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EAST MORGAN COUNTY LIBRARY DISTRICT

Brush, Colorado

Annual Financial Report

Year Ended December 31, 2016



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EAST MORGAN COUNTY LIBRARY DISTRICT

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
East Morgan County Library District
Brush, Colorado

We have audited the accompanying financial statements of the governmental activities and the major fund of East Morgan County Library District as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of East Morgan County Library District, as of December 31, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited East Morgan County Library District's 2015 financial statements, and our report dated June 14, 2016, expressed unmodified opinions on the respective financial statements of the governmental activities and the major fund. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise East Morgan County Library District's basic financial statements. The trend information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole for the year ended December 31, 2016.

We have also previously audited, in accordance with auditing standards generally accepted in the United States, the basic financial statements of East Morgan County Library District for the years ended December 31, 2007 – 2015 (none of which are presented herein). In our reports, we expressed unqualified opinions on the respective financial statements of the governmental activities and the major fund. The audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise East Morgan County Library District's financial statements as a whole. The trend information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2007 – 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the trend information listed in the table of contents, related to the 2007 – 2015 financial statements, are fairly stated in all material respects in relation to the financial statements from which they have been derived.



Cole and Crosier, P.C.
Certified Public Accountants

EAST MORGAN COUNTY LIBRARY DISTRICT

Management's Discussion and Analysis

As management of East Morgan County Library District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2016. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

- The *Statement of Net Position*. This is the government-wide statement of financial position presenting information that includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of District infrastructure, in addition to the financial information provided in this report.
- The *Statement of Activities* reports how the District's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

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

Fund Financial Statements

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

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

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

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's detailed budget presentations. These statements demonstrate compliance with the District's adopted and final revised budget.

As discussed, the District reports major funds in the basic financial statements. The District reports only one such fund, the General Fund.

The final section is an optional presentation of *trend information* for the current and prior nine years. It is intended to allow the reader to assess changes in the District's programs and operations over an extended period.

District-Wide Financial Analysis

The following represents condensed financial information taken from the government-wide (accrual basis) financial statements for the years ended December 31, 2016 and 2015.

	<u>2016</u>	Percent of <u>Total</u>	<u>2015</u>	Percent of <u>Total</u>
<u>ASSETS</u>				
Current assets	\$ 1,438,848	41.6%	\$ 1,479,953	42.8%
Capital assets	2,023,852	58.4%	1,975,971	57.2%
Total assets	<u>3,462,700</u>	<u>100.0%</u>	<u>3,455,924</u>	<u>100.0%</u>
<u>LIABILITIES</u>				
Current liabilities	<u>56,318</u>	<u>100.0%</u>	<u>30,065</u>	<u>100.0%</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Property taxes	<u>798,066</u>	<u>100.0%</u>	<u>835,392</u>	<u>100.0%</u>
<u>NET POSITION</u>				
Net investment in capital assets	2,023,852	77.6%	1,975,971	76.3%
Restricted	27,665	1.1%	23,248	0.9%
Unrestricted	556,799	21.3%	591,248	22.8%
Total net position	<u>\$ 2,608,316</u>	<u>100.0%</u>	<u>\$ 2,590,467</u>	<u>100.0%</u>
<u>REVENUES</u>				
Program revenues -				
Charges for services	\$ 4,139	0.4%	\$ 5,470	0.7%
Fines and forfeits	4,317	0.5%	3,590	0.5%
Operating grants and contributions	8,233	0.9%	7,843	1.0%
Capital grants and contributions	0	0.0%	361	0.0%
General revenues -				
Taxes	903,037	97.7%	757,591	100.0%
Other revenues	4,994	0.5%	(16,977)	(2.2%)
Total revenues	<u>924,720</u>	<u>100.0%</u>	<u>757,878</u>	<u>100.0%</u>
<u>EXPENSES</u>				
Library services				
Personnel services	513,513	56.6%	410,547	53.9%
Supplies	38,314	4.2%	38,160	5.0%
Library materials	22,569	2.5%	15,121	2.0%
Insurance	12,106	1.3%	11,665	1.6%
Purchased services	165,647	18.3%	133,256	17.5%
Utilities	24,020	2.7%	23,117	3.0%
Other expenses	1,542	0.2%	665	0.1%
Depreciation	129,160	14.2%	128,760	16.9%
Total expenses	<u>906,871</u>	<u>100.0%</u>	<u>761,291</u>	<u>100.0%</u>
<u>CHANGE IN NET POSITION</u>	<u>\$ 17,849</u>		<u>\$ (3,413)</u>	

Financial Highlights

- Beginning with tax collection year 2003, the District received authorization from the electorate to keep excess revenues and levy 1.5 mills on its assessed valuation. It was also exempted from the old law 5.5% property tax revenue limitation. On November 6, 2007, the voters increased the property tax authorization to 3.5 mills for 2007 (for 2008 collection) and each year thereafter. This process has prevented the “ratchet-down” effect that the Taxpayer’s Bill of Rights had on the District’s property tax revenue.
- The District is heavily reliant on taxes to support governmental operations. During 2016, taxes provided over 97% of the District’s total revenues. Also note that program revenues cover less than 2% of governmental total revenues. This means that the government’s taxpayers and the District’s other general revenues fund over 98% of the total support for governmental activities. Consequently, the general economy and the changes in both residential and commercial property values have a major impact on the District’s revenue streams.
- The District maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. However, to make this ratio meaningful, we have eliminated the property taxes receivable. After this elimination, governmental current assets are \$640,782 and current liabilities are \$56,318. As a result, the current ratio for the District overall is 11.4 to 1, compared to 21.0 to 1 for 2015.
- The District’s net position increased 0.7% or \$17,849, due primarily to the effects of an increase in purchased services and investment in capital assets. A large portion of the District’s net position is reflected in the investment in capital assets – 77.6%. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, 3% of the governmental activities annual subject revenue (gross revenue less private grants and contributions) is restricted for use in the event of an emergency.
- The District had governmental fund excess expenditures for 2016 in the amount of \$30,032, with an ending fund balance of \$584,464. The 2016 excess expenditures was lower than anticipated by \$111,259, compared to the final budget, and was primarily due to less than anticipated building utility and maintenance costs and circulation expenditures.
- During 2016, the District expended \$103,254 less than the final budget, a result of less than anticipated building utility and maintenance costs and circulation expenditures.
- Besides book purchases totaling \$55,252, the District capitalized sidewalk and light pole improvements for \$104,966, Carnegie remodeling costs for \$2,323, and a security camera system for \$14,500. Disposals for 2016 included the normal culling of the book inventory.
- The East Morgan County Library District was formed in 1982 and shortly thereafter an addition was added to the original Carnegie building. After completing a second 4,600-square-foot expansion of the main building in 2010 the staff set out to make the library the center of the community by planning programs, offering computer classes and providing excellent reader’s advisory. Once the basement was remodeled in 2014, this level of the Carnegie has been used by more groups and makes a wonderful space in which to host book sales. The community and tourists alike have embraced the new, larger building and appreciate the wonderful furnishings, park setting and friendly customer service provided by well-trained, knowledgeable staff. Children and teen programs continued to grow with new programs added in 2012. More online databases were also added, primarily for research for children and teens. A new, electronic sign and playground were added in 2014 for the enjoyment of the community in the surrounding park. Also, that year, all books were tagged with RFID chips and a self-checkout machine installed. Laptops and Wi-Fi were added to the facility for increased electronic availability for visitors to the library grounds. In 2015, the 100-year-old Carnegie building was renovated. That year a new flag pole, concrete chess table and landscaping were added to the grounds.

- The year 2016 focused on increasing partnerships and relationships with other entities, especially with the Brush Chamber and the school district. The year saw much growth, with large numbers of people using the library. About 70,722 people entered the doors of the library in 2016. The library partnered with over 20 different organizations, and 12,977 people attended 463 library programs. There were a number of other events held on library property. Nearly 105,000 items were borrowed, and the WiFi was accessed nearly 18,000 times. Adult programming continued to increase and saw many successful programs, including an author event that drew around 250 people. Due to the increase in patrons, security measures are being developed and training is being conducted for staff. Along with the security measures, new sidewalks were added around the perimeter of the property, and more and better lighting added in the park.
- There has been and will continue to be increased involvement by the staff with outside organizations such as the City of Brush, Brush Chamber, Rotary, Lions Club, the Health Department, local schools, and others. Programs and circulation numbers continue to increase. The adult programs are seeing greater attendance, with another large author event planned in the fall of 2017. Partnerships with other entities continues to bring more programs and more attendance to the library grounds. The Board of Trustees began updating strategic, long-term plans in early 2017 utilizing the Aspen Institute's *Action Guide for Re-Envisioning Your Public Library*, and has implemented a five-year plan that will be continually updated. All policies continue to be updated to reflect this strategic planning. These plans primarily focus on how the District can fill the gaps that this rural community faces. The focus in the future will be in how to partner with other groups in filling these gaps.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to East Morgan County Library District, 500 Clayton Street, Brush, Colorado 80723, or you may call the library director at (970) 842-4596.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

These basic financial statements, consisting of the *Statement of Net Position* and the *Statement of Activities*, provide summary overview and broad perspective of the financial position and results of operations of the District as a whole. They are prepared using the accrual basis and include all assets, liabilities, deferred inflows of resources and net position of the District.

EAST MORGAN COUNTY LIBRARY DISTRICT
Statement of Net Position
December 31, 2016
(With Comparative Totals for December 31, 2015)

	2016	2015
<u>ASSETS</u>		
Cash and cash equivalents	\$ 317,391	\$ 198,957
Certificates of deposit	304,689	430,648
Accrued interest receivable	436	234
PILOT receivable	265	0
Prepaid items	18,001	14,722
Property taxes receivable	798,066	835,392
Capital assets, net of accumulated depreciation, where applicable (Note 3)	2,023,852	1,975,971
<u>TOTAL ASSETS</u>	3,462,700	3,455,924
<u>LIABILITIES</u>		
Accounts payable	51,818	25,565
Advances from grantors	4,500	4,500
Total liabilities	56,318	30,065
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Property taxes	798,066	835,392
<u>NET POSITION</u>		
Net investment in capital assets	2,023,852	1,975,971
Restricted for TABOR emergencies (Note 4)	27,665	23,248
Unrestricted	556,799	591,248
<u>TOTAL NET POSITION</u>	\$ 2,608,316	\$ 2,590,467

The accompanying footnotes are an integral part of this report.

EAST MORGAN COUNTY LIBRARY DISTRICT
Statement of Activities
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>EXPENSES</u>		
Library services		
Personnel services	\$ 513,513	\$ 410,547
Supplies	38,314	38,160
Library materials	22,569	15,121
Insurance	12,106	11,665
Purchased services	165,647	133,256
Utilities	24,020	23,117
Other expenses	1,542	665
Depreciation (Note 3)	129,160	128,760
Total program expenses	<u>906,871</u>	<u>761,291</u>
<u>PROGRAM REVENUES</u>		
Charges for services	4,139	5,470
Fines and forfeits	4,317	3,590
Operating grants and contributions	8,233	7,843
Capital grants and contributions	0	361
Total program revenues	<u>16,689</u>	<u>17,264</u>
Net program expenses	<u>(890,182)</u>	<u>(744,027)</u>
<u>GENERAL REVENUES</u>		
Property taxes	823,748	681,801
Specific ownership taxes	77,913	75,400
Interest on delinquent taxes	1,376	390
Payment in lieu of taxes	265	253
Investment earnings	1,953	1,778
E-rate revenue	2,319	3,073
Miscellaneous	457	175
Loss on disposal of assets	0	(22,256)
Total general revenues	<u>908,031</u>	<u>740,614</u>
<u>INCREASE (DECREASE) IN NET POSITION</u>	17,849	(3,413)
<u>NET POSITION</u>		
Beginning of year	<u>2,590,467</u>	<u>2,593,880</u>
End of year	<u>\$ 2,608,316</u>	<u>\$ 2,590,467</u>

The accompanying footnotes are an integral part of this report.

FUND FINANCIAL STATEMENTS

Governmental Funds

These financial statements are prepared using the modified accrual basis of accounting and show how the District finances general governmental services, as well as reporting balances available for future spending. There is one governmental fund, the *General Fund*, which accounts for all governmental activities.

EAST MORGAN COUNTY LIBRARY DISTRICT
Balance Sheet
Governmental Funds - General Fund
December 31, 2016
(With Comparative Totals for December 31, 2015)

	2016	2015
<u>ASSETS</u>		
Petty cash	\$ 351	\$ 351
Cash in checking	9,960	8,974
Cash in savings (2016 - .10%; 2015 - .10%)	301,952	184,861
Cash with Morgan County Treasurer	5,128	4,771
Certificates of deposit (2016 - .70%; 2015 - .35%)	304,689	430,648
Property taxes receivable		
Current	797,805	823,915
Delinquent	261	11,477
Accrued interest receivable	436	234
PILOT receivable	265	0
Prepaid items	18,001	14,722
<u>TOTAL ASSETS</u>	<u>\$ 1,438,848</u>	<u>\$ 1,479,953</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 51,818	\$ 25,565
Advances from grantors	4,500	4,500
Total liabilities	56,318	30,065
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Property taxes	798,066	835,392
<u>FUND BALANCE</u>		
Nonspendable for prepaid items	18,001	14,722
Restricted for TABOR emergencies (Note 4)	27,665	23,248
Committed		
Subsequent year's expenditures	220,591	141,291
Capital outlay	0	127,027
Unassigned	318,207	308,208
Total fund balance	584,464	614,496
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>	<u>\$ 1,438,848</u>	<u>\$ 1,479,953</u>

The accompanying footnotes are an integral part of this report.

	<u>2016</u>	<u>2015</u>
<u>RECONCILIATION TO STATEMENT OF NET POSITION</u>		
Total Fund Balance	\$ 584,464	\$ 614,496
Amounts reported for <i>governmental activities</i> in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	<u>2,023,852</u>	<u>1,975,971</u>
Net Position of Governmental Activities	<u>\$ 2,608,316</u>	<u>\$ 2,590,467</u>

EAST MORGAN COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds - General Fund
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>REVENUES</u>		
Taxes	\$ 903,037	\$ 757,591
Intergovernmental revenue	5,947	3,244
Charges for services	4,139	5,470
Fines and forfeits	4,317	3,590
Miscellaneous	7,280	10,239
Total revenues	<u>924,720</u>	<u>780,134</u>
<u>EXPENDITURES</u>		
Current		
Library services	827,268	673,948
Capital outlay	127,484	154,163
Total expenditures	<u>954,752</u>	<u>828,111</u>
<u>DEFICIENCY OF REVENUES OVER EXPENDITURES</u>	(30,032)	(47,977)
<u>FUND BALANCE</u>		
Beginning of year	<u>614,496</u>	<u>662,473</u>
End of year	<u>\$ 584,464</u>	<u>\$ 614,496</u>
<u>RECONCILIATION TO STATEMENT OF ACTIVITIES:</u>		
<u>INCREASE (DECREASE) IN NET POSITION</u>		
Deficiency of Revenues over Expenditures - Governmental Funds	\$ (30,032)	\$ (47,977)
Amounts reported for governmental activities in the statements of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation was less than capitalized capital outlay during the year.	47,881	66,820
In the statement of activities, only the gain or loss on the disposal of the equipment is reported, whereas in the governmental funds, the proceeds, if any, from the disposition increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the property disposed of.	<u>0</u>	<u>(22,256)</u>
Increase (Decrease) in Net Position of Governmental Activities	<u>\$ 17,849</u>	<u>\$ (3,413)</u>

The accompanying footnotes are an integral part of this report.

EAST MORGAN COUNTY LIBRARY DISTRICT
Footnotes to Financial Statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

East Morgan County Library District's ("District") financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

General

East Morgan County Library District was approved by the electorate for formation on November 4, 1980 pursuant to CRS 24-90-110 (1)(a), and was established through the joint efforts of the legislative bodies of the governments served by the District - City of Brush, Colorado and Brush School District RE-2 (J). The District began operations January 1, 1982. In the process the City of Brush merged the assets and operations of the Carnegie Library into the District. The District is administered by a seven member board of trustees appointed by the governmental units that established the entity.

The mission of the District is to enrich the lives of its patrons by serving as a resource center of reliable information to meet or exceed their educational, cultural and recreational needs.

Financial reporting entity

The financial report of the District includes all of the integral parts of the District's operations. The District has determined that it has no component units required to be included in the reporting entity because of operational or financial relationships with the District.

Friends Organization of East Morgan County Library (Friends), a legally separate, tax-exempt component unit of the District was considered as part of the financial reporting entity. The Friends acts primarily as a fund-raising organization to supplement the resources that are available to the District in support of its programs. The four-member board of the Friends is self-perpetuating and consists of friends of the District. Although the District does not control the timing or amount of receipts from the Friends, the majority of resources, or income thereon, that the Friends holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Friends can only be used by, or for the benefit of the District, the Friends is considered a component unit of the District, but is not required to be reported as such because its economic resources received or held by the Friends are insignificant to the District.

During the year ended December 31, 2016, the Friends contributed \$474 to the District for either restricted or unrestricted purposes. Complete financial statements for the Friends can be obtained from the Administrative Office at 500 Clayton Street, Brush, CO 80723.

Basis of presentation

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

Government-wide Financial Statements – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information on all of the nonfiduciary activities of the District. Individual funds are not displayed and the statements report governmental activities, generally supported by taxes and District general revenues. The District does not have any business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the governmental activities of the District.

NOTE 1 – Continued

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

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

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

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

Major individual governmental funds are reported in separate columns. The District has no non-major funds.

Fund Accounting – The District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District uses 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 various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The District reports the difference between governmental fund assets and liabilities as fund balance. The following are the District's major governmental funds:

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

Measurement focus

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

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

NOTE 1 – 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, the recording of deferred inflow of resources, and in the presentation of expenses versus expenditures.

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

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

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

Deferred Inflows of Resources – In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The governmental funds and the government-wide statements report a deferred inflow of resources for the property taxes receivable that will become an inflow in the year the taxes are received.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as a liability unless only timing requirements remain, at which point they are recorded 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.

Budget information and control

The annual budget of the District is prepared on the same basis as the actual recorded transactions for the same year, in conformity with generally accepted accounting principles.

Budgetary controls are established annually by law over all funds. Appropriations for each fund lapse at the end of the budget year. The District must appropriate monies not greater than the budgeted total expenditures of each fund, at which level actual expenditures may not exceed appropriations for the year. Generally, additional appropriations may be authorized by law during the year in cases of emergency caused by a public enemy or some contingency which could not have been reasonably foreseen at the time of adoption of the budget.

NOTE 1 - Continued

The following calendar includes various deadlines for the budget process set by state statute.

- August 25 Morgan County Assessor certifies new total assessed valuation. Any changes may be made only once by December 10.
- October 15 Submission of proposed budget to Board of Trustees. "Notice of Budget" is published setting public hearing date.
- November 1 Request for excess levy to Division of Local Government.
- December 15 Certification of mill levy to Morgan County Board of Commissioners. Budget must be adopted prior to certification. Certified copy of budget is sent to the Division of Local Government within 30 days of adoption.
- December 22 Morgan County Board of Commissioners levies taxes and certifies levies to the Assessor.
- December 31 Board of Trustees appropriates funds for the budget year.

Compensated absences

Employees of the District are allowed to accumulate unused vacation, sick and compensatory time depending on length of employment. Upon termination of employment from the District, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay. There is no payment for sick leave upon termination. Unused leave at the end of the fiscal year is considered immaterial and therefore is not recorded.

Property taxes

The Morgan County Treasurer acts as the billing and collection agency for the District. Property taxes are due as of January 1 and may be paid in full by April 30 or in equal installments by February 28 and June 15. The District records the taxes as a receivable when they are measurable and an enforceable legal claim attaches to the property. The taxes are recognized as revenue when the money is available in the following year.

The District, with authorization of the County of Morgan, Colorado, may fix a levy at the amount levied for the previous year plus 5 1/2% for all purposes except debt service, which is not subject to such limitations. Increases in assessed valuation due to annexations, inclusions and new construction are exempt from this restriction. The Colorado Taxpayer's Bill of Rights, if more restrictive, will supersede these measures to increase taxes. See Note 4.

Deposits and investments

The District maintains demand deposits, savings accounts and certificates of deposit with one financial institution. Deposits are displayed on the statement of net position as cash and cash equivalents or certificate of deposit. Deposits are carried at cost.

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. District funds are invested in accordance with the Public Deposit Protection Act of 1975 and other state statutes.

Capital assets

Capital assets, which include buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. Capital assets include assets with an individual cost of \$3,000 or more and an estimated useful life in excess of one year. Books, although having an individual cost of less than \$3,000, are also considered capital assets. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

NOTE 1 – Continued

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5 - 20
Buildings and improvements	20 - 40
Books	6 - 10

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”.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are as follows:

Nonspendable – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees (the “Board”). The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board or management has the authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Use of 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.

Comparative data

Comparative total data for the prior year have been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

NOTE 1 - Continued

Subsequent events

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the auditor's report.

NOTE 2 – CASH AND DEPOSITS

Cash and investments at December 31, 2016 consisted of the following:

Cash on hand	\$ 351
Cash with treasurer	5,128
Deposits	
Checking	9,960
Savings	301,952
Certificate of deposit	304,689
Total	<u>\$ 622,080</u>

Deposits and investments are displayed within this report as follows:

Cash and equivalents	\$ 317,391
Certificates of deposit	304,689
Total	<u>\$ 622,080</u>

Cash deposits

Custodial credit risk – deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of the eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2016, all the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At December 31, 2016, the District's cash deposits had bank and carrying balances as follows:

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 206,906
PDPA Collateralized	409,695	409,695
Total Cash Deposits	<u>\$ 659,695</u>	<u>\$ 616,601</u>

NOTE 2 – Continued

Investments

Credit risk

The District's investment policy defines allowable investment instruments including:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit
- Commercial paper rated in the highest tier by a nationally recognized rating agency
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar denominated securities
- Local government investment pools

The District manages its credit risk by limiting its investments to the types of securities listed above, by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors, and by diversifying the investment portfolio so that the impact of potential losses from any type of security or from any one individual issuer will be minimized.

During 2016 the District had no investment-type assets.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Capital assets not being depreciated				
Land	\$ 30,000	0	0	\$ 30,000
Capital assets being depreciated				
Buildings and improvements	2,456,054	\$ 107,289	0	2,563,343
Books	528,501	55,252	\$ 20,078	563,675
Furniture and equipment	221,578	14,500	0	236,078
Total capital assets being depreciated	<u>3,206,133</u>	<u>177,041</u>	<u>20,078</u>	<u>3,363,096</u>
Less accumulated depreciation for				
Buildings and improvements	825,907	70,764	0	896,671
Books	328,979	32,554	20,078	341,455
Furniture and equipment	105,276	25,842	0	131,118
Total accumulated depreciation	<u>1,260,162</u>	<u>129,160</u>	<u>20,078</u>	<u>1,369,244</u>
Net capital assets being depreciated	<u>1,945,971</u>	<u>47,881</u>	<u>0</u>	<u>1,993,852</u>
Net capital assets - governmental activities	<u>\$ 1,975,971</u>	<u>\$ 47,881</u>	<u>\$ 0</u>	<u>\$ 2,023,852</u>

NOTE 4 - COMPLIANCE WITH TAXPAYER'S BILL OF RIGHTS

The Taxpayer's Bill of Rights (TABOR), an amendment to the state constitution, relates to the limitation of the amount of revenue, after 1992, able to be spent or retained by a Colorado governmental entity subject to its provisions. Generally, subject revenue may be increased annually to the extent of the combined percentage increase in inflation and growth in actual value of real property within the government's boundaries. Also, Colorado governments are still subject to restrictions under laws existing prior to November 3, 1992, until changed by the voters. Revenue in excess of limitations must be refunded to taxpayers unless voters approve the retention of such revenue. TABOR also restricts the imposition, without prior voter approval, of new or increased taxes, increasing a property tax mill levy above that of the prior year, extending expiring taxes or changing tax policies causing net revenue increases. TABOR generally forbids debt or other financial obligations (including pension) with maturities in excess of one year without prior voter approval.

The District uses the basis of accounting used in preparing the annual budget (GAAP basis) in determining compliance with TABOR. The required emergency reserve (for emergencies other than economic conditions, revenue shortfalls, or salary or fringe benefit increases) is treated as a reservation of the General Fund fund balance. The amount represents 3% of "fiscal year spending" (revenue subject to TABOR.)

TABOR is complex and subject to judicial interpretation. Voters of the District approved a referendum on November 5, 2002 allowing the District to collect, keep and expend all revenues (other than excess property tax revenues) received in 2002 and each year thereafter, and to levy an operating mill levy of 1.50 mills in 2002 (for 2003 collection) and each year thereafter, qualifying as a TABOR voter-approved revenue change and, if applicable, an authorized exception to the statutory 5.5% tax revenue growth limitation. On November 6, 2007, the voters of the District authorized an operating mill levy of 3.50 mills in 2007 (for 2008 collection) and each year thereafter. Considering the above interpretation of TABOR, the governing board has determined it is in compliance with its fiscal requirements for the year ended December 31, 2016.

NOTE 5 - RISK MANAGEMENT

The District is exposed to losses related to torts; theft of, damage to or destruction of assets; errors and omissions; job-related illnesses or injuries to employees, and natural disasters. The District purchases sufficient commercial insurance to cover losses from these events, and does not self-insure or participate in a public entity risk pool. All risk management activities are accounted for in the General Fund. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 6 – SIMPLIFIED EMPLOYEE PENSION PLAN

The District has established an employer Simplified Employee Pension Plan, which is a "money-purchase" defined contribution plan under current law and U.S. Treasury regulations. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate twelve months from the date of employment. The District contributes 3% of base salary each pay period. Contributions made by the District are not taxable to the employee until they are withdrawn. All contributions vest immediately to the employee. The District has no statutory or contractual liability for any individual's post-employment benefits under this plan. Employer contributions for the fiscal year ended December 31, 2016 totaled \$11,808.

REQUIRED AND OTHER SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND BUDGETARY COMPARISON

These statements provide required supplementary information to the basic financial statements and contain information on the District's budget as compared to actual operating results for the current period.

TREND DATA

Presented as optional supplementary information, trend data provide readers with a broader understanding of the government and the trends in its financial affairs than is possible from the financial statements.

EAST MORGAN COUNTY LIBRARY DISTRICT
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	2016			2015
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<u>REVENUES</u>				
Taxes	\$ 899,315	\$ 903,037	\$ 3,722	\$ 757,591
Intergovernmental revenue	5,750	5,947	197	3,244
Charges for services	5,050	4,139	(911)	5,470
Fines and forfeits	2,000	4,317	2,317	3,590
Miscellaneous	4,600	7,280	2,680	10,239
Total revenues	<u>916,715</u>	<u>924,720</u>	<u>8,005</u>	<u>780,134</u>
<u>EXPENDITURES</u>				
Current				
Library	968,006	827,268	140,738	673,948
Capital outlay	90,000	127,484	(37,484)	154,163
Total expenditures	<u>1,058,006</u>	<u>954,752</u>	<u>103,254</u>	<u>828,111</u>
<u>DEFICIENCY OF REVENUES</u>				
<u>OVER EXPENDITURES</u>				
	(141,291)	(30,032)	111,259	(47,977)
<u>FUND BALANCE</u>				
Beginning of year	<u>605,738</u>	<u>614,496</u>	<u>8,758</u>	<u>662,473</u>
End of year	<u>\$ 464,447</u>	<u>\$ 584,464</u>	<u>\$ 120,017</u>	<u>\$ 614,496</u>

See the accompanying independent auditor's report.

EAST MORGAN COUNTY LIBRARY DISTRICT
General Fund
Statement of Revenues - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016
(With Comparative Totals for Year Ended December 31, 2015)

	2016			2015
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<u>TAXES</u>				
General property taxes	\$ 823,915	\$ 823,748	\$ (167)	\$ 681,801
Specific ownership taxes	75,000	77,913	2,913	75,400
Interest on delinquent taxes	400	1,376	976	390
Total taxes	899,315	903,037	3,722	757,591
<u>INTERGOVERNMENTAL REVENUE</u>				
Payment in lieu of taxes	250	265	15	253
State of Colorado	4,500	4,682	182	2,991
City of Brush	1,000	1,000	0	0
Total intergovernmental revenue	5,750	5,947	197	3,244
<u>CHARGES FOR SERVICES</u>				
Fax and other fees	850	773	(77)	1,128
Carnegie Center use fees	0	20	20	0
Copier/printing charges	3,000	2,424	(576)	3,227
Spelling bee fees	1,200	922	(278)	1,115
Total charges for services	5,050	4,139	(911)	5,470
<u>FINES AND FORFEITS</u>				
Overdue charges	1,000	1,943	943	1,812
Replacement fees	1,000	2,374	1,374	1,778
Total fines and forfeits	2,000	4,317	2,317	3,590
<u>MISCELLANEOUS REVENUES</u>				
Earnings on investments	1,500	1,953	453	1,778
Contributions and grants	1,600	2,551	951	5,213
E-rate refunds	1,500	2,319	819	3,073
Other miscellaneous revenues	0	457	457	175
Total miscellaneous revenues	4,600	7,280	2,680	10,239
<u>TOTAL REVENUES</u>	\$ 916,715	\$ 924,720	\$ 8,005	\$ 780,134

See the accompanying independent auditor's report.

EAST MORGAN COUNTY LIBRARY DISTRICT
General Fund
Statement of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2016
(With Comparative Totals for December 31, 2015)

	2016			2015
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<u>ADMINISTRATION</u>				
Salaries				
Director	\$ 53,500	\$ 53,933	\$ (433)	\$ 60,038
Assistant director	41,200	39,199	2,001	31,393
Accounting	3,000	4,180	(1,180)	3,905
FICA/Medicare taxes	10,500	10,198	302	8,980
Simple IRA contributions	3,921	3,848	73	3,714
Health insurance reimbursement	36,000	36,000	0	22,050
Worker's compensation	450	258	192	303
Operating/office supplies	28,000	24,262	3,738	25,115
Public relations	5,000	4,817	183	4,214
Liability insurance	2,500	2,327	173	2,209
Staff development	3,000	625	2,375	3,152
Auditing	7,000	6,300	700	6,300
Legal	1,000	0	1,000	0
Dues and subscriptions	1,300	1,517	(217)	624
Telephone	5,000	4,038	962	3,913
Budget/advertising	3,000	2,962	38	1,994
Postage	2,000	1,436	564	1,738
Travel	2,500	3,662	(1,162)	4,492
Equipment repairs	5,000	1,171	3,829	1,364
Copier expense	4,000	4,726	(726)	2,015
Board/staff incentives	7,000	4,665	2,335	9,965
Miscellaneous	500	25	475	41
Treasurer's fees	16,478	16,502	(24)	13,645
Total administration	<u>241,849</u>	<u>226,651</u>	<u>15,198</u>	<u>211,164</u>

See the accompanying independent auditor's report.

	2016			2015
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<u>CIRCULATION</u>				
Salaries	73,000	54,310	18,690	69,873
FICA/Medicare taxes	9,400	6,048	3,352	6,895
Simple IRA contributions	1,600	1,625	(25)	1,334
Health insurance reimbursement	45,000	24,750	20,250	20,250
Worker's compensation	300	227	73	218
Staff development	3,500	1,757	1,743	412
Staff tuition reimbursement	5,500	9,000	(3,500)	1,314
Bindery	350	425	(75)	99
Processing	3,000	1,790	1,210	1,448
Courier service	450	100	350	370
Computer/automation specialist	15,000	11,525	3,475	9,469
Telecommunications	5,000	2,167	2,833	909
Website maintenance	1,000	1,199	(199)	650
Database fees	10,000	9,304	696	6,671
Consulting	5,000	3,476	1,524	2,349
Software maintenance agreements/licenses	45,000	23,199	21,801	14,591
Minor computer hardware	5,000	6,657	(1,657)	853
Credit card fees	1,200	1,308	(108)	1,197
Total circulation	<u>229,300</u>	<u>158,867</u>	<u>70,433</u>	<u>138,902</u>
<u>REFERENCE</u>				
Salaries	51,000	42,193	8,807	25,102
FICA/Medicare taxes	5,967	5,293	674	2,747
Simple IRA contributions	2,340	2,056	284	1,077
Health insurance reimbursement	27,000	27,000	0	10,800
Worker's compensation	124	133	(9)	65
Print/non-print materials	90,500	77,821	12,679	66,657
Total reference	<u>176,931</u>	<u>154,496</u>	<u>22,435</u>	<u>106,448</u>
<u>ADULT SERVICES</u>				
Salaries	40,000	49,504	(9,504)	43,408
FICA/Medicare taxes	4,400	5,680	(1,280)	4,491
Simple IRA contributions	1,800	1,629	171	1,858
Health insurance reimbursement	18,000	24,750	(6,750)	16,200
Worker's compensation	155	122	33	116
Programs/computer classes	12,000	8,099	3,901	3,770
Total adult services	<u>76,355</u>	<u>89,784</u>	<u>(13,429)</u>	<u>69,843</u>

	2016		2015	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
CHILDREN'S SERVICES				
Salaries	55,000	53,200	1,800	28,575
FICA/Medicare taxes	7,000	6,824	176	3,184
Simple IRA contributions	2,700	2,650	50	0
Health insurance reimbursement	36,000	36,000	0	12,150
Worker's compensation	258	118	140	114
Programs	10,000	11,336	(1,336)	7,533
Total children's services	<u>110,958</u>	<u>110,128</u>	<u>830</u>	<u>51,556</u>
BUILDING				
Custodial services	25,000	19,423	5,577	19,854
FICA/Medicare taxes	1,913	1,111	802	1,349
Worker's compensation	1,200	1,251	(51)	1,035
Building maintenance	15,000	11,554	3,446	11,869
Utilities	35,000	24,020	10,980	23,117
Insurance	10,500	9,779	721	9,456
Lawn and grounds	36,000	18,504	17,496	26,429
Supplies	8,000	1,700	6,300	2,926
Total building	<u>132,613</u>	<u>87,342</u>	<u>45,271</u>	<u>96,035</u>
CAPITAL OUTLAY				
Furniture and equipment	25,000	19,673	5,327	17,463
Building and land improvements	65,000	107,811	(42,811)	136,700
Total capital outlay	<u>90,000</u>	<u>127,484</u>	<u>(37,484)</u>	<u>154,163</u>
TOTAL EXPENDITURES	<u>\$ 1,058,006</u>	<u>\$ 954,752</u>	<u>\$ 103,254</u>	<u>\$ 828,111</u>

EAST MORGAN COUNTY LIBRARY DISTRICT
Trend Information
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Estimated value of taxable real property (1)	<u>\$ 493,603,320</u>	<u>\$ 464,131,790</u>	<u>\$ 458,112,440</u>	<u>\$ 446,897,170</u>
Assessed valuation (1)	<u>\$ 235,404,340</u>	<u>\$ 198,152,500</u>	<u>\$ 189,567,750</u>	<u>\$ 180,944,320</u>
<hr/>				
Mill levy (1)	3.500	3.500	3.500	3.500
Mill levy including overlapping governments - by population center (1)				
City of Brush	90.029	91.702	91.857	92.014
Average outside incorporated municipality	74.369	76.042	76.197	76.354
General property tax revenue	<u>\$ 823,748</u>	<u>\$ 681,801</u>	<u>\$ 663,340</u>	<u>\$ 633,287</u>
<hr/>				
Governmental fund expenditures by function				
Library				
Administration	\$ 226,651	\$ 211,164	\$ 192,669	\$ 178,097
Circulation	158,867	138,902	107,543	75,857
Reference	154,496	106,448	108,004	119,291
Adult services	89,784	69,843	52,076	43,384
Children's services	110,128	51,556	92,077	34,315
Building	87,342	96,035	91,108	87,057
Capital outlay	127,484	154,163	248,904	226,409
Total expenditures	<u>\$ 954,752</u>	<u>\$ 828,111</u>	<u>\$ 892,381</u>	<u>\$ 764,410</u>
<hr/>				
Governmental fund revenues by source				
Taxes	\$ 903,037	\$ 757,591	\$ 737,958	\$ 702,521
Intergovernmental revenue	5,947	3,244	4,552	1,207
Charges for services	4,139	5,470	5,168	4,017
Fines and forfeits	4,317	3,590	4,601	4,629
Miscellaneous revenues	7,280	10,239	11,694	19,727
Total revenues	<u>\$ 924,720</u>	<u>\$ 780,134</u>	<u>\$ 763,973</u>	<u>\$ 732,101</u>

(1) For year of property tax collection.

See the accompanying independent auditor's report.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$ 439,470,940</u>	<u>\$ 457,836,420</u>	<u>\$ 453,582,750</u>	<u>\$ 436,796,180</u>	<u>\$ 395,132,830</u>	<u>\$ 412,631,340</u>
<u>\$ 171,681,750</u>	<u>\$ 168,021,590</u>	<u>\$ 162,287,480</u>	<u>\$ 153,528,560</u>	<u>\$ 153,445,610</u>	<u>\$ 153,873,150</u>
3.500	3.500	3.500	3.500	3.500	1.500
92.206	92.294	92.440	92.497	92.525	91.942
76.546	76.634	76.780	76.837	76.865	76.282
<u>\$ 600,803</u>	<u>\$ 589,055</u>	<u>\$ 567,283</u>	<u>\$ 536,673</u>	<u>\$ 536,857</u>	<u>\$ 230,940</u>
\$ 156,862	\$ 149,352	\$ 141,345	\$ 130,696	\$ 114,803	\$ 104,926
77,703	77,256	75,168	74,756	74,964	59,446
96,124	82,598	75,691	92,007	82,577	46,923
39,743	36,258	43,926	25,413	23,938	26,819
32,018	27,239	25,973	14,967	14,879	19,328
77,500	66,872	72,813	56,634	66,535	46,204
132,771	51,778	704,109	430,109	29,299	32,180
<u>\$ 612,721</u>	<u>\$ 491,353</u>	<u>\$ 1,139,025</u>	<u>\$ 824,582</u>	<u>\$ 406,995</u>	<u>\$ 335,826</u>
\$ 664,163	\$ 647,333	\$ 618,382	\$ 590,347	\$ 590,957	\$ 256,073
1,207	1,411	121,381	80,430	1,706	1,086
4,034	3,681	2,325	3,423	3,744	3,568
5,253	5,234	3,154	4,685	5,249	4,688
30,689	40,382	73,608	374,130	62,460	58,743
<u>\$ 705,346</u>	<u>\$ 698,041</u>	<u>\$ 818,850</u>	<u>\$ 1,053,015</u>	<u>\$ 664,116</u>	<u>\$ 324,158</u>

