.00%	285,010,933
<b>Total Special Districts</b>			<u>464,157,759</u>
<b>School Districts</b>			
Cheyenne Mountain #12	22,372,428	100.00%	22,372,428
Academy #20	124,622,219	100.00%	124,622,219
Calhan #1	314,815	100.00%	314,815
Colorado Springs #11	199,186,051	100.00%	199,186,051
Edison #54	32,330	100.00%	32,330
Ellicott #22	20,137	100.00%	20,137
Fountain Fort Carson #8	2,262	100.00%	2,262
Harrison #2	56,787,171	100.00%	56,787,171
Peyton #23	3,621,599	100.00%	3,621,599
Miami/Yoder #60	-	100.00%	-
Lewis Palmer #38	75,427,490	100.00%	75,427,490
Falcon #49	65,039,329	100.00%	65,039,329
<b>Total School Districts</b>			<u>547,425,831</u>
<b>Total Overlapping</b>			<u>1,220,130,145</u>
<b>Total Direct and Overlapping</b>			<u>\$ 1,220,195,546</u>

Data source - individual governmental entities.

The overlap percentage equates to total square miles of the overlapping entity that are within the boundaries of the Pikes Peak Library District.

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Schedule 14

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

	2002	2003	2004	2005	2006
Assessed Valuation	\$ 4,571,163,980	\$ 4,806,893,250	\$ 4,653,912,300	\$ 4,759,814,860	\$ 5,236,880,910
Debt Limitation - 1.5% of total assessed value	\$ 68,567,460	\$ 72,103,399	\$ 69,808,685	\$ 71,397,223	\$ 78,553,214
Total debt (excluding compensated absences)	2,170,000	1,108,533	763,718	418,149	65,286
Less: Certificates of Participation (1)	(1,155,000)	(885,000)	(605,000)	(310,000)	-
Amount available in Debt Service Fund (general obligation bonds only)	(201,650)	-	-	-	-
Capital leases (1)	-	(223,533)	(158,718)	(108,149)	(65,286)
Total debt applicable to limitation	813,350	-	-	-	-
Legal debt margin	\$ 67,754,110	\$ 72,103,399	\$ 69,808,685	\$ 71,397,223	\$ 78,553,214

Notes:

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



Exhibit I-14

2007	2008	2009	2010	2011
\$ 5,407,012,540	\$ 6,142,321,540	\$ 6,208,041,670	\$ 6,454,866,500	6,462,164,700
\$ 81,105,188	\$ 92,134,823	\$ 93,120,625	\$ 96,822,998	\$ 96,932,471
19,780	-	-	123,071	65,401
-	-	-	-	-
-	-	-	-	-
(19,780)	-	-	(123,071)	(65,401)
-	-	-	-	-
\$ 81,105,188	\$ 92,134,823	\$ 93,120,625	\$ 96,822,998	\$ 96,932,471

Schedule 15

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

Fiscal Year	Debt Service Expenditures			
	General Obligation Bonds		Certificates of Participation	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2002	\$ 965,000	\$ 107,030	\$ 255,000	\$ 74,516
2003	1,015,000	60,142	270,000	61,511
2004	-	-	280,000	47,606
2005	-	-	295,000	32,906
2006	-	-	310,000	17,050
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-

Exhibit I-15

Capital Leases			Total	Noncapital Governmental Fund Expenditures	Ratio of Debt Service to Noncapital Governmental Fund Expenditures
Principal Payments	Interest Payments				
\$ -	\$ -	\$ 1,401,546	\$ 15,013,868	9.34%	
52,610	24,609	1,483,872	16,135,503	9.20%	
64,815	15,261	407,682	16,589,410	2.46%	
50,569	8,297	386,772	17,160,532	2.25%	
42,863	5,323	375,236	18,532,737	2.02%	
45,506	2,679	48,185	19,596,099	0.25%	
19,780	298	20,078	20,704,072	0.10%	
-	-	-	20,664,836	0.00%	
50,685	6,085	56,770	21,936,718	0.26%	
57,670	4,261	61,931	22,062,312	0.28%	

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Households		Median Age	School Enrollment
					Total	Average Size		
2002	473,320	17,523,399,000	37,022	6.1%	217,462	2.18	33.4	97,959
2003	488,533	17,888,571,000	36,617	6.3%	220,097	2.22	33.7	99,165
2004	495,265	18,879,052,000	38,119	5.8%	222,654	2.22	33.9	101,065
2005	506,992	20,147,935,000	39,740	5.4%	226,823	2.24	33.8	103,069
2006	516,366	21,479,738,000	41,598	4.7%	231,572	2.23	33.8	104,608
2007	527,600	22,803,097,000	43,220	4.2%	234,141	2.25	33.8	105,157
2008	535,537	23,758,135,000	44,363	5.6%	237,763	2.25	33.9	105,845
2009	547,061	24,047,682,000	43,958	8.9%	243,374	2.25	33.6	109,246
2010	554,355	24,986,786,000	45,074	10.5%	253,722	2.18	33.6	109,962
2011	575,789	Not Available	Not Available	8.9%	241,938	2.38	34.7	111,318

Data Sources - Colorado Department of Labor, U.S. Bureau of Economic Analysis, Colorado Department of Education, Colorado Department of Local Affairs, Colorado Workforce Center

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

Employer	Fiscal Year 2011		Fiscal Year 2002	
	Employees	Percent of Total Employment	Employees	Percent of Total Employment
Fort Carson	31,629	9.85%	14,648	5.44%
Peterson Air Force Base	11,139	3.47%	5,427	2.01%
United States Air Force Academy	10,308	3.21%	6,608	2.45%
Memorial Health Systems	5,800	1.81%	3,100	1.15%
Schriever Air Force Base	8,124	2.53%	2,285	0.85%
Verizon Wireless	4,000	1.25%	-	0.00%
Centura Health System	4,000	1.25%	2,500	0.93%
Hewlett Packard	4,000	1.25%	-	0.00%
El Paso County School District #11	3,593	1.12%	3,440	1.28%
Academy School District #20	3,686	1.15%	-	0.00%
World Com	-	0.00%	2,600	0.97%
Compaq Computer Corporation	-	0.00%	2,773	1.03%
City of Colorado Springs	-	0.00%	2,424	0.90%
	<u>86,279</u>	<u>26.86%</u>	<u>45,805</u>	<u>17.01%</u>
Total Employment - El Paso County, Colorado	<u>321,160</u>		<u>269,338</u>	

Data Sources - Local employers, Colorado Department of Labor and Colorado Springs Chamber of Commerce

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

	Full-time Equivalent Employees									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Public Services</b>										
Administration	5.00	5.00	5.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Special Collections	7.50	9.50	9.50	9.25	9.25	9.25	9.25	9.25	9.25	9.25
Adult Services										
East Library	15.10	15.10	15.10	15.45	15.55	15.55	16.00	16.00	16.00	16.30
Penrose Library	20.33	20.33	20.33	20.33	20.03	20.28	20.20	20.00	20.70	20.74
Children's										
East Library	7.90	7.80	7.80	7.80	8.00	8.00	8.00	9.00	9.00	9.02
Penrose Library	5.05	5.15	5.15	5.15	5.30	5.30	5.30	5.30	5.30	5.32
Community Libraries										
Administration	1.00	1.00	1.00	2.00	2.00	2.00	2.00	1.50	-	-
Briargate Library	-	-	-	10.60	10.13	10.50	11.88	11.88	12.63	13.63
Cheyenne Mountain Library	10.05	10.10	10.10	10.10	10.38	10.63	10.93	10.93	10.93	10.93
Fountain Library	4.93	4.68	4.18	4.18	10.63	10.63	10.63	10.63	10.63	10.25
High Prairie Library	-	-	-	-	-	-	-	-	7.13	8.00
Ruth Holley Library	10.05	10.48	10.48	10.60	10.88	11.75	12.25	12.25	12.25	12.25
Monument Library	9.69	9.69	9.49	9.11	9.78	10.15	10.15	10.15	10.21	10.42
Old Colorado City Library	4.68	5.98	5.98	5.98	6.50	6.60	8.73	8.73	8.93	9.28
Palmer Lake Library	1.61	1.61	1.86	1.94	2.13	1.93	1.93	1.93	1.93	2.01
Rockrimmon Library	10.55	10.60	9.72	9.72	10.50	10.88	11.25	11.25	11.25	11.23
Sand Creek Library	10.68	10.68	10.97	10.60	10.88	11.38	12.38	12.38	12.88	13.09
Ute Pass Library	1.43	1.43	1.43	1.43	1.80	1.80	1.83	1.80	2.15	2.30
Mobile Library Services	7.14	7.19	7.19	7.18	7.28	7.28	8.88	8.88	8.88	9.70
<b>Total Public Services</b>	<b>132.69</b>	<b>136.32</b>	<b>135.28</b>	<b>145.42</b>	<b>155.02</b>	<b>156.91</b>	<b>164.59</b>	<b>164.86</b>	<b>173.05</b>	<b>176.72</b>
<b>Administrative Services</b>										
Administrative Services	2.00	2.00	1.75	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Facilities										
East Library	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Penrose Library	6.00	6.00	6.00	3.00	5.50	5.50	6.75	6.75	6.75	7.00
Security	6.50	7.50	7.50	6.25	7.25	7.25	7.25	7.25	7.25	7.25
Human Resources	5.65	5.65	4.00	3.75	3.75	4.25	4.55	4.55	4.55	4.15
Training	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
LitSource	2.00	2.00	2.00	2.50	2.60	2.60	2.60	2.60	2.60	2.60
Circulation										
East Library	18.85	18.35	18.85	18.00	18.95	19.45	19.43	19.43	18.93	19.01
Penrose Library	9.50	10.10	10.10	10.10	10.60	10.60	11.50	11.50	11.50	11.59
Shelving										
East Library	11.75	11.75	12.25	13.35	14.10	13.90	13.93	14.15	14.95	15.16
Penrose Library	8.40	8.80	8.40	8.40	8.40	8.80	8.80	8.80	8.40	8.84
Switchboard	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Collection Management	20.50	17.13	17.38	18.13	18.38	18.38	19.00	19.00	19.50	19.80
<b>Total Administrative Services</b>	<b>95.15</b>	<b>93.28</b>	<b>93.23</b>	<b>90.48</b>	<b>96.53</b>	<b>96.73</b>	<b>99.81</b>	<b>100.03</b>	<b>100.43</b>	<b>101.40</b>
<b>Other Administrative Operations</b>										
Executive Director	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50
Information Technology	10.00	10.00	10.00	10.00	11.00	12.00	12.00	12.00	13.00	13.00
Community Relations Office	10.50	10.50	11.25	8.00	9.38	9.38	10.90	10.90	11.40	10.65
Finance Office	5.00	5.00	5.00	6.00	6.00	7.00	6.50	6.75	6.75	6.75
<b>Total Administration</b>	<b>27.50</b>	<b>27.50</b>	<b>28.25</b>	<b>26.00</b>	<b>28.38</b>	<b>30.38</b>	<b>31.40</b>	<b>31.65</b>	<b>33.65</b>	<b>32.90</b>
<b>Total Full Time Equivalents</b>	<b>255.34</b>	<b>257.10</b>	<b>256.76</b>	<b>261.90</b>	<b>279.93</b>	<b>284.02</b>	<b>295.80</b>	<b>296.54</b>	<b>307.13</b>	<b>311.02</b>

Data Source - District's Human Resources Office.

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Schedule 19

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

Fiscal Year	Number of Volumes Owned	Number of Audio Visual Items Owned	Total Items Owned	Acquisition Cost of Collections
2002	880,691	89,321	970,012	N/A
2003	901,715	102,879	1,004,594	\$ 30,690,604
2004	897,826	115,763	1,013,589	30,391,278
2005	941,554	127,225	1,068,779	31,195,011
2006	962,131	147,970	1,110,101	32,454,231
2007	967,217	163,190	1,130,407	33,454,104
2008	959,325	173,115	1,132,440	34,139,308
2009	908,932	189,836	1,098,768	32,966,004
2010	908,706	223,575	1,132,281	33,922,252
2011	948,527	235,087	1,183,614	34,699,459

Data Source - District's Collection Management Department.

N/A - Not Available



Exhibit I-19

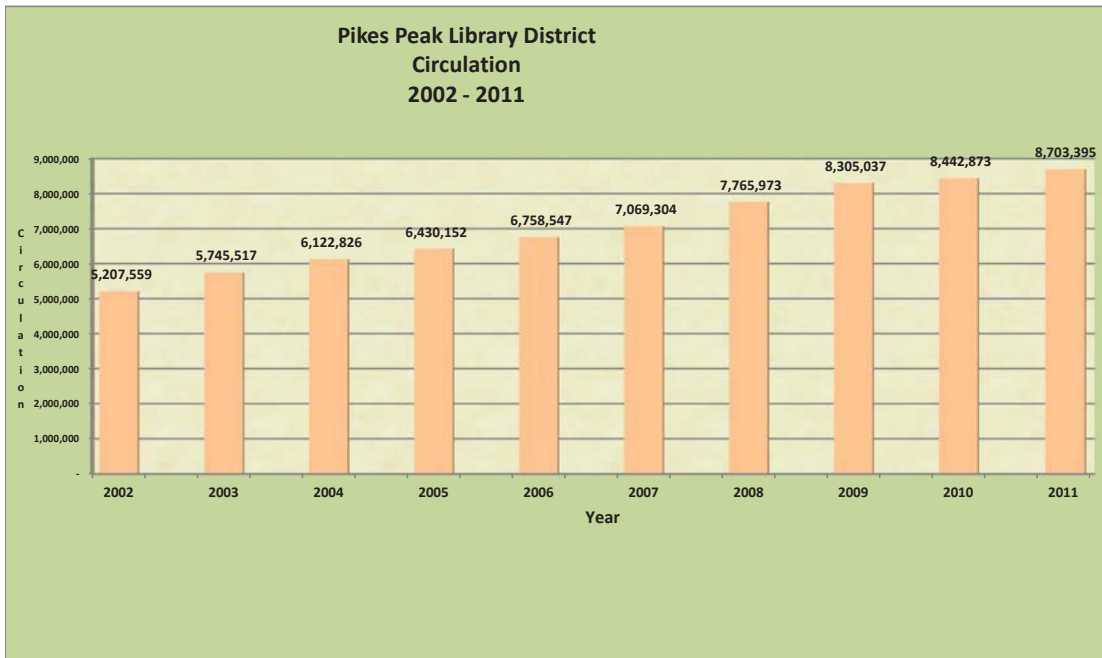
	<b>Cost of New Acquisitions</b>	<b>Net Book Value of Collections</b>	<b>Number of Items in Circulation</b>	<b>Turnover Rate</b>
\$	1,838,311	N/A	930,167	5.70
	1,964,997	\$ 20,584,740	965,829	6.10
	2,017,925	17,281,590	975,075	6.30
	2,317,093	15,320,396	1,024,868	6.40
	2,690,196	15,443,661	1,067,098	7.10
	2,292,470	15,256,127	1,093,534	7.30
	2,455,637	14,778,633	1,093,758	8.10
	2,594,598	14,612,166	1,059,321	9.03
	3,517,700	15,285,873	1,092,281	9.65
	3,796,733	15,632,673	1,142,172	9.50

Schedule 20

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

Fiscal Year	East Library and Information Center	Penrose Public Library	Community Libraries							
			Briargate	Cheyenne Mountain	Fountain	High Prairie	Monument	Old Colorado City	Palmer Lake	Rockrimmon
2002	1,996,590	887,022	-	332,563	86,666	-	305,773	155,158	41,416	421,113
2003	2,141,416	962,988	-	368,697	101,061	-	356,239	177,069	43,424	468,834
2004	2,257,370	998,427	-	399,594	104,052	-	406,423	190,994	46,214	514,744
2005	2,267,554	1,005,510	125,756	399,451	112,369	-	457,499	202,832	54,558	546,386
2006	2,127,986	1,019,862	472,333	391,663	177,779	-	493,432	211,811	55,594	534,570
2007	2,194,673	1,067,270	550,744	487,795	214,581	-	508,669	124,347	56,436	534,676
2008	2,391,975	1,146,308	663,170	520,598	239,946	-	547,597	239,244	64,012	574,913
2009	2,655,765	1,128,125	741,583	552,161	261,457	-	563,755	278,940	66,617	587,455
2010	2,582,700	1,095,427	768,785	554,658	273,745	66,410	572,676	303,763	62,441	572,963
2011	2,494,034	1,132,553	772,441	553,038	281,337	359,569	588,895	316,223	65,877	563,134

Data Source - District's Information Technology Office.



Ruth Holly	Sand Creek	Ute Pass	Mobile Library Services	Library Express Dispenser	CyberShelf	NetBooks	Nook eReaders	Interlibrary Loan	Total
417,777	349,940	35,375	157,279	-	-	-	-	20,887	5,207,559
476,236	403,975	44,364	178,562	-	-	-	-	22,652	5,745,517
500,566	450,136	46,091	183,000	-	-	-	-	25,215	6,122,826
533,020	452,477	46,046	199,009	-	-	-	-	27,685	6,430,152
529,841	446,804	51,861	214,882	-	-	-	-	30,129	6,758,547
547,993	456,783	59,707	223,624	-	12,329	-	-	29,677	7,069,304
587,119	415,309	64,893	255,837	-	22,450	-	-	32,602	7,765,973
622,965	447,137	67,583	267,083	-	30,953	-	-	33,458	8,305,037
611,815	574,676	63,262	247,214	6,870	60,173	-	-	25,295	8,442,873
594,154	538,120	59,025	194,192	8,272	154,372	665	730	26,764	8,703,395

Schedule 21

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

Library	Address (FY 2006)	Owned (O) Leased (L)	No. of Hours Open/Week FY 2011	2002		2003	
East Library and Information Center	5550 N. Union Colorado Springs, CO 80918	O	64	70,153		70,153	
Penrose Public Library	20 N. Cascade Colorado Springs, CO 80903	O	64	78,831		78,831	
Briargate Library	9475 Briar Village Pt. Colorado Springs, CO 80920	L	64	-		-	
Cheyenne Mountain Library	1785 S. 8th Street, Suite 100 Colorado Springs, CO 80906	L	60	6,324		6,324	
El Pomar Non-Profit Resource Library	1661 Mesa Avenue Colorado Springs, CO 80906	L	-	-		-	
Fountain Library	230 S. Main Street Fountain, CO 80817	O	60	1,973		1,973	
High Prairie Library	7035 Old Meridian Rd. Falcon, CO 80831	O	52	-		-	
Monument Hill Library	1706 Lake Woodmoor Drive Monument, CO 80132	L	64	7,536		7,536	
Old Colorado City Library	2418 W. Pikes Peak Colorado Springs, CO 80904	O	60	4,909		4,909	
Palmer Lake Library	66 Lower Glenway Palmer Lake, CO 80133	L	36	1,574		1,574	
Rockrimmon Library	832 Village Center Drive Colorado Springs, CO 80919	L	60	7,536		7,536	
Ruth Holley Library	685 N. Murray Colorado Springs, CO 80915	L	60	6,777		6,777	
Sand Creek Library	1821 S. Academy Colorado Springs, CO 80916	O	64	14,060		14,060	
Ute Pass Library	8010 Severy Cascade, CO 80809	L	30	840		840	
Mobile Library Services - three vehicles		O	50	437		437	
Offices	25 W. Kiowa Colorado Springs, CO 80903	O	n/a	11,988		11,988	
				<u>788</u>	<u>212,938</u>	<u>212,938</u>	

Data Source - District's Facilities Office.

Exhibit I-21

Square Footage as of Fiscal Year-End							
2004	2005	2006	2007	2008	2009	2010	2011
70,153	70,153	70,153	70,153	70,153	70,153	70,153	70,153
78,831	78,831	78,831	78,831	78,831	78,831	78,831	78,831
-	8,627	8,627	8,627	8,627	8,627	8,627	8,627
6,324	6,324	8,900	8,900	8,900	8,900	8,900	8,900
-	-	-	-	-	-	-	-
1,973	1,973	9,582	9,582	9,582	9,582	9,582	9,582
-	-	-	-	-	-	6,008	6,008
7,536	7,536	7,536	7,536	7,536	7,536	7,536	7,536
4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909
1,574	1,574	1,574	1,574	1,574	1,574	1,574	1,574
8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668
10,469	10,469	10,469	10,469	10,469	10,469	10,469	10,469
14,060	14,060	14,060	14,060	14,060	14,060	14,060	14,060
2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123
437	437	437	437	437	455	455	455
11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988
219,045	227,672	237,857	237,857	237,857	237,875	243,883	243,883

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