

Pikes Peak Library District

Annual Comprehensive Financial Report

Year ending December 31, 2020

Administrative Offices
 20 N. Cascade Ave.
 Colorado Springs, CO 80903



(719) 531-6333 ppld.org

Pikes Peak Library District

Annual Comprehensive Financial Report

For the year ended December 31, 2020

Board of Trustees

(As of December 31, 2020)

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Chief Librarian and Chief Executive Officer

John Spears

Prepared by

Michael E. Varnet, CPA, CPFO

Chief Financial Officer

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

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P.O. Box 1579

Colorado Springs, CO 80901

June 30, 2021

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

Dear Trustees:

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Pikes Peak Library District (the District) for the year ended December 31, 2020.

This is the 30th consecutive year that an annual financial report has been submitted to you in ACFR format, in accordance with guidelines of the Government Finance Officers Association of the United States and Canada (GFOA).

Please refer to pages 31 to 45 for the section of the ACFR called "Management's Discussion and Analysis." This section provides a discussion of the significant issues and analysis of the District's 2020 financial statements.

Last year's ACFR received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the 29th consecutive year. This award represents affirmation that the District has achieved excellence in financial reporting. The District will submit the 2020 ACFR for recognition again this year.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John Spears', is enclosed in a light blue rectangular box.

John Spears
Chief Librarian and Chief Executive Officer



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P.O. Box 1579

Colorado Springs, CO 80901

June 30, 2020

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, 2020.

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, has issued unmodified (“clean”) opinions on the Pikes Peak Library District’s (the District, the Library, or PPLD) financial statements as of and for the year ended December 31, 2020. The independent auditor’s report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

Government Structure

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

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

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

There are 15 library facilities and three mobile libraries covering a service area of approximately 2,070 square miles. PPLD owns eight facilities: East Library, Calhan Library, Fountain Library, High Prairie Library, Library 21c, Old Colorado City Library, Penrose Library Campus, and Sand Creek Library. The District leases the other seven facilities: Cheyenne Mountain Library, Manitou Springs Library, Monument Library, Palmer Lake Library, Rockrimmon Library, Ruth Holley Library, and Ute Pass Library. Additionally, a mobile fleet delivers library services to remote sites and to special non-mobile populations.

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

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

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

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

About Pikes Peak Library District

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

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

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

The District's Strategic Plan for the years 2017 – 2020 follows:

Providing resources and opportunities that impact individual lives and build community.

Pikes Peak Library District
Strategic Plan 2017-2020



STRATEGIC FOCUS	EFFORTS	OUTCOMES
<p>COMMUNITY</p>	<p>Steward the alignment of the community's talents, abilities and relationships to enrich lives.</p> <p>Facilitate enlightened dialogues to serve as a social connector.</p>	<p>PPLD is a people-focused public library that embraces new ways of working together to advance greater integration and cooperation in our community.</p>
<p>RESOURCES</p>	<p>Provide, maintain and improve a variety of flexible, sustainable and innovative resources.</p> <p>Explore and develop opportunities with other organizations for collaborative resources both internal and external, throughout the District.</p>	<p>PPLD is the center of a thriving community.</p>
<p>INNOVATION / CREATIVITY</p>	<p>Focus on community interests and trends to create opportunities for individuals to collaborate, innovate, inspire one another and generate content.</p> <p>Utilize innovation and creativity to highlight the history and culture of the Pikes Peak Region.</p>	<p>PPLD will support lifelong learning and foster a learning community that allows each individual to maximize their creative potential.</p>
<p>SERVICE</p>	<p>Design and implement services to anticipate and meet the needs of increasingly diverse communities with unique needs and expectations.</p> <p>Remove barriers and take bold risks to design and deliver exemplary services that set a national standard of excellence for libraries.</p>	<p>The customer experience at PPLD will emphasize convenience, speed, ease and satisfaction.</p> <p>PPLD collections and services will be responsive to community needs and relevant to residents' lives.</p>
<p>INTERNAL – STAFF</p>	<p>Create and maintain an environment that allows employees to take maximum advantage of their abilities to grow personally and professionally in alignment with PPLD's mission.</p> <p>Offer competitive compensation, benefits and work environment to attract and retain quality employees.</p> <p>Develop and maintain an organizational structure that is responsive, agile and quality focused.</p>	<p>PPLD staff members are community-focused, confident and motivated.</p>
<p>ACCOUNTABILITY</p>	<p>Build institutional capacity to ensure the future of PPLD.</p> <p>Promote efficient and effective use of financial resources entrusted to PPLD.</p> <p>Foster community understanding of PPLD with a focus on initiatives tied to strategic efforts.</p>	<p>PPLD will be prudent in the utilization of its financial resources.</p> <p>PPLD will have a strong brand as a trusted community resource, asset and partner.</p>

2020 Highlights

Pikes Peak Library District launched the Pikes Peak Culture Pass in March 2020, which lets library cardholders check out a digital pass and visit area museums and attractions at no cost. PPLD also reopened the Knights of Columbus Hall as a space for and by the community.

All PPLD facilities closed to the public due to the COVID-19 pandemic on March 16, 2020, but PPLD kept changing and innovating to meet patron needs.

In April, Public Services launched virtual programming, including virtual story times, live community movie discussions, virtual yoga, poetry readings, and virtual book clubs. They also initiated a virtual ask-a-librarian service, where patrons could easily connect with PPLD staff by phone, live chat, or virtual meeting.

In May, all libraries launched curbside services and began accepting returned materials. The service was expanded to include wireless print jobs and prize pickups.

After the staff completely revamped PPLD's annual Summer Adventure program, sponsored by Children's Hospital, Colorado, nearly 5,000 children and teens participated.

On July 1, 2020, PPLD welcomed patrons back to libraries on a limited basis, such as to browse the collection or use computers.

PPLD began introducing other programs and opportunities safely to patrons, such as take and make craft kits, Dial-a-Story, Stroll-a-Story, TeleGram, and Drive-in Storytime.

In September, PPLD conducted a library experience survey to capture real-time feedback of library usage in the era of the COVID-19 pandemic to help staff better understand the experiences of patrons. Approximately 1,230 patrons responded through online and paper surveys.

During the fall, PPLD launched the "All You Need Is Your Library" campaign to ensure community members were aware of digital resources available to them, in addition to All Pikes Peak Make, a month-long celebration and programs that replaced the Colorado Springs Mini Maker Faire.

When local COVID-19 cases increased again in mid-November, PPLD began limiting access to the inside of the facilities for computer use only. However, curbside services continued, and on November 30, 2020, multifunction devices became available to the public for copying, scanning, and faxing.

In June, the Chief Librarian and CEO and the Board of Trustees President released a public statement on racism and inequity, committing PPLD to joining the efforts to all who share its mission on building a community free of racism, hatred, and intolerance.

PPLD received an impactful estate gift from a local couple, Darlene and Milt Johnson, long-time Colorado Springs residents, who gifted more than \$2 million through their estate to 10 local organizations. Of the 10, two were particularly close to the couple's hearts and were given specifically in their names – one of which was to the Pikes Peak Library Foundation.

In September, PPLD and the Manitou Arts Center officially announced a new co-location partnership where the Manitou Springs Library would relocate and operate inside the art center beginning in the Spring of 2021.

Four PPLD locations served as voter service and polling centers for the general election in early November. More than 3,000 people voted inside, 372 dropped off their ballots inside, and many more slid their ballots into secure drop boxes outside the library locations.

For the second year in a row, PPLD surpassed 2 million eMaterials checkouts in one year. PPLD ended 2020 with a total of 2,430,575 eMaterials checkouts, resulting in a top 40 ranking of all public library systems and consortiums.

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, 2020, the population of El Paso County is 741,889 (the District’s legal service is 669,874 and is included in this total). Colorado Springs, the largest municipality within El Paso County (the County), is the 39th largest city in the nation. The County’s population has increased by approximately 222,086 since 2000, with approximately half of the increase due to migration from other states and the balance due to natural growth.

Age

The projected median age for El Paso County is 33.7 at the end of 2020. The following are estimates of the population for El Paso County by certain age categories:

Age Range	2020	% Total	2019	% Total
Under 15	154,204	20.8%	144,612	19.9%
15-24	116,905	15.8%	116,207	16.2%
25-44	207,792	28.0%	202,098	27.9%
45-64	166,423	22.4%	168,524	23.3%
65+	96,565	13.0%	91,796	12.7%
Total	741,889	100.0%	723,237	100.0%

Industries

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

	2020	2019
Wholesale and retail trade	18.5%	15.2%
Government, including military	18.1%	18.1%
Professional and business	15.3%	15.7%
Leisure and hospitality	13.2%	13.9%
All other	13.0%	14.1%
Education, health care	12.1%	12.7%
Financial	5.9%	6.3%
Manufacturing	3.9%	4.0%

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.

Occupation	2020 Annual Wages	2019 Annual Wages
Accountants and Auditors	75,570	75,970
Bank Tellers	35,520	32,940
Bookkeeping, Accounting, and Auditing Clerks	41,450	40,470
Carpenters	50,920	46,300
Civil Engineers	88,050	95,150
Computer Programmers	72,460	77,090
Correctional Officers	62,800	58,690
Dental Hygienists	80,790	75,270
Electrical Engineers	109,760	107,060
Elementary School Teachers	50,060	48,650
Executive Secretaries	52,860	53,240
Financial Analysts	87,940	84,080
Graphic Designers	50,650	52,580
Order Clerks	39,440	30,770
Payroll Clerks	47,300	45,600
Physicians and Surgeons	222,520	196,000
Property Managers	73,420	65,580
Social Workers	65,680	67,840
Systems Analysts	103,500	100,760

Consumer Spending

Retail sales for 2020 were about 4% higher than 2019. 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 2020 was 104.0, which is slightly higher than the nation as a whole. The following chart compares the cost-of-living index for Colorado Springs to other cities:

	2020	2019
Seattle, WA	156.0	156.7
Los Angeles, CA	147.2	145.9
Portland, OR	132.7	134.0
Denver, CO	114.0	110.8
Dallas, TX	106.0	107.7
Salt Lake City, UT	104.6	103.3
Colorado Springs, CO	104.0	100.8
Phoenix, AZ	103.8	98.9
Las Vegas, NV	102.9	103.1
National Average	100.0	100.0
Boise, ID	99.1	98.4
Albuquerque, NM	94.3	88.3

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 2020.

	2020	2019
Los Angeles, CA	\$ 856,727	\$ 816,438
Seattle, WA	844,715	813,440
Portland, OR	611,354	616,272
Denver, CO	542,418	515,298
Las Vegas, NV	410,414	447,464
Salt Lake City, UT	405,357	396,378
Colorado Springs, CO	389,034	343,668
Boise, ID	376,220	349,211
Dallas, TX	373,595	389,520
National Average	371,319	366,058
Phoenix, AZ	351,300	334,870
Albuquerque, NM	335,658	260,900

At the end of 2020, apartment rental rates are equally reasonable when compared to approximately 950 square foot apartments with two bedrooms and one and a half or two full baths in other cities:

	2020	2019
	Per Month	Per Month
Los Angeles, CA	\$ 2,729	\$ 2,800
Seattle, WA	2,606	2,650
Portland, OR	2,533	2,542
Dallas, TX	1,776	1,588
Phoenix, AZ	1,598	1,424
Denver, CO	1,560	1,500
Colorado Springs, CO	1,445	1,310
Boise, ID	1,297	1,131
Las Vegas, NV	1,223	1,208
National Average	1,172	1,155
Salt Lake City, UT	1,165	1,273
Albuquerque, NM	886	901

Tourism

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

Roads

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

Airport

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

Legislation

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

Education

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

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

	Total Enrollment	
	2020	2019
Pikes Peak Community College	13,204	13,275
University of Colorado at Colorado Springs	12,180	12,795
United States Air Force Academy	4,304	4,336

National Rankings

- Colorado Springs ranked #4 in U.S. News and World Report's Best Places to Live in 2020. A low cost of living, low unemployment rate, and a variety of recreation and entertainment options were cited as reasons for the ranking.
- Colorado Springs was voted #1 Most Confident Workforce in the Nation by LinkedIn. Workforce confidence is calculated based on participants' views of their current job security (or ability to land a new position), their finances, and their longer-term career prospects.
- Colorado Springs was among the top mid-sized cities for new or expansion projects determined by the Site Selectors Guild in 2020.
- Colorado Springs has earned the #7 spot in TripAdvisor's list ranking the top 25 emerging destinations in the world. The list is published annually and uses reviews, ratings, and saves from travelers worldwide to "spotlight the very best."
- Colorado Springs climbed this year to its highest ranking ever in the Milken Institute's annual Best-Performing Cities ranking, moving up 22 places from last year's ranking to 36th.
- Colorado Springs has been ranked #13 on the New York Times' prestigious "52 Places to Visit in 2020" list.

- Colorado Springs ranked fourth on CBRE’s list of up-and-coming North American tech-talent markets, according to CBRE’s Scoring Tech Talent Report, which ranks 75 U.S. and Canadian markets according to their ability to attract and grow tech talent.
- Colorado Springs ranked #28 best metro area for STEM professionals by WalletHub. The data set ranges from per-capita job openings for STEM graduates to annual median wage growth for STEM jobs.

OTHER ITEMS

Internal Controls

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

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

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

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

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

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

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

FINANCIAL POLICIES

The 2020 ACFR has been prepared in compliance with the District's Financial Guidelines, applying Generally Accepted Accounting Principles for governmental and Non-Profit entities, without exception.

AWARDS and ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pikes Peak Library District for its Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the 29th consecutive year that the District has received this prestigious award.

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

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

Finally, we would like to offer special thanks to the following individuals who are (or have been) employed by the District's Finance Office, and whose efforts and contributions made the preparation of the 2020 ACFR a success:

Dana Austin, Tisha Gough, Randy Green, Tina Lambert, Carol Morrow, Dawn Ouradnik, Tatiana Zonte.

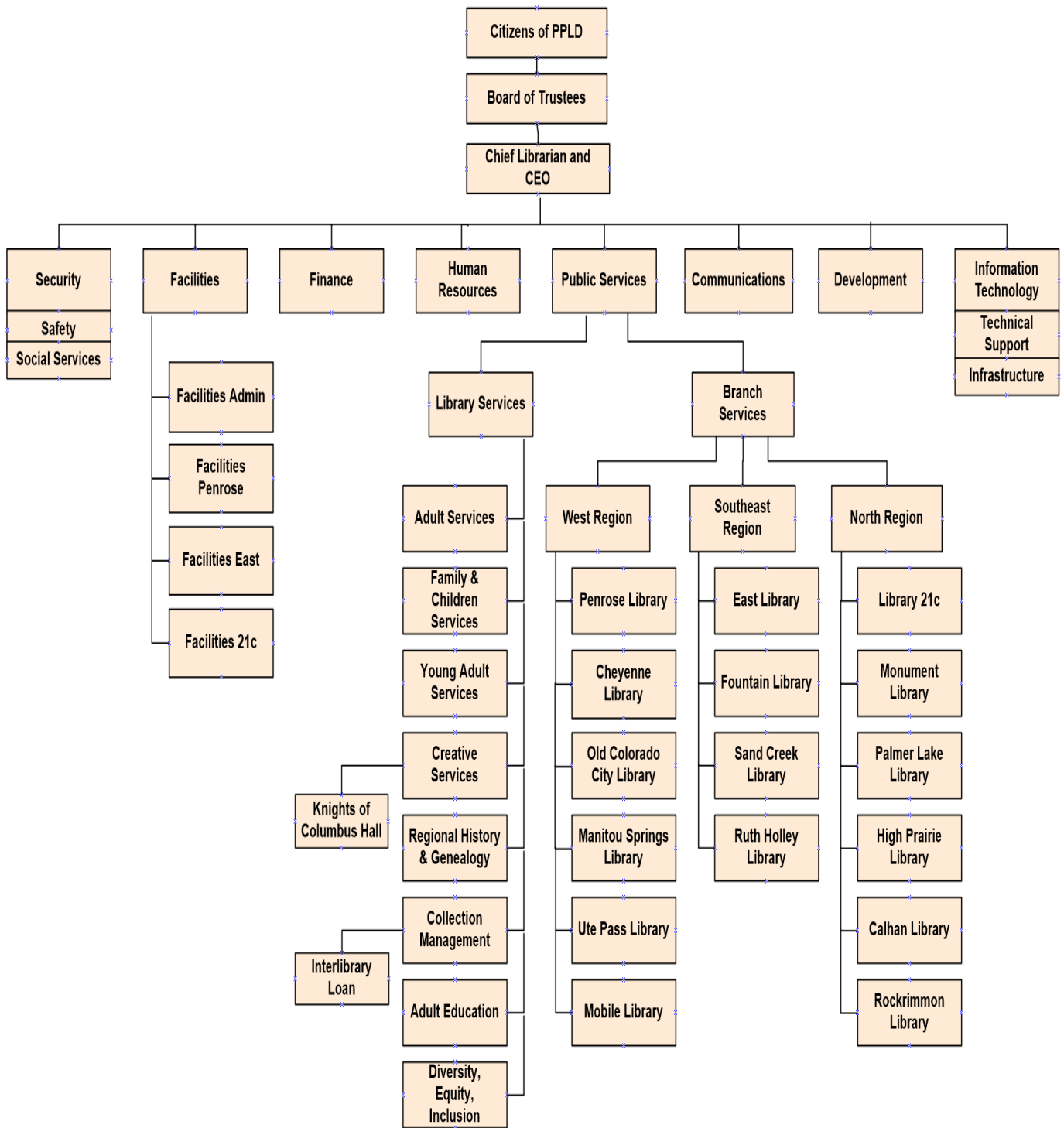
Respectfully submitted,



John Spears
Executive Director



Michael E. Varnet, CPA, CPFO
Chief Financial Officer



Organizational Chart

**Chief Librarian and
Chief Executive Officer's Leadership Team
December 31, 2020**

John SpearsChief Librarian and Chief Executive Officer
Michael BrantnerChief Safety, Social Work and Security Officer
Teona Shainidze Krebs Chief Public Services Officer
Lance JamesChief Development Officer and Foundation Executive Officer
Heather LaslieChief Human Resources and Organizational Development Officer
Rich Peters Chief Information Officer
Michelle RayChief Communications Officer
Gary Syling Chief Facilities Management Officer
Michael Varnet, CPA, CPFO Chief Financial Officer
Laura Foster Executive Assistant

**Pikes Peak Library District
List of Managers
As of December 31, 2020**

<u>Manager's Name</u>	<u>Job Title</u>
Abbott, Steve	Library Manager 2, Rockrimmon Library
Asmar, Michael	Library Supervisor, Penrose Library
Blakely, Evelyn	Library Supervisor, Old Colorado City Library
Brantner, Michael	Chief Safety, Social Work & Security Officer
Carrier, Jean	Library Supervisor, Monument Library
Carlson, Christina	Supervisor, Collection Management
Cruz, Rebecca	Director, Creative Services
Dodge, Hillary	Regional Library Director, North Region
Doherty, Michael	Regional Library Director, West Region
Egan, Richard	Facilities Supervisor, Library 21c
Fletcher, Mark	Library Supervisor, Fountain Library
Ford, Terry	Library Supervisor, East Library
Foye, Laura	Library Supervisor, High Prairie Library
Fuqua-Jones, Linda	Library Supervisor, Palmer Lake Library
Garcia, David	Facilities Supervisor, East Library
Garcia, Lisa	Library Supervisor, Sand Creek Library
Gomori, Alicia	Library Manager 2, Fountain Library
Goodwin, Janina	Library Manager 3, East Library
Green, Randall	Controller, Finance
Hancock, Sandy	Library Manager 2, Old Colorado City Library
Hart, Andrew	Library Manager 2, Monument & Palmer Lake Libraries
James, Lance	Chief Development Officer & Foundation Executive Officer
Knowles, David	Security Supervisor, Library 21c
Jaramillo, Cristina	HRIS, Benefits, & Compliance Manager
Krupicka-Smith, Antonia	Library Manager 3, Penrose Library
Lanaux, Juanita	Manager, End User Services
Laslie, Heather	Chief HR & Organizational Development Officer
Lennen, Troy	Security Supervisor, Penrose Library
Lobello, Brett	Director, Regional History & Genealogy
Logsdon, Cody	Organizational Development Manager
London, Laura	Library Supervisor, Rockrimmon Library
Marez-Frutchey, Amanda	Manager 1, Interlibrary Loan
Morris, Tim	Manager 2, Special Collections
Osborne, Randall	Facilities Supervisor, Penrose Library
Paisley, Tiffany	Library Manager 2, Cheyenne Mountain Library
Parker, Annelise	Manager, IT Infrastructure
Peters, Richard	Chief Information Officer
Pierce, Jenny	Director, Collection Management

**Pikes Peak Library District
List of Managers
As of December 31, 2020**

Ray, Michelle	Chief Communications Officer
Rendon, Joanna	Director, Young Adult Services
Robert, Marion	Library Supervisor, East Library Shelving
Rodda, Amy	Director, Adult Services
Rundle, Jacob	Library Manager 2, Sand Creek Library
Sayles, Tammy	Director, Adult Education
Schloesser, Melissa	Library Supervisor, Library 21c
Shainidze Krebs, Teona	Chief Public Services Officer
Simpson, Abby	Regional Library Director, Southeast Region
Snellgrove, Rachel	Manager 1, Adult Education
Spears, John	Chief Librarian & CEO
Springer, Whitney	Library Manager 2, Manitou Springs & Ute Pass Libraries
Swanson, Kayah	Director, Public Relations
Syling, Gary	Chief Facilities Management Officer
Tierney, Catie	Library Manager 3, Library 21c
Toledo, Fran	Library Supervisor, Ruth Holley Library
VACANT	Director, Children's Services
VACANT	Library Manager 2, Ruth Holley Library
VACANT	Library Supervisor, Cheyenne Mountain Library
VACANT	Security Supervisor, East Library
Varnet, Michael	Chief Finance Officer
Ward, Lisa	Manager 1, Mobile Library Services
Willhoff, Elizabeth	Library Manager 2, High Prairie Library



Government Finance Officers Association

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**Pikes Peak Library District
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Independent Auditor's Report

Board of Trustees
Pikes Peak Library District
Colorado Springs, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Pikes Peak Library District (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pikes Peak Library District as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

The District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* and paragraphs 4 and 5 of Governmental Accounting Standards Board Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and 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.

The 2020 combining and individual fund statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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,

Board of Trustees
Pikes Peak Library District

the 2020 combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements as of and for the year ended December 31, 2019, which are not presented with the accompanying financial statements. In our report dated July 29, 2020, we expressed unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. In our opinion, the 2019 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, 2019, taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BKD, LLP

Colorado Springs, Colorado
June 28, 2021

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Pikes Peak Library District
Management's Discussion and Analysis (Unaudited)
December 31, 2020

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, 2020. 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 26 of this report.

Financial Highlights

- The District's total assets and deferred outflows of resources was \$101,025,888 as of December 31, 2020. Included in this total is current assets of \$48,267,641 (primarily cash and investments of \$15,990,222 and property taxes receivable of \$31,132,840), noncurrent assets (capital assets) of \$33,586,376, and deferred outflow of resources (pension-related amounts) of \$19,171,871.
- The District's total liabilities and deferred inflows of resources was \$79,037,500 as of December 31, 2020. Included in this total is current liabilities of \$2,444,350 (accounts payable of \$993,763 and accrued compensation payable of \$1,450,587), noncurrent liabilities of \$42,776,532 (accrued compensation absences of \$1,439,252 and net pension liability of \$41,337,280), and deferred inflows of resources of \$33,816,618 (property taxes of \$31,132,840 and pension-related amounts of \$2,683,778).
- The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$21,988,388 (net position) as of December 31, 2020.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$33,556,137 includes property and equipment, net of accumulated depreciation.
 - (2) Net position of \$1,298,802 is restricted by constraints imposed from outside the District, such as gifts, grantors, laws, or regulations.
 - (3) Unrestricted deficit net position of (\$12,866,551) represents the portion available to maintain the District's continuing obligations to citizens and creditors. As discussed below, the District implemented GASB Statement No. 68 effective January 1, 2015. As of December 31, 2020, the District's proportionate share of the Net Pension Liability was \$41,337,280. This balance is included in the unrestricted net position.
- The District's total assets in its Governmental Funds was \$50,627,109 as of December 31, 2020 (primarily cash and investments of \$15,262,997 and property taxes receivable of \$31,132,840).
- The District's total liabilities of its Governmental Funds was \$4,799,335 as of December 31, 2020 (accounts payable of \$842,211, accrued compensation payable of \$833,764, and amounts due to other funds of \$3,123,360).
- The District's total deferred inflows of resources was \$31,405,868 (property taxes of \$31,132,840 and unavailable fund resources of \$273,028).

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

- The District's General Fund reported total ending fund balance of \$11,320,091 as of December 31, 2020. This compares to the prior year ending fund balance of \$10,060,702, showing an increase of \$1,259,389 during the current year.
- As of December 31, 2020, unassigned fund balance for the General Fund was \$9,395,403, or 28.4%, of total General Fund expenditures, including transfers for the year ended December 31, 2020.
- Overall, the District continues to maintain a moderately strong financial position.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

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

The government-wide financial statements are presented on pages 47 through 52 of this report.

Fund Financial Statements

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

The District has the following fund types:

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

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

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

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

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

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

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

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

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 62 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, the District's proportionate share of the net pension liability, and District contributions. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. The required supplementary information can be found on pages 95 through 102.

As discussed, the District reports one major fund and several non-major funds in the basic financial statements. The individual governmental fund comparative statements are presented in a subsequent section of this report beginning on page 104.

Financial Analysis of the District as a Whole

The District's net position at calendar year-end is \$21,988,388. The following table provides a summary of the District's net position as of December 31, 2020 and 2019:

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

	Summary of Net Position			
	2020		2019	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Assets				
Current and other assets	\$ 48,267,641	59%	\$ 45,349,838	57%
Capital assets	33,586,376	41%	34,822,315	43%
Total assets	81,854,017	100%	80,172,153	100%
Deferred Outflows of Resources	19,171,871	100%	10,315,283	100%
Liabilities				
Current liabilities	2,444,350	5%	2,029,036	7%
Noncurrent liabilities	42,776,532	95%	27,992,558	93%
Total liabilities	45,220,882	100%	30,021,594	100%
Deferred Inflows of Resources	33,816,618	100%	31,477,874	100%
Net Position				
Net investment in capital assets	33,556,137	153%	34,741,176	99%
Restricted	1,298,802	6%	1,179,070	4%
Unrestricted	(12,866,551)	-59%	(6,932,278)	-3%
Total net position	\$ 21,988,388	100%	\$ 28,987,968	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 for governmental activities. After this elimination, governmental activities' current assets are \$17,134,801. As a result, the current ratio for the District overall is 7.0 to 1 which compares slightly unfavorable to the December 31, 2019 ratio of 7.4 to 1. This ratio overall is strong.

The District reported an overall positive balance in net position. Net position decreased by (\$6,999,580) for governmental activities.

Approximately 153% of the District's net position is comprised of capital assets as of December 31, 2020. The District uses these capital assets to provide services to its citizens.

The following table provides a summary of the District's changes in governmental activities' net position for the years ended December 31, 2020 and 2019:

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

	Summary of Changes in Net Position			
	2020		2019	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues				
Program				
Charges for services, sales and fines	\$ 63,530	0%	\$ 124,503	0%
Operating grants/donations	866,429	2%	370,939	1%
Capital grants/donations	189,185	1%	198,969	1%
General				
Taxes	33,440,105	96%	31,721,895	97%
Other	256,884	1%	580,957	1%
Total revenues	34,816,133	100%	32,997,263	100%
Program expenses				
Public services	25,521,426	61%	24,175,768	61%
Human Resources Office	706,307	2%	615,099	2%
Chief Librarian and CEO's Office	337,521	1%	346,106	1%
Development Office	303,389	1%	205,177	1%
Finance Office	791,730	2%	718,925	2%
Facilities Office	4,376,400	11%	4,196,460	11%
Information Technology Office	3,214,137	8%	3,121,662	8%
Communications Office	1,147,285	3%	1,259,541	3%
Security Services	1,058,946	2%	758,615	2%
Other administration	4,178,464	10%	3,690,897	9%
Total expenses	41,635,605	100%	39,088,250	100%
Special item - TABOR refund	(180,108)		-	
Change in net position	(6,999,580)		(6,090,987)	
Beginning net position	28,987,968		35,078,955	
Ending net position	\$ 21,988,388		\$ 28,987,968	

Governmental Revenues

The District is heavily reliant on taxes to support governmental activities. Taxes provided 97% of the District's total revenues. Also, note that program revenues generated only 3% of governmental activities' revenues for the year ended December 31, 2020. This means that the District's taxpayers and the District's

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

other general revenues provided almost 100% of the governmental activities. As a result, the general economy and the changes in both residential and commercial property values have a major impact on the District's revenue streams.

Governmental Function Expenses

Approximately 69% of the District's expenses provide supporting services to the public service and information technology functions. In addition, approximately \$1.3 million of depreciation expense from the District's buildings is included in total expenses, and total depreciation expense was approximately \$3.0 million.

Financial Analysis of the District's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflows and outflows of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$14,421,906 as of December 31, 2020.

Fund balances as of December 31, 2020 and 2019 include:

	<u>2020</u>	<u>2019</u>
Nonspendable	\$ 382,929	\$ 260,645
Restricted	1,298,802	1,179,070
Committed	3,101,003	3,089,709
Assigned	243,769	285,461
Unassigned	<u>9,395,403</u>	<u>8,336,338</u>
	<u>\$ 14,421,906</u>	<u>\$ 13,151,223</u>

Major Governmental Funds

General Fund

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$1,259,388 during 2020. The total fund balance of the General Fund as of December 31, 2020 was \$11,320,091. The total fund balance as of December 31, 2019 was \$10,060,702.

The fund balance of the General Fund is broken down as follows as of December 31, 2020 and 2019:

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

	2020	2019
Nonspendable	\$ 382,929	\$ 260,645
Restricted	1,297,990	1,178,258
Assigned	243,769	285,461
Unassigned	9,395,403	8,336,338
	\$ 11,320,091	\$ 10,060,702

Unassigned fund balance – The balance increased by \$1,059,065 from 2019 to 2020. The primary reason for the change is because total fund balance increased during 2020 by \$1,259,388. Total revenues and other financing sources for 2020 is \$34,531,460, and total expenditures, other financing uses, and special items is \$33,272,071.

Nonmajor Governmental Funds

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

Special Revenue Fund (Designated Purpose Fund) – Total fund balance as of December 31, 2020 was \$105,721. This amount is (\$3,300) less than the fund balance of \$109,021 as of December 31, 2019.

Capital Projects Funds – As of December 31, 2020, fund balance for specific individual funds equals the following and represents ongoing projects; funds not listed have zero balances and were closed as the projects were completed:

	2020	2019
North Facility Project Fund	\$ 189,864	\$ 484,182
East Library Renovation Fund	74,342	195,302
Penrose Library Renovation Fund	417,945	491,618
Capital Reserve Fund	2,313,943	1,810,398
	\$ 2,996,094	\$ 2,981,500

North Facility Project Fund - The fund balance decreased by (\$294,318) from 2019 primarily because the completion of project (replacement of the boiler that serves the entire facility) that became a priority when it gave out during 2020.

Capital Reserve Fund – Total fund balance increased by \$503,545 primarily because certain capital projects that were included in the 2020 budget were deferred until a subsequent year in response at least in part due to the financial uncertainties related to the pandemic.

Pikes Peak Library District
Management’s Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

Capital outlay for these funds for years ended December 31, 2020 and 2019 is presented below:

	2020	2019
North Facility Project Fund	\$ 357,685	\$ 924,181
East Library Renovation Fund	129,505	22,549
Penrose Library Renovation Fund	73,673	608,451
Capital Reserve Fund	1,046,106	948,899
	\$ 1,606,969	\$ 2,504,080

North Facility Project Fund – During 2019, the District replaced the roof at its Library 21c facility. This project is not reoccurring.

Penrose Library Renovation Fund – During 2019, the District completed several interior renovation projects at an approximate cost of \$550,000. These projects are non-reoccurring by nature.

Budgetary Highlights

General Fund

The original budget (expenditures and transfers out) was amended and decreased by (\$294,235). Normally, the General Fund budget is amended principally to utilize prior year fund balances that were primarily either reserved for encumbrances or designated for specific capital projects, which were not included in the original budget. However, given COVID-19 and the related uncertainty about future finances once the pandemic occurred, the District elected to approach the 2020 budget conservatively, and it identified various projects that could be deferred to a future year; the most significant project to be deferred was the implementation of a fully integrated security system at an estimated cost of \$800,000.

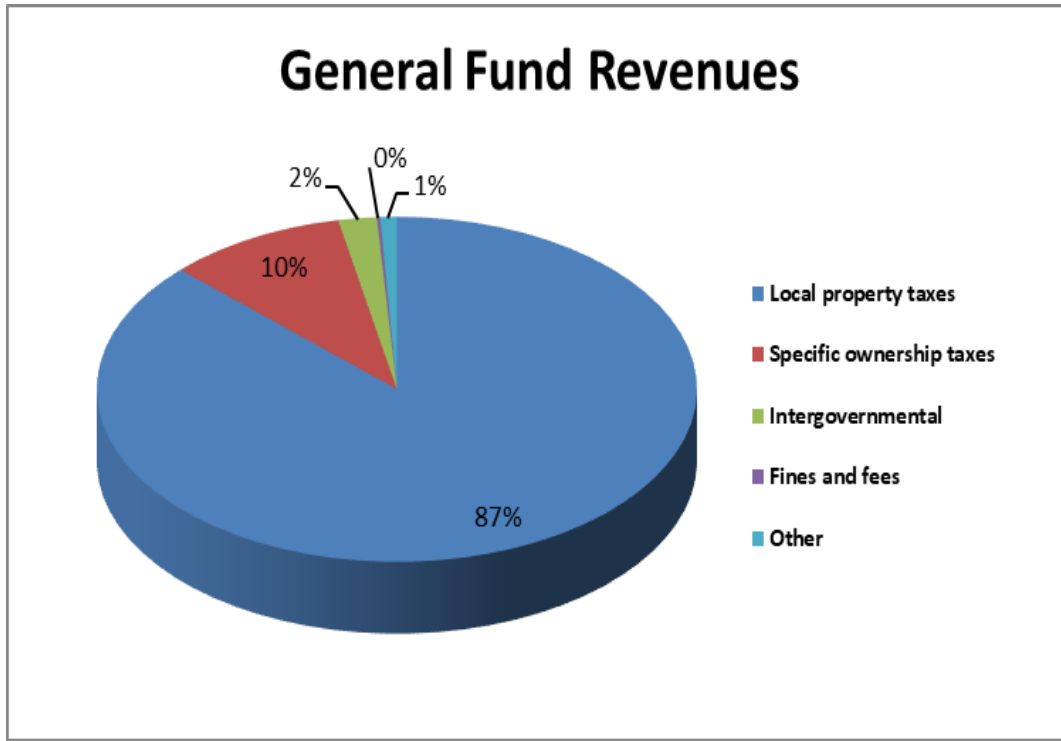
The District also made the decision to not fill vacation staff positions during 2020, which increased the budgeted targeted savings from unfilled positions from (\$700,000) to (\$1,100,000).

General Fund Revenues

Total General Fund actual revenues for fiscal year 2020 were \$34,531,460. This amount was less than the 2020 budget, as amended, by (\$94,006), which is less than 1% of the total revenue budget. As a result of the pandemic, the General Fund revenue budget was reduced by (\$574,203); the majority of which came from a reduction to investment income (\$250,000) and collection of Specific Ownership Taxes (\$300,000).

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

The following chart depicts General Fund revenue for 2020 by category:



General Fund Expenditures

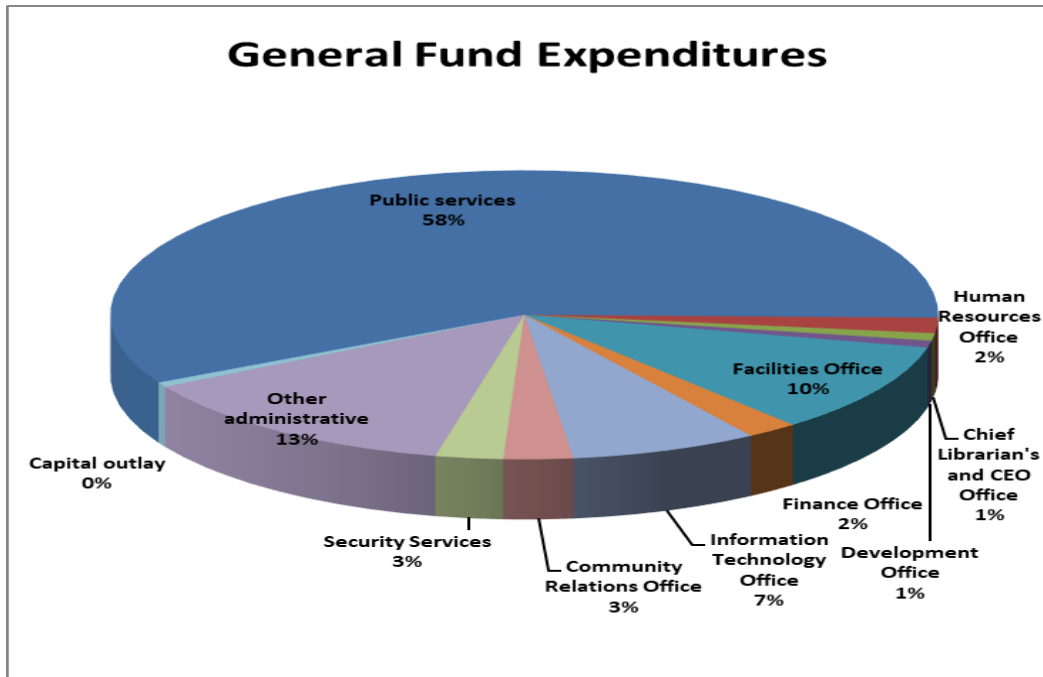
Total General Fund actual expenditures for fiscal year 2020 was \$33,091,963. This amount was less than the 2020 budget, as amended, by \$3,359,949, which is approximately 9.2% of the total budget.

Pikes Peak Library District

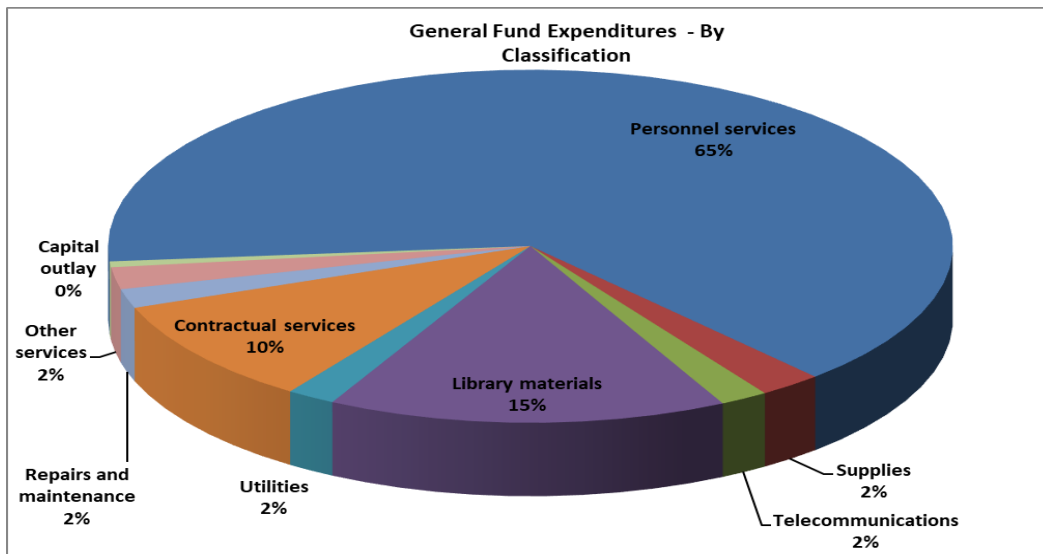
Management's Discussion and Analysis (Unaudited) (Continued)

December 31, 2020

The following chart depicts 2020 General Fund expenditures by function:



The following chart depicts 2020 General Fund expenditures by classification:



Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

The following is a summary of 2020 General Fund expenditures by departments/accounts:

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Expenditures				
Current				
Public Service	\$ 20,222,942	\$ 21,073,224	\$ 18,327,121	\$ 2,746,103
Human Resources Office	686,752	680,883	542,224	138,659
Chief Librarian and CEO Office	306,390	293,904	264,316	29,588
Development Office	259,444	265,939	241,401	24,538
Finance Office	659,667	676,910	634,118	42,792
Facilities Office	3,405,317	3,508,242	3,193,264	314,978
Information Technology Office	2,599,188	2,669,452	2,311,083	358,369
Communications Office	1,226,073	1,141,691	854,342	287,349
Security Services	956,406	976,525	830,435	146,090
Other administrative	4,618,610	3,299,052	4,178,461	(879,409)
Capital outlay	15,000	318,722	167,830	150,892
Total expenditures	\$ 34,955,789	\$ 34,904,544	\$ 31,544,595	\$ 3,359,949

General – As a result of COVID-19, which resulted in numerous restrictions locally, nationally, and globally, numerous issues arose which caused uncertainty regarding the District's financial resources, the District operated under the concept of financial frugality. The philosophy was to defer/cut expenditures from the 2020 approved budget as much as possible. Some of the actions that took place because of the pandemic are listed below:

- a. The District completed a detailed review of the 2020 budget and identified approximately \$1.6 million of expenditures that could either be deferred to a subsequent year or be cut completely from normal operations. This included deferring implementing a full integrated security system as an original budget of \$800,000. The balance was affectively set aside to not be used during 2020 unless absolutely needed.
- b. Operational costs such as costs for training, programming and dues and memberships were reduced primarily due to the pandemic-related restrictions referred to above.
- c. The District elected to not fill staff positions when they became vacant, resulting in a quasi-hiring freeze. The District budgets all staff position as if they will be filled entirely throughout the year. The District's budget includes an estimated savings amount resulting for positions being vacant at least in part during the year. The amount included in the 2020 budget was a savings of \$700,000, which was increased to \$1,100,000 per the amended budget. Savings resulted from vacant positions during 2020 was approximately \$2,000,000.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

Public Services – For 2020, this function in total was under budget by \$2,746,103. As mentioned above, the District approached its 2020 budget with frugality in all areas. The primary cause for this amount is due to staff positions that were vacant at some point throughout 2020, resulting in a budget savings of \$1,780,686.

Other line items showed significant savings again primarily because of frugality and because operations were significantly curtailed during 2020.

Other Administrative – For 2020, personnel services for this function were over budget by (\$961,563). Included in the budget total a target savings from vacant positions (a credit balance within the budget) of (\$1,100,000). As discussed above, this is a district-wide estimate of savings from vacant positions, and it is not allocated to specific departments/functions. Excluding this line item, total expenditures were less than the budget by \$82,154.

Capital outlay – In late 2020, the District received notice of a \$500,000 grant from the Coronavirus Relief Fund that covers the period through December 31, 2021.

Capital Assets

The District's capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2020 was \$33,586,376. See note III-D on page 82 for additional information about changes in capital assets during the calendar year and balances at the end of the year.

The following table provides a summary of capital assets as of December 31, 2020 and 2019:

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

	Capital Assets			
	2020		2019	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Nondepreciable assets				
Land	\$ 5,317,363	6%	\$ 5,317,363	6%
Collections of historical treasures	9,597,286	12%	9,608,438	12%
Construction in progress	51,423	-	-	0%
Total nondepreciable assets	<u>14,966,072</u>		<u>14,925,801</u>	
Depreciable assets				
Land improvements	942,891	1%	893,859	1%
Leasehold improvements	1,069,528	1%	1,007,654	1%
Buildings	44,978,432	54%	44,952,348	54%
Equipment, furniture and fixtures	6,033,402	8%	5,641,163	8%
Vehicles	845,073	1%	866,609	1%
Books and materials	13,859,505	17%	14,873,606	18%
Total depreciable assets	67,728,831	<u>100%</u>	68,235,239	<u>100%</u>
Less accumulated depreciation	<u>(49,108,527)</u>		<u>(48,338,725)</u>	
Book value - depreciable assets	<u>18,620,304</u>		<u>19,896,514</u>	
Percentage depreciated	<u>73%</u>		<u>71%</u>	
Book value - all capital assets	<u>\$ 33,586,376</u>		<u>\$ 34,822,315</u>	

On December 31, 2020, the depreciable capital assets for governmental activities were 73% depreciated; the percentage as of December 31, 2019 was 71%.

Economic Factors and Next Year's Budget and Mill Levy

The following factors were considered when the 2020 budget was prepared:

1. The unemployment rate for El Paso County, Colorado as of December 31, 2020 was 7.1%, which is an increase from a rate of 3.3% as of December 31, 2019.
2. Inflationary trends in the region and cost of living indices in the region compare favorably to national indices.

Pikes Peak Library District
Management's Discussion and Analysis (Unaudited) (Continued)
December 31, 2020

As of December 31, 2020, unassigned fund balance in the General Fund totaled \$9,396,403. The District has appropriated \$496,828 of this balance for spending in the 2021 fiscal year budget.

For the fiscal year 2021 budget, the total mill levy is 3.731 mills (3.845 mills for general operating expenses, 0.033 mills for refunds and abatements, and a temporary mill levy credit of (0.023) mills for a TABOR refund. The mill levy for fiscal year 2020 was 3.731 mills. The gross assessed valuation for all taxable property within the District's legal service area is \$8,218,213,120 and \$8,246,468,310 for taxes to be due in 2021 and 2020, respectively.

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

Requests for Information

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

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Pikes Peak Library District
Statement of Net Position
December 31, 2020

	Primary Government Governmental Activities
Assets and Deferred Outflows of Resources	
Current Assets	
Cash and investments	\$ 15,990,222
Property taxes receivable	31,132,840
Accounts receivables	462,421
Due from discretely presented component unit	17,877
Due from other governments	244,685
Prepaid items	419,596
Total current assets	48,267,641
Noncurrent Assets	
Capital assets	
Nondepreciable property	14,966,072
Depreciable building, property and equipment, net	18,620,304
Total noncurrent assets	33,586,376
Total assets	81,854,017
Deferred Outflows of Resources	
Pension-related amounts	19,171,871
Total assets and deferred outflows of resources	101,025,888
Liabilities and Deferred Inflows of Resources	
Current Liabilities	
Accounts payable	993,763
Accrued compensation payable	1,450,587
Total current liabilities	2,444,350
Noncurrent Liabilities	
Noncurrent portion of long-term obligations	
Net pension liability	41,337,280
Accrued compensated absences	1,439,252
Total noncurrent liabilities	42,776,532
Total liabilities	45,220,882
Deferred Inflows of Resources	
Property taxes	31,132,840
Pension-related amounts	2,683,778
Total deferred inflows of resources	33,816,618
Total liabilities and deferred inflows of resources	79,037,500
Net Position	
Net investment in capital assets	33,556,137
Restricted for	
Declared emergencies	1,014,722
Gifts and grants	284,080
	1,298,802
Unrestricted	(12,866,551)
Total net position	\$ 21,988,388

Pikes Peak Library District Foundation, Inc.
Statement of Financial Position
December 31, 2020

Assets

Cash	\$	225,404
Contributions receivable, net		21,986
Accounts receivable		73,627
Prepaid items		5,201
Investments		<u>2,184,127</u>
Total assets	\$	<u>2,510,345</u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$	11,614
Due from PPLD		<u>17,877</u>
Total liabilities		<u>29,491</u>

Net Assets

Without donor restrictions		
Undesignated		304,819
Board-designated		<u>1,072,612</u>
		1,377,431
With donor restrictions		<u>1,103,423</u>
Total net assets		<u>2,480,854</u>
Total liabilities and net assets	\$	<u>2,510,345</u>

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Pikes Peak Library District
Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Expenses
Primary Government	
Governmental activities	
Public Services	\$ 25,521,426
Human Resources Office	706,307
Chief Librarian and CEO's Office	337,521
Development Office	303,389
Finance Office	791,730
Facilities Office	4,376,400
Information Technology Office	3,214,137
Communications Office	1,147,285
Security Services	1,058,946
Other administration	<u>4,178,464</u>
Total governmental activities	<u>\$ 41,635,605</u>
 General revenues	
Property taxes levied for library purposes	
Specific ownership taxes	
Investment earnings	
Miscellaneous	
Total general revenues	
 Special Item	
TABOR refund of property tax revenue in excess of limit	
Change in net position	
Net position, January 1	
Net position, December 31	

Program Revenues			Net (Expense)
Charges for	Operating	Capital	Revenue and
Services,	Grants and	Grants and	Changes in
Sales	Contributions	Contributions	Net Position
and Fines			Primary
			Government
			Governmental
			Activities
\$ 63,530	\$ 784,756	\$ 145,873	\$ (24,527,267)
-	-	-	(706,307)
-	-	-	(337,521)
-	-	-	(303,389)
-	-	-	(791,730)
-	46,319	24,563	(4,305,518)
-	35,354	18,749	(3,160,034)
-	-	-	(1,147,285)
-	-	-	(1,058,946)
-	-	-	(4,178,464)
<u>\$ 63,530</u>	<u>\$ 866,429</u>	<u>\$ 189,185</u>	<u>(40,516,461)</u>
			30,095,828
			3,344,277
			116,945
			139,939
			<u>33,696,989</u>
			(180,108)
			<u>(6,999,580)</u>
			<u>28,987,968</u>
			<u>\$ 21,988,388</u>

Pikes Peak Library District Foundation, Inc.
Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions	\$ 322,517	\$ 435,640	\$ 758,157
Contributed services	249,284	-	249,284
Gifts in kind	1,625	-	1,625
Investment return, net	102,354	83,078	185,432
Net assets released from restrictions	475,783	(475,783)	-
	<u>1,151,563</u>	<u>42,935</u>	<u>1,194,498</u>
Total revenues, gains and other support			
Expenses			
Program services			
Distributions to PPLD	492,507	-	492,507
Other	1,625	-	1,625
	<u>494,132</u>	<u>-</u>	<u>494,132</u>
Total program services			
Support services			
General and administrative			
Contributed services	24,928	-	24,928
Fundraising			
Contributed services	224,356	-	224,356
Other	19,999	-	19,999
	<u>244,355</u>	<u>-</u>	<u>244,355</u>
Total support services			
	<u>269,283</u>	<u>-</u>	<u>269,283</u>
Total expenses			
	<u>763,415</u>	<u>-</u>	<u>763,415</u>
Change in Net Assets	388,148	42,935	431,083
Net Assets, Beginning of Year	<u>989,283</u>	<u>1,060,488</u>	<u>2,049,771</u>
Net Assets, End of Year	<u>\$ 1,377,431</u>	<u>\$ 1,103,423</u>	<u>\$ 2,480,854</u>

Pikes Peak Library District
Balance Sheet – Governmental Funds
December 31, 2020

	General	Other Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 15,262,997	\$ -	\$ 15,262,997
Property taxes receivable	31,132,840	-	31,132,840
Accounts receivables	453,727	8,694	462,421
Due from discretely presented component unit	17,877	-	17,877
Due from other governments	244,685	-	244,685
Due from other funds	-	3,123,360	3,123,360
Prepaid items	382,929	-	382,929
Total assets	\$ 47,495,055	\$ 3,132,054	\$ 50,627,109
Liabilities			
Accounts payable	\$ 811,972	\$ 30,239	\$ 842,211
Accrued compensation payable	833,764	-	833,764
Due to other funds	3,123,360	-	3,123,360
Total liabilities	4,769,096	30,239	4,799,335
Deferred Inflows of Resources			
Unavailable revenue - property taxes	31,132,840	-	31,132,840
Unavailable fund resources	273,028	-	273,028
Total deferred inflows of resources	31,405,868	-	31,405,868
Fund Balances			
Nonspendable:			
Prepaid expenditures	382,929	-	382,929
Restricted for:			
Declared emergencies	1,014,722	-	1,014,722
Gifts and grants	283,268	812	284,080
Total restricted	1,297,990	812	1,298,802
Committed to:			
Capital projects	-	3,101,003	3,101,003
Assigned to:			
Purchased contracts	113,454	-	113,454
Library materials	130,315	-	130,315
Total assigned	243,769	-	243,769
Unassigned	9,395,403	-	9,395,403
Total fund balances	11,320,091	3,101,815	14,421,906
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,495,055	\$ 3,132,054	\$ 50,627,109

Pikes Peak Library District
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
December 31, 2020

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

Fund balances - total governmental funds (page 53)		\$ 14,421,906
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Cost of capital assets	\$ 82,694,903	
Less: accumulated depreciation	<u>(49,108,527)</u>	
Net capital assets		33,586,376
Certain long-term pension related costs and adjustments are not payable currently and are therefore not reported in the funds.		
Net pension-related amounts		(24,849,187)
Liabilities that are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued compensated absences		(2,056,075)
Certain revenue earned but not available, classified as deferred inflows in governmental funds is susceptible to full accrual on the entity-wide statements		
		273,028
Internal service funds are used by management to charge the costs of certain activities, such as health insurance, to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		
		<u>612,340</u>
Net position - governmental activities (page 47)		<u><u>\$ 21,988,388</u></u>

Pikes Peak Library District
Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds
Year Ended December 31, 2020

	<u>General</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 33,440,106	\$ -	\$ 33,440,106
Intergovernmental	715,285	-	715,285
Fines and fees	63,530	-	63,530
Interest earnings	116,945	-	116,945
Donations	129,852	-	129,852
Miscellaneous	60,613	61,695	122,308
Total revenues	<u>34,526,331</u>	<u>61,695</u>	<u>34,588,026</u>
Expenditures			
Current			
Public Services	18,327,121	-	18,327,121
Human Resources Office	542,224	-	542,224
Chief Librarian and CEO Office	264,316	-	264,316
Development Office	241,401	-	241,401
Finance Office	634,118	-	634,118
Facilities Office	3,193,264	-	3,193,264
Information Technology Office	2,311,083	-	2,311,083
Communications Office	854,342	-	854,342
Security Services	830,435	-	830,435
Other administrative	4,178,461	-	4,178,461
Capital outlay	167,830	1,610,269	1,778,099
Total expenditures	<u>31,544,595</u>	<u>1,610,269</u>	<u>33,154,864</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,981,736</u>	<u>(1,548,574)</u>	<u>1,433,162</u>
Other financing sources (uses)			
Transfers in	-	1,547,368	1,547,368
Transfers out	(1,547,368)	-	(1,547,368)
Proceeds from sale of capital assets	5,129	12,500	17,629
Total other financing sources (uses)	<u>(1,542,239)</u>	<u>1,559,868</u>	<u>17,629</u>
Special Item			
TABOR refund of property tax revenue in excess of limit	(180,108)	-	(180,108)
Net change in fund balances	1,259,389	11,294	1,270,683
Fund balances, beginning of year	<u>10,060,702</u>	<u>3,090,521</u>	<u>13,151,223</u>
Fund balances, end of year	<u>\$ 11,320,091</u>	<u>\$ 3,101,815</u>	<u>\$ 14,421,906</u>

See notes to the basic financial statements. 55

Pikes Peak Library District
Reconciliation of Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2020

Amounts reported for governmental activities in the statement of activities (pages 50 and 51) are different because:

Net change in fund balances - total governmental funds (page 55) \$ 1,270,683

Revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements until they become available. The amount is the difference in the treatment of revenue recognition. 210,476

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

Depreciation expense	(3,011,338)
Capital outlay for building, furniture, land and vehicles	1,061,399
Amounts paid for books, audio visual materials and historical collections	1,135,208

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.

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold. (421,208)

Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amounts represent the actuarial cost of the benefits for the fiscal year.
Pension related amounts (7,231,358)

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. (235,119)

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. 221,677

Change in net position - governmental activities (page 51) \$ (6,999,580)

Pikes Peak Library District
Statement of Net Position
Proprietary Fund
December 31, 2020

	Governmental Activities - Internal Service Fund
Assets	
Current Assets	
Cash and cash equivalents	\$ 727,225
Deposit	36,667
	763,892
Total current assets	
 Liabilities	
Current Liabilities	
Claims payable	151,552
	151,552
 Net Position	
Total Net Position - Unrestricted	\$ 612,340

Pikes Peak Library District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended December 31, 2020

	Governmental Activities - Internal Service Fund
Operating revenues	
Employer contributions	\$ 2,198,022
Employee contributions	456,486
Total operating revenues	2,654,508
Operating expenses	
Claims incurred	1,488,386
Administrative	944,493
Total operating expenses	2,432,879
Operating income	221,629
Nonoperating revenues	
Investment earnings	48
Change in net position	221,677
Total net position, beginning of year	390,663
Total net position, end of year	\$ 612,340

Pikes Peak Library District
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2020

	Governmental Activities - Internal Service Fund
Cash flows from operating activities	
Employee and employer contributions	\$ 2,654,508
Payment of claims and administrative expenses	<u>(2,371,968)</u>
Net cash provided by operating activities	<u>282,540</u>
Cash flows from investing activities	
Interest received	<u>48</u>
Net increase in cash and cash equivalents	282,588
Cash and cash equivalents - January 1	<u>444,637</u>
Cash and cash equivalents - December 31	<u><u>\$ 727,225</u></u>
Reconciliation of operating gain to net cash provided by operating activities	
Operating income	<u>\$ 221,629</u>
Adjustments to reconcile operating loss to net cash used in operating activities	
Change in claims payable	<u>60,911</u>
Total adjustments	<u>60,911</u>
Net cash provided by operating activities	<u><u>\$ 282,540</u></u>

Pikes Peak Library District
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	Custodial Fund
Assets	
Cash and cash equivalents	\$ 53,366
Other assets	11,151
Total assets	\$ 64,517
 Liabilities	
Accounts payable	\$ 10,688
 Net Position	
Restricted for individuals	\$ 53,829

Pikes Peak Library District
Statement of Changes of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	Custodial Fund
Additions	
Contributions - employees	\$ 93,544
Deductions	
Benefit payments	87,438
Net increase in fiduciary net position	6,106
Net position - beginning of year, as restated	47,723
Net position - end of year	\$ 53,829

Pikes Peak Library District
Notes to Financial Statements
December 31, 2020

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Pikes Peak Library District
Notes to Financial Statements
December 31, 2020

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 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 discretely presented component unit, the Pikes Peak Library District Foundation, which is reported in a separate statement in the financial statements to emphasize it is legally separate from the District.

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

Related Organizations – The District had no financial relationships of this type during the fiscal year ended December 31, 2020.

Joint Ventures – The District did not participate in any joint venture during the fiscal year ended December 31, 2020.

Jointly Governed Organizations – The District had no financial relationships of this type during the fiscal year ended December 31, 2020.

Discretely Presented Component Unit

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

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

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

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

Pikes Peak Library District

Notes to Financial Statements

December 31, 2020

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

I-B. Basis of Presentation

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

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

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

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

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

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

Pikes Peak Library District

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

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

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

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

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

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

The following is the District's major governmental fund:

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

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

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

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

The District also reports the following proprietary fund type:

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

Additionally, the District reports the following fiduciary fund type:

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

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

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

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

I-C. Measurement Focus

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

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

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I-D. Basis of Accounting

District

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

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

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

Revenues – Non-exchange Transactions – Non-exchange transactions in which the District receives value without directly giving equal value in return, include property taxes, specific ownership taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note III-B-1.). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 90 days) before it can be recognized.

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

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

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

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

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

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

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

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

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

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

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

Foundation

The Foundation uses the accrual basis of accounting.

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

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

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

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

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

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

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation had no unrelated business taxable income for the year ended December 31, 2020. The Foundation is not considered a private foundation.

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

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

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

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

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

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

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

I-E-2. Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible amounts, when applicable. Property tax allowance as of December 31, 2020 was \$175,000.

I-E-3. Restricted Assets

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

I-E-4. Interfund Activity

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

I-E-5. Prepaid Items

Payments made to vendors for services (e.g., insurance, rents, and library services from other libraries) that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as Nonspendable, as this amount is not available for general appropriation.

I-E-6. Capital Assets

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

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All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset’s life are expensed.

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

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

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

I-E-7. Compensated Absences

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

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

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

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

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

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

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

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

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

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

I-E-9. Net Position or Fund Balances

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

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

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

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

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

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

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

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

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

I-E-10. Estimates

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

I-F. Implementation of Accounting Standards

In May 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, (GASB 95). The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The District has implemented this Statement for the year ended December 31, 2019. Implementation of this standard delays the following standards to 2020:

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GASB Statement No. 84, Fiduciary Activities, was implemented by the District during 2020. This statement establishes criteria for identifying fiduciary activities and guidance for reporting. It describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Further direction was provided with GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and 84 and a Supersession of GASB Statement No. 32, which amended, in part, GASB 84. After review of both statements, the District determined that its Flexible Spending Account (FSA) qualified as a custodial fund due to the District's control of the assets but lack of administrative and financial involvement. As such, the FSA plan is reported as a fiduciary activity with a beginning fiduciary net position of \$47,723.

GASB 97 paragraphs 4 and 5 modified the applicability of certain component unit criteria related to defined contribution pension plans. This criterion was considered in conjunction with the implementation of GASB 84 and based upon this guidance none of the District's defined contribution plans met the criteria to be reported as fiduciary activities. The District will implement paragraphs 6-9 for the fiscal year ending December 31, 2022 as required by the standard.

Note II: Stewardship, Compliance and Accountability

II-A. Budgetary Information

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

1. The District adopts an annual operating budget for its General Fund, Special Revenue Fund, Debt Service Fund (none for 2020) and Capital Projects Funds. During October, the Chief Librarian/CEO submits to the Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and means of financing them.
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 Chief 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.

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

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

Changes to Original Budget			
	Original Budget	Revised Budget	Budget Change
General Fund	\$ 36,746,146	\$ 36,451,911	\$ (294,235)
Designated Purpose Fund	-	109,021	109,021
North Facility Project Fund	217,020	547,549	330,529
East Library Renovation Fund	120,750	203,847	83,097
Penrose Library Renovation Fund	268,000	329,642	61,642
Capital Reserve Fund	2,018,795	3,483,228	1,464,433

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

II-B. Encumbrances

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

Note III: Detailed Notes on All Funds

III-A. Deposits and Investments

III-A-1. Deposits

Deposits include bank accounts and short-term investments.

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

The District has transaction accounts that are covered under FDIC insurance. The FDIC insurance limit for cash accounts is \$250,000. The carrying amount of the District’s deposits, excluding the

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cash held in the Custodial Fund of \$53,366, as of December 31, 2020 was \$890,553. The bank balances, excluding the cash held in the Custodial Fund of \$53,366, were \$2,015,974, of which \$1,765,974 is not covered by federal deposit insurance. While this amount is uninsured, it is collateralized in accordance with provisions of the PDPA. Additionally, the District had \$12,428 in cash on hand as of December 31, 2020.

III-A-2. Investments

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

The primary objectives of the investment policy are:

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

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

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

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

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

The following is a list of eligible instruments for investments:

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

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

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.

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

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

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

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

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

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

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

Credit Risk

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

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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 \$15,087,241 are held in COLOTRUST, which was rated AAAM by Standard & Poor's on December 31, 2020. The District policy also encourages diversification of investments, limited to the Colorado Revised Statute CRS 24-75-701.

Cash and Investment Reconciliation

	Cash and Cash Equivalents	Investments	Total
Governmental activities - statement of net position	\$902,981	\$15,087,241	\$15,990,222
Custodial Fund	53,366	-	53,366
Less cash on hand and petty cash	<u>(12,428)</u>	<u>-</u>	<u>(12,428)</u>
Total deposits and investments	<u>\$943,919</u>	<u>\$15,087,241</u>	<u>\$16,031,160</u>
Per note disclosure above			
Deposits			\$943,919
Investments			<u>15,087,241</u>
Primary government total			<u>\$16,031,160</u>

Pikes Peak Library District
Notes to Financial Statements
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The Foundation’s cash and investments are comprised of the following as of December 31, 2020:

	<u>2020 Amount</u>	<u>Institutions</u>	<u>Insurance or Collateral</u>	<u>Credit Ratings of Underlying Securities *</u>
Money market savings account	\$225,404	ENT Federal Credit Union	\$225,404	N/A
Investments (stocks, bonds, mutual funds)	2,159,612	Members Trust Company	-	A/AAA
Investment level money market account	<u>24,515</u>	Members Trust Company	-	A1/P1
Total	<u><u>\$2,409,531</u></u>			

* As applicable

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Foundation’s cash and investments are exposed to \$2,184,127 of custodial credit risk as of December 31, 2020.

Investment in a State Investment Pool

During the year, the District invested in Colotrust, a public fund investment pool. The fair value of the position of the pool is measured at net asset value and is designed to approximate the share value. The pool’s governing body is comprised of individuals who are employees, officers, or elected officials of the participants in the fund or do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pool are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The pool offers same day access to the investment funds.

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 2020 are certified to the County in December 2019 and are available for collection on the due date, January 1, 2020. Property taxes are payable in full by April 30 or in two equal installments due February 28

Pikes Peak Library District
Notes to Financial Statements
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and June 15. El Paso County bills and collects property taxes for all taxing districts in the County. The property tax receipts collected by El Paso County are remitted to the District in the subsequent month.

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

For property taxes due in 2020, the County has extended the due date for property tax payments to July 15, 2020 due to COVID-19 without penalty.

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, 2020:

Receivable Fund	Payable Fund General Fund
Designated Purpose Fund	\$ 105,721
Penrose Library Renovation Fund	417,945
East Library Renovation Fund	82,832
North Facility Project Fund	189,864
Capital Reserve Fund	2,326,998
 Total	 \$ 3,123,360

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Notes to Financial Statements
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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:

Transfers In	Transfers Out General Fund
East Library Renovation Fund	8,545
North Facility Project Fund	63,367
Capital Reserve Fund	1,475,456
	\$ 1,547,368

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.

III-D. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

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Notes to Financial Statements
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	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Governmental activities				
Capital assets not being depreciated				
Land	\$ 5,317,363	\$ -	\$ -	\$ 5,317,363
Collections of historical treasures	9,608,438	7,934	(19,086)	9,597,286
Construction in progress	-	51,423	-	51,423
Total capital assets not being depreciated	14,925,801	59,357	(19,086)	14,966,072
Capital assets, being depreciated				
Land improvements	893,859	49,032	-	942,891
Leasehold improvements	1,007,654	61,874	-	1,069,528
Buildings	44,952,348	26,084	-	44,978,432
Equipment, furniture and fixtures	5,641,163	863,011	(470,772)	6,033,402
Vehicles	866,609	9,975	(31,511)	845,073
Books and audio visual materials	14,873,606	1,127,274	(2,141,375)	13,859,505
Total capital assets being depreciated	68,235,239	2,137,250	(2,643,658)	67,728,831
Less accumulated depreciation for				
Land improvements	(135,907)	(45,280)	-	(181,187)
Leasehold improvements	(1,007,653)	(3,094)	-	(1,010,747)
Buildings	(30,199,067)	(1,306,629)	-	(31,505,696)
Equipment, furniture and fixtures	(4,741,956)	(321,277)	468,699	(4,594,534)
Vehicles	(759,138)	(31,748)	31,511	(759,375)
Books and audio visual materials	(11,495,004)	(1,303,310)	1,741,326	(11,056,988)
Total accumulated depreciation	(48,338,725)	(3,011,338)	2,241,536	(49,108,527)
Total capital assets, being depreciated, net	19,896,514	(874,088)	(402,122)	18,620,304
Governmental activities capital assets, net	\$ 34,822,315	\$ (814,731)	\$ (421,208)	\$ 33,586,376
Governmental activities depreciation expense				
Public services				\$ 2,620,302
Administrative services				221,767
Information Technology				169,269
Total governmental activities depreciation expense				\$ 3,011,338

Pikes Peak Library District
Notes to Financial Statements
December 31, 2020

III-E. Long-term Liabilities

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

Long-term liability activity of the District for the year ended December 31, 2020 was as follows:

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
Governmental activities					
EPCRP net pension liability	\$ 26,717,889	\$ 14,619,391	\$ -	\$ 41,337,280	\$ -
Compensated absences *	1,820,956	1,899,829	1,664,710	2,056,075	616,823
Total governmental activities long-term liabilities	<u>\$ 27,765,321</u>	<u>\$ 16,519,220</u>	<u>\$ 1,664,710</u>	<u>\$ 43,393,355</u>	<u>\$ 616,823</u>

Compensated absences are generally liquidated by the General Fund.

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

III-E-2. Computation of Legal Debt Margin

Assessed valuation	<u>\$ 8,246,468,310</u>
Debt limitation - 1.5% of total assessed value	<u>\$ 123,697,025</u>
Total debt (excluding compensated absences)	<u>-</u>
Total debt applicable to limitation	<u>-</u>
Legal debt margin	<u>\$ 123,697,025</u>

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

III-F. Operating Agreements

The District has entered into several agreements for building leases, equipment, and services. All agreements are renewable on a year-to-year basis. Should the Board of Trustees fail to appropriate funds for the subsequent budget year, the agreements can be terminated. The total cost for such agreements was \$1,196,233 for the year ended December 31, 2020.

Pikes Peak Library District
Notes to Financial Statements
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The future minimum payments for the agreements, subject to the renewal process described above, are as follows:

Year Ending December 31,

2021	\$ 877,134
2022	670,595
2023	679,648
2024	679,345
2025	270,169
Future years	<u>1,142,320</u>
Total	<u>\$ 4,319,211</u>

Note IV: Other Information

IV-A. Retirement Plan

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

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

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The participants of the Plan consisted of the following as of December 31, 2019 (the most recent actuarial valuation date):

Inactive plan members or beneficiaries currently receiving benefits	1,824
Inactive plan members entitled to but not yet receiving benefits	490
Active plan members	<u>2,863</u>
Total	<u><u>5,177</u></u>

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

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

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

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

Pikes Peak Library District
Notes to Financial Statements
December 31, 2020

3% per annum, compounded monthly. Employee and employer basic contributions amounted to 16% of covered payroll for both 2020 and 2019.

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

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

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

Contributions to the plan by the District were \$965,981 for 2020.

Administrative Expenses — The Plan's administrative expenses are paid from the assets of the Plan accumulated from contributions and investment earnings. During both 2020 and 2019, the Plan received \$1,075,000 from the Plan's employers (\$25,000 from PPLD) for reimbursement of administrative and investment expenses, which is included in Other Income in the accompanying financial statements.

Termination Benefits — Participants vest in accumulated contributions as follows:

- (a) If hired before January 1, 2013 and credited with less than five years of service or hired on or after January 1, 2013 and credited with less than eight years of service: Refund of the participant's accumulated contributions.
- (b) If hired before January 1, 2013 and credited with five or more years of service or hired on or after January 1, 2013 and credited with eight or more years of service:
 - (i) The participant may elect to receive a deferred retirement benefit which shall be equal to the participant's accrued benefit as of the date of termination and payable on the participant's normal retirement date. The participant may elect to receive a reduced retirement benefit beginning on the first day of any month after the participant's attainment of age 55. The

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reduction shall be 3% for each year by which payments commence prior to the first of the month following the participant's normal retirement date.

- (ii) In lieu of (i), a participant may elect a current refund of accumulated contributions made by the participant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On December 31, 2020, the District reported a liability of \$41,337,280 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The District's proportion of the net pension liability was based on the District's contribution to the El Paso County Retirement Plan for the calendar year 2020 relative to the total contributions of participating employers to the EPCRP. The net pension

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liability is the difference between the total pension liability and fiduciary net position as of December 31, 2020.

As of December 31, 2020, the District's proportion was 6.79%, which was a decrease of 0.33% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the District recognized pension expense of \$8,197,567. As of December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 287,129	\$ 677,425
Changes in actuarial assumptions	18,023,502	552,490
Net difference between projected and actual earnings on pension plan investments	-	767,025
Changes in proportion	861,238	686,838
Total	<u>\$ 19,171,869</u>	<u>\$ 2,683,778</u>

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2021	\$ 6,216,953
2022	5,743,860
2023	2,802,763
2024	1,724,515
2025	-
Total	<u>\$ 16,488,091</u>

The Plan determined that the average expected remaining service lives for active and inactive members on January 1, 2020 was 4.80 years.

Actuarial Assumptions— The total pension liability was determined by an actuarial valuation as of December 31, 2019 and rolled forward to the measurement date of December 31, 2020. The liability reflects various actuarial assumption changes adopted by the Board in October 2018. The following is a summary of the actuarial assumptions:

Inflation	2.5%
Salary increases	Graded by service, from 8.00% to 3.00%

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Investment rate of return	7.0%, net of investment expenses, down from 7.5% for 2019. This is based on an average inflation rate of 2.5% and a real rate of return of 4.5%.
Discount rates	From 5.37% for 2019 to 3.39% for 2020

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

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

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

Asset Class	Long-Term Expected Real Rate of Return
Equities	6.63%
Fixed income	3.01%
Real assets	5.57%
Diversifying alternative investments	4.30%

Discount Rate — The discount rate used to measure the total pension liability was 3.39%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy adopted by the Board. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate — The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 3.39%, as well as what the District's proportionate share of

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the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.39%) or 1-percentage-point higher (4.39%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(2.39%)	(3.39%)	(4.39%)
District's proportionate share of the net pension liability	\$ 52,642,055	\$ 41,337,280	\$ 32,241,690

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial reports found at www.epcretirement.org.

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

IV-B. Deferred Compensation Plan

The District offers its employees the Pikes Peak Library District Deferred Compensation Plan, an Internal Revenue Code Section 457 deferred compensation plan. Participation is voluntary. The District does not contribute to the Plan, and the maximum amount that may be deferred under the Plan for 2020 excluding catch-up provisions, was the lesser of \$19,500 or 33-1/3 percent of the participant’s includable compensation. The District does not have fiduciary accountability for the Plan and does not hold the Plan’s assets in a trustee capacity. Accordingly, the Plan’s assets and related liabilities to Plan participants are not recorded on the financial statements of the District.

IV-C. Contingencies

IV-C-1. Risk Management

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

Pikes Peak Library District
Notes to Financial Statements
December 31, 2020

The following is a summary of claims activity for the District’s employee health plan for the years ended December 31, 2020 and 2019:

	Claims Payable Beginning of Year	Claims Incurred	Claims Paid	Claims Payable End of Year
Fiscal Year 2020	\$ 90,641	\$ 1,488,386	\$ (1,427,475)	\$ 151,552
Fiscal Year 2019	\$ 139,284	\$ 1,466,063	\$ (1,514,706)	\$ 90,641

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

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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 complies with all aspects of TABOR.

IV-C-4. Claims and Litigation

There are various claim(s) pending against the District as of December 31, 2020 and through the report date. Although the outcome of such claim(s) cannot be predicted with certainty, the District believes that adequate insurance coverage exists and that the final settlements of such matters will not materially affect the financial statements of the District.

IV-D. Current Economic Uncertainties

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

IV-E. Commitments

Total encumbrances outstanding as of December 31, 2020 by fund are as follows:

Fund	Balance
General Fund	\$ 310,030
Penrose Library Fund	9,140
East Library Capital Projects Fund	6,858
Capital Reserve Fund	412,304
North Facility Fund	33,007

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Required Supplementary Information

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

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

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

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

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

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

Note - The following are the changes in actuarial assumptions made during 2020:

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

Pikes Peak Library District
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Taxes				
Local property taxes				
Current	\$ 30,142,651	\$ 30,142,651	\$ 30,042,362	\$ (100,289)
Delinquent	18,000	18,000	11,963	(6,037)
Omitted	7,000	7,000	7,195	195
Specific ownership taxes	3,600,000	3,300,000	3,344,277	44,277
Interest on taxes	36,000	36,000	24,708	(11,292)
Payment in lieu of taxes	10,000	10,000	9,601	(399)
Total taxes	<u>33,813,651</u>	<u>33,513,651</u>	<u>33,440,106</u>	<u>(73,545)</u>
Intergovernmental	514,419	514,419	715,285	200,866
Fines and fees	100,000	80,000	63,530	(16,470)
Interest earnings	425,000	175,000	116,945	(58,055)
Donations/fundraising	219,100	270,897	129,852	(141,045)
Miscellaneous				
Copy sales	96,000	50,000	48,316	(1,684)
Parking lot collections	22,000	12,000	9,096	(2,904)
Other	4,500	4,500	3,201	(1,299)
Total miscellaneous	<u>122,500</u>	<u>66,500</u>	<u>60,613</u>	<u>(5,887)</u>
Total revenues	<u>35,194,670</u>	<u>34,620,467</u>	<u>34,526,331</u>	<u>(94,136)</u>
Expenditures				
Current				
Public Service				
Personnel services	13,793,786	14,473,826	12,693,140	1,780,686
Supplies	443,715	460,273	190,178	270,095
Library materials	4,716,115	4,828,306	4,641,150	187,156
Contractual services	909,020	945,255	650,775	294,480
Repairs and maintenance	29,000	29,000	1,551	27,449
Other services	331,306	336,564	150,327	186,237
Total Public Service	<u>20,222,942</u>	<u>21,073,224</u>	<u>18,327,121</u>	<u>2,746,103</u>

Pikes Peak Library District
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Human Resources Office				
Personnel services	466,577	460,858	461,999	(1,141)
Supplies	4,550	4,550	2,310	2,240
Contractual services	63,650	63,650	11,609	52,041
Other services	151,975	151,825	66,306	85,519
Total Human Resources Office	<u>686,752</u>	<u>680,883</u>	<u>542,224</u>	<u>138,659</u>
Chief Librarian and CEO Office				
Personnel services	267,590	255,104	261,355	(6,251)
Supplies	500	500	95	405
Other services	38,300	38,300	2,866	35,434
Total Chief Librarian and CEO Office	<u>306,390</u>	<u>293,904</u>	<u>264,316</u>	<u>29,588</u>
Development Office				
Personnel services	215,944	222,439	213,588	8,851
Supplies	500	500	-	500
Contractual services	13,000	13,000	13,626	(626)
Other services	30,000	30,000	14,187	15,813
Total Development Office	<u>259,444</u>	<u>265,939</u>	<u>241,401</u>	<u>24,538</u>
Finance Office				
Personnel services	516,688	533,931	514,795	19,136
Supplies	8,500	8,500	6,318	2,182
Contractual services	108,979	108,979	106,489	2,490
Other services	25,500	25,500	6,516	18,984
Total Finance Office	<u>659,667</u>	<u>676,910</u>	<u>634,118</u>	<u>42,792</u>

Pikes Peak Library District
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Facilities Office				
Personnel services	678,165	765,726	753,607	12,119
Supplies	82,250	82,250	40,066	42,184
Utilities	706,593	706,593	586,580	120,013
Contractual services	1,402,215	1,414,015	1,357,871	56,144
Repairs and maintenance	454,100	453,039	369,353	83,686
Other services	81,994	86,619	85,787	832
Total Facilities Office	<u>3,405,317</u>	<u>3,508,242</u>	<u>3,193,264</u>	<u>314,978</u>
Information Technology Office				
Personnel services	1,155,268	1,194,149	1,100,151	93,998
Supplies	429,300	409,354	300,349	109,005
Telecommunications	609,500	615,000	569,783	45,217
Contractual services	137,120	143,120	140,601	2,519
Repairs and maintenance	231,000	270,829	174,751	96,078
Other services	37,000	37,000	25,448	11,552
Total Information Technology Office	<u>2,599,188</u>	<u>2,669,452</u>	<u>2,311,083</u>	<u>358,369</u>
Communications Office				
Personnel services	827,851	712,324	664,839	47,485
Supplies	21,100	29,893	10,799	19,094
Contractual services	165,000	171,318	58,079	113,239
Repairs and maintenance	7,500	14,325	6,825	7,500
Other services	204,622	213,831	113,800	100,031
Total Communications Office	<u>1,226,073</u>	<u>1,141,691</u>	<u>854,342</u>	<u>287,349</u>
Security Services				
Personnel services	882,567	900,686	775,932	124,754
Supplies	42,884	44,884	39,820	5,064
Repairs and maintenance	1,400	1,400	1,042	358
Other services	29,555	29,555	13,641	15,914
Total Security Services	<u>956,406</u>	<u>976,525</u>	<u>830,435</u>	<u>146,090</u>

Pikes Peak Library District
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Other administrative				
Personnel services	3,105,295	1,987,521	2,949,084	(961,563)
Supplies	3,000	324,234	168,450	155,784
Library materials	209,765	196,694	177,158	19,536
Telecommunications	-	-	10,000	(10,000)
Contractual services	794,450	763,630	716,892	46,738
Repairs and maintenance	-	220	-	220
Other services	506,100	26,753	156,877	(130,124)
Total Other Administrative	<u>4,618,610</u>	<u>3,299,052</u>	<u>4,178,461</u>	<u>(879,409)</u>
Capital outlay	<u>15,000</u>	<u>318,722</u>	<u>167,830</u>	<u>150,892</u>
Total expenditures	<u>34,955,789</u>	<u>34,904,544</u>	<u>31,544,595</u>	<u>3,359,949</u>
Excess of revenues over expenditures	<u>238,881</u>	<u>(284,077)</u>	<u>2,981,736</u>	<u>3,265,813</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	5,000	5,000	5,129	129
Transfers out	(1,790,355)	(1,547,368)	(1,547,368)	-
Total other financing sources (uses)	<u>(1,785,355)</u>	<u>(1,542,368)</u>	<u>(1,542,239)</u>	<u>129</u>
Special Item				
TABOR refund of property tax revenue in excess of limit	-	-	(180,108)	(180,108)
Net change in fund balance	<u>(1,546,474)</u>	<u>(1,826,445)</u>	<u>1,259,389</u>	<u>3,085,834</u>
Fund balance, beginning of year	<u>10,060,702</u>	<u>10,060,702</u>	<u>10,060,702</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,514,228</u>	<u>\$ 8,234,257</u>	<u>\$ 11,320,091</u>	<u>\$ 3,085,834</u>

Pikes Peak Library District
Notes to Required Supplementary Information
Year Ended December 31, 2020

Note I: General Fund Budgetary Information

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

Note II: Pension Plan Schedules

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

Supplementary Information

MAJOR FUND

General Fund

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

Pikes Peak Library District
Comparative Balance Sheets
General Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and investments	\$ 15,262,997	\$ 13,949,214
Receivables, net of allowance for uncollectible accounts		
Property taxes	31,132,840	30,262,651
Accounts	453,727	65,262
Due from discretely presented component unit	17,877	12,402
Due from other governments	244,685	318,360
Prepaid items	382,929	260,645
Total assets	\$ 47,495,055	\$ 44,868,534
Liabilities		
Accounts payable	\$ 811,972	\$ 548,980
Accrued compensation payable	833,764	761,990
Due to other funds	3,123,360	3,171,660
Total liabilities	4,769,096	4,482,630
Deferred Inflows of Resources		
Unavailable revenue - property taxes	31,132,840	30,262,651
Unavailable fund resources	273,028	62,551
Total deferred inflows of resources	31,405,868	30,325,202
Fund Balances		
Nonspendable:		
Prepaid expenditures	382,929	260,645
Restricted for:		
Declared	1,014,722	974,973
Gifts and grants	283,268	203,285
Assigned to:		
Purchased contracts	113,454	126,835
Library materials	130,315	158,626
Unassigned	9,395,403	8,336,338
Total fund balances	11,320,091	10,060,702
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,495,055	\$ 44,868,534

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
General Fund
Years Ended December 31, 2020 and 2019

	2020	2019
Revenues		
Taxes		
Local property taxes		
Current	\$ 30,042,362	\$ 28,160,917
Delinquent	11,963	20,995
Omitted	7,195	6,145
Specific ownership taxes	3,344,277	3,486,228
Interest on taxes	24,708	38,420
Payment in lieu of taxes	9,601	9,190
Total taxes	33,440,106	31,721,895
Intergovernmental	715,285	392,810
Fines and fees	63,530	124,503
Interest earnings	116,945	426,392
Donations/fundraising	129,852	177,097
Miscellaneous		
Copy sales	48,316	111,324
Parking lot collections	9,096	22,690
Other	3,201	17,601
Total miscellaneous	60,613	151,615
Total revenues	34,526,331	32,994,312
Expenditures		
Current		
Public services	18,327,121	18,575,237
Human Resources Office	542,224	509,966
Chief Librarian and CEO Office	264,316	296,502
Development Office	241,401	172,187
Finance Office	634,118	612,632
Facilities Office	3,193,264	3,188,211
Information Technology Office	2,311,083	2,387,833
Communications Office	854,342	1,075,573
Security Services	830,435	661,887
Other administrative	4,178,461	3,690,897
Capital outlay	167,830	48,163
Total expenditures	31,544,595	31,219,088
Excess of revenues over expenditures	2,981,736	1,775,224
Other financing sources (uses)		
Proceeds from sale of capital assets	5,129	2,948
Transfers out	(1,547,368)	(2,443,411)
Total other financing sources (uses)	(1,542,239)	(2,440,463)
Special item		
TABOR refund of property tax revenue in excess of limit	(180,108)	-
Net change in fund balance	1,259,389	(665,239)
Fund balance, beginning of year	10,060,702	10,725,941
Fund balance, end of year	\$ 11,320,091	\$ 10,060,702

Pikes Peak Library District
Schedule of Expenditures by Natural Classification-
Budget and Actual
General Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
	Expenditures			
Current				
Personnel services	\$ 21,909,731	\$ 21,506,564	\$ 20,388,490	\$ 1,118,074
Supplies	1,036,299	1,364,938	758,385	606,553
Telecommunications	609,500	615,000	579,783	35,217
Library materials	4,925,880	5,025,000	4,818,308	206,692
Utilities	706,593	706,593	586,580	120,013
Contractual services	3,593,434	3,622,967	3,055,942	567,025
Repairs and maintenance	723,000	768,813	553,522	215,291
Other services	1,436,352	975,947	635,755	340,192
Capital outlay	15,000	318,722	167,830	150,892
Total expenditures	<u>\$ 34,955,789</u>	<u>\$ 34,904,544</u>	<u>\$ 31,544,595</u>	<u>\$ 3,359,949</u>

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

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

CAPITAL PROJECTS FUNDS

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

North Facility Project Fund

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

East Library Renovation Fund

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

Penrose Library Renovation Fund

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

Capital Reserve Fund

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

Pikes Peak Library District
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Special Revenue Fund	Capital	
	Designated Purpose Fund	North Facility Project Fund	East Library Renovation Fund
Assets			
Accounts receivable	\$ -	\$ -	\$ -
Due from other funds	105,721	189,864	82,832
Total Assets	\$ 105,721	\$ 189,864	\$ 82,832
 Liabilities			
Accounts payable	\$ -	\$ -	\$ 8,490
 Fund Balance			
Restricted for:			
Gifts and grants	812	-	-
Committed to:			
Capital projects	104,909	189,864	74,342
Total fund balance	105,721	189,864	74,342
Total liabilities and fund balance	\$ 105,721	\$ 189,864	\$ 82,832

Project Funds		
Penrose Library Renovation Fund	Capital Reserve Fund	Total Nonmajor Governmental Funds
\$ -	\$ 8,694	\$ 8,694
<u>417,945</u>	<u>2,326,998</u>	<u>3,123,360</u>
<u>\$ 417,945</u>	<u>\$ 2,335,692</u>	<u>\$ 3,132,054</u>
\$ -	\$ 21,749	\$ 30,239
-	-	812
<u>417,945</u>	<u>2,313,943</u>	<u>3,101,003</u>
<u>417,945</u>	<u>2,313,943</u>	<u>3,101,815</u>
<u>\$ 417,945</u>	<u>\$ 2,335,692</u>	<u>\$ 3,132,054</u>

Pikes Peak Library District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue Fund	Capital	
	Designated Purpose Fund	North Facility Project Fund	East Library Renovation Fund
Revenues			
Other	\$ -	\$ -	\$ -
Expenditures			
Capital outlay	3,300	357,685	129,505
Other financing sources			
Transfers in	-	63,367	8,545
Proceeds from sales of assets	-	-	-
Total financing sources (uses)	<u>-</u>	<u>63,367</u>	<u>8,545</u>
Net change in fund balances	(3,300)	(294,318)	(120,960)
Fund balances, beginning of year	<u>109,021</u>	<u>484,182</u>	<u>195,302</u>
Fund balances, end of year	<u>\$ 105,721</u>	<u>\$ 189,864</u>	<u>\$ 74,342</u>

Project Funds		
Penrose Library Renovation Fund	Capital Reserve Fund	Total Nonmajor Governmental Funds
\$ -	\$ 61,695	\$ 61,695
73,673	1,046,106	1,610,269
-	1,475,456	1,547,368
-	12,500	12,500
-	1,487,956	1,559,868
(73,673)	503,545	11,294
491,618	1,810,398	3,090,521
<u>\$ 417,945</u>	<u>\$ 2,313,943</u>	<u>\$ 3,101,815</u>

Pikes Peak Library District
Comparative Balance Sheets
Designated Purpose Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Due from other funds	\$ 105,721	\$ 109,021
 Fund Balance		
Restricted for:		
Gifts and grants	\$ 812	\$ 812
Committed to:		
Capital projects	104,909	108,209
Total fund balance	105,721	109,021
Total liabilities and fund balance	\$ 105,721	\$ 109,021

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Designated Purpose Fund
Years Ended December 31, 2020 and 2019

	2020	2019
Expenditures		
Capital outlay	\$ 3,300	\$ 51,737
Deficiency of revenues over expenditures	(3,300)	(51,737)
Net change in fund balance	(3,300)	(51,737)
Fund balance, beginning of year	109,021	160,758
Fund balance, end of year	\$ 105,721	\$ 109,021

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Designated Purpose Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Expenditures				
Capital outlay	\$ -	\$ 109,021	\$ 3,300	\$ 105,721
Net change in fund balance	-	(109,021)	(3,300)	105,721
Fund balance, beginning of year	109,021	109,021	109,021	-
Fund balance, end of year	<u>\$ 109,021</u>	<u>\$ -</u>	<u>\$ 105,721</u>	<u>\$ 105,721</u>

Pikes Peak Library District
Comparative Balance Sheets
North Facility Project Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Due from other funds	\$ 189,864	\$ 521,186
Liabilities		
Accounts payable	\$ -	\$ 37,004
Fund Balance		
Committed to:		
Capital projects	189,864	484,182
Total liabilities and fund balance	\$ 189,864	\$ 521,186

Pikes Peak Library District
Comparative Statements of Revenue, Expenditures
and Changes in Fund Balance
North Facility Project Fund
Years Ended December 31, 2020 and 2019

	2020	2019
Expenditures		
Capital outlay	\$ 357,685	\$ 924,181
Excess (deficiency) of revenues over expenditures	(357,685)	(924,181)
Other financing sources		
Transfers in	63,367	1,156,100
Net change in fund balance	(294,318)	231,919
Fund balance, beginning of year	484,182	252,263
Fund balance, end of year	\$ 189,864	\$ 484,182

Pikes Peak Library District
Schedule of Revenue, Expenditures
and Changes in Fund Balance – Budget and Actual
North Facility Project Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Capital outlay	\$ 217,020	\$ 547,549	\$ 357,685	\$ 189,864
Deficiency of revenues under expenditures	<u>(217,020)</u>	<u>(547,549)</u>	<u>(357,685)</u>	<u>189,864</u>
Other financing sources				
Transfers in	-	63,367	63,367	-
Net change in fund balance	(217,020)	(484,182)	(294,318)	189,864
Fund balance, beginning of year	<u>484,182</u>	<u>484,182</u>	<u>484,182</u>	<u>-</u>
Fund balance, end of year	<u>\$ 267,162</u>	<u>\$ -</u>	<u>\$ 189,864</u>	<u>\$ 189,864</u>

Pikes Peak Library District
Comparative Balance Sheets
East Library Renovation Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Due from other funds	\$ 82,832	\$ 195,302
Liabilities		
Accounts payable	\$ 8,490	\$ -
Fund Balance		
Committed to:		
Capital projects	74,342	195,302
Total fund balance	\$ 74,342	\$ 195,302
Total liabilities and fund balance	\$ 82,832	\$ 195,302

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
East Library Renovation Fund
Years Ended December 31, 2020 and 2019

	2020	2019
Expenditures		
Capital outlay	\$ 129,505	\$ 22,549
Deficiency of revenues over expenditures	(129,505)	(22,549)
Other financing sources		
Transfers in	8,545	139,627
Net change in fund balance	(120,960)	117,078
Fund balance, beginning of year	195,302	78,224
Fund balance, end of year	\$ 74,342	\$ 195,302

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
East Library Renovation Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Capital outlay	\$ 120,750	\$ 203,847	\$ 129,505	\$ 74,342
Deficiency of revenues under expenditures	<u>(120,750)</u>	<u>(203,847)</u>	<u>(129,505)</u>	<u>74,342</u>
Other financing sources				
Transfers in	<u>8,545</u>	<u>8,545</u>	<u>8,545</u>	<u>-</u>
Net change in fund balance	(112,205)	(195,302)	(120,960)	74,342
Fund balance, beginning of year	<u>195,302</u>	<u>195,302</u>	<u>195,302</u>	<u>-</u>
Fund balance, end of year	<u>\$ 83,097</u>	<u>\$ -</u>	<u>\$ 74,342</u>	<u>\$ 74,342</u>

Pikes Peak Library District
Comparative Balance Sheets
Penrose Library Renovation Fund
December 31, 2020 and 2019

	2019	2019
Assets		
Due from other funds	\$ 417,945	\$ 491,618
 Fund Balance		
Committed to:		
Capital projects	\$ 417,945	\$ 491,618

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Penrose Library Renovation Fund
Years Ended December 31, 2020 and 2019

	2020	2019
Expenditures		
Capital outlay	\$ 73,673	\$ 608,451
Other financing sources		
Transfers in	-	96,700
Net change in fund balance	(73,673)	(511,751)
Fund balance, beginning of year	491,618	1,003,369
Fund balance, end of year	\$ 417,945	\$ 491,618

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Penrose Library Renovation Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Expenditures				
Capital outlay	\$ 268,000	\$ 329,642	\$ 73,673	\$ 255,969
Net change in fund balance	(268,000)	(329,642)	(73,673)	255,969
Fund balance, beginning of year	491,618	491,618	491,618	-
Fund balance, end of year	<u>\$ 223,618</u>	<u>\$ 161,976</u>	<u>\$ 417,945</u>	<u>\$ 255,969</u>

Pikes Peak Library District
Comparative Balance Sheets
Capital Reserve Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Accounts receivable	\$ 8,694	\$ -
Due from other funds	2,326,998	1,854,533
Total assets	\$ 2,335,692	\$ 1,854,533
Liabilities		
Accounts payable	\$ 21,749	\$ 44,135
Fund Balance		
Committed to:		
Capital projects	2,313,943	1,810,398
Total liabilities and fund balance	\$ 2,335,692	\$ 1,854,533

Pikes Peak Library District
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Capital Reserve Fund
Years Ended December 31, 2020 and 2019

	2020	2019
Revenues		
Other	\$ 61,695	\$ -
Expenditures		
Capital outlay	1,046,106	948,899
Deficiency of revenues under expenditures	(984,411)	(948,899)
Other financing sources		
Transfers in	1,475,456	1,050,984
Proceeds from sale of assets	12,500	-
Total other financing sources	1,487,956	1,050,984
Net change in fund balance	503,545	102,085
Fund balance, beginning of year	1,810,398	1,708,313
Fund balance, end of year	\$ 2,313,943	\$ 1,810,398

Pikes Peak Library District
Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
Capital Reserve Fund
Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Donations	\$ -	\$ 123,000	\$ -	\$ (123,000)
Other	-	61,874	61,695	(179)
Total revenues	<u>-</u>	<u>184,874</u>	<u>61,695</u>	<u>(123,179)</u>
Expenditures				
Capital outlay	<u>2,018,795</u>	<u>3,483,228</u>	<u>1,046,106</u>	<u>2,437,122</u>
Deficiency of revenues under expenditures	<u>(2,018,795)</u>	<u>(3,298,354)</u>	<u>(984,411)</u>	<u>2,313,943</u>
Other financing sources				
Transfers in	1,781,810	1,475,456	1,475,456	-
Proceeds from sale of assets	-	12,500	12,500	-
Total financing sources	<u>1,781,810</u>	<u>1,487,956</u>	<u>1,487,956</u>	<u>-</u>
Net change in fund balance	<u>(236,985)</u>	<u>(1,810,398)</u>	<u>503,545</u>	<u>2,313,943</u>
Fund balance, beginning of year	<u>1,810,398</u>	<u>1,810,398</u>	<u>1,810,398</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,573,413</u>	<u>\$ -</u>	<u>\$ 2,313,943</u>	<u>\$ 2,313,943</u>

INTERNAL SERVICE FUND

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

The District has one Internal Service Fund.

Employee Health Plan Fund

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

Pikes Peak Library District
Internal Service Fund
Comparative Statements of Net Position
Employee Health Plan Fund
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 727,225	\$ 444,637
Deposit	36,667	36,667
Total current assets	763,892	481,304
 Liabilities		
Current Liabilities		
Claims payable	151,552	90,641
 Net Position		
Total Net Position - Unrestricted	\$ 612,340	\$ 390,663

Pikes Peak Library District
Internal Service Fund
Comparative Statements of Revenue, Expenses
and Changes in Net Position
Employee Health Plan Fund
Years Ended December 31, 2020 and 2019

	2020	2019
Operating revenues		
Employer contributions	\$ 2,198,022	\$ 1,889,719
Employee contributions	456,486	416,459
Total operating revenues	2,654,508	2,306,178
Operating expenses		
Claims incurred	1,488,386	1,466,063
Administrative	944,493	898,277
Total operating expenses	2,432,879	2,364,340
Operating loss	221,629	(58,162)
Nonoperating revenues		
Investment earnings	48	95
Change in net position	221,677	(58,067)
Total net position, beginning	390,663	448,730
Total net position, ending	\$ 612,340	\$ 390,663

Pikes Peak Library District
Internal Service Fund
Comparative Statements of Cash Flows
Employee Health Plan Fund
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Employee and employer contributions	\$ 2,654,508	\$ 2,307,948
Payment of claims and administrative expenses	(2,371,968)	(2,412,983)
Net cash provided by (used in) operating activities	282,540	(105,035)
Cash flows from investing activities		
Interest received	48	95
Net increase (decrease) in cash and cash equivalents	282,588	(104,940)
Cash and cash equivalents, January 1	444,637	549,577
Cash and cash equivalents, December 31	\$ 727,225	\$ 444,637
Reconciliation of operating loss to net cash provided by operating activities		
Operating gain (loss)	\$ 221,629	\$ (58,162)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Change in accounts receivable	-	1,770
Change in claims payable	60,911	(48,643)
Total adjustments	60,911	(46,873)
Net cash provided by (used in) operating activities	\$ 282,540	\$ (105,035)

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.

	Page
Financial Trends	135
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	148
These schedules contain information to help the reader assess the District's most significant revenue source, the property tax.	
Debt Capacity	160
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	166
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	168
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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Exhibit I-1

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

Governmental Activities

Fiscal Year	Net Investment			
	In Capital Assets	Restricted	Unrestricted	Total
2011	\$ 32,872,879	\$ 858,203	\$ 10,686,653	\$ 44,417,735
2012	34,818,102	837,421	10,230,456	45,885,979
2013	33,839,914	1,005,719	12,831,121	47,676,754
2014	37,633,108	994,338	9,249,165	47,876,611
2015	38,922,766	998,444	282,577	40,203,787
2016	37,308,714	956,559	1,371,475	39,636,748
2017	36,767,440	1,004,708	971,294	38,743,442
2018	34,938,136	1,131,310	(990,490)	35,078,956
2019	34,741,176	1,179,070	(6,932,278)	28,987,968
2020	33,556,137	1,298,802	(12,866,551)	21,988,388

Exhibit I-2

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

Expenses							
Governmental Activities							
Fiscal Year	Public Services	Human Resources	Administrative Services	Chief Librarian & CEO Office	Development Office	Finance Office	Facilities Office
2011	7,704,551	-	11,256,992	366,455	-	404,789	-
2012	7,883,922	-	12,021,277	373,535	-	403,231	-
2013	8,422,792	-	11,964,223	386,564	-	435,422	-
2014	11,479,186	-	4,117,367	400,652	-	436,539	-
2015	13,250,047	-	3,785,191	398,398	-	476,755	-
2016	13,251,004	-	3,823,660	466,816	-	522,810	-
2017	20,382,695	-	3,914,245	474,077	-	551,716	-
2018	23,333,788	495,338	-	311,333	182,018	629,124	3,885,930
2019	24,175,768	615,099	-	346,106	205,177	718,925	4,196,460
2020	25,521,426	706,307	-	337,521	303,389	791,730	4,376,400

Program Revenues							
Governmental Activities							
Charges for Services				Operating Grants and Contributions			
Fiscal Year	Public Services	Total	Public Services	Administrative Services	Information Technology	Facilities	Total
2011	\$ 521,577	\$ 521,577	\$ 181,675	\$ -	\$ -	\$ -	\$ 181,675
2012	529,077	529,077	99,400	34,536	-	-	133,936
2013	523,316	523,316	141,009	213,927	-	-	354,936
2014	530,364	530,364	136,227	-	142,433	-	278,660
2015	538,214	538,214	258,925	-	15,769	-	274,694
2016	494,493	494,493	233,889	-	143,982	-	377,871
2017	274,186	274,186	596,824	-	-	-	596,824
2018	114,964	114,964	426,310	-	-	-	426,310
2019	124,503	124,503	370,939	-	-	-	370,939
2020	63,530	63,530	784,756	-	35,354	46,319	866,429

Total Net Expenses	
Total	
Fiscal Year	Primary Government
2011	\$ (23,169,027)
2012	(24,604,138)
2013	(24,838,586)
2014	(26,369,066)
2015	(27,268,439)
2016	(28,435,137)
2017	(30,030,670)
2018	(34,455,259)
2019	(38,393,839)
2020	(40,516,461)

Information Technology Office	Communications Office	Security Services	Other Administration	Interest Expense	Total Primary Government
1,634,549	676,199	-	2,073,758	4,261	\$ 24,121,554
1,531,283	721,944	-	2,571,087	1,672	25,507,951
1,716,479	709,136	-	2,489,209	-	26,123,824
7,814,245	766,469	-	2,652,230	-	27,666,688
7,855,225	853,076	-	3,107,846	-	29,726,538
7,631,440	764,629	-	3,116,763	-	29,577,122
1,868,122	830,962	-	3,222,456	-	31,244,273
2,794,960	979,183	-	3,299,412	-	35,911,086
3,121,662	1,259,541	758,615	3,690,897	-	39,088,250
3,214,137	1,147,285	1,058,946	4,178,464	-	41,635,605

Capital Grants and Contributions

Public Services	Facilities Office	Administrative Services	Information Technology	Total	Total Primary Government
\$ 168,993	\$ -	\$ 80,282	\$ -	\$ 249,275	\$ 952,527
98,131	-	142,669	-	240,800	903,813
166,769	-	240,217	-	406,986	1,285,238
229,665	-	88,553	170,380	488,598	1,297,622
836,583	-	258,308	550,299	1,645,191	2,458,099
142,378	-	41,939	85,304	269,621	1,141,985
253,467	-	53,096	36,030	342,593	1,213,603
709,178	118,863	-	86,512	914,553	1,455,827
153,237	26,468	-	19,264	198,969	694,411
145,873	24,563	-	18,749	189,185	1,119,144

Exhibit I-3

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

						Governmental Activities	
						General Revenues	
Fiscal Year	Property Taxes	Specific Ownership Taxes	Investment Earnings	Miscellaneous	Total		
2011	\$ 22,783,130	\$ 2,013,321	\$ 15,988	\$ 226,993	\$ 25,039,432		
2012	23,588,482	2,267,050	34,635	182,215	26,072,382		
2013	23,930,258	2,413,142	21,912	264,051	26,629,363		
2014	23,823,607	2,546,327	18,692	180,297	26,568,923		
2015	24,137,929	2,765,049	26,550	201,916	27,131,444		
2016	24,780,995	2,892,197	96,038	155,941	27,925,171		
2017	25,762,260	3,547,865	187,896	182,529	29,680,550		
2018	26,834,122	3,410,423	386,768	165,290	30,796,603		
2019	28,235,667	3,486,228	426,392	154,564	32,302,851		
2020	30,095,828	3,344,277	116,945	139,939	33,696,989		
Total Changes in Net Position							
Fiscal Year	Total Primary Government						
2011	\$ 1,870,405						
2012	1,468,244						
2013	1,790,777						
2014	199,857						
2015	(136,995)						
2016	(567,039)						
2017	(893,316)						
2018	(3,664,486)						
2019	(6,090,987)						
2020	(6,999,580)						

TABOR Refund	
Fiscal Year Spending and Property Tax Revenue in Excess of Limit	Total Primary Government
\$ -	\$ 25,039,432
-	26,072,382
-	26,629,363
-	26,568,923
-	27,131,444
(57,073)	27,868,098
(543,196)	29,137,354
(5,830)	30,790,773
-	32,302,851
(180,108)	33,516,881

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Exhibit I-4

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

General Fund

Fiscal Year	Non-spendable	Restricted	Committed	Assigned	Unassigned	Total
2011	\$ 302,673	\$ 768,933	\$ -	\$ 2,283,641	\$ 2,681,795	\$ 6,037,042
2012	515,665	849,133	-	1,413,211	4,626,698	7,404,707
2013	432,357	927,498	-	809,250	4,056,243	6,225,348
2014	475,065	918,560	-	679,883	3,632,798	5,706,306
2015	510,377	944,548	900,000	583,947	4,896,422	7,835,294
2016	386,130	945,380	865,000	668,852	6,425,409	9,290,771
2017	339,785	1,001,784	865,000	377,529	7,848,739	10,432,837
2018	311,114	1,128,386	-	385,511	8,900,930	10,725,941
2019	260,645	1,178,258	-	285,461	8,336,338	10,060,702
2020	382,929	1,297,990	-	243,769	9,395,403	11,320,091

Other Governmental Funds

Fiscal Year	Non-spendable	Restricted	Committed	Assigned	Total
2011	\$ -	\$ 89,270	\$ 6,930,814	\$ 272	\$ 7,020,356
2012	-	103,501	4,647,272	7,624	4,758,397
2013	2,902	78,221	7,399,563	7,624	7,488,310
2014	-	75,778	5,394,260	7,624	5,477,662
2015	4,990	53,896	1,976,494	7,624	2,043,004
2016	14,092	11,179	2,378,444	7,000	2,410,715
2017	5,877	2,924	1,845,995	212	1,855,008
2018	-	2,924	3,199,791	212	3,202,927
2019	-	812	3,089,709	-	3,090,521
2020	-	812	3,101,003	-	3,101,815

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

Exhibit I-5

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

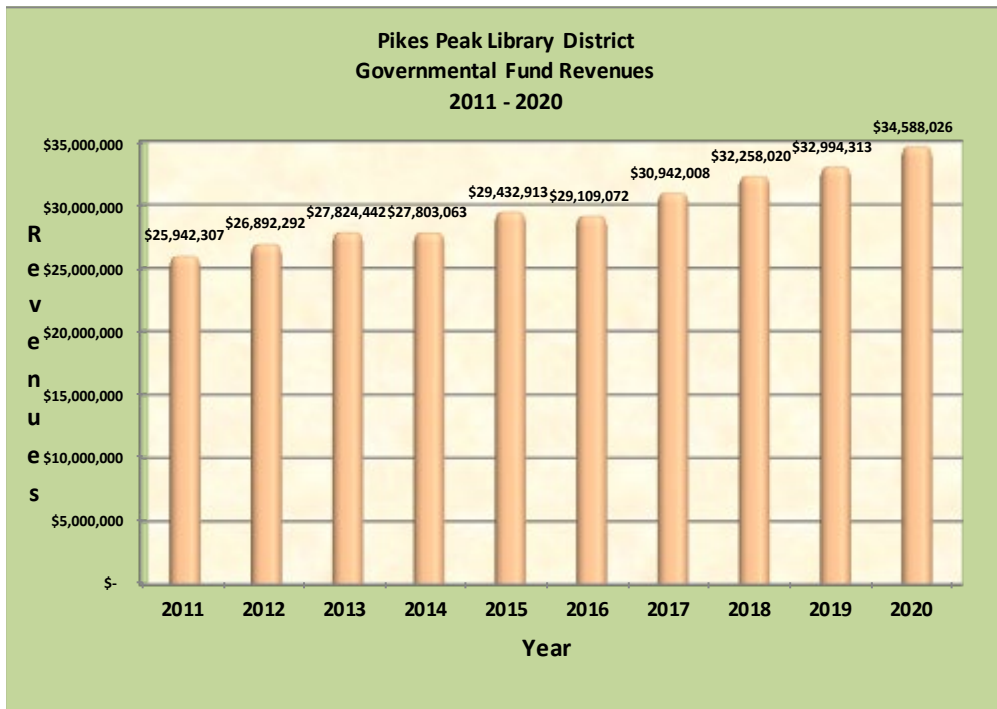
Fiscal Year	Revenues	Expenditures	Other Financing Sources (Uses)		
			Proceeds from Sale of Capital Assets	Proceeds from Insurance Reimbursement	TABOR Refund Fiscal Year Spending and Property Tax Revenue In Excess of Limit
2011	\$ 26,892,292	\$ 27,827,510	\$ 49,652	\$ -	\$ -
2012	27,824,442	26,370,151	40,924	-	-
2013	27,803,063	30,383,156	83,277	12,985	-
2014	29,432,914	30,383,156	50,403	-	-
2015	29,432,914	30,785,347	28,060	18,703	-
2016	29,109,072	27,246,156	17,345	-	(57,073)
2017	30,942,008	29,824,093	11,640	-	(543,196)
2018	32,258,020	30,630,672	19,505	-	(5,830)
2019	32,994,312	33,774,905	2,948	-	-
2020	34,588,026	33,154,864	17,629	-	(180,108)

Net Change in Fund Balance	Ratio of Debt Service Expenditures to Noncapital Expenditures
\$ (885,566)	0.30%
1,495,215	0.27%
(2,483,831)	0.00%
(899,839)	0.00%
(1,305,670)	0.00%
1,823,188	0.00%
586,359	0.00%
1,641,023	0.00%
(777,645)	0.00%
1,270,683	0.00%

Exhibit I-6

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

Fiscal Year	Taxes	Intergovernmental	Fines and Fees	Interest Earnings
2011	\$ 24,796,451	\$ 185,728	\$ 521,577	\$ 15,988
2012	25,855,532	85,247	529,077	34,635
2013	26,343,399	160,887	523,316	21,912
2014	26,369,934	291,251	530,364	18,692
2015	26,902,978	305,794	538,214	26,550
2016	27,673,192	398,039	494,493	96,038
2017	29,310,125	458,187	274,186	187,896
2018	30,244,545	384,404	114,964	386,768
2019	31,721,895	392,810	124,503	426,392
2020	33,440,106	715,285	63,530	116,945

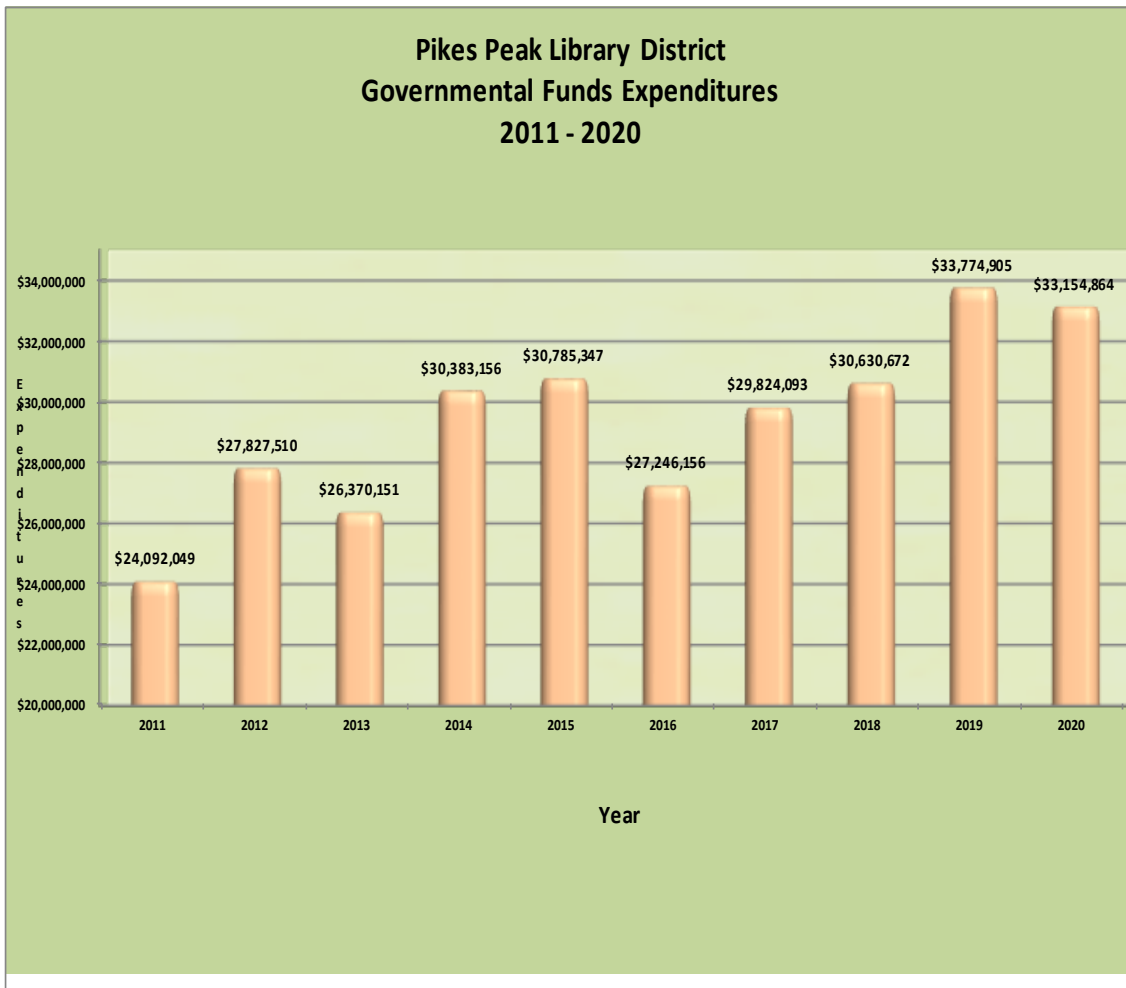


Miscellaneous	Total
\$ 422,563	\$ 25,942,307
387,801	26,892,292
774,928	27,824,442
592,822	27,803,063
1,659,378	29,432,913
447,310	29,109,072
711,614	30,942,008
1,127,339	32,258,020
328,712	32,994,313
252,160	34,588,026

Exhibit I-7

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

Fiscal Year	Current					
	Personnel Services	Supplies	Library Materials	Utilities	Telecommunications	Contractual Services
2011	\$ 13,475,371	\$ 538,030	\$ 3,817,412	\$ 483,211	\$ 258,893	\$ 2,301,929
2012	13,972,868	448,827	3,974,955	497,624	305,675	2,431,627
2013	14,426,213	547,072	3,984,804	486,862	337,311	2,556,487
2014	15,032,543	605,206	4,324,974	587,082	362,758	2,720,845
2015	15,904,077	732,640	4,279,833	571,033	409,626	2,587,094
2016	16,007,317	690,060	4,482,638	539,735	339,276	2,769,599
2017	17,599,286	664,432	4,368,968	583,442	465,959	2,753,994
2018	18,362,919	666,926	4,528,390	615,141	479,359	2,936,686
2019	19,907,957	727,608	4,716,819	639,248	479,868	3,150,559
2020	20,388,490	758,385	4,818,308	586,580	579,783	3,055,942



	Repairs and Maintenance		Total	Capital Outlay	Debt Service		Total Expenditures
		Other Services			Principal	Interest	
\$	457,546	\$ 729,920	\$ 22,062,312	\$ 1,967,806	\$ 57,670	\$ 4,261	\$ 24,092,049
	385,416	715,462	22,732,454	5,027,983	65,401	1,672	27,827,510
	454,927	760,146	23,553,822	2,816,329	-	-	26,370,151
	612,068	734,423	24,979,899	5,403,257	-	-	30,383,156
	578,877	753,353	25,816,533	4,968,814	-	-	30,785,347
	672,300	742,652	26,243,577	1,002,579	-	-	27,246,156
	649,023	834,117	27,919,221	1,904,872	-	-	29,824,093
	503,869	678,177	28,771,467	1,859,205	-	-	30,630,672
	613,411	935,456	31,170,925	2,603,980	-	-	33,774,905
	553,522	635,754	31,376,765	1,778,099	-	-	33,154,864

Exhibit I-8

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

Assessment Year	Collection Year	Residential		All Other Property	
		Assessed Value	Estimated Actual value	Assessed Value	Estimated Actual Value
2010	2011	\$ 3,526,403,277	\$ 44,301,548,703	\$ 2,935,761,423	\$ 10,123,315,252
2011	2012	3,281,225,918	41,221,431,129	2,686,809,582	9,264,860,628
2012	2013	3,345,705,933	42,031,481,566	2,696,746,537	9,299,125,991
2013	2014	3,323,732,184	41,755,429,448	2,705,167,116	9,328,162,469
2014	2015	3,383,673,117	42,508,456,238	2,733,459,583	9,425,722,702
2015	2016	3,772,618,178	47,394,700,732	2,845,238,612	9,811,167,627
2016	2017	3,785,355,234	47,554,713,989	2,832,501,556	9,767,246,746
2017	2018	3,932,149,665	54,613,189,788	3,148,445,775	10,856,709,570
2018	2019	4,041,515,731	56,132,162,928	3,157,308,979	10,887,272,342
2019	2020	4,792,932,200	67,031,120,058	3,453,536,110	11,908,693,842

Notes:

The following are the assessment rates for collection years 2011 through 2020:

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

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

Total Assessed Value	Total Mill Levy	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 6,462,164,700	3.556	\$ 54,424,863,955	11.9%
5,968,035,500	3.999	50,486,291,757	11.8%
6,042,452,470	4.000	51,330,607,557	11.8%
6,028,899,300	4.000	51,083,591,917	11.8%
6,117,132,700	4.000	51,934,178,939	11.8%
6,516,617,460	3.857	57,205,868,359	11.4%
6,617,856,790	3.957	57,321,960,736	11.5%
7,080,595,440	3.812	65,469,899,358	10.8%
7,198,824,710	4.000	67,019,435,270	10.7%
8,246,468,310	3.731	78,939,813,900	10.4%

Exhibit I-9

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

Taxing Authority	Collection Year				
	2011	2012	2013	2014	2015
Direct					
Pikes Peak Library District	3.556	3.999	4.000	4.000	4.000
Overlapping Governments					
El Paso County	7.717	7.597	7.663	7.714	7.791
Cities and Towns					
Calhan	17.563	17.563	17.563	17.563	17.563
Colorado Springs	4.279	4.279	4.279	4.279	4.279
Fountain	10.239	10.239	10.239	10.239	10.239
Green Mountain Falls	14.588	14.588	17.588	17.588	17.588
Manitou Springs	-	-	12.060	12.060	12.050
Monument	6.289	6.289	6.289	6.289	6.289
Palmer Lake	16.459	16.459	16.459	16.459	16.459
Ramah	19.827	19.827	19.827	19.827	19.827
Fire Districts					
Big Sandy	8.000	8.000	8.000	8.000	8.000
Black Forest	6.275	10.406	10.379	10.382	10.356
Black Forest (OPS)	1.310	1.191	1.164	1.167	1.141
Broadmoor	4.500	4.500	4.500	4.500	4.500
Calhan	7.094	6.500	6.536	6.523	6.552
Cascade	7.373	7.968	8.443	9.168	9.410
Cimarron Hills	11.110	12.150	14.390	14.390	15.290
Donald Wescott	7.000	7.000	7.000	7.000	7.000
Wescott N. Sub.	-	-	-	-	-
Edison	9.000	9.000	9.000	9.000	9.000
Elbert	4.575	4.575	4.575	4.575	4.575
Ellicott	9.329	9.999	10.168	10.290	10.220
Falcon	5.712	8.612	8.612	8.612	8.612
Green Mountain Falls/Chipita Park	7.325	8.048	8.542	8.788	9.293
Hanover	4.720	4.720	4.720	4.720	4.720
Peyton	6.253	6.253	6.458	6.130	6.130
Security	6.693	6.681	10.001	10.001	10.002
Stratmoor Hills	12.423	12.423	12.423	12.002	12.686
SW Hwy 115	7.200	7.200	13.200	13.200	13.200
Tri-County	3.000	3.000	3.000	3.000	3.000
Tri-Lakes/Monument	8.500	8.500	11.500	11.500	11.500
Woodman Valley	9.050	9.050	9.050	9.050	9.050

2016	2017	2018	2019	2020
3.857	3.957	3.812	4.000	3.731
7.869	7.919	7.965	8.068	7.035
17.563	17.563	17.563	17.563	17.563
4.279	4.279	4.279	4.279	4.279
10.239	10.239	10.239	10.239	10.239
17.588	17.588	17.588	17.588	17.588
12.246	13.001	13.072	13.083	13.019
6.255	6.289	6.225	6.289	6.152
11.238	21.238	21.135	21.238	21.238
19.827	19.827	19.827	19.827	19.827
8.000	8.000	8.000	8.000	8.000
10.237	10.178	10.114	10.052	12.549
1.022	0.963	0.899	0.837	0.653
4.500	4.500	4.500	4.500	4.500
6.061	5.971	6.049	6.402	6.325
9.774	10.245	10.848	10.848	10.153
15.286	15.286	16.200	16.200	16.200
7.000	7.000	7.000	7.000	7.000
-	-	14.900	14.900	14.900
9.000	9.000	9.000	9.000	9.000
8.500	8.500	8.500	8.500	7.528
9.760	9.850	9.515	9.451	8.589
8.612	8.612	8.612	14.886	14.886
9.812	9.763	16.950	17.460	16.615
7.000	7.366	7.428	7.217	10.000
6.130	6.130	6.130	6.130	6.130
10.002	10.002	10.002	10.002	10.002
12.768	12.811	12.582	13.200	13.251
13.200	13.200	13.200	13.483	13.200
3.000	3.000	3.000	3.000	3.000
11.500	11.500	18.100	18.400	18.400
9.050	9.050	9.050	9.050	9.050

Exhibit I-9**Pikes Peak Library District
Property Tax Rates - Direct and Overlapping (Continued)
Last Ten Fiscal Years
(Unaudited)
(Per \$1,000 of assessed value)**

Taxing Authority	Collection Year				
	2011	2012	2013	2014	2015
Water Districts					
Cheyenne Creek	0.500	0.500	0.500	0.500	0.500
Forest View	5.000	5.000	5.000	5.000	5.000
Park Forest	14.437	14.437	14.437	14.437	14.437
Red Rock Valley Estates	13.894	16.803	17.709	17.872	18.575
Stratmoor Hills	2.000	2.000	2.088	2.055	1.974
S.E. Colo. Water Conserv.	0.947	0.947	0.944	0.944	0.094
Security	5.960	5.952	5.947	5.980	5.955
Turkey Canyon Ranch	9.058	11.005	9.500	9.500	9.500
Upper Arkansas Water Conserv.	0.454	0.495	0.478	0.478	0.478
Upper Big Sandy	0.532	0.532	0.532	0.532	0.532
Upper Black Squirrel	1.082	1.082	1.082	1.082	1.082
Sanitation Districts					
Fountain	4.654	5.334	5.534	5.755	6.101
Monument	-	-	-	-	-
Security	0.900	0.899	0.898	0.903	0.899
Stratmoor Hills	0.549	0.549	0.573	0.578	0.578
Sanitation and Water Districts					
Academy	21.450	24.950	24.755	2.937	2.937
Donala (Area A)	16.296	16.296	21.296	21.296	21.296
Donala (Area B)	8.148	8.148	10.648	10.648	10.648
Garden Valley	10.000	8.617	8.167	9.920	9.055
Garden Valley #2	7.000	5.500	5.805	5.613	5.736
Westmoor	30.986	35.508	37.471	34.956	41.288
Woodmoor	6.950	-	-	-	-

2016	2017	2018	2019	2020
0.500	1.000	1.000	1.000	1.000
5.000	5.000	5.000	5.000	5.000
14.437	14.437	14.437	14.437	14.437
16.444	17.725	17.725	17.725	17.725
2.086	2.105	2.071	-	
0.941	0.940	0.094	0.944	0.902
5.654	5.695	5.703	5.679	5.007
9.500	9.500	9.500	9.500	9.500
0.471	0.478	0.481	0.479	0.435
0.532	0.532	0.532	0.532	0.532
1.057	1.063	1.065	1.065	1.029
6.040	6.248	6.328	6.637	6.030
-	-	7.734	-	-
0.856	0.862	0.863	0.854	0.757
0.587	0.591	0.583	-	-
2.937	2.937	2.937	2.937	2.937
21.296	21.296	21.296	21.296	21.296
10.648	10.648	10.648	10.648	10.648
9.695	10.296	11.083	12.766	19.710
5.816	5.196	4.308	-	-
34.943	36.836	36.953	38.277	34.998
-	-	-	-	-

Exhibit I-9

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

Taxing Authority	Collection Year				
	2011	2012	2013	2014	2015
School Districts					
Air Force Academy #20	60.216	60.216	60.216	60.216	60.216
Big Sandy #100J	25.468	42.067	42.128	40.787	40.379
Calhan #RJ-1	30.049	30.049	29.117	27.096	27.193
Cheyenne Mountain #12	49.764	49.764	50.000	50.000	53.000
Colorado Springs #11	44.004	44.004	43.445	44.264	43.165
Edison #54	36.104	36.104	37.044	37.861	37.340
Ellicott #22	41.148	41.148	41.147	37.124	37.126
Falcon #49	45.842	45.842	45.585	45.617	45.796
Fremont/Florence #39	33.907	33.907	28.774	28.776	29.251
Fountain/Ft. Carson #8	24.723	24.723	24.703	24.726	24.775
Hanover #28	27.551	27.551	27.463	31.103	27.759
Harrison #2	41.147	41.147	41.344	41.344	36.997
Lewis-Palmer #38	52.343	52.343	51.756	50.091	49.677
Manitou Springs #14	-	-	47.354	47.649	47.555
Miami/Yoder #60	42.853	42.853	43.194	42.710	41.926
Peyton #23	34.041	34.041	34.097	30.985	30.919
Miscellaneous Districts	2,554.140	2,554.140	2,703.102	2,975.466	3,083.266

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

2016	2017	2018	2019	2020
60.216	60.216	60.216	60.216	60.216
38.860	38.782	38.189	37.666	35.473
27.091	27.003	27.068	27.013	27.083
53.000	53.000	55.000	55.000	55.000
40.803	40.878	52.499	56.084	51.558
40.834	36.502	36.504	36.503	36.501
37.001	37.046	37.011	31.863	31.921
44.635	44.417	43.648	43.044	43.189
28.908	29.300	29.762	28.816	29.378
25.195	24.748	24.731	24.776	24.845
35.112	34.679	35.736	33.708	32.439
36.414	36.278	33.138	48.333	47.227
45.501	46.404	44.651	44.068	41.430
52.000	52.000	52.000	61.900	58.817
28.504	28.303	28.079	30.006	29.263
30.419	30.469	30.469	30.469	30.469
3,391.527	3,075.868	3,576.017	4,727.847	4,560.336

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Exhibit I-10

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

Principal Taxpayer	Type of Business	Fiscal Year 2020		Fiscal Year 2011	
		Assessed Valuation	Percent of Total Assessed Valuation	Assessed Valuation	Percent of Total Assessed Valuation
CELLCO Partnership	Investments	102,410,890	1.24%	-	-
Qwest Corporation	Telecommunications	44,745,600	0.54%	74,510,040	1.15%
Broadmoor Hotel, Inc.	Hotel/Resort	37,814,250	0.46%	29,918,340	0.46%
Wal-Mart Real Estate	Merchandise/Retail	30,550,010	0.37%	30,838,560	0.48%
Mountain View Electric	Utilities	29,860,150	0.36%	21,045,400	0.33%
Comcast of CO/PA/WV LLC	Investments	27,463,970	0.33%	-	-
Microchip Technology Inc.	Technology	23,177,030	0.28%	-	-
dpIX, LLC	Technology	17,403,230	0.21%	26,714,450	-
Wal-Mart Datacenter	Technology	28,426,400	0.34%	-	-
SAP America, Inc.	Technology	17,464,820	0.21%	-	-
Fountain Valley Power LLC	Utilities	-	-	31,490,600	0.49%
Front Range Power, LLC	Investments	-	-	28,253,400	0.44%
MCI Telecommunications Corp.	Telecommunications	-	-	19,382,000	0.30%
MMP Citadel LLP	Retail Mall	-	-	15,322,230	0.24%
Palmer Center LTD	Retail Mall	-	-	15,210,080	0.24%
Total Top 10 Principal Taxpayers		\$ 359,316,350	4.36%	\$ 292,685,100	4.12%
Total Assessed Valuation		\$ 8,246,468,310	100.00%	\$ 6,462,164,700	100.00%

Data Source: El Paso County Assessor's Office

Exhibit I-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
2010	2011	\$ 22,907,471	\$ 22,708,581	99.1%	\$ 19,503
2011	2012	23,776,533	23,521,488	98.9%	19,120
2012	2013	24,058,794	23,852,302	99.1%	30,559
2013	2014	23,978,299	23,691,576	98.8%	72,755
2014	2015	24,290,297	24,092,442	99.2%	12,160
2015	2016	24,926,355	24,730,868	99.2%	10,720
2016	2017	25,942,634	25,709,842	99.1%	14,007
2017	2018	27,187,071	26,767,115	98.5%	17,132
2018	2019	28,454,290	28,160,917	99.0%	20,995
2019	2020	30,374,738	30,042,362	98.9%	11,964

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

Penalties and Interest Delinquent Tax Collections	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
\$ 50,844	\$ 4,202	\$ 22,783,130	99.5%	\$ 93,389	0.4%
44,669	3,205	23,588,482	99.2%	128,616	0.5%
41,758	5,639	23,930,258	99.5%	139,504	0.6%
56,389	2,887	23,823,607	99.4%	55,656	0.2%
29,628	3,699	24,137,929	99.4%	54,997	0.2%
29,902	9,505	24,780,995	99.4%	62,246	0.2%
33,187	5,224	25,762,260	99.3%	71,429	0.3%
35,319	5,451	26,825,017	98.7%	92,436	0.3%
38,420	6,145	28,226,476	99.2%	94,397	0.3%
24,708	7,195	30,086,229	99.1%	101,564	0.3%

Exhibit I-12

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

Year Ended December 31,	Population	Capital Leases			Net Debt Per Capita
		Gross Debt	Funds Available in Debt Service Fund	Net Debt	
2011	575,789	\$ 65,401	\$ -	\$ 65,401	\$ 0.11
2012	585,158	-	-	-	-
2013	598,549	-	-	-	-
2014	607,457	-	-	-	-
2015	616,089	-	-	-	-
2016	623,805	-	-	-	-
2017	639,625	-	-	-	-
2018	650,185	-	-	-	-
2019	662,241	-	-	-	-
2020	669,874	-	-	-	-

	Personal Income	Debt as a Percentage of Personal Income	Assessed Value Used for Current Year Collections	Ratio of Net Bonded Debt to Assessed Value
\$	25,420,872,000	-	\$ 6,462,164,700	-
	26,374,299,000	-	5,968,035,500	-
	27,980,799,000	-	6,042,452,470	-
	27,831,398,000	-	6,028,899,300	-
	29,262,206,000	-	6,117,132,700	-
	30,565,961,000	-	6,516,617,460	-
	32,522,267,000	-	6,617,856,790	-
	34,598,539,000	-	7,080,595,440	-
	36,825,059,000	-	7,198,824,710	-
	not available	-	8,246,468,310	-

Exhibit I-13

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed valuation	\$ 6,462,164,700	\$ 5,968,035,500	\$ 6,042,452,470	\$ 6,028,899,300	\$ 6,117,132,700
Debt limitation - 1.5% of total assessed value	\$ 96,932,471	\$ 89,520,533	\$ 90,636,787	\$ 90,433,490	\$ 91,756,991
Total debt (excluding compensated absences)	65,401	-	-	-	-
Less: Certificates of Participation (1)	-	-	-	-	-
Capital leases (1)	(65,401)	-	-	-	-
Total debt applicable to limitation	-	-	-	-	-
Legal debt margin	\$ 96,932,471	\$ 89,520,533	\$ 90,636,787	\$ 90,433,490	\$ 91,756,991

Notes:

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

2016	2017	2018	2019	2020
\$ 6,516,617,460	\$ 6,617,856,790	\$ 7,080,595,440	\$ 7,198,824,710	\$ 8,246,468,310
\$ 97,749,262	\$ 99,267,852	\$ 106,208,932	\$ 107,982,371	\$ 123,697,025
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 97,749,262	\$ 99,267,852	\$ 106,208,932	\$ 107,982,371	\$ 123,697,025

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Exhibit I-14

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

Fiscal Year	Debt Service Expenditures			Noncapital Governmental Fund Expenditures	Ratio of Debt Service to Noncapital Governmental Fund Expenditures
	Capital Leases		Total		
	Principal Payments	Interest Payments			
2011	57,670	4,261	61,931	22,062,312	0.28%
2012	65,401	1,672	67,073	22,732,454	0.30%
2013	-	-	-	23,553,822	-
2014	-	-	-	24,979,899	-
2015	-	-	-	25,816,533	-
2016	-	-	-	26,243,577	-
2017	-	-	-	27,919,221	-
2018	-	-	-	28,771,467	-
2019	-	-	-	31,170,925	-
2020	-	-	-	31,376,765	-

Exhibit I-15

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

Fiscal Year	Population	Personal Income	Per Capita		Households		Median Age	School Enrollment
			Personal Income	Unemploy. Rate	Total	Average Size		
2011	575,789	25,420,872,000	37,909	8.9%	243,299	2.37	34.1	111,318
2012	585,158	26,374,299,000	40,893	8.8%	247,320	2.37	34.1	111,533
2013	598,549	27,980,799,000	41,250	7.2%	251,153	2.38	34.2	117,829
2014	607,457	27,831,398,000	41,945	6.2%	255,364	2.38	34.3	118,699
2015	616,089	29,262,206,000	43,385	4.6%	259,082	2.38	34.0	120,314
2016	623,805	30,565,961,000	44,409	3.8%	263,383	2.37	34.4	121,752
2017	639,625	32,522,267,000	46,511	3.5%	267,300	2.39	34.4	122,445
2018	650,185	34,598,539,000	48,467	3.8%	271,234	2.40	34.4	121,192
2019	662,241	36,825,059,000	51,117	3.3%	270,074	2.45	33.7	124,516
2020	669,874	not available	not available	7.1%	274,597	2.44	33.7	119,509

Data Sources: Colorado Department of Labor, U.S. Bureau of Economic Analysis, Colorado Department of Education, Colorado Department of Local Affairs, Colorado Workforce Center, quickfacts.census.gov

Exhibit I-16

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

Employer	Fiscal Year 2020		Fiscal Year 2011	
	Employees	Percent of Total Employment	Employees	Percent of Total Employment
Fort Carson	33,943	10.64%	31,629	9.85%
Memorial/University of Colorado Health Systems	11,480	3.60%	5,800	1.81%
Peterson Air Force Base	9,597	3.01%	11,139	3.47%
United States Air Force Academy	8,092	2.54%	10,308	3.21%
Schriever Air Force Base	8,000	2.51%	8,124	2.53%
Centura Health System	5,800	1.82%	4,000	1.25%
Colorado Springs School District #11	3,559	1.12%	3,593	1.12%
Academy School District #20	3,008	0.94%	3,686	1.15%
City of Colorado Springs	2,847	0.89%	-	-
El Paso County	2,818	0.88%	-	-
Verizon Wireless	-	-	4,000	1.25%
Hewlett Packard	-	-	4,000	1.25%
Total	89,144	27.94%	86,279	26.86%
Total Employment - El Paso County, Colorado	319,084		321,160	

Exhibit I-17

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

	Full-time Equivalent Employees				
	2011	2012	2013	2014	2015
Public Services					
Administration	3.00	3.00	3.00	3.00	1.00
Regional History and Genealogy	9.25	9.25	9.25	9.25	9.25
Creative Services	-	-	-	-	-
Adult Services	-	-	-	-	-
East Library	16.30	16.30	15.80	15.80	16.80
Penrose Library	20.74	20.74	20.24	20.24	20.24
Library 21c	-	-	-	8.25	8.25
Library 21c - Computer Commons	-	-	-	9.00	9.50
Family and Children Services	-	-	-	-	-
East Library	9.02	9.02	8.02	6.82	6.82
Penrose Library	5.32	5.32	5.32	6.12	6.12
Library 21c	-	-	-	6.88	7.88
Young Adult Services	-	-	-	-	-
Community Libraries					
Administration - West Region	-	-	-	-	-
Administration - Southeast Region	-	-	-	-	-
Administration - North Region	-	-	-	-	-
Briargate Library	13.63	13.63	14.50	-	-
Calhan Library	-	-	-	-	-
Cheyenne Mountain Library	10.93	10.93	11.43	10.93	10.93
Fountain Library	10.25	10.25	9.25	7.75	7.88
East Library	-	-	-	-	-
High Prairie Library	8.00	8.00	8.00	8.25	8.25
Ruth Holley Library	12.25	12.25	12.50	12.50	12.13
Library 21c	-	-	-	-	-
Manitou Springs Library	-	-	-	4.00	4.25
Monument Library	10.42	10.42	10.55	10.55	10.55
Old Colorado City Library	9.28	9.28	8.88	8.88	8.63
Palmer Lake Library	1.99	2.01	1.99	1.79	1.79
Penrose Library	-	-	-	-	-
Rockrimmon Library	11.23	11.23	10.85	10.65	10.65
Sand Creek Library	13.09	13.09	13.29	14.23	15.73
Ute Pass Library	2.30	2.30	1.80	1.80	1.28
Adult Education	2.60	2.60	3.10	3.45	4.20
Circulation					
East Library	20.01	19.01	19.56	20.22	20.62
Penrose Library	11.59	11.59	11.59	11.62	11.74
Library 21c	-	-	-	6.50	6.50
Shelving					
East Library	15.16	15.16	13.68	13.70	13.70
Penrose Library	8.84	8.84	8.32	7.99	7.99
Library 21c	-	-	-	5.18	5.55
Collection Management	19.80	19.80	19.80	19.30	19.65
Knights of Columbus Hall	-	-	-	-	-
Mobile Library Services	9.70	9.70	8.70	8.70	8.70
Total Public Services	254.70	253.72	249.42	273.35	276.58
Administrative Services					
Administration	1.00	1.00	1.00	1.00	-
Facilities					
East Library	3.00	3.00	3.00	3.00	3.00
Penrose Library	7.00	7.00	7.00	6.75	6.75
Library 21c	-	-	-	2.00	2.00
Human Resources	5.15	4.15	5.15	5.15	5.15
Total Administrative Services	16.15	15.15	16.15	17.90	16.90
Information Technology					
Information Technology	13.00	13.00	13.00	14.00	14.10
Other Administrative Operations					
Chief Librarian and Chief Executive Officer Office	3.00	2.50	3.00	2.00	2.00
Communications Office	10.90	10.65	10.90	11.75	12.25
Development Office	2.50	2.50	2.50	2.50	2.50
Finance Office	6.75	6.75	5.75	5.75	6.75
Security	7.25	7.25	7.25	11.00	13.00
Total Other Administration Operations	30.40	29.65	29.40	33.00	36.50
Total Full Time Equivalents	314.25	311.52	307.97	338.25	344.08

Data Source: District's Human Resources Office

2016	2017	2018	2019	2020
1.00	2.00	2.00	2.00	1.00
9.50	9.50	9.50	11.00	11.00
-	-	-	5.00	5.00
-	-	-	11.00	11.00
16.80	17.32	16.32	-	-
21.22	21.22	21.22	-	-
8.25	8.25	8.25	-	-
9.50	9.50	9.50	-	-
-	-	-	9.00	9.00
8.27	8.27	8.27	-	-
6.12	6.12	6.12	-	-
7.88	8.88	7.88	-	-
-	-	-	6.00	6.00
-	-	5.00	3.00	3.50
-	-	3.00	4.00	4.00
-	-	3.00	3.00	3.00
-	-	-	-	-
-	-	-	1.70	1.70
10.93	10.55	10.55	10.58	10.58
7.88	6.63	6.63	7.63	7.63
-	-	-	16.93	18.93
8.25	8.25	8.25	8.25	7.75
12.13	10.50	10.50	9.63	9.63
-	-	-	18.69	21.19
4.25	4.25	4.25	4.35	4.20
10.49	10.49	10.49	9.96	9.96
8.90	8.90	8.90	8.90	8.90
2.03	2.03	2.03	2.03	2.03
-	-	-	17.64	17.64
10.65	10.08	10.08	9.45	9.85
15.95	16.20	16.20	12.55	12.55
1.28	1.28	1.28	1.35	1.35
3.85	6.50	6.50	7.00	8.00
20.62	18.84	18.84	16.35	15.35
11.74	11.84	11.84	11.02	11.07
6.50	6.50	6.50	6.50	6.50
13.64	12.07	12.07	10.57	9.57
7.99	6.12	6.12	4.88	4.88
5.18	5.25	5.25	5.25	5.75
19.00	18.40	19.25	23.52	23.52
-	-	-	1.00	1.00
8.95	9.15	9.15	9.65	9.15
278.75	274.89	284.74	289.38	292.18
-	-	-	-	-
3.00	3.00	3.00	3.00	3.00
6.00	6.00	5.00	5.00	5.00
3.00	3.00	3.00	5.00	6.00
5.15	5.15	5.15	6.25	6.25
17.15	17.15	16.15	19.25	20.25
14.10	14.10	13.10	16.10	16.60
2.00	2.00	2.00	2.00	2.00
12.25	12.25	12.25	14.25	11.75
2.50	2.50	2.50	3.00	3.00
6.75	6.75	7.75	7.75	7.75
14.50	15.00	15.00	20.52	20.52
38.00	38.50	39.50	47.52	45.02
348.00	344.64	353.49	372.25	374.05

Exhibit I-18

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

Fiscal Year	Number of Volumes	Number of Audio Visual and eMaterials	Total Items	Acquisition Cost of Collections
2011	948,527	235,087	1,183,614	34,699,459
2012	885,857	263,277	1,149,134	33,668,609
2013	907,823	285,181	1,193,004	33,438,002
2014	918,701	316,647	1,235,348	34,256,218
2015	718,638	279,776	998,414	28,479,378
2016	689,980	353,667	1,043,647	27,162,050
2017	700,758	346,176	1,046,934	26,923,183
2018	684,908	362,788	1,047,696	25,614,835
2019	658,014	453,315	1,111,329	24,234,938
2020	630,270	461,230	1,091,500	23,209,685

Data Source: District's Collection Management Department

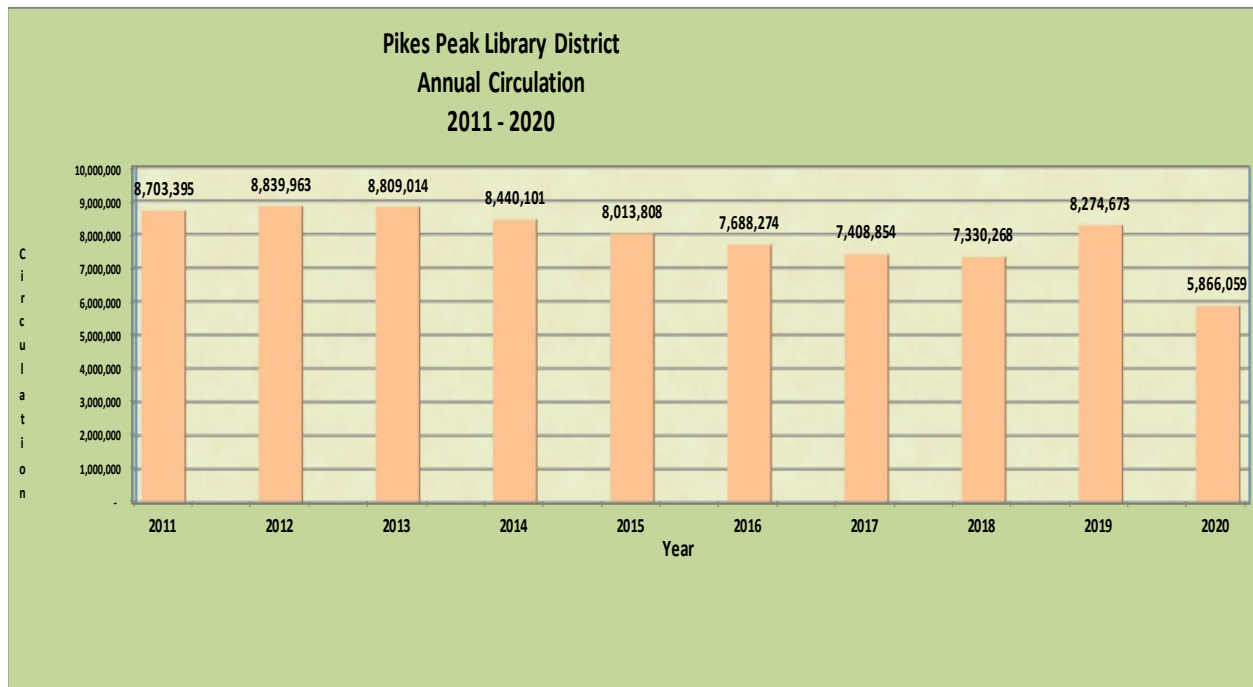
Cost of New Acquisitions	Net Book Value of Collections	Number of Items in Circulation	Turnover Rate
3,796,733	15,632,673	1,142,172	7.62
2,763,306	14,813,804	1,106,019	7.99
2,520,735	14,392,359	1,148,583	7.67
2,663,493	14,599,576	1,189,875	7.09
2,731,728	14,211,399	951,064	8.43
2,313,177	13,806,198	995,151	7.73
2,140,189	13,803,275	996,826	7.43
1,812,545	13,245,127	996,698	7.35
1,670,175	12,739,934	1,059,914	7.81
1,135,208	12,152,697	1,041,060	5.89

Exhibit I-19

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

Fiscal Year	Community Libraries											
	East Library	Penrose Library	Library 21c	Briargate	Calhan	Cheyenne Mountain	Fountain	High Prairie	Manitou Springs	Monument	Old Colorado City	Palmer Lake
2011	2,494,034	1,132,553	-	772,441	-	553,038	281,337	359,569	-	588,895	316,223	65,877
2012	2,310,938	1,101,885	-	816,865	-	548,264	289,672	367,406	-	595,068	312,196	66,511
2013	2,128,483	1,154,390	-	794,457	-	542,311	274,626	366,472	41,578	563,585	303,649	63,566
2014	1,983,752	1,049,901	464,794	283,986	-	503,092	249,356	341,333	48,404	502,640	294,604	58,095
2015	1,621,753	900,407	894,810	-	-	474,082	211,731	326,736	47,067	451,594	284,910	50,653
2016	1,533,028	776,925	888,192	-	-	437,569	199,196	307,167	46,452	415,012	246,141	43,152
2017	1,303,118	714,133	986,551	-	-	386,538	191,400	289,874	47,318	390,805	214,947	44,718
2018	1,325,067	626,308	904,180	-	-	374,674	187,269	284,624	40,953	383,845	193,591	40,011
2019	1,577,714	577,467	1,053,083	-	3,211	421,297	197,568	326,298	52,330	425,456	220,319	47,399
2020	842,299	280,922	565,421	-	13,993	234,309	111,849	182,899	19,148	248,858	120,102	14,068

Data Source: District's information library system



Note: Starting in 2019, the District includes automated renewals in the circulation totals.

Rockrimmon	Ruth Holley	Sand Creek	Ute Pass	Mobile Library Services	Library Express Dispenser	Cyber-Shelf	Nook eReaders	Other Categories	Inter-Library Loan	Total
563,134	594,154	538,120	59,025	194,192	8,272	154,372	730	665	26,764	8,703,395
552,227	596,776	577,261	51,282	202,975	45,921	349,362	1,833	25,851	27,670	8,839,963
536,706	576,746	554,733	45,673	195,332	42,272	533,026	740	63,485	27,184	8,809,014
474,322	518,641	514,578	39,549	188,500	48,784	792,432	492	57,224	25,622	8,440,101
431,335	457,623	463,715	33,806	179,297	28,993	1,068,783	70	60,608	25,835	8,013,808
385,294	395,346	417,248	31,724	166,186	20,958	1,295,052	325	55,209	28,098	7,688,274
368,714	367,831	370,525	31,623	157,979	2,363	1,459,032	467	54,764	26,154	7,408,854
360,463	338,586	332,100	27,973	148,384	-	1,681,835	220	52,932	27,253	7,330,268
394,445	355,739	361,589	26,234	148,737	-	1,976,428	67	84,496	24,796	8,274,673
243,994	177,597	161,651	18,434	92,155	-	2,430,575	58	90,448	17,279	5,866,059

Exhibit I-20

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

Library	Address	Owned (O) Leased (L)	No. of Hours Open/Week FY 2020	Square Footage as of Fiscal Year-End					
				2011	2012	2013	2014	2015	
Briargate Library	9475 Briar Village Pt. Colorado Springs, CO 80920	L	-	8,627	8,627	8,627	8,627	-	
Calhan Library	600 Bank Street Calhan, CO 80803	O	34	-	-	-	-	-	
Cheyenne Mountain Library	1785 S. 8th Street, Suite 100 Colorado Springs, CO 80906	L	64	8,900	8,900	8,900	8,900	8,900	
East Library	5550 N. Union Colorado Springs, CO 80918	O	68	70,153	70,153	70,153	70,153	70,153	
Fountain Library	230 S. Main Street Fountain, CO 80817	O	64	9,582	9,582	9,582	9,582	9,582	
High Prairie Library	7035 Old Meridian Rd. Falcon, CO 80831	O	56	6,008	6,008	6,008	6,008	6,008	
Library 21C	1175 Chapel Hills Drive Colorado Springs, CO 80920	O	68	-	115,058	115,058	115,058	115,058	
Manitou Springs Library	701 Manitou Avenue Manitou Springs, CO 80829	L	52	-	-	2,391	2,391	2,391	
Monument Hill Library	1706 Lake Woodmoor Drive Monument, CO 80132	L	68	7,536	7,536	7,536	7,536	7,536	
Old Colorado City Library	2418 W. Pikes Peak Colorado Springs, CO 80904	O	64	4,909	4,909	4,909	4,909	4,909	
Palmer Lake Library	66 Lower Glenway Palmer Lake, CO 80133	L	36	1,574	1,574	1,574	1,574	1,574	
Penrose Library	20 N. Cascade Colorado Springs, CO 80903	O	68	78,831	78,831	78,831	78,831	78,831	
Rockrimmon Library	832 Village Center Drive Colorado Springs, CO 80919	L	64	8,668	8,668	8,668	8,668	8,668	
Ruth Holley Library	685 N. Murray Colorado Springs, CO 80915	L	64	10,469	10,469	10,469	10,469	10,469	
Sand Creek Library	1821 S. Academy Colorado Springs, CO 80916	O	68	14,060	14,060	14,060	14,060	14,060	
Ute Pass Library	8010 Severy Cascade, CO 80809	L	30	2,123	2,123	2,123	2,123	2,123	
Mobile Library Services - three vehicles		O	74	455	455	455	455	455	
Knights of Columbus Hall	25 W. Kiowa Colorado Springs, CO 80903	O	N/A	11,988	11,988	11,988	11,988	11,988	
				942	243,883	358,941	361,332	361,332	352,705

Data Source: District's Facilities Office

Note - Hours open per week represents hours prior to the onset of the pandemic in March, 2020.

2016	2017	2018	2019	2020
-	-	-	-	-
	-	-	2,400	2,400
8,900	8,900	8,900	8,900	8,900
70,153	70,153	70,153	70,153	70,153
9,582	9,582	9,582	9,582	9,582
6,008	6,008	6,008	6,008	6,008
115,058	115,058	115,058	115,058	115,058
2,391	2,391	2,391	2,391	2,391
7,536	7,536	7,536	7,536	7,536
4,909	4,909	4,909	4,909	4,909
1,574	1,574	1,574	1,574	1,574
78,831	78,831	78,831	78,831	78,831
8,668	8,668	8,668	8,668	8,668
10,469	10,469	10,469	10,469	10,469
14,060	14,060	14,060	14,060	14,060
2,123	2,123	2,123	2,123	2,123
455	455	455	455	455
11,988	11,988	11,988	11,988	11,988
352,705	352,705	352,705	355,105	355,105

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

Independent Auditor's Report

Board of Trustees
Pikes Peak Library District
Colorado Springs, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Pikes Peak Library District (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 28, 2021, which includes an emphasis of matters paragraph for changes in accounting principles. The financial statements of the Pikes Peak Library District Foundation Inc. (the Foundation), a discretely presented component unit of the District, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal Control over Financial Reporting

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

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

Board of Trustees
Pikes Peak Library District

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

Compliance and Other Matters

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

Purpose of this Report

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

BKD, LLP

Colorado Springs, Colorado
June 28, 2021

PIKES PEAK LIBRARY DISTRICT

