



ARAPAHOE  
LIBRARIES  
LET'S FIND OUT

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2018



Arapahoe Library District  
12855 E Adam Aircraft Circle  
Englewood, CO 80112

[arapahoelibraries.org](http://arapahoelibraries.org)  
303-LIBRARY (303-542-7279)

**ARAPAHOE LIBRARY DISTRICT  
COLORADO  
Finance Office  
12855 E. Adam Aircraft Circle  
Englewood, Colorado 80112**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the year ended December 31, 2018

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Executive Director  
Oliver Sanidas

Prepared by:  
Cherie Curtis  
Accounting Supervisor

## TABLE OF CONTENTS

### Introductory Section (Unaudited)

Director's Letter of Transmittal .....	4
Letter of Transmittal .....	5
GFOA Certificate of Achievement .....	18
Organizational Chart.....	19

### Financial Section

<b>Independent Auditors' Report</b> .....	20
-------------------------------------------	----

<b>Management's Discussion and Analysis (Unaudited)</b> .....	22
---------------------------------------------------------------	----

#### Basic Financial Statements

##### Government-Wide Financial Statements:

Statement of Net Position .....	31
Statement of Activities .....	32

##### Fund Financial Statements:

##### Governmental Funds:

Balance Sheet .....	33
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	34
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	35
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	36

<b>Notes to the Basic Financial Statements</b> .....	37
------------------------------------------------------	----

#### Required Supplementary Information (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund .....	55
Note to Required Supplementary Information .....	56

#### Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Arapahoe Library District Building Authority .....	57
---------------------------------------------------------------------------------------------------------------------------------------------	----

**Statistical Section  
(Unaudited)**

**Financial Trends**

Government-Wide Net Position by Component.....	59
Changes in Net Position – Governmental Activities .....	60
Fund Balances – Governmental Funds .....	61
Summary of Changes in Fund Balances – Governmental Funds .....	62

**Revenue Capacity**

Total Assessed Value & Estimated Actual Value of Property - by Type .....	63
Principal Property Taxpayers .....	64
Property Tax Levies & Collections.....	65

**Debt Capacity**

Ratio of Certificates of Participation Outstanding .....	66
----------------------------------------------------------	----

**Demographic and Economic Data**

Demographic & Economic Statistics.....	67
Principal Employers .....	68

**Operating Information**

District Employees by Function .....	69
Library Materials Purchased and Circulated.....	70
Circulation Summary by Location .....	71



June 3, 2019

Board of Trustees  
Arapahoe Library District  
12855 E. Adam Aircraft Circle  
Englewood, CO 80112

Dear Trustees:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Arapahoe Library District for the year ended December 31, 2018.

This is the twentieth year that an annual financial report has been submitted to you in CAFR format, in accordance with the guidelines of the Government Finance Officers Association (GFOA). Arapahoe Library District has received the GFOA Certificate of Achievement for Excellence in Financial Reporting each year since 1999. We will submit the 2018 CAFR for recognition again this year.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Oliver Sanidas', written in a cursive style.

Oliver Sanidas  
Executive Director



June 3, 2019

Members of the Board of Trustees  
Arapahoe Library District  
12855 E. Adam Aircraft Circle  
Englewood, CO 80112

Dear Trustees:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Arapahoe Library District (Library District) for the year ended December 31, 2018. This report was prepared by the Finance Department to provide citizens, investors, grantor agencies and other interested parties with information on the financial condition of the Library District. It has been prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board (GASB), and meets the requirements of the State of Colorado Auditor's Office.

To the best of our knowledge, the enclosed information is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the Library District. The accuracy of the Library District financial statements and completeness and fairness of their presentation is the responsibility of Library District management. All disclosures necessary to enable the reader to gain an understanding of the Library District's financial activities have been included.

Colorado State Statutes require an annual audit by independent certified public accountants. This requirement is being met through engagement of the firm CliftonLarsonAllen LLP to audit the 2018 financial statements of the Library District. The independent auditor's examination is conducted in accordance with generally accepted auditing standards and provides an independent assessment that helps assure fair presentation of the Library District's financial position and results of operations. The auditor's report on the basic financial statements is included in 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**

Arapahoe Library District, established in 1966, is considered to be a “library district” which is a separate legal entity and was created through Colorado State Statute C.R.S. 24-90-110. The Library District is not considered to be a component unit of Arapahoe County, Colorado, and is financially, managerially and operationally independent, and meets the guidelines of GASB Statement No. 14, as amended by GASB Statement No. 80, *Blending Requirements for Certain Component Units*. The Library District has two component unit affiliations: the Arapahoe Library Friends Foundation, a discretely presented component unit which was organized to raise funds for the sole benefit of the Library District; and the Arapahoe Library District Building Authority, a blended component unit which was formed to finance construction of Library District facilities.

Arapahoe Library District provides library service to all of Arapahoe County, excluding the cities of Aurora, Englewood, and Littleton, where library service is provided by the city governments. A small piece of Adams County, which includes the Deer Trail School District, is also served by Arapahoe Library District, and the Library District receives some property tax support for that service.

There are eight library branch locations in the Library District service area, which covers over 700 square miles. The Davies branch is located in a public-school building in the town of Deer Trail and cooperatively serves both the students and the general public. The Library District owns seven facilities including Koelbel Library, Castlewood Library, Kelter Library, May Library, Smoky Hill Library, Sheridan Library, and the Support Services building. Space for the Southglenn Library branch is leased. The Library District also has a Mobile Library Services department located within the Koelbel Library, which provides mobile delivery to various locations throughout the Library District. Through an inter-governmental agreement, the Library District also staffs a small library facility located within the Arapahoe County Detention Center.

Departments that support library operations, including the Executive Offices, Human Resources, Finance, Facilities and Security, Digital Services, Library Materials Services, Communications, Programming and Partnerships are all housed in the Support Services building.

The Library District’s Board of Trustees consists of seven at large members. The members are appointed to three-year terms of office by the Board of Arapahoe County Commissioners and the Deer Trail School Board. Each term is renewable for one additional three-year term. The Library District’s Board convenes at monthly meetings and at any special meetings when deemed necessary. Board members are prohibited by law from receiving compensation for their services as trustees, although they may be reimbursed for necessary travel, training or miscellaneous expenses.

The Library District follows Colorado State Statutes in creating the annual budget. The budget serves as a foundation for the Library District’s financial operations and is adopted no later than December 15<sup>th</sup> each year. An annual budget was adopted for the General Fund on a modified accrual basis of accounting. The legal level of budgetary control is at the fund level. The budget also details expenses by function.

## **ECONOMIC CONDITION**

In 2018, the status of the economy was a steady growth, low unemployment and strong economic trends. The labor market increased at a constant pace throughout much of the year reaching a 3.2% annualized growth rate. Consumer spending and increased capital expenditures helped the gross domestic product (GDP).

The U.S. Bureau of Labor Statistics stated that the “2018, annual average unemployment rates decreased in 25 states, increased in 1 state, and were little changed or unchanged in 24 states and the District of Columbia.” Twenty-five states had statistically significant unemployment rate decreases in 2018 and Colorado had the only over-the-year rate increase of +0.6 percentage point.

Real GDP increased 2.9% in 2018 (from the 2017 annual level to the 2018 annual level), compared with an increase of 2.2% in 2017. The increase in real GDP in 2018 primarily reflected positive contributions from personal consumption expenditures (PCE), nonresidential fixed investment, exports, federal government spending, private inventory investment, and state and local government spending that were slightly offset by a small negative contribution from residential fixed investment. Imports are a subtraction in the calculation of GDP. The 2018 partial government shutdown had a negative impact on the fourth quarter. In the third quarter, real GDP increased 3.4%.

United States house prices rose 5.7% from the fourth quarter of 2017 to the fourth quarter of 2018 according to the Federal Housing Finance Agency (FHFA) House Price Index (HPI). Home prices rose in all 50 states and the District of Columbia between the fourth quarters of 2017 and 2018. The top five areas in annual appreciation were: 1) Idaho 11.9%; 2) Nevada 11.2%; 3) Utah 9.8%; 4) Georgia 8.2%; and 5) Arizona 8.2%. The areas showing the smallest annual appreciation were: 1) North Dakota 0.0%; 2) Connecticut 0.9%; 3) West Virginia 1.6%; 4) Louisiana 1.8%; and 5) Oklahoma 2.0%. Home prices rose in 98 of the 100 largest metropolitan areas in the U.S. over the last four quarters.

The Federal Reserve continuously increased the interest rates four times during 2018; March 1.50% to 1.75%, June 1.75% to 2.0%, September 2.0% to 2.25% and December 2.25% to 2.5%. The Federal Reserves wanted to keep the economy from overheating but avoid raising rates too quickly. Many officials expressed confidence that the United States economy was strong enough for the borrowing costs to rise without choking off the economic growth.

The Library Districts’ largest revenue source comes from property taxes; therefore, we critically analyze when planning for operations and capital projects for today and the future. Assessed values of residential and nonresidential property is a key component to determining the amount of funding the Library District will receive both in the short-term budgeting process and in long range planning. For 2018, property tax revenues were based on 2017 property values. Therefore, 2017 being a reassessment year, the Library District’s 2018 property tax revenues increased by 10.2%. With the increase in tax revenue, the Library District will continue its efforts to give back to our patrons with the vision of a literate, informed, and fulfilled community through the remodel of Castlewood Library, and beginning phases of constructing a new Kelver Library in Byers.

### ***Long-term Financial Planning***

Long range financial planning is vital in prioritizing implementation of strategic plan initiatives as well as capital needs of the Library District. A 10-year projection model is coupled with the strategic plan to aid management in short-term operational budgeting, identifying potential revenue streams, and prioritizing long term capital needs. Management reviews goals and carefully considers alternatives to ensure the Library District is providing the most resources available for our patrons in a fiscally responsible manner. The Library District budgeted for a surplus of revenues over expenditures. Increased property tax valuations and the increase in property tax revenue approved by the voters demonstrate the continued value of libraries felt by the community.

The Library District has policies and procedures, which govern its operations to ensure effective cash management, compliance with governmental accounting regulations, and good business practice. The objectives of these policies and procedures are commensurate with our district-wide goals to effectively manage the assets and resources of Arapahoe Library District. The Library District maintains a system of internal accounting controls to ensure that assets are safeguarded against loss, and that financial records are properly maintained and can be relied upon to produce accurate financial statements. Because the cost of internal controls 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.

The oversight responsibilities for the financial operations of the Library District rest with the Board of Trustees (Board). Each month the Board is provided detailed financial information from the Finance Department, including a statement of revenues and expenditures and balance sheet. These items are noted on the consent agenda, which is subject to a vote for approval. The Board is responsible for all budgetary resolutions and approvals, and for setting the mill levy annually. The Board is also responsible for approval of any real estate transactions, bonded debt, borrowing of funds, and major contracts.

The Executive Director has the authority to negotiate and sign regular operational contracts, and to approve expenditure of funds. The Executive Director can authorize purchase orders up to \$100,000 and purchases more than that amount are submitted to the Board for approval. These, and other stipulations, are included in a revised Authorization of Expenditures Policy, which was approved by the Board in 2016, as are all policies.

Segregation of duties is a guiding principle in the Finance Department. The Finance Department reviews all purchase orders, payment of invoices, and journal entries for compliance with Library District policies. The accounting system is carefully set up to allow rights for certain functions to the appropriate staff members only. Transactions are created and approved electronically through the enterprise resource planning (ERP) software, and all documentation is scanned and stored electronically indefinitely. The annual budgeting process is prepared using ERP software. Accountability is increased through this process by providing documentation of all departmental budgets with supporting detail and notes for all items requested, and through reporting of actual and budgeted elements for analysis.

### ***Major Initiatives***

For 2019, Arapahoe Libraries will continue with our key objectives for our strategic plan through Inclusivity, Community Engagement and Listening, Space and Champion for Lifelong Learning. Striving to be an inclusive and welcoming environment for patrons by featuring services and staff that reflect our community's diverse background and interests. We will engage in a collaboration plan with the community to ensure that we are providing relevant services and resources for our community. We will host and participate in community conversations with both library users and non-users to determine how we can positively enhance and serve our unique communities. We will adapt library space to optimize use for community gatherings, collaboration and creation, while maintaining the functionality to effectively feature our collection and offer spaces to study and read. We will be a champion for lifelong learning by featuring updated books, technology and research materials to enrich our community. We will work with parents and caregivers to ensure young children are ready for school by providing literacy-based programs. To understand and adapt to the unique and evolving needs of our teens, staff will collaborate with this group to ensure that we offer valuable services and programs. We will maintain resources for our aging population and offer home visits for our patrons who may not be able to visit the library.

## **2018 YEAR IN REVIEW**

During this past year, we are proud to report that Arapahoe Libraries achieved major objectives to fulfill its 2018 strategic plan goals, while also enhancing and introducing organizational initiatives.

One of the major highlights this year was the implementation of the library's fine free policy, which involved a variety of departments to ensure a smooth launch in January. The elimination of the potential barriers imposed on our community by library fines continues to be a valuable benefit and has resulted in positive feedback from patrons and staff.

The 2018 Strategic Plan also outlined how our libraries serve as champions of lifelong learning, provide advisory services, further community engagement, ensure inclusivity and offer space for community use. Each of these unique elements of the strategic plan inspired a variety of enhanced programs, projects, partnerships, events and staff initiatives this past year, and will continue to do so in 2019.

### **ADVISORY SERVICES**

*Arapahoe Libraries will expand the quality and quantity of our personalized recommendation services to our patrons.*

### **HOLDSHELF SURPRISE**

Holdshelf Surprise was an innovative advisory program that invited interested patrons to fill out an online form, sharing their reading, watching and music listening tastes with expert librarians. Patrons who signed up for this service found a surprise hold at their favorite library once a month for six months. To help spread the word about this unique offering, we researched which libraries needed extra promotions. Within hours of sending out a targeted eBlast to our 12,500 Castlewood, Sheridan and Southglenn subscribers, the adult sign-ups completely filled up. The results were happy patrons who discovered their next favorite book, movie or album.

### **DENVER COMIC CON**

The libraries staff hosted a booth at the 2018 Denver Comic Con. Thousands of people stopped by our booth – some were already library patrons, and some were excited to hear about what we have to offer. We had a 3D print contest, a spinning wheel for prizes, therapy cats and dogs, and many free items including laser cuts, 3D prints, books and more. Over and over, we heard, "I can make this at the library?" or "This is free?" or "I'm going tomorrow to get a card!"

### **CHAMPION FOR LIFELONG LEARNING**

*We will provide lifelong educational opportunities, support, materials and training to help our patrons and the community grow in literacy skills, including cultural literacy and technological literacy.*

### **AUTHOR VISITS**

We hosted many high-profile authors this year, including AJ Finn, Jamie Ford, Dhonielle Clayton, Helen Thorpe, Cynthia Swanson, Laurie Halse Anderson and Camron Wright. Young Adult Author Laurie Halse Anderson shared her book *Speak*, a Printz honor title that addresses the controversial topic of sexual assault. Several of the patrons who attended took the opportunity to share their personal stories and let Anderson know how much the book had impacted them. Anderson further reinforced the idea of the library as a safe space where everyone is welcome. This year we also began recording author events and publishing the videos on our YouTube channel with the goal of making our author presentations more accessible to patrons.

## SUMMER READING

Our libraries were full this summer with participants in the summer reading program. A total of 12,622 patrons participated, including 2,519 children under the age of five, 6,919 children between ages 5-12, 1,453 teens and 1,731 adults. Summer reading programs were also extremely popular. In June and July, 21,721 children attended 826 programs, 406 teens attended 35 programs and 2,777 adults attended 276 programs. Teen volunteers provided a total of 5,441 hours in support of summer reading. On the website, the register for summer reading page received 9,526 unique page views. All summer reading pages combined (including blogs, sponsors page, etc.) totaled 11,488 unique page views.

In the past, we spent more than 600 hours each year visiting schools to present information about summer reading. To save time, this year we decided to produce and distribute a summer reading promotional video to area elementary school teachers and librarians, who then shared it with students. Students also took home a summer reading flyer to show parents. In addition, the video was featured in movie theater advertising. The ad ran for four weeks on 14 different movie screens. The estimated number of spots was 1,568, resulting in 25,319 projected impressions. The video was also featured on our website and YouTube channel, garnering 781 views. A Facebook boost post reached nearly 9,400 users and an eBlast was sent to 57,200 subscribers.

## EXPLORATION CHALLENGE: INTRODUCING LIBRARY SERVICES TO SENIORS

We invited patrons of all ages, especially seniors, to participate in the Exploration Challenge January 2-June 1. The Exploration Challenge was a contest presented as a brochure listing services and resources offered through our libraries. Patrons could choose from taking an online course, booking a librarian, attending a library event, creating a personalized reading list and more. Patrons picked seven of ten challenges to complete by June 1 and were entered in a drawing for a Kindle Fire and other prizes. Exploration Challenge was such a hit, we plan to feature the contest again in 2019.

## THE EXPLORATION PASS OFFERED FREE ADMISSION TO AREA MUSEUMS

We have continued to offer passes to area museums and attractions. For 2018, we offered the Denver Museum of Nature and Science, Wings Over the Rockies Air and Space Museum, Butterfly Pavilion, Clyfford Still Museum, Dinosaur Ridge, Four Mile Historic Park, Molly Brown House Museum, Morrison Natural History Museum and Rocky Mountain Quilt Museum. We even partnered with Wings Over the Rockies Air and Space Museum fall of 2018 to offer \$1 off admission for Arapahoe Libraries card holders, including access to the traveling aerospace exhibition "Above and Beyond."

## SENIOR RESOURCE FAIR AT KOELBEL LIBRARY

A variety of local and government agencies came together at Koelbel Library to showcase information about the services they provide to seniors in our community. During the two hours of the fair, we hosted more than 180 patrons as they visited many booths including Arapahoe County Sheriff's Office, Arapahoe County Housing, Colorado Talking Book Library, South Suburban Parks and Recreation and more. This event was co-sponsored by Centennial Senior Commission.

## GLOBAL YOUTH SERVICE DAY

In April 2018, we partnered with Colorado Young Leaders (CYL), a local nonprofit, and 35 high school students to promote mental health and wellness by creating chalk art drawings and messages on the plaza at Smoky Hill Library. This project, along with five other service projects planned and organized by youth across the Denver metro area, was part of Global Youth Service Day. Global Youth Service Day is the largest and longest-standing service event in the world, and it helps youth find ways to give back to communities and share their voices.

## EARLY LITERACY SPEAKER HITS THE MARK WITH PARENTS AND EDUCATORS ALIKE

Renowned pediatrician, degreed librarian and medical director for Reach Out and Read, Dr. Dipesh Navsaria shared his insights with nearly 300 parents, teachers, children's librarians and community members during his presentations at Smoky Hill and Koelbel Libraries in August 2018. Koelbel's evening featured a V.I.P. meet and mingle for stakeholders prior to the public talk. For our Spanish-speaking parents, both events offered interpretation services.

## FAMILY PLACE LIBRARIES

Sheridan, Koelbel and Smoky Hill Libraries are pleased to have received official recertification from our partners, the national Family Place Libraries®. Through Family Place Libraries, we continue to serve our communities with welcoming, family-centered spaces, recurring parent and child workshops, as well as strategic engagement with community experts and early childhood partners. To build awareness, we developed a printed piece this year to introduce families to our spaces. We are excited to begin moving forward with the initiative to support our youngest patrons and families in the Eloise May service area very soon.

## LIVE AT THE LIBRARY: TWEEN THEATER CAMP

Twelve tween patrons participated in a week-long theater camp where they experienced the audition and casting process, rehearsed a role and worked together on choreography and staging. At the end of the week this ensemble performed a short musical production for family and friends in one of our Creative Spaces, the Forum. The feedback received about the camp was about how much the participants learned, with parents citing new friendships, team work and increased confidence in addition to the theatrical experience.

## COMMUNITY ENGAGEMENT AND LISTENING

### COMMUNITY ENGAGEMENT CAMPAIGN

In 2018, we kicked off a multi-year, intentional listening campaign to align library services and resources with the goals and aspirations of the communities we serve, in order to set up our libraries for future success. Ultimately, we hope that our communities see us as an essential part of the community infrastructure and a key partner to a healthy, thriving community. Key deliverables included three community conversations, five trained facilitators, management strategy (collecting data from the three pilot conversations) and auditing our current community involvement.

The pilot conversations centered around four exercises designed to determine what participants love about their community, what could be improved and how the library can help them feel like they are winning at life.

These community conversations will inform the plan for the Community Engagement Campaign in 2019. We anticipate adding other creative ways to listen to our community, along with additional community conversations with varied and diverse groups of stakeholders.

### PARTNERSHIP WITH THE MUSEUM OF OUTDOOR ART

The Museum of Outdoor Art, a Colorado-based non-profit arts organization, partnered with us to host three sculptures at two of our libraries. "The Mad Tea Party" and "The Walrus and the Carpenter" were featured at Smoky Hill Library and Koelbel Library hosted a stainless-steel kinetic sculpture titled "Estacas." The sculptures delighted patrons of all ages through the summer months. "This is the happiest thing I've seen today..." was just one of many comments shared on a Facebook post that reached 8,300 users and garnered 573 reactions.

## INFINITY PARK LIBRARY PARTNERSHIP

We have been offering library materials for browsing and checkout within the Glendale Sports Center at Infinity Park for nearly ten years, since 2009, when the Glendale Library location closed, and we opened the Eloise May Library several miles away. Earlier this year, we met with Glendale city leaders to revisit and refresh our mutual commitment to this service. We are currently working with the city of Glendale on an Intergovernmental Agreement to document and solidify this partnership.

## INCLUSIVITY

*In the spirit of respecting our diverse community, Arapahoe Libraries will offer an inclusive and welcoming environment to all members of our community by collaborating with various groups to offer services and staff that reflect diverse backgrounds and interests.*

## DIVERSITY AND INCLUSION OUTREACH SPECIALIST

To better support our strategic initiative around inclusivity, we developed and hired a new position. The Diversity and Inclusion Outreach Specialist role is to help facilitate the inclusivity trainings for staff and support inclusive programs. The specialist will also interface in the community for better understanding and communication.

## THE EQUITY PROJECT AND INCLUSIVITY GUILD

We hired the Equity Project, a consulting firm selected to work with us over the next two years to assist us with inclusivity. Led by Dr. Nita Mosby Tyler, The Equity Project spearheaded and led several staff trainings to kick off our inclusivity strategic initiative. In June 2018, Dr. Nita presented a “Deconstructing Equity” training for Inclusivity Guild members. The guild later applied the definitions they learned to our ongoing inclusion discussion in six areas of diversity: race and ethnicity; religion, spirituality and world view; ability and accessibility; class and socioeconomic; immigration, language and culture; and ageism. The guild is also developing vision and mission statements to inform inclusivity for the district.

## LIBRARY FOR ALL

Library for All is a social program with a focus on crafts, geared for our patrons with developmental disabilities. The program is open to everyone in our communities to offer a place for learning, fun and mingling for people with all abilities. Library for All was so popular at Smoky Hill Library that it is now also offered at Eloise May Library, where it has a faithful following.

## SPANISH AND RUSSIAN WEBSITE LANDING PAGES

Our website now includes two new pages dedicated to showing the services we offer for Spanish and Russian speaking patrons. These can be accessed at the bottom of our website, under “I Speak.”

## SINGLE STALL RESTROOM PROJECT

In the 2018 budget, we included funding to implement a single stall restroom in every library that did not currently offer this option. Once the bid process was completed, we began work in August 2018 at Southglenn Library. In most of our libraries, the single stall restroom is offered in addition to existing restrooms. The new restrooms will be slightly larger than most existing ones and will provide a helpful option for anyone who could benefit from a private restroom. Over the years, we have received input from staff and patrons to provide this option as it would be helpful for all library patrons.

## DENVER PRIDEFEST

Our third year at Denver PrideFest was a collaborative effort organized by multiple staff members. The Library on Wheels comes to Pride every year to let our LGBTQIA+ patrons know that we see them and are there to serve them. According to The GLBT Community Center of Colorado it was a "record-breaking" parade with 211 entries. As one of those entries, we had 22 participants who walked down Colfax Avenue and greeted parade attendees. Denver PrideFest drew approximately 425,000 people, which is an increase of 12% from 2017.

## SPACE

*To meet this great need, in addition to featuring our robust materials collection, Arapahoe Libraries will further adapt library spaces to accommodate community gatherings, areas to collaborate and places to create. We will also look outside of our walls to how we can bring the library experience to the community.*

## ELOISE MAY LIBRARY CHILDREN'S AREA EXPANSION

Eloise May Library's newly expanded children's area opened in June 2018 to the delight of our youngest patrons. In July 2018, we celebrated with a community party featuring live music. The space gives kids a place to be kids, while decreasing noise and activity in the library's main area. A large, high-ceilinged room offers a dedicated area for story times and children's events, which proved to be such a bustling success that we later added acoustic clouds and sound baffling panels to soften noise levels. A colorful, inviting mural adorns the walls and was inspired by children's book illustrator Rafael López, who we collaborated with to create the art. The mural visually reflects the library's cultural diversity. Adding to the welcoming feel is the use of natural light throughout the area.

## LAND USE: ELOISE MAY LIBRARY ADDITIONAL PARKING OVERFLOW

With continued increase in population and patron visits at Eloise May Library, we decided to take advantage of the parking spaces located on the adjacent property that we purchased in 2017. The property offers 21 additional parking spaces that the library can use as overflow parking for programs, meetings and day-to-day library operations.

## CREATIVE SPECIALISTS AND OUR CREATIVE SPACES

We launched a new team called Creative Specialists to staff our Castlewood Makerspace and provide support to our various recording Studios. This team has allowed us to be more intentional with the support in our creative spaces by having dedicated experts available to assist patron projects, teach patrons on the unique tools and provide highly requested programs. In conjunction with our web team, we've also overhauled the patron-facing information on our creative spaces to provide a more comprehensive overview of the services we offer.

## **2018 IMPROVEMENTS AND HIGHLIGHTS**

### FINE FREE

In response to patron feedback, in January Arapahoe Libraries implemented a "no fine" policy to eliminate barriers for our patrons to access a wealth of library information. The new policy of no longer collecting overdue fines on library materials included waiving past-due fines on materials that had been returned and was met with surprise and delight by many patrons. "That's awesome" and "thank you" were just a few patron reactions via Facebook.

#### USED BOOK SALE AT SMOKY HILL LIBRARY BREAKDS RECORD

The Friends of Arapahoe Libraries raised a record-breaking \$17,000 in 2018 at our Used Book Sale at Smoky Hill Library, January 25-28, an increase of \$7,000 from last year. A Facebook event ad reached a whopping 17,300 potential shoppers and resulted in 394 event responses. The public was invited to come in from the cold and find hot deals on a wide variety of gently-loved children's books, hardbacks, paperbacks and "Better Books" during the four-day sale.

#### NEW ROOM RESERVATION SOFTWARE

A new room reservation system launched in February 2018. This system makes reserving a room both simple and intuitive. Visual boxes make it easier to see what rooms and times are available to reserve, and it's also mobile-friendly.

#### WINTER SPORTS SOCIAL MEDIA CAMPAIGN

February 2018 was also abuzz with the excitement of the Winter Olympics. To piggyback off the global competition, we held an interactive and highly successful social media and web promotional campaign featuring several of our online resources. The result was an increased interest in Overdrive, Hoopla, Lynda.com, Ancestry Library Edition and Consumer Reports through library superusers sharing about their favorite library-provided online resources. One patron shared, "Honestly, I have not tried any of these resources the library has to offer. I'm so glad I saw your competition post because all of these comments really make me want to check out all these resources!"

#### EMPLOYEE OPINION SURVEY

In March 2018, we conducted an anonymous employee engagement survey to better learn about our employee's experience. Nearly 90% of our staff participated in the survey. The information we gathered is helping to inform ongoing improvements to make the workplace environment as satisfying as possible for all staff.

#### ALL STAFF DAY

In May 2018, all staff gathered together for staff training and development. The morning session was dedicated to celebrating staff stories centered around the concept of tries. Many staff had the opportunity to present about key projects or tasks, highlighting our values, strategic plan and our dedication to collaboration. The overall goal of the day was celebrating staff and their unique contributions to Arapahoe Libraries.

#### TECHNOLOGY GUILD

Technology Guild developed a technology mission statement. The goal was for staff and patrons to better understand the role that technology plays at Arapahoe Libraries and how we all contribute to making sure patrons have access to the information they want. The mission statement reads, "Arapahoe Libraries aims to support its mission of empowering our communities by providing access to technology and serving as a resource for the community to learn more about established and emerging technologies."

#### FIRST AID TRAINING AND SPECIALIZED FIRST AID KITS

We provided staff with the opportunity to earn a two-year certification in AED/CPR/First Aid, so that staff are prepared to respond in the case of a medical crisis. In addition, the security department purchased specialized first aid kits designed for treating trauma. This is in direct response to the "Stop the Bleed" campaign, which is aimed at reducing the amount of preventable deaths associated with traumatic events.

#### PLAY AND LEARN AT THE LIBRARY: PBS COMMERCIAL

Spring of 2018, we teamed up with Rocky Mountain PBS to produce an early-literacy based television commercial, appealing to parents and caregivers of young children and inviting them to visit the library. The ad ran for 20 weeks, with a total of 80 spots aired during PBS Kids shows, such as Sesame Street and Clifford the Big Red Dog. The script read, "Little learners can read, write, talk, sing and play at Arapahoe Libraries. Make a playdate, join a story time, build a masterpiece and present a puppet show all in one morning. Visit Arapahoe Libraries dot org." The results exceeded expectations, with 895,000 total impressions, which is the number of times the spot was seen by viewers ages two and older.

#### DISCOVER YOUR LIBRARY: COLORADO PUBLIC RADIO SPOT

Fall of 2018, we collaborated with Colorado Public Radio to produce a 15-second spot that aired during a.m. and p.m. drive times with a total of 24 spots. The ad was targeted toward adults, especially older adults, and encouraged radio listeners to discover all the ways to take advantage of their library cards. The script read, "Support comes from...Arapahoe Libraries, dedicated to sparking curiosity, creating connections and giving the public a place to explore interests and technologies. Library card info at Arapahoe Libraries dot org." The radio ad will reach approximately 125,000 listeners, resulting in 265,000 projected impressions.

#### KOELBEL USED BOOK SALE

The Friends of Arapahoe Libraries held their annual used book sale at Koelbel Library in early September 2018. More than 40,000 books were available at the five-day event. Our wonderful team of more than 85 volunteers donated a total of 845 hours of time during the sale and helped us reach our largest total yet: \$54,403.

#### MARGARITA BROTHERS BAND

To celebrate the final days of summer during 2018, we hosted an all-ages outdoor concert on September 8 at Smoky Hill Library, featuring the Margarita Brothers Band and local gourmet food trucks. The band brought the beach party, performing favorite summer tunes from the Beach Boys, Jimmy Buffet and more. A targeted Facebook campaign reached 8,100 potential concert goers.

#### RESOURCE CARDS ON THE HOMEPAGE

To promote the many online resources we offer, the web team began creating cards with specific movies, music and magazines available through these services. For example, these timely and relevant cards tied to local events such as the "Where to Eat" issue of 5280 (available on RBDigital) during Denver Restaurant Week and featured Justin Timberlake's album available on Freegal Music when his concert tickets went on sale.

#### PATRON EXPERIENCE VIDEO SERIES

In 2017, we rolled out a series of videos to highlight the patron experience we strive to offer. We shared our very first video, "The Boys," on Facebook in 2018 and it received 21,000 total views. The success of the series prompted us to create an additional three videos which rolled out in early 2018. To continue building on the success and round out the types of stories told, we are currently filming three more stories that will be shared with staff and patrons in early 2019.

#### CONCEPT LIBRARY AT CASTLEWOOD

We re-energized the Concept Library at Castlewood by piloting a Nursing Nook, testing out a project to separate TV show DVDs from movie DVDs, and collaborating with the Customer Service Experience Team to track the number of media items that were returned without a disk. The Concept Library continues to be a way for us to be nimble and responsive to the changing needs of our community, along with finding new ways to surprise and delight.

#### INTELLECTUAL FREEDOM AWARD

We were recognized with the Julie J. Boucher Memorial Award for Intellectual Freedom from the Colorado Association of Libraries for our work in upholding Intellectual Freedom in the face of strong challenges to our EBSCO databases.

#### DISTRICT PROJECT PRIORITIZATION

The leadership team, led by the Project Management Office (PMO), worked to implement a district-wide process to look at all projects throughout the organization and assess how timing, budget and staff capacity factor into implementation. In 2018, we developed an agreed-upon strategic prioritization process for choosing which projects will be initiated, continued, delayed, transitioned to operations or declined/closed. We made notable progress in determining the overall characteristics, scope and function of the PMO in terms of how it will best serve the needs of our libraries.

#### LAUNCH OF PATRON-FACING CHAT

Up until recently when patrons needed help, they could visit a library, call us, email us, or contact us through social media. In September 2018, we added an exciting new form of communication via the website: "Chat with Us." This customer-first, patron-facing chat service launched September 1 and in its first six weeks more than 800 messages were exchanged during more than 100 chat sessions. We are looking forward to increased volume as more patrons become aware of this new service, which has received very positive reviews from patrons.

#### CONTACT US OVERHAUL

To further simplify the patron experience of getting in touch with us, the web team reworked our "Contact Us" section of the website to make it easier than ever for patrons to get the information they need. This included creating one form that patrons can submit regardless of their service request, as well as the inclusion of the new chat option and a complete overhaul of our "FAQs" to address the most common patron questions we receive.

#### DIGITAL SIGNAGE

Throughout 2018, we've installed new digital screens at Castlewood, Eloise May, Koelbel, Sheridan, Smoky Hill and Southglenn Libraries, allowing us to be very nimble in adjusting our promotions and providing up-to-the-minute accuracy to the signs displaying our room reservations.

## **AWARDS AND ACKNOWLEDGEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Arapahoe Library District for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the nineteenth consecutive year that the Library District has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to the members of the staff of the Arapahoe Library District Finance Department who consistently and accurately contribute to the efficient operation of this office: Cherie Curtis, Merian Chen, Portia Hesseltine, Charmayne Sobon, Laura Chambers, and Heidi Rogers. It is only with the dedication and professionalism of these staff members that recognition from the GFOA has been possible.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jennifer Mahin".

Jennifer Mahin  
Director of Finance  
Arapahoe Library District



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Arapahoe Library District  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

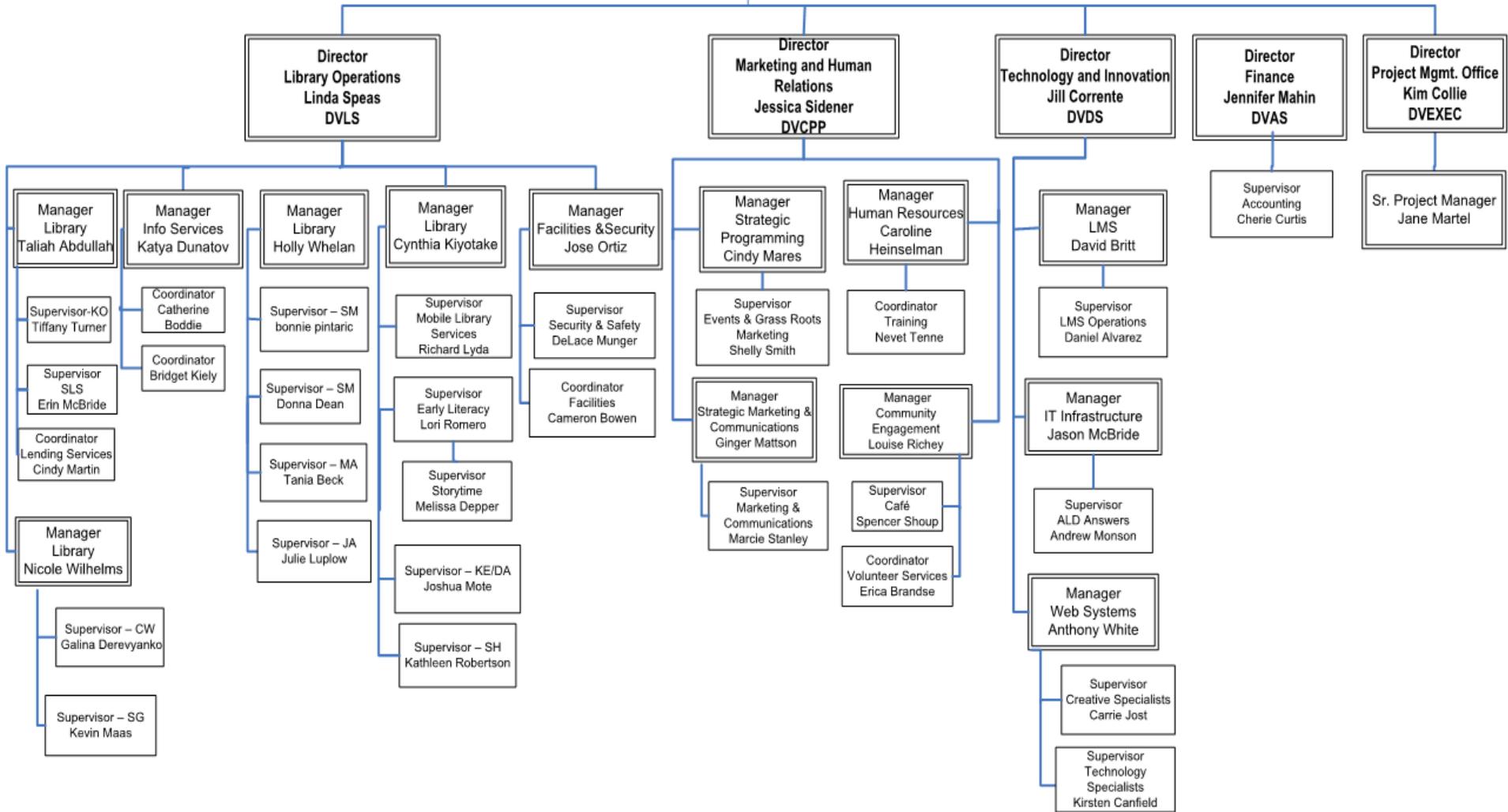
**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO



**Executive Director  
Oli Sanidas  
DVEEXEC**





## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Arapahoe Library District  
Englewood, Colorado

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, the major fund, and remaining fund information of Arapahoe Library District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, the major fund, and remaining fund information of Arapahoe Library District as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 22 - 30 and 55 - 56 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 Arapahoe Library District's basic financial statements. The introductory section, Arapahoe Library District Building Authority budgetary comparison information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Arapahoe Library District Building Authority budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section 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.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
June 3, 2019

**Arapahoe Library District, Colorado  
Management's Discussion and Analysis  
As of and For the Year Ended December 31, 2018**

Within this section of the Arapahoe Library District (Library District) comprehensive annual financial report, management is pleased to provide this narrative discussion and analysis of the financial activities of the Library District for the calendar year ended December 31, 2018. The Library District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section, and are intended to be read in conjunction with them.

**BASIC FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

The government-wide financial statements incorporate all of the Library District's governmental activities as well as activities of our component units: the Arapahoe Library District Building Authority (Authority) and the Arapahoe Library Friends Foundation (Foundation). Financial reporting at this level focuses on economic resources and uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds. Because of the nature of the relationship between the Library District and the Authority, financial information for these two entities is blended and presented as governmental activity of the Library District; the Authority is presented as a special revenue fund of the Library District. Activities of the Foundation are discretely presented, meaning the transactions of the Foundation are presented separately from those of the Library District. Transactions between the primary government and discretely presented component units are not eliminated and may have a financial impact presented on the government-wide financial statements.

The government-wide financial statements include two basic statements: a statement of net position and a statement of activities. These statements provide both long-term and short-term information about the Library District's overall financial status. The statement of net position presents information on the Library District's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. One way to view this information is as an equation:

$$\text{Assets} + \text{Deferred Outflows of Resources} - \text{Liabilities} - \text{Deferred Inflows of Resources} = \text{Net Position}$$

Net position is displayed as (1) net investment in capital assets, (2) restricted and (3) unrestricted. Net investment in capital assets includes the cost of all capital assets less related accumulated depreciation less related debt; the calculation is shown in Note 9. Restricted net position includes amounts restricted for TABOR legislation and for debt service payments on outstanding certificates of participation. Any remaining net position is classified as unrestricted and is considered available for operations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Library District as a whole is improving or deteriorating. Evaluation of the overall health of the Library District would extend to other nonfinancial factors, such as diversification of the taxpayer base or the condition of Library District infrastructure, in addition to the financial information provided in this report.

The second government-wide financial statement is the statement of activities, which reports how the Library District's net position changed during the current calendar year. Because private businesses are motivated by profit, the format of their financial statements focus on revenues they generate. Local governments, however, are more interested in the services they provide; therefore presenting the cost of these services first is more logical. Arapahoe Library District is required to present expenses by function on the government-wide statement just as it is on the governmental fund statement of revenues, expenditures, and changes in fund balance. Additionally, interest expense is presented as a separate line of expense because the interest is a general cost of operating the Library District and is not specifically attributed to the ongoing existence of just a single function or program. Revenues in the statement of activities are presented as either program revenues or general revenues. Program revenues possess two specific characteristics: (1) they are related directly to the associated function, and would disappear if the function is eliminated, and (2) they come from sources other than taxes. General revenues depict the degree to which the Library District relies on sources of revenue other than program revenues, such as taxes and contributions.

The government-wide financial statements are presented on pages 31-32 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 Library District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. Governmental funds are generally used to account for activities supported by taxes and intergovernmental revenues. The primary focus of the Library District's fund statements is on the only major governmental fund maintained: the general fund. Fund financial statements report short-term fiscal accountability focusing on the use of spendable resources and balance of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

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

The basic governmental fund financial statements are presented on pages 33-36 of this report.

### ***Notes To The Basic Financial Statements***

The accompanying notes to the basic financial statements provide information essential to understanding the government-wide and fund financial statements. Key characteristics of the notes include descriptions of the Library District's financial policies, additional detail and explanations of amounts recognized in the financial statements, and additional information about financial position or inflows and outflows of resources that do not meet the criteria for recognition. The notes to the basic financial statements begin on page 37 of this report.

## COMPARATIVE FINANCIAL ANALYSIS

The Library District's net position at December 31, 2018 is \$55,839,282. The following table provides a summary of the Library District's net position.

### Summary of Net Position December 31, 2018

#### Governmental Activities

	2018		2017	
	Amount	Percentage of Total	Amount	Percentage of Total
<b>Assets:</b>				
Current Assets	\$ 63,273,556	63.4%	\$ 56,646,001	61.3%
Capital Assets	36,474,630	36.6%	35,758,182	38.7%
<b>Total Assets</b>	<b>99,748,186</b>	<b>100.0%</b>	<b>92,404,183</b>	<b>100.0%</b>
Total Deferred Outflows of Resources	204,732	100.0%	272,966	100.0%
<b>Liabilities:</b>				
Current Liabilities	4,207,626	40.1%	3,998,151	34.9%
Non-current Liabilities	6,274,712	59.9%	7,461,189	65.1%
<b>Total Liabilities</b>	<b>10,482,338</b>	<b>100.0%</b>	<b>11,459,340</b>	<b>100.0%</b>
Total Deferred Inflows of Resources	33,631,298	100.0%	33,317,563	100.0%
<b>Net Position:</b>				
Net Investment in Capital Assets	29,894,242	53.5%	27,887,202	58.2%
Restricted	1,123,335	2.0%	1,017,042	2.1%
Unrestricted	24,821,705	44.5%	18,996,002	39.7%
<b>Total Net Position</b>	<b>\$ 55,839,282</b>	<b>100.0%</b>	<b>\$ 47,900,246</b>	<b>100.0%</b>

Total net position of the Library District increased by \$7,939,036 or 16.6% during the year and unrestricted net position increased 30.7% from the previous year.

The following table provides a summary of the Library District's changes in governmental activity.

Summary of Changes in Net Position  
For the Year Ended December 31, 2018  
Governmental Activities

	2018		2017	
	Amount	Percentage of Total	Amount	Percentage of Total
Revenues:				
Program:				
Charges for Services	\$ 376,477	1.0%	\$ 486,360	1.4%
Operating Grants and Contributions	818,826	2.2%	599,860	1.8%
General:				
Taxes	35,692,594	95.1%	32,504,087	95.9%
Other	644,291	1.7%	320,975	1.0%
<b>Total Revenues</b>	<b>37,532,188</b>	<b>100.0%</b>	<b>33,911,282</b>	<b>100.0%</b>
Program Expenses:				
Library Operations	9,657,051	32.6%	8,989,304	31.2%
Administrative and Executive Services	9,249,470	31.3%	9,540,121	33.1%
Digital and Library Material Services	8,135,073	27.5%	7,871,893	27.3%
Communications, Programming and Partnerships	2,218,909	7.5%	2,090,545	7.2%
Interest	332,649	1.1%	357,155	1.2%
<b>Total Expenses</b>	<b>29,593,152</b>	<b>100.0%</b>	<b>28,849,018</b>	<b>100.0%</b>
Change in Net Position	7,939,036		5,062,264	
Beginning Net Position	47,900,246		42,837,982	
Ending Net Position	<u>\$ 55,839,282</u>		<u>\$ 47,900,246</u>	

**OVERALL FINANCIAL POSITION**

As a whole, Arapahoe Library District's financial position in 2018 increased from 2017. Sources of revenue grew by \$3,620,906 during the year, primarily due to increased property taxes relating to an increased in the assessed valuation of property within the District's boundaries.

The Library District is heavily reliant on taxes to support governmental operations. In 2018, taxes provide 95.1% of the Library District's total government-wide revenues, a slight decrease compared with 95.9% in 2017. Program revenues cover approximately 1.3% of total government-wide expenses. This means the Library District's taxpayers and other general revenues support the remaining 98.7% of the governmental activities.

Total expenses increased by \$744,134 from 2017. Library Operations comprise 32.6% of the Library District's total government-wide expenses this year consistent with 31.2% in 2017. The Library Operations function continues to be a primary focus of the Library District, and is driven by the strategic plan and providing services for patrons. Approximately 31.3% of the Library District's 2018 expenses consist of Administrative and Executive Services consistent with 33.1% in 2017. Major district-wide supporting functions, including payroll taxes, benefits, and facility operations account for a large portion of the expenditures for this category.

The Library District's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources by \$55,839,282 (net position) at December 31, 2018. Total net position is comprised of the following:

- (1) Net Investment in Capital Assets of \$29,894,242 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
- (2) Net position of \$1,122,271 is restricted by constraints imposed from outside the Library District such as debt covenants, grantors, laws, or regulations. At December 31, 2018, \$1,064 is restricted for debt service and \$1,122,271 is restricted for TABOR.
- (3) Unrestricted net position of \$24,821,705 represents the portion available to maintain the Library District's continuing obligations to citizens and creditors.

## **GENERAL FUND**

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The Library District has one major governmental fund: the general fund.

Taxes total 95.1% of total general fund revenues in the current year consistent with 95.9% in 2017. Total taxes increased \$3,188,507 or 9.8% from 2017. This is due to increased assessed valuations for property taxes.

Miscellaneous revenue decreased \$22,280 or 9.9% from the prior year due to a decrease in the rebate received from a purchase incentive program compared to 2017. Café Sales increased \$21,286 or 9.9%. The Library District operates two cafés: one within the Koelbel Library branch and one within the Smoky Hill Library branch. Changes in food and beverage items offered in the cafés as well as recent remodels has caused an increase in revenue.

The general fund showed an increase in investment income of \$350,776 at December 31, 2018 from 2017 due to improving market conditions and increased investment balances. The increase in interest rates combined with additional cash received from property taxes caused an increase in the amount of interest income the Library District earned on investments during the year.

Fines revenue decreased \$136,098 or 97.5% from prior year due to changes in the Library District's policies on levying fines.

The general fund accounts for regular operational expenditures of the Library District as well as capital outlay. In total, expenditures of the general fund increased by \$37,929 from the prior year. There are a couple of items to note about current year expenditures.

- (1) Capital outlay decreased by \$1,416,842 or 27.0% compared to last year. Capital outlay in the current year consisted primarily of expenditures for the May library expansion, remodeling of conference rooms and bathrooms, and purchases of library materials.
- (2) Debt service remained consistent with the prior year. Principal and interest payments for the Certificates of Participation are presented as expenditures of the Arapahoe Library District Building Authority rather than the general fund. Payments for the capital lease are recorded in the general fund.

The Library District's general fund reports total ending fund balance of \$26,951,446 at December 31, 2018. Compared to the beginning fund balance of \$20,968,006, the total fund balance experienced an increase of \$5,983,440 during the current year. Property tax and specific ownership tax revenue accounts for the majority of the increase in fund balance. At December 31, 2018, total fund balance of the general fund is comprised of the following:

- (1) Nonspendable fund balance of \$939,834 is equivalent to the amount of prepaid items in the general fund.
- (2) Restricted fund balance totals \$1,122,271 and is comprised of amounts restricted for TABOR.
- (3) Assigned fund balance totals \$6,355,625 and includes \$649,757 of funds the Library District has budgeted in 2019 for self-insurance and \$5,705,868 of funds budgeted for capital projects in future years.
- (4) Unassigned fund balance for the general fund is \$18,533,716 or 68.8% of total general fund expenditures.

In total, the Library District continues to maintain a healthy fund balance with \$18,533,716 or 68.8% of the total fund balance is unassigned or available for general operations at December 31, 2018. This is an increase of \$4,547,009 from the prior year unassigned fund balance amount of \$13,986,707.

## **BUDGETARY ANALYSIS**

The District did not have any budget amendments during the year. Information containing actual activity compared with budgeted activity for the general fund is presented as other required supplementary information on the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.

Overall, total actual revenues exceeded expectations by \$772,292 in 2018. Of this, the most significant variance is investment earnings, which is \$400,978 greater than budgeted. This is due to increased investment balances and increased interest rates on investments than expected.

Property tax revenue exceeded budget due to an increase in the assessed valuation in the Library District's service area from when the budget was prepared and when the mill levy was certified.

Café sales were originally included in the miscellaneous category, which is the reason for zero revenue budgeted for café sales and the revenue deficit in the miscellaneous category.

Fines revenue is budgeted for zero revenue based on changes in the Library District's policies on levying fines.

Total expenditures are under budget by \$3,463,629 for the current year, or 9.9% of the total expenditure budget. Total variance in the current category is \$3,229,759 less than budget. Library Operations current expenditures were less than budget by a total of \$466,892 mostly due to fewer equipment expenditures than budgeted.

Administrative and Executive Services was over budget by \$216,289 during the year based on the increased salaries compared to the budget. Digital and Library Material Services was under budget by \$2,430,958, primarily relating to fewer expenditures for collection materials than budgeted. These categories were under budget primarily due to fewer capital expenditures than originally budgeted and some capital outlay items being categorized in capital outlay.

Debt Service reported in the general fund is over budget due to the principal and interest payments on the capital lease financing for the purchase of land, which was not included in the budget.

Capital Outlay was \$320,769 greater than budget for the year based on the timing of budgeted capital projects. Total actual excess of revenues over expenditures in 2018 is \$4,235,921 more than budgeted for the year.

## **CAPITAL ASSETS AND LONG-TERM DEBT**

### **Capital Assets**

At December 31, 2018, 36.6% of the total assets of the Library District are comprised of the net book value of capital assets for governmental activities compared to 38.7% at December 31, 2017. The Library District uses these capital assets to provide services to its citizens in furnishing and assembling collection materials for eight library facilities in the Library District.

During 2018, the Library District incurred \$585,071 of construction costs related to remodeling of conference rooms and bathrooms at each branch. The Library District incurred \$1,060,718 for expansion of the May Branch.

The Library District's net investment in capital assets for governmental activities as of December 31, 2018 is \$29,894,242. See Note 5 for additional information about changes in capital assets during the calendar year. The following table provides a summary of capital asset activity.

	Capital Assets		Percentage of Total	
	Governmental Activities			
	2018	2017	2018	2017
Non-depreciable Assets:				
Land	\$ 6,234,714	\$ 6,234,714	91.4%	88.7%
Land Improvements	296,499	47,633	4.3%	0.7%
Construction in Progress	160,852	620,976	2.4%	8.8%
Artwork and Collectibles	127,350	127,350	1.9%	1.8%
Total Non-depreciable	6,819,415	7,030,673	100.0%	100.0%
Depreciable Assets:				
Buildings	32,116,476	32,116,476	64.9%	68.5%
Property Improvements	5,985,688	3,932,747	12.1%	8.4%
Solar Energy	173,222	173,222	0.3%	0.4%
Equipment	3,062,023	2,880,553	6.2%	6.1%
Book Mobiles and Vans	567,521	542,899	1.1%	1.2%
Furniture and Fixtures	1,651,750	1,462,681	3.3%	3.1%
Computer Equipment	218,586	218,586	0.4%	0.5%
Books and Audio-Visual Materials	5,643,011	5,403,016	11.4%	11.5%
Intangibles	132,781	138,281	0.3%	0.3%
Total Depreciable Assets	49,551,058	46,868,461	100.0%	100.0%
Less Accumulated Depreciation	19,895,843	18,140,952		
Book Value - Depreciable Assets	29,655,215	28,727,509		
Percentage Depreciated	40.2%	38.7%		
Book Value - All Assets	\$ 36,474,630	\$ 35,758,182		

### **Long-term Debt**

At the end of the calendar year, the Library District had total certificates of participation outstanding of \$5,850,000. The Library District's outstanding capital lease financing arrangement for the purchase of land had \$935,120 in principal remaining at the end of the year.

	Governmental Activities	
	December 31, 2018	December 31, 2017
Certificates of Participation:		
2008 Issue	\$ 2,405,000	\$ 2,625,000
2010 Issue	3,445,000	4,530,000
Capital Lease:	935,120	988,946
Total	\$ 6,785,120	\$ 8,143,946

See Note 6 for additional information about the Library District's long-term debt.

## **OTHER SIGNIFICANT INFORMATION**

### **2019 AT A GLANCE**

#### **DAVIES LIBRARY IN DEER TRAIL RELOCATING ALONG WITH SCHOOL**

Throughout the past year, we worked closely with the school in Deer Trail as they broke ground on the new school building in 2018. We have a strong relationship with the school in Deer Trail, as well as a long history with the community that helped start the Arapahoe Library District in 1966 and were pleased that they invited Davies Library to relocate along with them to the new school building. We are busy working with the construction team and MOA Architecture on the new space, including planning and furniture needs, slated to open in September 2019 for an estimated cost of \$434,239.

#### **NEW KELVER LIBRARY**

In response to increasing community need, we are diligently working on plans for a new library in Byers, Colorado. Adolfson & Peterson Construction and OZ Architecture were selected to lead the planning, design and construction of the new library, currently slated to be a 10,000 square-foot building for an estimated total cost of \$9.1 million. For 2019, the focus will be on library design and planning, and land purchase of estimated costs of \$500,000. The construction to begin in 2020 estimated \$8.7 million. The size, which is approximately the same as the Sheridan Library, will accommodate a projected population growth for the area.

#### **CASTLEWOOD REMODEL**

Plans for 2019 are underway to begin a remodel of the Castlewood Library. The remodel will include upgrades to infrastructure, such as the HVAC system, as well as reconfiguration of the space to better match its various uses. In addition, the remodel will include work on the external face of the building. Adolfson & Peterson Construction and OZ Architecture were also selected as the Design Team for this project estimated cost for 2019/2020 to be around \$4.5 million, of which \$2.3 million slated for 2019.

This financial report is designed to provide a general overview of the Library District's finances, comply with finance-related laws and regulations, and demonstrate the Library District's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Library District's Finance Department at 12855 E. Adam Aircraft Circle, Englewood, Colorado 80112.

**ARAPAHOE LIBRARY DISTRICT  
STATEMENT OF NET POSITION  
December 31, 2018**

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Arapahoe Library Friends Foundation</u>
<b>Assets</b>		
Current Assets:		
Cash and Investments	\$ 28,457,583	\$ 287,622
Restricted Cash and Investments	1,064	-
Accounts Receivable	243,777	908
Property Tax Receivable	33,631,298	-
Due from Arapahoe Library District	-	1,834
Prepaid Items	939,834	642
<b>Total Current Assets</b>	<u>63,273,556</u>	<u>291,006</u>
Noncurrent Assets:		
Nondepreciable Capital Assets	6,819,415	-
Depreciable Capital Assets, Net	29,655,215	-
<b>Total Noncurrent Assets</b>	<u>36,474,630</u>	<u>-</u>
<b>Total Assets</b>	<u><b>99,748,186</b></u>	<u><b>291,006</b></u>
<b>Deferred Outflows of Resources</b>		
Deferred Charge on Refunding	204,732	-
<b>Total Deferred Outflows of Resources</b>	<u><b>204,732</b></u>	<u>-</u>
<b>Liabilities</b>		
Current Liabilities:		
Due to Arapahoe Library Friends Foundation	1,834	-
Accounts Payable and Accrued Liabilities	2,644,404	884
Unearned Revenue	61,139	-
Compensated Absences Payable	99,583	-
Capital Lease	55,666	-
Certificates of Participation	1,345,000	-
<b>Total Current Liabilities</b>	<u>4,207,626</u>	<u>884</u>
Noncurrent Liabilities:		
Compensated Absence Payable	890,258	-
Capital Lease	879,454	-
Certificates of Participation	4,505,000	-
<b>Total Noncurrent Liabilities</b>	<u>6,274,712</u>	<u>-</u>
<b>Total Liabilities</b>	<u><b>10,482,338</b></u>	<u><b>884</b></u>
<b>Deferred Inflows of Resources</b>		
Property Tax	33,631,298	-
<b>Total Deferred Inflows of Resources</b>	<u><b>33,631,298</b></u>	<u>-</u>
<b>Net Position</b>		
Net Investment in Capital Assets	29,894,242	-
Restricted:		
Debt Service	1,064	-
TABOR Amendment	1,122,271	-
Unrestricted	24,821,705	290,122
<b>Total Net Position</b>	<u><b>\$ 55,839,282</b></u>	<u><b>\$ 290,122</b></u>

**ARAPAHOE LIBRARY DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018**

Functions	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Component Unit
<b>Primary Government:</b>						
Governmental Activities:						
Library Operations	\$ 9,657,051	\$ 376,477	\$ 556,246	\$ -	\$ (8,724,328)	\$ -
Administrative and Executive Services	9,249,470	-	4,178	-	(9,245,292)	-
Digital and Library Material Services	8,135,073	-	136,052	-	(7,999,021)	-
Communications, Programming and Partnerships	2,218,909	-	122,350	-	(2,096,559)	-
Interest Expense	332,649	-	-	-	(332,649)	-
<b>Total Governmental Activities</b>	<b>29,593,152</b>	<b>376,477</b>	<b>818,826</b>	<b>-</b>	<b>(28,397,849)</b>	<b>-</b>
<b>Component Unit:</b>						
Arapahoe Library Friends Foundation	\$ 310,288	\$ 192,860	\$ 6,455	\$ -		(110,973)
<b>General Revenues:</b>						
Property Taxes					33,220,436	-
Specific Ownership Taxes					2,472,158	-
Investment Earnings					580,070	860
Unrestricted Grants and Contributions					-	164,359
Miscellaneous					64,221	-
<b>Total General Revenues</b>					<b>36,336,885</b>	<b>165,219</b>
Change in Net Position					7,939,036	54,246
Net Position - Beginning					47,900,246	235,876
<b>Net Position - Ending</b>					<b>\$ 55,839,282</b>	<b>\$ 290,122</b>

**ARAPAHOE LIBRARY DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2018**

	<u>Major</u>	<u>Nonmajor</u>	
		<u>Arapahoe</u>	
		<u>Library District</u>	<u>Total</u>
	<u>General Fund</u>	<u>Building</u>	<u>Governmental</u>
		<u>Authority</u>	<u>Funds</u>
<b>Assets</b>			
Cash and Investments	\$ 28,457,583	\$ -	\$ 28,457,583
Restricted Cash and Investments	-	1,064	1,064
Accounts Receivable	243,777	-	243,777
Property Tax Receivable	33,631,298	-	33,631,298
Prepaid Items	939,834	-	939,834
<b>Total Assets</b>	<b><u>63,272,492</u></b>	<b><u>1,064</u></b>	<b><u>63,273,556</u></b>
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities	2,626,775	-	2,626,775
Unearned Revenue	61,139	-	61,139
Due to Arapahoe Library Friends Foundation	1,834	-	1,834
<b>Total Liabilities</b>	<b><u>2,689,748</u></b>	<b><u>-</u></b>	<b><u>2,689,748</u></b>
<b>Deferred Inflows of Resources</b>			
Property Tax	33,631,298	-	33,631,298
<b>Total Deferred Inflows of Resources</b>	<b><u>33,631,298</u></b>	<b><u>-</u></b>	<b><u>33,631,298</u></b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>36,321,046</u></b>	<b><u>-</u></b>	<b><u>36,321,046</u></b>
<b>Fund Balance</b>			
Nonspendable	939,834	-	939,834
Restricted:			
Debt Service	-	1,064	1,064
TABOR Amendment	1,122,271	-	1,122,271
Assigned:			
Self Insurance	649,757	-	649,757
Capital Projects	5,705,868	-	5,705,868
Unassigned	18,533,716	-	18,533,716
<b>Total Fund Balance</b>	<b><u>26,951,446</u></b>	<b><u>1,064</u></b>	<b><u>26,952,510</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 63,272,492</u></b>	<b><u>\$ 1,064</u></b>	<b><u>\$ 63,273,556</u></b>

**ARAPAHOE LIBRARY DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2018**

**Total Governmental Fund Balance** **\$ 26,952,510**

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

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

Cost	56,370,473
Less Accumulated Depreciation	<u>(19,895,843)</u>
	36,474,630

Long-term liabilities and related deferred items are not due and payable in the current period and therefore are not reported in the governmental fund balance sheet but are reported on the government-wide statement of net position.

Certificates of Participation	(5,850,000)
Capital Lease	(935,120)
Deferred Amount on Refunding	204,732
Accrued Interest	(17,629)
Compensated Absences	<u>(989,841)</u>
	<u>(7,587,858)</u>

**Net Position of Governmental Activities** **\$ 55,839,282**

**ARAPAHOE LIBRARY DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018**

	<u>Major</u>	<u>Nonmajor</u>	
		<u>Arapahoe</u>	
		<u>Library District</u>	<u>Total</u>
	<u>General Fund</u>	<u>Building</u>	<u>Governmental</u>
		<u>Authority</u>	<u>Funds</u>
<b>Revenues</b>			
Property Taxes	\$ 33,220,436	\$ -	\$ 33,220,436
Specific Ownership Taxes	2,472,158	-	2,472,158
Intergovernmental	692,298	-	692,298
Fines	3,454	-	3,454
Cafe Sales	236,956	-	236,956
Investment Earnings	579,275	795	580,070
Contributions - Arapahoe Library Friends Foundation	122,350	-	122,350
Miscellaneous	204,467	-	204,467
Repayment from Arapahoe Library District	-	1,539,748	1,539,748
<b>Total Revenues</b>	<b><u>37,531,394</u></b>	<b><u>1,540,543</u></b>	<b><u>39,071,937</u></b>
<b>Expenditures</b>			
Current:			
Library Operations	8,368,740	-	8,368,740
Administrative and Executive Services	11,067,501	19	11,067,520
Digital and Library Material Services	5,968,167	-	5,968,167
Communications, Programming and Partnerships	2,218,267	-	2,218,267
Debt Service:			
Principal	53,826	1,305,000	1,358,826
Interest	33,073	234,749	267,822
Capital Outlay	3,838,380	-	3,838,380
<b>Total Expenditures</b>	<b><u>31,547,954</u></b>	<b><u>1,539,768</u></b>	<b><u>33,087,722</u></b>
<b>Net Change in Fund Balances</b>	<b><u>5,983,440</u></b>	<b><u>775</u></b>	<b><u>5,984,215</u></b>
Fund Balances - Beginning	20,968,006	289	20,968,295
<b>Fund Balances - Ending</b>	<b><u>\$ 26,951,446</u></b>	<b><u>\$ 1,064</u></b>	<b><u>\$ 26,952,510</u></b>

**ARAPAHOE LIBRARY DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018**

**Net Changes in Fund Balances - Governmental Fund** **\$ 5,984,215**

Amounts reported for governmental activities on the statement of activities are different because:

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

Depreciation Expense	(3,443,267)
Capital Outlay	4,159,715

Repayment of long-term debt principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,358,826
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Some expenditures relating to self-insurance reported in the governmental funds have been reported in the Statement of Activities in prior periods.	117,437
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Amortization costs related to refunding of debt are reported on the statement of activities but do not require use of current financial resources and are not reported as expenditures in the governmental fund statements.	(68,234)
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Accrued interest is reported in the statement of activities but is not reported as expenditures in governmental funds.	3,407
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Compensated absences are reported in the statement of activities but are not reported as expenditures in governmental funds.	<u>(173,063)</u>
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<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ 7,939,036</u></u></b>
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**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

Arapahoe Library District, Colorado (Library District) was formed April 5, 1966 by formal resolution of the Arapahoe County Commissioners and the Deer Trail School Board. The general objectives are to provide citizens of the region with library services for their education and recreation. A board of seven trustees appointed by the Arapahoe County Commissioners and approved by the Deer Trail School Board governs the Library District.

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

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

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

**Reporting Entity**

The reporting entity is comprised of the primary government and component units that are included to ensure the financial statements are not misleading. The primary government of the Library District consists of all funds, departments, boards and agencies that are not legally separate from the Library District. Although the Arapahoe County Commissioners appoint the Library District Board of Trustees, the County is not financially accountable for the Library District; therefore, the Library District is not a component unit of the County.

Component units are legally separate organizations for which the Library District is financially accountable. The Library District is financially accountable for an organization if the Library District appoints a voting majority of the organization's governing board and (1) the Library District is able to significantly influence the programs or services performed or provided by the organizations, or (2) the Library District is legally entitled to or can otherwise access the organization's resources; the Library District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library District is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the Library District in that the Library District approves the budget, levies their taxes or issues their debt.

The Library District maintains two component units, one reported through blending and one reported discretely.

The following component unit is blended into the primary government's reporting entity since the sole purpose of this entity is to provide a financing mechanism for the Library District:

***Arapahoe Library District Building Authority*** (Authority) - The Authority is a not-for-profit corporation originally formed to finance the construction of a new library in 1990. In 2001 and 2008, the Authority issued Certificates of Participation, and refinanced in 2010, to finance construction of public libraries and a support services facility. The Authority has leased these facilities to the Library District through a capital lease. At the end of the lease term, title to these facilities transfers to the Library District. The Authority is reported as a Special Revenue Fund.

The Library District reports one component unit discretely. The component unit column included on the government-wide financial statements identifies the financial data of the Library District's discretely presented component unit. The column is reported separately to emphasize that it is legally separate from the Library District.

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)**

A description of the discretely presented component unit follows:

***Arapahoe Library Friends Foundation, Inc.*** (Foundation) - The Foundation, which began operation in 1991, was formed exclusively for the benefit of, to perform the function of, or to carry out the charitable and educational purposes of Arapahoe Library District. The Library District maintains control of the Foundation in the following areas:

- The Board of Trustees of the Library District elects members of the Foundation's Board of Directors.
- Similarly, the Library District's Board of Trustees may remove any Director of the Foundation.
- The Foundation may not disburse funds for costs that have not been recommended by the Library District's Board of Trustees.

Unaudited information of the Arapahoe Library Friends Foundation, Inc. may be obtained by contacting the Foundation office at 12855 E. Adam Aircraft Circle, Englewood, CO 80112.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

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

***Government-Wide Financial Statements***

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Library District as a whole.

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

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

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

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

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

Taxes and other revenue sources not included with program revenues are reported as general revenues of the Library 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 Library District.

***Fund Financial Statements***

During the year, the Library District segregates transactions related to certain Library 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 Library District at this more detailed level. Fund financial statements are provided for governmental funds and include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

***Fund Accounting*** - The Library 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 that are segregated for carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Library District uses one category of funds, governmental.

***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 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 Library District reports the difference between governmental fund assets and liabilities and deferred inflows of resources as fund balance.

The Library District reports the following 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 Library District for any purpose provided it is expended or transferred according to the general laws of Colorado.

***Measurement Focus***

***Government-Wide Financial Statements*** - The government-wide financial statements are prepared using the economic resources measurement focus where the aim of a set of financial statements is to report all inflows, outflows and balances affecting or reflecting the Library District's net position.

***Fund Financial Statements*** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, the aim of a set of financial statements is to report the near-term (current) inflows, outflows and balances of expendable resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

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

***Basis of Accounting***

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

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

***Revenues - Nonexchange Transactions*** - Nonexchange transactions in which the Library 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 and specific ownership taxes is recognized in the fiscal year for which the taxes are levied. Property taxes are assessed in one year for the subsequent year's budget. Therefore, a property tax receivable and a line item of an equal amount is reported as a deferred inflow of resources on the government-wide statement of net position.

Revenue from grants and contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Library District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Library District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions also must be available (i.e., collected within 60 days of year-end) before it can be recognized. Under the modified accrual basis, the following revenue sources are susceptible to accrual: property taxes, specific ownership taxes, investment earnings and federal and state grants. Property taxes are assessed in one year for the subsequent year's budget. Therefore, a property tax receivable and a line item of an equal amount is reported as a deferred inflow of resources on the governmental fund balance sheet.

***Unearned Revenue*** - Unearned revenue is a liability that arises when resources are obtained before revenue recognition criteria, other than time recognition criteria, have been satisfied. Resources that are obtained before time recognition criteria have been satisfied are classified as deferred inflows of resources.

***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.

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

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

***Assets, Liabilities and Fund Equity***

***Cash, Cash Equivalents, and Investments***

Investments are stated at fair value, which are determined primarily based on quoted prices. Amortized cost and net asset value (NAV), which both approximate fair value, are used for CSAFE and Colotrust, respectively.

***Receivables***

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

***Prepaid Items***

Payments made to vendors for services (e.g., insurance, rents, library services) that will benefit periods beyond December 31, 2018 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.

***Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value as of the date received. The Library District maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

The Library District capitalizes all library books and audio-visual materials. Annually, purchased additions are capitalized at cost and donated materials are capitalized at fair value as of the date donated. Damaged, disposed and lost materials are deleted from the inventory, using average cost.

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

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

All reported capital assets are depreciated except for land, construction in progress, artwork and collectibles. Property improvements are depreciated over the lesser of the remaining useful lives of the related capital assets or 20 years. Property improvements in the form of leasehold improvements are amortized over the life of the related lease. Depreciation is computed using the straight-line method, except for library books and audio-visual materials that use the group method, over the following useful lives:

<u>Description:</u>	<u>Estimated Life:</u>
Buildings	30 – 40 years
Property Improvements	20 years
Solar Energy	12 years
Furniture and Fixtures	10 years
Intangibles	10 years
Bookmobiles and Vans	4 – 8 years
Equipment	5 years
Computer Equipment	4 years
Library Books and Audio-Visual Materials	4 years

***Compensated Absences***

The Library District permits employees to accumulate earned but unused vacation, sick, holiday, personal, and compensatory benefits up to certain limits. The Library District pays the employees, upon termination, for their allowed accumulated leave. 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 due.*”

***Accrued Liabilities and Long-term Obligations***

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. Certificates of participation are recognized as a liability in the governmental fund financial statements “*when due.*”

Accounts payable consists of current obligations to vendors for payment of goods and services incurred as of December 31, 2018.

***Debt Premiums, Discounts and Issuance Costs***

On the government-wide statement of net position, debt premiums and discounts are netted against debt payable. On the government-wide statement of activities, debt premiums and discounts are deferred and amortized over the life of the debts using the straight-line method. Debt issuance costs are reported as an expense.

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

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

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

***Deferred Outflows and Inflows of Resources***

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that period. The Library District has only one item that qualifies for reporting in this category. This item is a deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is reported in the statement of net position and is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and the governmental balance sheet report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Library District reports a deferred inflow of resources relating to property tax revenue, which is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period in which they are collected.

***Fund Equity***

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."

***Fund Balance*** - Generally, fund balance represents the difference between current assets, deferred outflows of resources, current liabilities and deferred inflows of resources. The Library District classifies certain fund balances as nonspendable because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balances are reported as such when constraints placed on the use of the resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional legislation. Fund balance amounts classified as committed by the Library District may only be used for specific purposes imposed by resolution of the Board of Trustees and cannot be used for any other purpose unless the Board approves removal or changes to the specified use. Committed fund balance also includes contractual obligations of the Library District equivalent to the amount of resources the fund has committed specifically for satisfying those contractual requirements. Assigned fund balance includes amounts intended by the Board of Trustees to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification of the fund balance that has not been restricted, committed or assigned to specific purposes within the general fund and has not been assigned to another fund. The general fund should be the only fund that reports a positive unassigned fund balance. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Library District applies restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance/net position are available. The Library District first applies committed resources, then assigned resources, and finally unassigned resources when an expenditure is incurred for which any of those unrestricted classifications could be used.

The Library District's Board of Trustees formally established a minimum fund balance policy in 2014 with the intent of maintaining a fund balance of approximately two months of non-capital general fund operating expenditures.

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

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

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

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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.

Transfers between funds reported in the governmental activities column are eliminated, except for charges for interfund services that are equivalent to the services provided.

**Estimates**

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

**NOTE 3 - DEPOSITS AND INVESTMENTS**

**Deposits**

Deposits include bank accounts and certificates of deposit. The carrying amount of the Library District's deposits as of December 31, 2018 was \$2,884,662. The bank balances were \$2,964,095 of which \$250,000 was covered by Federal Deposit Insurance Corporation (FDIC) and \$2,714,095 was collateralized with securities held by the financial institutions' agents but not in the Library District's name. The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

***Investments***

Investments are governed by the Library District's investment policy and State statutes. Investments of the Library District may include:

- U.S. Treasury Obligations (bills, notes, and bonds)
- U.S. Government Agency Securities with highest rating category by a nationally recognized statistical rating organization (NRSRO)
- Certain Money Market and Mutual Funds
- Bankers' Acceptances of certain banks
- Commercial Paper limited to securities with highest rating category by at least two nationally recognized rating agencies at time of purchase
- Written Repurchase Agreements collateralized by certain authorized securities
- Certificates of Deposit in FDIC Insured Colorado Commercial Banks and Savings and Loan Associations with 102% collateral under PDPA over the \$250,000 FDIC insurance level
- Local Government Investment Pools regulated under CRS 24-75-701

The Library District's investments are subject to credit and interest rate risk as described below.

***Credit Risk***

In order to limit its exposure to credit risk, the Library District's investment policy provides for the investment of up to 65% of its investment portfolio with one investment type, with the remainder invested in other, above noted allowable investments. The portfolio is analyzed monthly, as required by the investment policy, to confirm compliance with policy and ensure appropriate investment management. State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, as amended, and either have assets of one billion dollars or the highest rating issued by a NRSRO.

The Library District has invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and in the Colorado Surplus Asset Fund Trust (CSAFE). These investment vehicles are established for local government entities in Colorado to pool surplus funds for investment purposes by State statute. The Colorado Division of Securities administers and enforces the requirements of creating and operating the trusts. These funds operate similarly to a money market fund and each share is equal in value to \$1.00. Both trusts are rated AAAM by Standard and Poor's. Investments of the trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services to the trusts in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. The Library District's investment policy allows participation in such pools and has no control over the maturity of its holdings in the investment. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period for Colotrust or CSAFE.

***Interest Rate Risk***

State statutes limit investments to an original maturity of five years, unless the governing board authorizes the investment for a period in excess of these limits.

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

***Fair Value Measurement***

GASB Accounting Standards require enhanced disclosures about assets and liabilities measured at fair values. Governments are required to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches:

The market approach – uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or group of assets and liabilities.

The cost approach – reflects the amount that would be required to replace the present service capacity of an asset.

The income approach – converts future amounts to a single current discounted amount.

The Library District uses the market approach to value investment assets. In addition to valuation techniques, the Library District is required to use a hierarchical framework that prioritizes the inputs used for valuing assets and liabilities measured at fair values. The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the fair value measurements of assets recognized in the accompanying statement of net position at fair value on a recurring basis and the level within the GASB fair value hierarchy in which the fair value measurements fall at December 31, 2018.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Governmental Activities:				
US Agencies	\$ 7,561,201	\$ -	\$ 7,561,201	\$ -
Total Investments by Fair Value Level	<u>7,561,201</u>	<u>\$ -</u>	<u>\$ 7,561,201</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
Governmental Activities:				
CSAFE	487,017			
Total Investments Measured at Amortized Cost	<u>487,017</u>			
Investments Measured at Net Asset Value (NAV)				
Governmental Activities:				
Colotrust	17,524,766			
Total Investments Measured at NAV	<u>17,524,766</u>			
Total Investments	<u>\$ 25,572,984</u>			

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

***Cash and Investment Reconciliation***

	<u>Total</u>	<u>Credit Rating</u>	<u>Maturity</u>	
			<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Fund Reporting Level:				
Governmental Funds	\$ 28,457,583			
Governmental Funds - Restricted	<u>1,064</u>			
<b>Total</b>	<b><u><u>\$ 28,458,647</u></u></b>			
Deposits	\$ 2,882,361			
Petty Cash and Cash on Hand	<u>2,301</u>			
Total Cash	<u><u>2,884,662</u></u>			
Investments				
ColoTrust	17,524,766	AAAm	\$ 17,524,766	\$ -
CSAFE	487,017	AAAm	487,017	-
US Agencies:				
US Treasury Notes	4,229,126		2,689,836	1,539,290
Federal National Mortgage Association	989,811	AA+	487,006	502,805
Federal Home Loan Bank	1,844,849	AA+	497,655	1,347,194
Federal Home Loan Mortgage Corporation	498,416	AA+	498,416	-
Total Investments	<u>25,573,985</u>		<u>\$ 22,184,696</u>	<u>\$ 3,389,289</u>
Primary Government Total	<u><u>\$ 28,458,647</u></u>			

Restricted cash accounts are set aside for the repayment of Certificates of Participation and are maintained in separate accounts and their use is limited by the Certificates of Participation.

**NOTE 4 - PROPERTY TAXES**

Annual property taxes attach an enforceable lien on property as of January 1. Generally, property taxes are levied on December 15 for the subsequent year's operations. Taxpayers may pay property taxes in two equal installments. One-half of the taxes due will become delinquent March 1, after which date interest will be added as provided by law.

The remaining half will become delinquent June 16. If the entire annual tax is paid on or before April 30, no interest is added.

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 6,234,714	\$ -	\$ -	\$ 6,234,714
Land Improvements	47,633	248,866	-	296,499
Construction in Progress	620,976	136,350	(596,474)	160,852
Artwork and Collectibles	127,350	-	-	127,350
<b>Total Capital Assets Not Being Depreciated</b>	<b>7,030,673</b>	<b>385,216</b>	<b>(596,474)</b>	<b>6,819,415</b>
Capital Assets Being Depreciated:				
Buildings	32,116,476	-	-	32,116,476
Property Improvements	3,932,747	2,052,941	-	5,985,688
Solar Energy	173,222	-	-	173,222
Equipment	2,880,553	279,894	(98,424)	3,062,023
Book Mobiles and Vans	542,899	44,896	(20,274)	567,521
Furniture and Fixtures	1,462,681	198,809	(9,740)	1,651,750
Computer Equipment	218,586	-	-	218,586
Books and Audio-Visual Materials	5,403,016	1,794,433	(1,554,438)	5,643,011
Intangibles	138,281	-	(5,500)	132,781
<b>Total Capital Assets Being Depreciated</b>	<b>46,868,461</b>	<b>4,370,973</b>	<b>(1,688,376)</b>	<b>49,551,058</b>
<b>Total Capital Assets</b>	<b>53,899,134</b>	<b>4,756,189</b>	<b>(2,284,850)</b>	<b>56,370,473</b>
Accumulated Depreciation:				
Buildings	(12,401,527)	(801,098)	-	(13,202,625)
Property Improvements	(911,852)	(242,714)	-	(1,154,566)
Solar Energy	(45,711)	(14,435)	-	(60,146)
Equipment	(1,080,101)	(461,411)	98,424	(1,443,088)
Book Mobiles and Vans	(481,771)	(31,865)	20,274	(493,362)
Furniture and Fixtures	(1,033,325)	(135,241)	9,740	(1,158,826)
Computer Equipment	(174,764)	(18,749)	-	(193,513)
Books and Audio-Visual Materials	(1,948,493)	(1,724,476)	1,554,438	(2,118,531)
Intangibles	(63,408)	(13,278)	5,500	(71,186)
<b>Total Accumulated Depreciation</b>	<b>(18,140,952)</b>	<b>(3,443,267)</b>	<b>1,688,376</b>	<b>(19,895,843)</b>
<b>Book Value of Depreciable Capital Assets</b>	<b>28,727,509</b>	<b>927,706</b>	<b>-</b>	<b>29,655,215</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 35,758,182</b>	<b>\$ 1,312,922</b>	<b>\$ (596,474)</b>	<b>\$ 36,474,630</b>

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation Expense by Function:

Digital and Library Material Services	\$ 2,167,111
Library Operations	1,045,098
Administrative and Executive Services	207,355
Communications, Programming and Partnerships	<u>23,703</u>
Total Depreciation Expense	<u>\$ 3,443,267</u>

**NOTE 6 - LONG-TERM DEBT**

***Governmental Certificates of Participation***

The Building Authority issues Certificates of Participation to provide funds for the acquisition and construction of major capital facilities. The following is a summary of the outstanding long-term debt issues at December 31, 2018:

<u>Year Issued</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Interest Due Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>
2008	Certificates of Participation	3.99%	6/15, 12/15	3/11/2008	12/15/2027	\$ 4,370,000
2010	Refunding Certificates of Participation	2.87%	6/15, 12/15	10/7/2010	12/15/2021	\$ 11,260,000

Annual debt service requirements to amortize all Certificates of Participation obligations outstanding, as of December 31, 2018 follow.

<u>Year</u>	<u>2008 Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 230,000	\$ 95,960	\$ 325,960
2020	235,000	86,783	321,783
2021	245,000	77,406	322,406
2022	255,000	67,631	322,631
2023	265,000	57,456	322,456
2024 - 2027	1,175,000	119,501	1,294,501
Total	<u>\$ 2,405,000</u>	<u>\$ 504,737</u>	<u>\$ 2,909,737</u>

<u>Year</u>	<u>2010 Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,115,000	\$ 98,872	\$ 1,213,872
2020	1,150,000	66,871	1,216,871
2021	1,180,000	33,866	1,213,866
Total	<u>\$ 3,445,000</u>	<u>\$ 199,609</u>	<u>\$ 3,644,609</u>

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Year	Total Certificates of Participation		
	Principal	Interest	Total
2019	\$ 1,345,000	\$ 194,832	\$ 1,539,832
2020	1,385,000	153,654	1,538,654
2021	1,425,000	111,272	1,536,272
2022	255,000	67,631	322,631
2023	265,000	57,456	322,456
2024 - 2027	1,175,000	119,501	1,294,501
Total	<u>\$ 5,850,000</u>	<u>\$ 704,346</u>	<u>\$ 6,554,346</u>

***Advanced Refunding***

In October 2010, the Library District issued \$11,260,000 in Certificates of Participation to provide resources to purchase U.S. Government Series securities that were placed in escrow for the purpose of generating resources for full payment of the 2001 Certificates of Participation. The outstanding debt was defeased in 2011.

***Eloise May Public Library***

In 2008, the Library District began construction of a new library building and completed construction in 2009. To finance this construction, \$4,370,000 in Certificates of Participation were issued by the Authority on March 11, 2008. The debt is collateralized with the Castlewood Library owned by the Library District.

***Capital Lease***

In June 2017, the Library District entered into a 15 year capital lease agreement for \$1,015,000 to lease land for potential expansion. The Library District has the option of purchasing the land on December 15, 2020 or on any base rental payment date after that date. Ownership of the land is conveyed to the Library District at the end of the lease agreement.

Future minimum lease payments under this lease purchase agreement are as follows:

Year	Principal	Interest	Total
2019	\$ 55,666	\$ 31,233	\$ 86,899
2020	57,569	29,330	86,899
2021	59,537	27,362	86,899
2022	61,572	25,326	86,898
2023	63,677	23,221	86,898
2024 - 2028	352,569	81,924	434,493
2029 - 2032	284,530	19,615	304,145
Total	<u>\$ 935,120</u>	<u>\$ 238,011</u>	<u>\$ 1,173,131</u>

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

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

	Outstanding 12/31/2017	Additions	Reductions	Outstanding 12/31/2018	Amounts Due In One Year
Governmental Activities:					
Compensated Absences	\$ 816,778	\$ 1,991,980	\$ (1,818,917)	\$ 989,841	\$ 99,583
Capital Lease	988,946	-	(53,826)	935,120	55,666
2008 Certificates of Participation	2,625,000	-	(220,000)	2,405,000	230,000
2010 Certificates of Participation	4,530,000	-	(1,085,000)	3,445,000	1,115,000
Total	<u>\$ 8,960,724</u>	<u>\$ 1,991,980</u>	<u>\$ (3,177,743)</u>	<u>\$ 7,774,961</u>	<u>\$ 1,500,249</u>

Compensated absences are expected to be liquidated using revenues from the General Fund.

**NOTE 7 - OPERATING LEASES**

***Southglenn Public Library Lease***

The Library District occupies rental space for Southglenn Public Library under an operating lease agreement; the lease agreement expires in July 2019. The lease began July 2009 and has an initial period of 10 years, with payments escalating during this period, and options for an additional 20 years renewable in five-year increments. The lease also requires the Library District to pay its proportionate share of operating costs.

Rent expenditures under the lease totaled \$274,303 for the year ended December 31, 2018. The Library District's proportionate share of common area maintenance costs were \$99,470 for the year.

Future minimum lease payments under this basic operating lease agreement follow:

Year	Amount Due
2019	<u>\$ 167,078</u>
Total	<u>\$ 167,078</u>

***Copiers and Printers Lease***

The Library District entered into an agreement to lease copiers and printers under an operating lease agreement. The lease agreement that began April 2014 and expired in March 2017 was extended in March 2017 for an additional 24 months at a minimum monthly payment of \$5,879. The lessor reserves the right to increase the monthly lease payments up to 10% on March of each year. Rent expenditures under the lease totaled \$70,547 for the year ended December 31, 2018.

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**NOTE 7 - OPERATING LEASES (CONTINUED)**

Future minimum lease payments under this basic operating lease agreement follow.

Year	Amount Due
2019	\$ 17,637
Total	\$ 17,637

**NOTE 8 - PENSIONS**

The Arapahoe Library District Money Purchase Plan, a defined contribution pension plan, is administered by the Library District. The authority for establishing and amending this plan and the related contribution requirements rests with the Library District Board of Trustees. All eligible Library District employees are required to participate after one year of continuous service. Contributions made by the employer were increased from 7% to 8% of covered payroll effective February 1, 2016. Employees can voluntarily contribute up to 100% of their salary, not to exceed the Internal Revenue Code Section 415 maximum. Employer contributions are vested at the rate of 20% per year.

During 2018, the Library District contributed \$868,316 for employees participating in the retirement plan during the year. Employees contributed \$75,051 to the plan in 2018.

**NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS**

The “net investment in capital assets” amounts reported on the government-wide statement of net position as of December 31, 2018 are as follows.

	Governmental Activities
Net Investment in Capital Assets:	
Cost of Capital Assets	\$ 56,370,473
Less Accumulated Depreciation	(19,895,843)
Book Value	<u>36,474,630</u>
Capital Related Debt	(6,785,120)
Capital Related Deferred Outflows of Resources	204,732
Net Investment in Capital Assets	<u>\$ 29,894,242</u>

**NOTE 10 - RISK MANAGEMENT**

The Library 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 Library 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 Library District’s insurance coverage during the past three years.

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended December 31, 2018**

**NOTE 10 - RISK MANAGEMENT (CONTINUED)**

In 2014, the Library District established a self-funded health insurance plan to employees with excess coverage underwritten by a commercial carrier. Medical and prescription claims, as well as administrative costs, are paid for and funded by contributions made by the Library District and participating employees. All claims are reviewed and approved for payment by Anthem Blue Cross Blue Shield. Liabilities for retained risk claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Based on actuarial analysis of claims, liabilities include an estimate for claims that have been incurred but not reported (“IBNR”) at December 31, 2018.

The following is a summary of the changes in the balance of claims liabilities during 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Unpaid Claims, Beginning of Year	\$ 117,437	\$ 83,850
New Claims Incurred, Including IBNR	1,890,697	1,719,117
Claim Payments	<u>(1,831,378)</u>	<u>(1,685,530)</u>
Unpaid Claims, End of Year	<u>\$ 176,756</u>	<u>\$ 117,437</u>

**NOTE 11 - CONTINGENT LIABILITIES**

The Library District has received federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the Library District believes such disallowances, if any, will be immaterial.

**NOTE 12 - TABOR AMENDMENT**

In 1992, a constitutional amendment, the taxpayer’s bill of rights (commonly referred to as TABOR) was passed, limiting powers of public entities to borrow, tax and spend without a public vote. In 1995, the voters in the Library District approved a revenue increase for the Library District, effective in the 1996 budget year. As part of the tax and revenue ballot question, public approval also was given to remove the revenues of the Library District from the spending and growth provisions set forth in the TABOR amendment. The ballot question also included language, which effectively exempted the Library District from compliance with the 5.5% revenue budget limit described in the Colorado State Statutes.

The Library District reserved 3% of its annual qualifying revenues to comply with provisions of TABOR’s emergency reserve requirements. This is reported as restricted net position and fund balance in the appropriate financial statements.

**ARAPAHOE LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2018**

**NOTE 13 - COMMITMENTS**

The Library District has active goods and service commitments as of December 31, 2018. At year end, the Library District has contract obligations of \$2,398,048.

**NOTE 14 - VOLUNTEER HOURS**

Numerous volunteers have donated significant amounts of time to the Library District for library operations during the year. These services were not recorded in the financial statements in 2018 because they are not measurable and the Library District would not purchase the volunteered services if they were not donated.

**ARAPAHOE LIBRARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET  
AND ACTUAL  
For the Year Ended December 31, 2018**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Property Taxes	\$ 33,069,469	\$ 33,220,436	\$ 150,967
Specific Ownership Taxes	2,442,030	2,472,158	30,128
Intergovernmental	534,093	692,298	158,205
Fines	-	3,454	3,454
Cafe Sales	-	236,956	236,956
Investment Earnings	178,297	579,275	400,978
Contributions - Arapahoe Library			
Friends Foundation	125,000	122,350	(2,650)
Miscellaneous	410,213	204,467	(205,746)
<b>Total Revenues</b>	<b><u>36,759,102</u></b>	<b><u>37,531,394</u></b>	<b><u>772,292</u></b>
<b>Expenditures</b>			
Current:			
Library Operations	8,835,632	8,368,740	466,892
Administrative and Executive Services	10,851,212	11,067,501	(216,289)
Digital and Library Material Services	8,399,125	5,968,167	2,430,958
Communications, Programming and Partnerships	2,766,465	2,218,267	548,198
Debt Service:			
Principal	-	53,826	(53,826)
Interest	-	33,073	(33,073)
Capital Outlay	4,159,149	3,838,380	320,769
<b>Total Expenditures</b>	<b><u>35,011,583</u></b>	<b><u>31,547,954</u></b>	<b><u>3,463,629</u></b>
<b>Net Change in Fund Balance</b>	<b><u>1,747,519</u></b>	<b><u>5,983,440</u></b>	<b><u>4,235,921</u></b>
Fund Balance - Beginning	20,515,452	20,968,006	452,554
<b>Fund Balance - Ending</b>	<b><u>\$ 22,262,971</u></b>	<b><u>\$ 26,951,446</u></b>	<b><u>\$ 4,688,475</u></b>

**ARAPAHOE LIBRARY DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended December 31, 2018**

***Note 1 – Budgetary Information***

A budget for the General Fund is adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

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

All unexpended annual appropriations lapse at year-end.

**ARAPAHOE LIBRARY DISTRICT  
ARAPAHOE LIBRARY DISTRICT BUILDING AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET  
AND ACTUAL  
For the Year Ended December 31, 2018**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Repayment from Arapahoe Library District	\$ 1,539,749	\$ 1,539,748	\$ (1)
Investment Earnings	65	795	730
<b>Total Revenues</b>	<u><b>1,539,814</b></u>	<u><b>1,540,543</b></u>	<u><b>729</b></u>
<b>Expenditures</b>			
Current:			
Administrative and Executive Services	30	19	11
Debt Service:			
Principal	1,305,000	1,305,000	-
Interest	234,749	234,749	-
<b>Total Expenditures</b>	<u><b>1,539,779</b></u>	<u><b>1,539,768</b></u>	<u><b>11</b></u>
<b>Net Change in Fund Balance</b>	<u><b>35</b></u>	<u><b>775</b></u>	<u><b>740</b></u>
Fund Balance - Beginning	-	289	289
<b>Fund Balance - Ending</b>	<u><b>\$ 35</b></u>	<u><b>\$ 1,064</b></u>	<u><b>\$ 1,029</b></u>

**ARAPAHOE LIBRARY DISTRICT  
STATISTICAL SECTION  
(Unaudited)**

**STATISTICAL SECTION INDEX**

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

**Financial Trends**

**Pages 59 - 62**

– These schedules contain trend information that may assist the reader in assessing the Library District's current financial performance by placing it in a historical perspective.

**Revenue Capacity**

**Pages 63 - 65**

– These schedules contain information that may assist the reader in assessing the viability of the Library District's most significant "own-source" revenue, property taxes.

**Debt Capacity**

**Page 66**

– This schedule presents information that may assist the reader in analyzing the affordability of the Library District's current levels of outstanding debt.

**Demographic and Economic**

**Pages 67 - 68**

– These schedules present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the Library District operates, and (2) to provide information that facilitates comparisons of financial statement information over time and among library districts.

**Operating Information**

**Pages 69 - 71**

– These schedules contain service and capital asset indicators that can assist in understanding how the information in the Library District's financial statements relates to the services the Library District provides and the activities it performs.

**ARAPAHOE LIBRARY DISTRICT  
GOVERNMENT-WIDE NET POSITION BY COMPONENT  
Last Ten Calendar Years  
(accrual basis of accounting)**

	For the Year Ended December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016 <sup>2</sup>	2017	2018
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 21,689,943	\$ 21,376,703	\$ 21,345,932	\$ 20,478,414	\$ 20,524,707	\$ 24,256,969	\$ 25,062,805	\$ 25,995,196	\$ 27,887,202	\$ 29,894,242
Restricted	604,418	622,970	604,700	641,299	622,124	647,893	691,743	991,364	1,017,042	1,123,335
Unrestricted	12,417,131	13,429,506	15,335,654	14,742,005	14,134,535	10,310,304	9,308,391	15,851,422	18,996,002	24,821,705
<b>Total Governmental Activities</b>	<u>\$ 34,711,492</u>	<u>\$ 35,429,179</u>	<u>\$ 37,286,286</u>	<u>\$ 35,861,718</u>	<u>\$ 35,281,366</u>	<u>\$ 35,215,166</u>	<u>\$ 35,062,939</u>	<u>\$ 42,837,982</u>	<u>\$ 47,900,246</u>	<u>\$ 55,839,282</u>

**Notes:**

<sup>1</sup>Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Colorado or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the Library District.

<sup>2</sup>The Library District experienced a significant increase in unrestricted net position due to a voter approved mill levy increase collectible in 2016.

**Data Source:**

Applicable years' comprehensive annual financial report.

**ARAPAHOE LIBRARY DISTRICT  
CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES  
Last Ten Calendar Years  
(accrual basis of accounting)**

	For the Year Ended December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses:</b>										
Public Services <sup>1</sup>	\$ 14,122,513	\$ 16,698,721	\$ 16,247,236	\$ 18,077,186	\$ 16,877,836	\$	\$	\$	\$	\$
Support Services:										
Administration <sup>1</sup>	2,495,488	2,359,373	2,362,407	2,701,290	2,799,845					
Digital <sup>1</sup>	1,425,195	1,413,727	1,375,287	1,308,088	1,436,656					
Library Materials <sup>1</sup>	2,212,778	2,105,915	1,540,047	1,541,816	1,404,456					
Library Operations						7,620,719	7,534,270	8,297,696	8,989,304	9,657,051
Administrative and Executive Services						7,461,475	7,552,624	8,325,786	9,540,121	9,249,470
Digital and Library Material Services						6,628,896	6,258,674	6,850,637	7,871,893	8,135,073
Communications, Programming and Partnerships						1,405,875	1,588,704	1,779,408	2,090,545	2,218,909
Interest and Fiscal Charges	806,648	749,035	530,526	447,198	482,108	379,626	344,300	307,726	357,155	332,649
<b>Total Expenses</b>	<b>21,062,622</b>	<b>23,326,771</b>	<b>22,055,503</b>	<b>24,075,578</b>	<b>23,000,901</b>	<b>23,496,591</b>	<b>23,278,572</b>	<b>25,561,253</b>	<b>28,849,018</b>	<b>29,593,152</b>
<b>Program Revenues:</b>										
Charges for Services:										
Public Services <sup>1</sup>	385,237	458,591	382,087	347,868	310,720					
Library Operations						297,067	219,570	314,027	486,360	376,477
Communications, Programming and Partnerships								148,405	-	-
Operating Grants and Contributions	499,730	579,293	501,745	525,550	599,243	549,806	563,028	643,186	599,860	818,826
Capital Grants and Contributions	16,000	89,709			50,000			15,000	-	-
<b>Total Program Revenues</b>	<b>900,967</b>	<b>1,127,593</b>	<b>883,832</b>	<b>873,418</b>	<b>959,963</b>	<b>846,873</b>	<b>782,598</b>	<b>1,120,618</b>	<b>1,086,220</b>	<b>1,195,303</b>
<b>Net (Expense) Revenue</b>	<b>(20,161,655)</b>	<b>(22,199,178)</b>	<b>(21,171,671)</b>	<b>(23,202,160)</b>	<b>(22,040,938)</b>	<b>(22,649,718)</b>	<b>(22,495,974)</b>	<b>(24,440,635)</b>	<b>(27,762,798)</b>	<b>(28,397,849)</b>
<b>General Revenues:</b>										
Taxes:										
Property	20,596,200	21,149,495	21,258,107	19,998,977	19,890,039	20,649,299	20,424,641	29,567,005	29,897,092	33,220,436
Specific Ownership	1,458,430	1,409,347	1,333,450	1,342,257	1,405,305	1,524,749	1,575,114	2,319,915	2,606,995	2,472,158
Investment Earnings	118,999	161,237	197,335	144,034	(222)	156,618	49,048	106,933	229,294	580,070
Miscellaneous	212,153	196,786	239,886	292,324	290,936	276,393	294,944	31,974	91,681	64,221
Gain on Disposal of Assets								189,851	-	-
<b>Total General Revenues</b>	<b>22,385,782</b>	<b>22,916,865</b>	<b>23,028,778</b>	<b>21,777,592</b>	<b>21,586,058</b>	<b>22,607,059</b>	<b>22,343,747</b>	<b>32,215,678</b>	<b>32,825,062</b>	<b>36,336,885</b>
<b>Change in Net Position</b>	<b>\$ 2,224,127</b>	<b>\$ 717,687</b>	<b>\$ 1,857,107</b>	<b>\$ (1,424,568)</b>	<b>\$ (454,880)</b>	<b>\$ (42,659)</b>	<b>\$ (152,227)</b>	<b>\$ 7,775,043</b>	<b>\$ 5,062,264</b>	<b>\$ 7,939,036</b>

**Notes:**

<sup>1</sup>In 2014, the Library District updated functions to more accurately reflect operations. Therefore, these rows are shown as incomplete beginning in 2014.

<sup>2</sup>In 2012 and 2013, the assessed valuation of the Library District significantly decreased due to the economic recession causing a reduction in net position.

<sup>3</sup>During 2014, the Library District completed a product line restructure which created additional specialized employee positions. This restructure along with rebranding caused an increase in expenses and a reduction in net position.

<sup>4</sup>2015 was not a reassessment year for property taxes. Although expenses decreased from 2014, so did property tax revenue which caused a reduction in net position.

<sup>5</sup>The Library District experienced a significant increase in net position due to a voter approved mill levy increase collectible in 2016.

**Data Source:**

Applicable years' comprehensive annual financial report.

**ARAPAHOE LIBRARY DISTRICT  
FUND BALANCES – GOVERNMENTAL FUNDS  
Last Ten Calendar Years  
(modified accrual basis of accounting)**

	For the Year Ended December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Nonspendable	\$	\$	\$ 490,290	\$ 429,606	\$ 689,787	\$ 557,263	\$ 535,036	\$ 790,347	\$ 1,002,191	\$ 939,834
Restricted			604,700	641,299	622,124	647,893	691,743	991,225	1,016,753	1,122,271
Assigned			1,896,912	4,446,790	5,830,885	7,650,985	875,828	7,015,868	4,962,355	6,355,625
Unassigned			13,561,688	10,449,539	8,265,444	2,758,495	8,500,586	8,754,665	13,986,707	18,533,716
Reserved <sup>1</sup>	964,427	1,000,824								
Unreserved <sup>1</sup>	12,480,970	13,661,025								
<b>Total General Fund</b>	<b>13,445,397</b>	<b>14,661,849</b>	<b>16,553,590</b>	<b>15,967,234</b>	<b>15,408,240</b>	<b>11,614,636</b>	<b>10,603,193</b>	<b>17,552,105</b>	<b>20,968,006</b>	<b>26,951,446</b>
<b>All Other Governmental Funds</b>										
Restricted:										
Debt Service Fund <sup>2</sup>								139	289	1,064
Unreserved:										
Capital Projects Fund <sup>1</sup>										
<b>Total All Other Governmental Funds</b>								<b>139</b>	<b>289</b>	<b>1,064</b>
<b>Total Governmental Funds</b>										
Nonspendable			490,290	429,606	689,787	557,263	535,036	790,347	1,002,191	939,834
Restricted			604,700	641,299	622,124	647,893	691,743	991,364	1,017,042	1,123,335
Assigned			1,896,912	4,446,790	5,830,885	7,650,985	875,828	7,015,868	4,962,355	6,355,625
Unassigned			13,561,688	10,449,539	8,265,444	2,758,495	8,500,586	8,754,665	13,986,707	18,533,716
Reserved <sup>1</sup>	964,427	1,000,824								
Unreserved <sup>1</sup>	12,480,970	13,661,025								
<b>Total Governmental Funds</b>	<b>\$ 13,445,397</b>	<b>\$ 14,661,849</b>	<b>\$ 16,553,590</b>	<b>\$ 15,967,234</b>	<b>\$ 15,408,240</b>	<b>\$ 11,614,636</b>	<b>\$ 10,603,193</b>	<b>\$ 17,552,244</b>	<b>\$ 20,968,295</b>	<b>\$ 26,952,510</b>

**Note:**

<sup>1</sup>Classifications changed with the implementation of GASB 54, therefore this row is shown as incomplete beginning in 2011.

<sup>2</sup>Classifications changed with the implementation of GASB 61, therefore this row is new beginning in 2016.

**Data Source:**

Applicable years' comprehensive annual financial report.

**ARAPAHOE LIBRARY DISTRICT**  
**SUMMARY OF CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**Last Ten Calendar Years**  
**(modified accrual basis of accounting)**

	For the Year Ended December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenue Source</b>										
Property Taxes	\$ 20,596,200	\$ 21,149,495	\$ 21,258,107	\$ 19,998,977	\$ 19,890,039	\$ 20,649,299	\$ 20,424,641	\$ 29,567,005	\$ 29,897,092	\$ 33,220,436
Specific Ownership Taxes	1,458,430	1,409,347	1,333,450	1,342,257	1,405,305	1,524,749	1,575,114	2,319,915	2,606,995	2,472,158
Intergovernmental	373,412	442,526	401,286	414,883	456,735	395,610	491,223	547,211	492,633	692,298
Fines	385,237	458,590	382,087	347,868	310,720	292,728	215,088	179,689	139,552	3,454
Contributions - Foundation	142,318	226,476	100,459	110,667	192,508	152,295	70,000	105,436	102,999	122,350
Investment Earnings	118,999	161,237	197,335	144,034	(222)	156,618	49,048	106,933	229,294	580,070
Cafe Sales								148,405	215,670	236,956
Repayment from Arapahoe Library District								1,540,791	1,533,074	1,539,748
Miscellaneous	212,153	168,533	268,139	292,324	290,936	282,633	301,231	171,851	227,047	204,467
<b>Total Revenues</b>	<b>23,286,749</b>	<b>24,016,204</b>	<b>23,940,863</b>	<b>22,651,010</b>	<b>22,546,021</b>	<b>23,453,932</b>	<b>23,126,345</b>	<b>34,687,236</b>	<b>35,444,356</b>	<b>39,071,937</b>
<b>Current:</b>										
Public Services <sup>3</sup>	14,347,340	14,776,066	15,150,278	15,908,229	15,308,643					
Administration <sup>3</sup>	2,287,611	2,111,335	2,122,886	2,689,114	2,640,436					
Digital <sup>3</sup>	1,293,248	1,275,198	1,259,381	1,243,597	1,377,574					
Library Materials <sup>3</sup>	2,193,171	2,101,632	1,526,689	1,534,724	1,409,924					
Library Operations						6,648,007	6,640,950	7,244,689	7,902,282	8,368,740
Administrative and Executive Services						7,344,145	7,271,808	9,561,273	10,563,574	11,067,520
Digital and Library and Material Services						6,210,278	6,020,364	4,940,353	5,715,261	5,968,167
Communications, Programming, and Partnerships						1,393,312	1,580,097	1,749,458	2,030,254	2,218,267
<b>Capital Outlay</b>	<b>2,786,980</b>	<b>297,747</b>	<b>451,655</b>	<b>321,735</b>	<b>831,717</b>	<b>4,090,693</b>	<b>1,082,229</b>	<b>2,701,552</b>	<b>5,255,222</b>	<b>3,838,380</b>
<b>Debt Service</b>										
Principal	1,440,000	1,510,000	995,000	1,090,000	1,120,000	1,155,000	1,195,000	1,230,000	1,286,054	1,358,826
Interest and Fees	811,008	727,774	543,233	449,968	416,721	382,560	347,340	310,860	290,658	267,822
Debt Issuance Costs		104,836								
<b>Total Expenditures</b>	<b>25,159,358</b>	<b>22,904,588</b>	<b>22,049,122</b>	<b>23,237,367</b>	<b>23,105,015</b>	<b>27,223,995</b>	<b>24,137,788</b>	<b>27,738,185</b>	<b>33,043,305</b>	<b>33,087,722</b>
<b>Other Financing Sources and Uses</b>										
Issuance of Certificates of Participation <sup>2</sup>		11,260,000								
Financing of Capital Lease									1,015,000	
Payment to Refund Debt Escrow		(11,155,164)								
<b>Total Other Financing Sources</b>	<b>-</b>	<b>104,836</b>							<b>1,015,000</b>	
<b>Net Change in Fund Balance</b>	<b>\$ (1,872,609)</b>	<b>\$ 1,216,452</b>	<b>\$ 1,891,741</b>	<b>\$ (586,357)</b>	<b>\$ (558,994)</b>	<b>\$ (3,770,063)</b>	<b>\$ (1,011,443)</b>	<b>\$ 6,949,051</b>	<b>\$ 3,416,051</b>	<b>\$ 5,984,215</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>10.1%</b>	<b>10.4%</b>	<b>7.1%</b>	<b>6.7%</b>	<b>6.9%</b>	<b>7.2%</b>	<b>7.2%</b>	<b>6.2%</b>	<b>5.6%</b>	<b>5.6%</b>

**Notes:**

<sup>1</sup>Includes all governmental fund types.

<sup>2</sup>The certificates of participation were issued to finance the construction of the Support Services building, Smoky Hill Library branch and Eloise May Library branch.

<sup>3</sup>In 2014, the Library District updated functions to more accurately reflect operations. Therefore, these rows are shown as incomplete beginning in 2014.

<sup>4</sup>In 2012, the assessed valuation of the Library District significantly decreased due to the economic recession, causing a reduction in fund balance.

<sup>5</sup>During 2013 and 2014, the Library District self-funded the construction of the stand alone Sheridan Library branch which caused a decrease in fund balance.

<sup>6</sup>During 2015, the Library District self-funded the remodel of the Koelbel Library branch, causing a decrease in fund balance.

<sup>7</sup>GASB 61 requires the Arapahoe Library Building Authority, whose transactions were previously eliminated through blending with the general fund, be presented as a debt service fund. This disaggregation caused an increase in Administrative and Executive Services expenditures in 2016.

<sup>8</sup>The Library District experienced a significant increase in fund balance due to a voter approved mill levy increase collectible in 2016.

**Data Source:**

Applicable years' comprehensive annual financial report.

**ARAPAHOE LIBRARY DISTRICT**  
**TOTAL ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY – BY TYPE**  
**Last Ten Calendar Years**

Budget Year	For the Year Ended December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Assessed Value<sup>2</sup></b>										
Real Property	\$ 3,916,686,000	\$ 4,169,355,360	\$ 4,184,155,840	\$ 3,730,006,740	\$ 3,729,243,840	\$ 3,865,096,820	\$ 3,861,130,293	\$ 4,603,922,141	\$ 5,287,335,378	\$ 5,365,087,544
Personal Property	413,538,340	425,158,980	413,231,890	434,234,790	440,532,150	491,694,760	493,068,449	511,051,043	524,436,486	535,080,912
<b>Total Assessed Value</b>	<b>\$ 4,330,224,340</b>	<b>\$ 4,594,514,340</b>	<b>\$ 4,597,387,730</b>	<b>\$ 4,164,241,530</b>	<b>\$ 4,169,775,990</b>	<b>\$ 4,356,791,580</b>	<b>\$ 4,354,198,742</b>	<b>\$ 5,114,973,184</b>	<b>\$ 5,811,771,864</b>	<b>\$ 5,900,168,456</b>
<b>Estimated Actual Value<sup>2</sup></b>										
Real Property	\$ 35,145,632,410	\$ 35,145,632,410	\$ 35,896,257,377	\$ 32,574,903,035	\$ 32,627,385,671	\$ 33,381,601,138	\$ 33,463,682,592	\$ 40,263,317,852	\$ 49,266,445,930	\$ 49,932,727,090
Personal Property	1,425,978,924	1,425,978,924	1,424,923,793	1,497,347,061	1,519,062,350	1,695,487,700	1,700,401,831	1,762,436,265	1,808,052,392	1,845,110,324
<b>Total Estimated Actual Value</b>	<b>\$ 36,571,611,334</b>	<b>\$ 36,571,611,334</b>	<b>\$ 37,321,181,170</b>	<b>\$ 34,072,250,096</b>	<b>\$ 34,146,448,021</b>	<b>\$ 35,077,088,838</b>	<b>\$ 35,164,084,423</b>	<b>\$ 42,025,754,117</b>	<b>\$ 51,074,498,322</b>	<b>\$ 51,777,837,414</b>
<b>Direct Rate</b>	4.783	4.869	4.981	4.903	4.861	4.794	5.916	5.926	5.885	5.845

**Notes:**

<sup>1</sup>This table has been modified to reflect assessed values for the year in which taxes are collected. Assessments made in 2017 provide the tax base for taxes collected in 2018.

<sup>2</sup>Years prior to 2014 were modified to reflect the total Assessed Value and Estimated Actual Value of the Library District instead of the net taxable values, as shown in prior years' comprehensive annual financial reports.

**Data Source:**

The Arapahoe County and Adams County Assessors.

**ARAPAHOE LIBRARY DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
Calendar Years Ended December 31, 2018 and 2009**

<b>2018</b>			
<b>Principal Taxpayer</b>	<b>Taxable Assessed</b>	<b>Rank</b>	<b>Percentage of</b>
	<b>Value<sup>1</sup></b>		<b>Total Taxable</b>
			<b>Assessed Value</b>
Columbia Healthone LLC	\$ 22,620,000	1	1.21%
Qwest Corporation	8,324,200	2	0.74%
Public Service Co of Colorado Property Tax	6,400,290	3	0.70%
Oxford Station Investors LLC	3,638,610	4	0.56%
Northern Englewood Limited	3,471,300	5	0.49%
Situs Enterprises LLC	3,462,600	6	0.43%
SCG Atlas Marks LLC	3,245,760	7	0.33%
SPUS8 Englewood LP	3,175,142	8	0.30%
Healthone & Swedish Mob	3,153,170	9	0.29%
Wal-Mart Real Estate Business Trust	3,146,211	10	0.28%
<b>Total Principal Taxpayers</b>	<b>60,637,283</b>		<b>5.33%</b>
<b>All Other Taxpayers</b>	<b>5,839,531,173</b>		<b>94.67%</b>
<b>Total Assessed Valuation</b>	<b>\$ 5,900,168,456</b>		<b>100.00%</b>

<b>2009</b>			
<b>Principal Taxpayer</b>	<b>Taxable Assessed</b>	<b>Rank</b>	<b>Percentage of</b>
	<b>Value</b>		<b>Total Taxable</b>
			<b>Assessed Value</b>
Qwest Corporation	\$ 98,761,300	1	1.24%
Xcel Energy	78,901,090	2	0.99%
Verizon Wireless	63,603,200	3	0.80%
Columbia Heathone LLC	39,150,010	4	0.49%
Greenwood Property Corp	30,450,000	5	0.38%
Property Colorado OBJLW	27,550,000	6	0.35%
Legacy III Centennial LLC	16,965,000	7	0.21%
CSHV Denver Tech Center LLC	15,080,010	8	0.19%
National Digital Television	14,893,500	9	0.19%
5251 DTC Parkway LLC	14,500,010	10	0.18%
<b>Total Principal Taxpayers</b>	<b>399,854,120</b>		<b>5.02%</b>
<b>All Other Taxpayers</b>	<b>4,190,574,010</b>		<b>94.98%</b>
<b>Total Assessed Valuation</b>	<b>\$ 4,590,428,130</b>		<b>100.00%</b>

**Note:**

<sup>1</sup>This table has been modified to reflect assessed values for the year in which taxes are collected. Assessments made in 2017 provide the tax base for taxes collected in 2018.

**Data Source:**

Arapahoe County Tax Assessor and applicable years' comprehensive annual financial report.

**ARAPAHOE LIBRARY DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Calendar Years**

Collection Year	For the Year Ended December 31,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Current Tax Levy</b>	\$ 20,888,398	\$ 21,843,060	\$ 22,110,501	\$ 20,439,050	\$ 20,150,543	\$ 20,846,762	\$ 20,573,473	\$ 29,820,756	\$ 29,729,455	\$ 33,971,009
<b>Current Tax Collections</b>	20,714,530	21,544,538	21,258,107	20,122,320	19,977,797	20,677,398	20,463,590	29,581,002	29,898,739	33,207,461
<b>Percentage of Current Tax Levy Collected</b>	99.2%	98.6%	96.1%	98.5%	99.1%	99.2%	99.5%	99.2%	100.6%	97.8%
<b>Delinquent Tax Collections<sup>2</sup></b>	(118,330)	(395,043)	(405,962)	(123,343)	(87,758)	(28,099)	(38,949)	(13,997)	(1,647)	(12,974)
<b>Total Tax Collections</b>	<u>\$ 20,596,200</u>	<u>\$ 21,149,495</u>	<u>\$ 20,852,145</u>	<u>\$ 19,998,977</u>	<u>\$ 19,890,039</u>	<u>\$ 20,649,299</u>	<u>\$ 20,424,641</u>	<u>\$ 29,567,005</u>	<u>\$ 29,897,092</u>	<u>\$ 33,194,487</u>
<b>Ratio of Total Tax Collections to Total Tax Levy</b>	98.6%	96.8%	94.3%	97.8%	98.7%	99.1%	99.3%	99.1%	100.6%	97.7%

**Notes:**

<sup>1</sup>GASB Statement No. 44 requires that delinquent tax collections be applied to the year levied. However, this information is currently not available.

<sup>2</sup>Abatements and appeals were greater than the delinquent property taxes received for the years presented; therefore, these balances are negative.

**Data Source:**

Arapahoe County and Adams County Certification of Tax Levies and Distribution reports.

**ARAPAHOE LIBRARY DISTRICT  
RATIO OF CERTIFICATES OF PARTICIPATION OUTSTANDING  
Last Ten Calendar Years**

<u>Year</u>	<u>Certificates of Participation</u>	<u>Percentage of Personal Income</u>	<u>Estimated Population</u>	<u>Total Debt Per Capita</u>
2009	\$ 16,125,000	0.05%	552,461	\$ 29
2010	\$ 15,200,000	0.05%	563,161	\$ 27
2011	\$ 14,205,000	0.05%	574,577	\$ 25
2012	\$ 13,115,000	0.04%	585,845	\$ 22
2013	\$ 11,995,000	0.04%	596,051	\$ 20
2014	\$ 10,840,000	0.03%	608,128	\$ 18
2015	\$ 9,645,000	0.03%	618,821	\$ 16
2016	\$ 8,415,000	0.03%	631,096	\$ 13
2017	\$ 8,143,946	0.02%	636,949	\$ 13
2018	\$ 6,785,120	0.02%	643,052	\$ 11

**Data Source:**

Applicable years' comprehensive annual financial report and the Bureau of Economic Analysis.  
Updated 2017 estimated population.

**ARAPAHOE LIBRARY DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Calendar Years**

<b>Year</b>	<b>Estimated Population<sup>1,2</sup></b>	<b>Personal Income<sup>1,2</sup></b>	<b>Per Capita Personal Income<sup>1,2</sup></b>	<b>Unemployment Rate</b>		
				<b>Arapahoe County<sup>3</sup></b>	<b>State of Colorado<sup>3</sup></b>	<b>United States<sup>4</sup></b>
2009	552,461	\$ 29,343,839,000	\$ 53,115	7.3%	7.5%	9.3%
2010	563,161	\$ 28,046,617,000	\$ 49,802	8.6%	8.8%	9.6%
2011	574,577	\$ 28,593,916,000	\$ 49,765	8.3%	8.3%	8.9%
2012	585,845	\$ 31,372,499,000	\$ 53,551	7.7%	7.8%	8.1%
2013	596,051	\$ 33,366,825,000	\$ 55,980	6.6%	6.6%	7.4%
2014	608,128	\$ 32,751,491,000	\$ 53,856	4.9%	4.9%	6.2%
2015	618,821	\$ 34,835,883,000	\$ 56,294	3.7%	3.8%	5.3%
2016	631,096	\$ 33,160,632,000	\$ 52,545	3.1%	3.3%	4.9%
2017	636,949	\$ 34,689,868,000	\$ 54,452	3.2%	3.0%	4.1%
2018	643,052	\$ 36,423,679,000	\$ 56,642	2.8%	3.3%	3.9%

**Notes and Data Sources:**

<sup>1</sup>Data in these columns reflect the prior year's final numbers, as the listed years' data was unavailable at the time this report was issued. Data source is the Bureau of Economic Analysis. 2017 numbers have been updated from last year.

<sup>2</sup>Beginning in 2015, data for the Library District's coverage area is no longer available. Prior years' numbers were updated to reflect all of Arapahoe County for consistency.

<sup>3</sup>Numbers in these columns were updated to reflect final unemployment rates. Data source is the Colorado Department of Labor and Employment.

<sup>4</sup>Numbers in this column were updated to reflect final unemployment rates. Data source is the Bureau of Labor and Statistics.

**ARAPAHOE LIBRARY DISTRICT  
PRINCIPAL EMPLOYERS  
For the Calendar Years DECEMBER 31, 2018 and 2009**

<b>2018</b>			
<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Major County Employers</b>
Cherry Creek School District No 5	8,300	1	2.50%
Aurora Public Schools	5,100	2	1.53%
Comcast	4,200	4	1.26%
City of Aurora	3,900	3	1.17%
Raytheon Company	2,600	5	0.78%
Littleton School District #6	2,400	6	0.72%
Arapahoe County	2,000	7	0.60%
Columbia HCA Swedish	1,900	8	0.57%
Arrow Electronics	1,800	9	0.54%
Columbia HCA Medical Center of Aurora	1,600	10	0.48%
<b>Total Principal Employers' Employees</b>	<b>33,800</b>		<b>10.15%</b>
<b>All Other Employees</b>	<b>298,800</b>		<b>89.84%</b>
<b>Total Employees</b>	<b>332,600</b>		<b>100.00%</b>

<b>2009</b>			
<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Major County Employers</b>
Cherry Creek School District No 5	7,900	1	2.89%
Aurora Public Schools	5,000	2	1.83%
City of Aurora	3,600	3	1.32%
Littleton School District #6	2,500	4	0.92%
Raytheon Company	2,100	5	0.77%
Arapahoe County	2,000	6	0.73%
Qwest Corporation	1,800	7	0.66%
Echospehere	1,700	8	0.62%
Columbia HCA Swedish	1,600	9	0.59%
Columbia HCA Aurora	1,500	10	0.55%
<b>Total Principal Employers' Employees</b>	<b>29,700</b>		<b>10.88%</b>
<b>All Other Employees</b>	<b>243,300</b>		<b>89.12%</b>
<b>Total Employees</b>	<b>273,000</b>		<b>100.00%</b>

**Data Source:**

Various sources including Denver Business Journal, Metro Denver EDC, Arapahoe County, and CDLE Labor Market Information.

**ARAPAHOE LIBRARY DISTRICT  
DISTRICT EMPLOYEES BY FUNCTION  
Last Ten Calendar Years**

**Support Services**

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<b>Year</b>	<b>Public Services<sup>2</sup></b>	<b>Administrative Services<sup>2</sup></b>	<b>Library Materials Services<sup>2</sup></b>	<b>Digital Services<sup>2</sup></b>	<b>Library Operations</b>	<b>Administrative and Executive Services</b>	<b>Digital and Library Material Services</b>	<b>Communications, Programming and Partnerships</b>	<b>Total</b>
2009	159.87	43.50	22.00	11.00					236.37
2010	159.93	42.50	18.50	10.50					231.43
2011	158.55	42.00	22.50	10.50					233.55
2012	180.36	15.00	22.75	11.00					229.11
2013	159.97	25.75	18.00	9.00					212.72
2014					138.93	27.75	34.50	17.50	218.68
2015					137.50	26.50	35.50	20.90	220.40
2016					155.43	26.98	40.40	25.41	248.22
2017					164.80	14.19	47.27	27.47	253.73
2018					175.73	12.50	47.53	33.05	268.80

**Notes:**

<sup>1</sup>These are full time equivalent numbers.

<sup>2</sup>In 2014, the Library District updated functions to more accurately reflect operations. Therefore, these rows are shown as incomplete beginning in 2014.

**Data Source:**

Arapahoe Library District Human Resources.

**ARAPAHOE LIBRARY DISTRICT  
LIBRARY MATERIALS PURCHASED AND CIRCULATED  
Last Ten Calendar Years**

<b>Year</b>	<b>Number of Volumes Owned</b>	<b>Number of AV Items Owned</b>	<b>Total Items Owned</b>	<b>Acquisition Cost of Collections</b>	<b>Net Book Value of Collections<sup>1</sup></b>	<b>Number of Items Circulated<sup>3</sup></b>	<b>Turn-over Rate<sup>2</sup></b>
2009	421,877	166,545	588,422	\$ 7,087,790	\$ 6,655,768	5,227,817	8.88
2010	424,750	162,515	587,265	\$ 7,596,857	\$ 5,713,338	5,425,531	9.24
2011	408,954	156,386	565,340	\$ 8,027,141	\$ 5,601,957	4,888,299	8.65
2012	363,451	134,426	497,877	\$ 7,132,354	\$ 4,655,476	4,858,924	9.76
2013	326,614	119,058	445,672	\$ 6,408,805	\$ 4,049,514	4,009,826	9.00
2014	278,326	122,150	400,476	\$ 5,989,890	\$ 3,734,038	3,697,367	9.23
2015	238,029	124,642	362,671	\$ 5,585,312	\$ 3,525,337	3,568,692	9.84
2016	219,253	123,505	342,758	\$ 5,513,308	\$ 3,560,371	3,294,470	9.61
2017	206,925	122,809	329,734	\$ 5,403,013	\$ 2,454,482	3,095,149	9.39
2018	219,253	123,505	342,758	\$ 5,513,306	\$ 3,560,369	3,294,470	9.61

**Notes:**

<sup>1</sup>GASB Statement 34, implemented in 2002, requires that capital assets be depreciated. The Library District's collection of books and audio-visual materials is considered a capital asset. Net book value represents total acquisition cost of circulating materials less accumulated depreciation to date.

<sup>2</sup>Turn-over rate is the number of times an item is checked out. This is an average of all publicly circulating items in the total collection.

<sup>3</sup>The number of items circulated only reflects collection items that the Library District owns and excludes items that are downloadable and streamed.

**Data Source:**

Applicable years' comprehensive annual financial report and Arapahoe Library District's Library Operations Department.

**ARAPAHOE LIBRARY DISTRICT  
CIRCULATION SUMMARY BY LOCATION  
Last Ten Calendar Years**

Year	Castlewood Branch Library	Davies Branch Library	May Branch Library	Kelver Branch Library	Koelbel Branch Library	Sheridan Branch Library	Smoky Hill Branch Library	Southglenn Branch Library	Electronic Resources <sup>4</sup>	Mobile Library Services <sup>3,5</sup>	Homebound Program <sup>6</sup>	Interlibrary Loans	Detention Center <sup>1</sup>
2009	682,459	68,786	592,450	150,112	1,330,612	113,729	1,463,423	512,588		50,754	6,745	15,426	124,507
2010	625,290	63,977	627,445	135,343	1,268,613	100,492	1,557,508	645,720		90,175	8,090	13,124	131,558
2011	539,654	31,711	448,106	77,796	881,635	48,498	1,127,476	493,564	152,975	140,003		6,901	151,898
2012	523,735	29,809	422,272	79,326	837,535	54,632	1,083,442	464,090	310,205	135,418		7,175	132,382
2013	494,230	27,880	407,732	66,668	694,577	54,509	968,364	437,808	441,709	103,136		7,378	110,749
2014	470,633	30,554	377,715	56,729	585,662	56,863	881,418	412,871	867,847	98,090		6,301	103,727
2015	450,041	30,600	361,344	53,497	521,711	84,781	882,488	385,761	1,046,628	85,490		7,649	119,079
2016	406,651	31,279	340,902	49,966	517,312	77,901	846,923	365,592	1,100,235	89,514		8,130	113,380
2017	365,341	24,914	317,559	44,386	506,261	76,019	821,607	340,597	1,130,196	86,850		6,824	121,365
2018	351,961	23,124	304,890	40,373	490,175	72,452	842,022	320,199	1,298,256	85,407		5,133	121,652

**Notes:**

<sup>1</sup>A small satellite facility located in the Arapahoe County Detention Center opened in 1992. Library District employees staff the facility, but these costs are fully reimbursed by the Arapahoe County Sheriff's Office. The computers, collections and operating facilities are provided by Arapahoe County Sheriff's Office.

<sup>2</sup>The Library District began floating the collection in 2010. Circulation numbers are for the location the item was checked out and not necessarily by the owning library.

<sup>3</sup>An additional bookmobile began operations in 2010.

<sup>4</sup>Includes downloadable audiobooks, eBooks, videos and music. The introduction of music streaming in 2014 resulted in a substantial increase in circulation in this category.

<sup>5</sup>Includes Child & Family Library Services and Homebound Delivery Program beginning in 2011.

<sup>6</sup>As of 2011, statistics for the Homebound Delivery Program are included in the Mobile Library Services category.

**Data Source:**

Applicable years' comprehensive annual financial report and Arapahoe Library District's Library Operations Department.