

Northern Plains Public Library

**Financial Statements
With
Independent Auditors' Report**

**For the Year Ended
December 31, 2016**



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Northern Plains Public Library

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Northern Plains Public Library Management's Discussion and Analysis For the Year Ended December 31, 2016

This section of the annual financial report offers readers of the Northern Plains Public Library's (the "Library") financial statements its discussion and analysis of the Library's financial performance during the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Library's financial statements, which immediately follow this section.

Background Information

The Library was established on September 11, 1985, under the provisions of Article 90 of Title 24 of the Colorado Revised Statutes. The Weld County Commissioners together with the city councils of the six participating municipalities of Ault, Eaton, Evans, Fort Lupton, Greeley, and Hudson, Colorado, and School Library RE-8 have acted to establish the High Plains Library District.

On November 7, 1995, the taxpayers approved a ballot question which eliminated the TABOR limits that were imposed on the Library in 1992.

Financial Highlights

- The Library financial status increased over the course of the 2016 fiscal year. Total net position increased \$145,255 or 7.4 percent.
- General revenues account for \$7,947 or .2 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions, accounted for \$400,914 or .98 percent of total revenues of \$408,861.
- The Library had \$263,606 in expenses related to governmental activities. Allocated property taxes of \$397,696 and \$8,247 in other revenues were adequate to provide for these programs.
- Outlay for capital assets comprised of the purchase of library books and building improvements. See the capital assets section of this management's discussion and analysis for more information.
- The Library reduced its outstanding long-term debt \$21,842 or 17.9 percent.

Overview of the Financial Statements

This annual financial reports consist of three parts: management's discussion and analysis, the basic financial statements, and the required supplementary information.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Library's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Library, reporting the Library's operations in more detail than the government-wide statements.
- The governmental fund statements tell how basic services of the library were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

**Northern Plains Public Library
 Management's Discussion and Analysis
 For the Year Ended December 31, 2016**

Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another.

**Table 1
 Organization of the Northern Plains Public Library's
 Annual Financial Report**

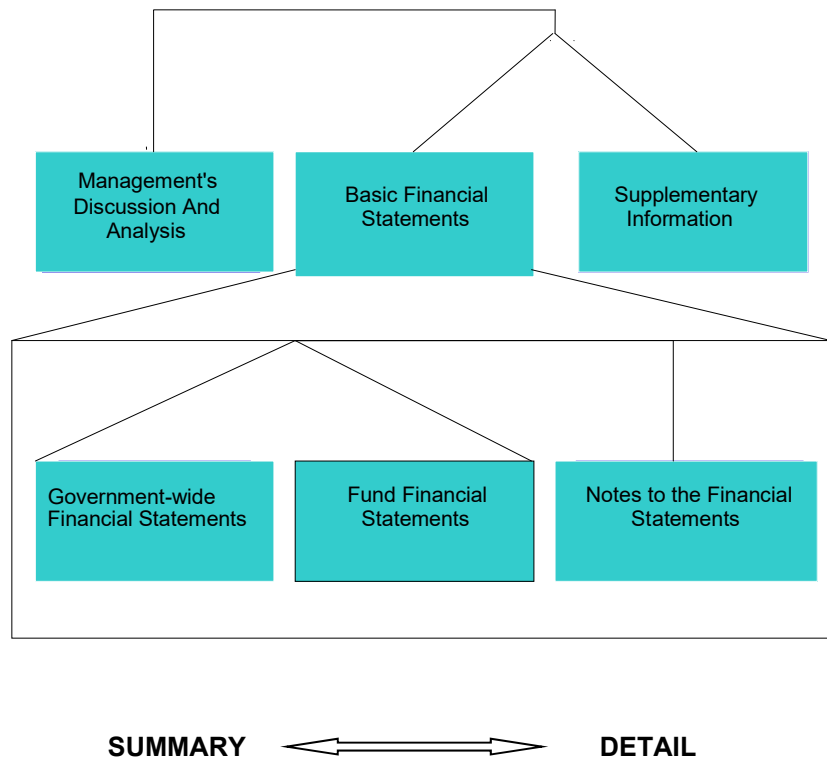


Table 2, Displayed on the following page summarizes the major features of the Library's financial statements, including the portion of the Library's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund, found in the basic financial statements.

**Northern Plains Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

**Table 2
Major Features of the Library-Wide and Fund Financial Statements**

	Government-wide Statements	Fund Financial Statements Governmental Fund
Scope	Entire Library	The activities of the Library
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the Library's finances, in a manner similar to a private-sector business. The statement of net position includes all of the Library's assets and liabilities. All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**Northern Plains Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

The government-wide financial statements provide both *short-term* and *long-term* information about the Library's *overall* financial status.

The *statement of net position* presents information on all of the Library's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these 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 Library is improving or deteriorating. To assess the Library's overall health, you need to consider additional non-financial factors such as the condition of buildings and equipment.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Library that are principally supported by allocated property taxes (*governmental activities*). Included in governmental activities are most of the Library's basic library services.

The basic government-wide financial statements can be found on pages 3 - 4 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Library's funds, not the Library as a whole. Funds are accounting devices the Library uses to keep track of specific sources of funding and spending on particular programs. The Library has one category, a governmental fund, the general fund.

- *Governmental fund*: All of the Library's basic services are included in the governmental fund, which generally focuses on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the Library's programs. Because this information does not encompass the long-term focus of the Library-wide statements, a reconciling schedule is included on the governmental fund statements explaining the relationship (or difference) between them.

The Library maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund which is considered a major fund. The basic governmental fund financial statements can be found on pages 5 - 8 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 - 18 of this report.

**Northern Plains Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Financial Analysis of the Library as a Whole

Net Position and Changes in Net Position

The Library's combined net position was larger on December 31, 2016, than it was the year before, increasing 7.4 percent to \$1,954,298. Table 3 provides a summary of the Library's net position at December 31, 2016 and 2015.

**Table 3
Condensed Statement of Net Position**

	Governmental Activities	
	2016	2015
ASSETS		
Current and Other Assets	\$ 1,465,323	\$ 1,307,867
Capital Assets	617,234	632,074
Total Assets	<u>2,082,557</u>	<u>1,939,941</u>
LIABILITIES		
Current Liabilities	28,373	9,170
Noncurrent Liabilities	99,886	121,728
Total Liabilities	<u>128,259</u>	<u>130,898</u>
NET POSITION		
Net Investment in Capital Assets	517,348	510,346
Restricted	13,000	12,000
Unrestricted	1,423,950	1,286,697
Total Net Position	<u>\$ 1,954,298</u>	<u>\$ 1,809,043</u>

Following Table 4 is specific discussion related to overall revenues and expenses.

**Table 4
Changes in Net Position from Operating Results (Condensed)**

	Governmental Activities	
	2016	2015
PROGRAM REVENUES		
Charges for Services	\$ 2,918	\$ 3,259
Operating Grants	397,996	390,298
Total Program Revenues	<u>400,914</u>	<u>393,557</u>
GENERAL REVENUES		
Interest Income	4,301	2,537
Other Revenues	3,646	2,522
Total General Revenues	<u>7,947</u>	<u>5,059</u>
Total Revenues & Transfers	<u>408,861</u>	<u>398,616</u>
PROGRAM EXPENSES		
General Government	<u>263,606</u>	<u>249,118</u>
CHANGE IN NET POSITION	145,255	149,498
Net Position, Beginning	1,809,043	1,659,545
NET POSITION, ENDING	<u>\$ 1,954,298</u>	<u>\$ 1,809,043</u>

**Northern Plains Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Allocated property taxes account for most of the Library's revenue, contributing about 98 cents for every dollar raised (see Table 5).

The Library expenses predominantly relate to the operation of the library. Given that Northern Plains Library is a service organization providing a library to the public, the majority of the expenses are operations, salaries and benefits and debt service.

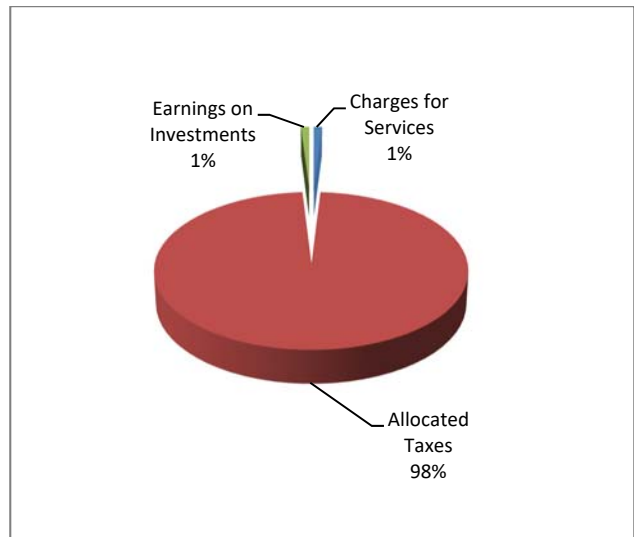
Detailed below in Tables 5 and 6 are charts displaying revenues by sources and expenses by program for the total Library.

**Table 5
Sources of Revenues for Fiscal Year**

2016

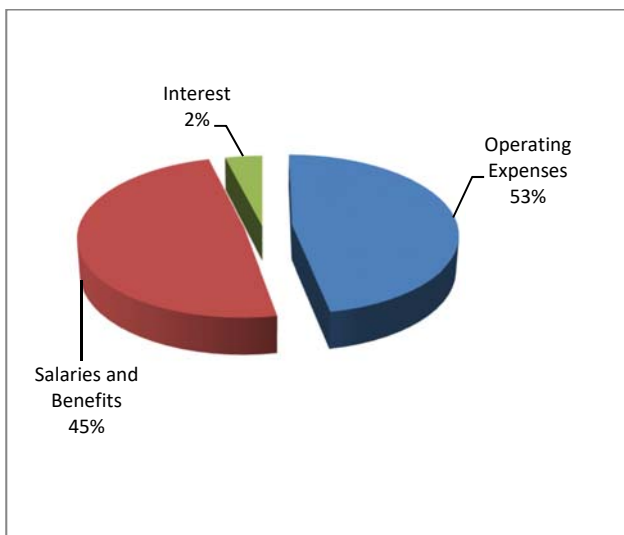


2015

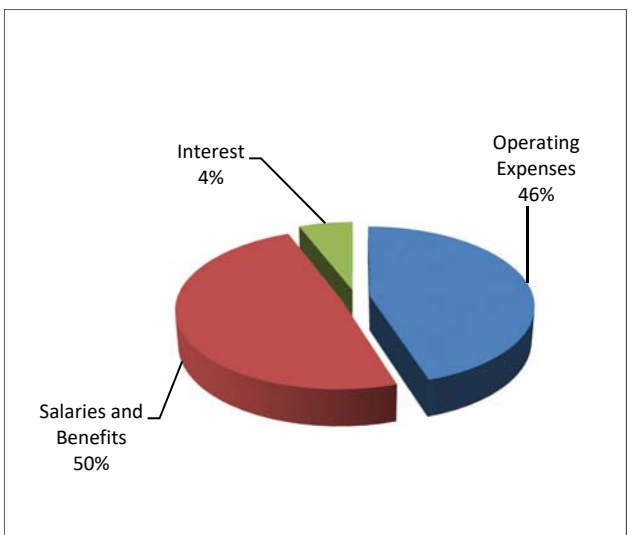


**Table 6
Expenses for Fiscal Year**

2016



2015



**Northern Plains Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Governmental Activities

The governmental funds monitor cash resources and expenditures. Capital outlay within this fund was \$35,546 during 2016. This expenditure is not considered an expense on the government-wide statement of activities. Rather, these costs are written off over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities (page 8), the net difference between capital outlay and depreciation expense was \$(14,840) for 2016.

The statement of activities shows the cost of program services and the related charges for services and grant offsetting those costs. Table 7 reflects each programs total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted general revenues.

**Table 7
Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Operating expenses	\$ 81,166	\$ 78,248
Salaries and benefits	120,957	120,957
Interest on long-term debt	<u>5,590</u>	<u>5,590</u>
Total	<u>\$ 207,713</u>	<u>\$ 204,795</u>

General Fund

The general fund was established and is continually funded to provide for the daily activities, expenses, and operating costs of the Library. This fund provides for functional areas of the organization - operating expenses and salaries and benefits. The primary funding source for the General Fund is allocated property taxes. The primary projects or program efforts for establishing needed funding during 2016 were:

- Normal operational costs of the Library.
- Purchase of library books and equipment.

General Fund Budgetary Highlights

The Library's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The Library's budget for the general fund anticipated that revenues would equal expenditures. The actual results for the year show a \$145,255 excess of revenues over expenditures in the general fund for 2016.

It should be noted that the Library's budget format is designed to establish and monitor divisional functions of the Library's operations to more closely align expenses with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- Operating Expenses
- Salaries and Benefits
- Debt Service

**Northern Plains Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Capital Assets and Debt Administration

Capital Assets

By the end of 2016, the Library had invested \$1,283,385 in a broad range of capital assets, including land, building and improvements and equipment and other fixed assets, (See Table 8). Additional information on the Library's capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year was \$50,426 while additions amounted to \$35,586 due to building improvements and the acquisition of library books.

**Table 8
Capital Assets (Net of Depreciation)**

	<u>Balance 1/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2016</u>
Capital assets not being depreciated:				
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Capital assets being depreciated:				
Building and improvements	622,202	-	-	622,202
Equipment	96,459	7,105	-	103,564
Library books	496,638	28,481	2,500	522,619
Total capital assets being depreciated	<u>1,215,299</u>	<u>35,586</u>	<u>2,500</u>	<u>1,248,385</u>
Less: Accumulated depreciation				
Building and improvements	(197,621)	(15,555)	-	(213,176)
Equipment	(85,609)	(2,994)	-	(88,603)
Library books	(334,995)	(31,877)	(2,500)	(366,372)
Total accumulated depreciation	<u>(618,225)</u>	<u>(50,426)</u>	<u>(2,500)</u>	<u>(666,151)</u>
Capital assets, net	<u>\$ 632,074</u>	<u>\$ (14,840)</u>	<u>\$ -</u>	<u>\$ 617,234</u>

Long-Term Debt

At year-end, the Library had a capital lease with a balance of \$99,886 a reduction of \$21,842 from the previous year, as shown below in Table 9. More detailed information about the Library's long-term liabilities is presented in Note 4 to the financial statements.

**Table 9
Outstanding Long-Term Debt**

	<u>Balance 12/31/2015</u>	<u>Advances</u>	<u>Retirements</u>	<u>Balance 12/31/2016</u>	<u>Current Portion</u>	<u>Interest Expense</u>
Capital Lease	\$ 121,728	\$ -	\$ 21,842	\$ 99,886	\$ 22,959	\$ 5,590

During 2016, the Library did not issue new debt.

- The Library must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2016, the Library's TABOR reserve amounted to \$13,000).

**Northern Plains Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2016**

Factors Bearing on the Library's Future

At the time these financial statements were prepared and audited, the Library was aware of the following circumstances that could significantly affect its financial health in the future:

The Library's 2016 budget anticipates receiving \$399,025 from the High Plains Library District in tax allocation funds.

Contacting the Library's Financial Management

This financial report is designed to provide the Library's citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Accountant, Roxi Allen at 526 Maple Avenue; Eaton, CO 80615.

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FINANCIAL SECTION

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Directors
Northern Plains Public Library
Ault, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Northern Plains Public Library, as of and for the year ended December 31, 2016, and the related notes to the financial statements which collectively comprise the basic financial statements of the Northern Plains Public Library 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 the 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

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 major fund of the Northern Plains Public Library, 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.

Report on Summarized Comparative Information

We have previously audited the Northern Plains Public Library's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 8, 2016. 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.

Other Matters

Required Supplementary Information – Management's Discussion and Analysis (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M9 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.

Required Supplementary Information – Budgetary Comparison Schedules

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 20 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. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 basic 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 financial statements as a whole.



Englewood, Colorado
April 6, 2017

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Basic Financial Statements

NORTHERN PLAINS PUBLIC LIBRARY

STATEMENT OF NET POSITION

DECEMBER 31, 2016

	GOVERNMENTAL ACTIVITIES
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	
Cash	\$ 1,022,386
Investments	442,937
Total Current Assets	<u>1,465,323</u>
Noncurrent Assets	
Capital Assets not being Depreciated	35,000
Capital Assets being Depreciated	1,248,385
Accumulated Depreciation	<u>(666,151)</u>
Total Noncurrent Assets	<u>617,234</u>
TOTAL ASSETS	<u><u>\$ 2,082,557</u></u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 23,221
Accrued Liabilities	5,152
Total Current Liabilities	<u>28,373</u>
Noncurrent Liabilities	
Due within one year	22,959
Due in more than one year	<u>76,927</u>
Total Noncurrent Liabilities	<u>99,886</u>
TOTAL LIABILITIES	<u>128,259</u>
NET POSITION	
Net Investment in Capital Assets	517,348
Restricted Net Position	13,000
Unrestricted Net Position	<u>1,423,950</u>
TOTAL NET POSITION	<u>1,954,298</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u><u>\$ 2,082,557</u></u>

The accompanying notes are an integral part of these financial statements.

NORTHERN PLAINS PUBLIC LIBRARY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CHANGES IN NET POSITION
				GOVERNMENT ACTIVITIES
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 263,606	\$ 2,918	\$ 397,996	\$ 137,308
GENERAL REVENUES				
Interest Income				4,301
Other Revenues				3,646
TOTAL GENERAL REVENUES AND TRANSFERS				7,947
CHANGE IN NET POSITION				145,255
NET POSITION - Beginning				1,809,043
NET POSITION - Ending				\$ 1,954,298

The accompanying notes are an integral part of the financial statements.

NORTHERN PLAINS PUBLIC LIBRARY

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2016

With Comparative Totals for December 31, 2015

	General	Total	
	Fund	2016	2015
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments			
Cash	\$ 1,022,386	\$ 1,022,386	\$ 866,181
Investments	442,937	442,937	441,685
TOTAL ASSETS	<u>\$ 1,465,323</u>	<u>\$ 1,465,323</u>	<u>\$ 1,307,866</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	23,221	\$ 23,221	\$ 4,759
Accrued Liabilities	5,152	5,152	4,410
TOTAL LIABILITIES	<u>28,373</u>	<u>28,373</u>	<u>9,169</u>
FUND BALANCE			
Restricted Fund Balance	13,000	13,000	12,000
Unassigned Fund Balance	1,423,950	1,423,950	1,286,697
TOTAL FUND BALANCE	<u>1,436,950</u>	<u>1,436,950</u>	<u>1,298,697</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,465,323</u>	<u>\$ 1,465,323</u>	<u>\$ 1,307,866</u>

The accompanying notes are an integral part of these financial statements.

NORTHERN PLAINS PUBLIC LIBRARY

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2016**

Fund Balance - Governmental Funds			\$ 1,436,950
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	35,000	
Capital assets, being depreciated		1,248,385	
Accumulated depreciation		<u>(666,151)</u>	617,234
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Capital leases payable			<u>(99,886)</u>
Total Net Position - Governmental Activities			<u>\$ 1,954,298</u>

The accompanying notes are an integral part of these financial statements.

NORTHERN PLAINS PUBLIC LIBRARY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	General	Total	
	Fund	2016	2015
REVENUES			
Intergovernmental Revenues	\$ 397,696	\$ 397,696	\$ 390,643
Charges for Services	2,918	2,918	2,664
Investment Earnings	4,301	4,301	2,537
Other Revenues	3,946	3,946	2,772
TOTAL REVENUES	408,861	408,861	398,616
EXPENDITURES			
Current:			
General Government	207,713	207,713	180,587
Capital Outlay	35,463	35,463	41,881
Debt Service	27,432	27,432	27,432
TOTAL EXPENDITURES	270,608	270,608	249,900
NET CHANGE IN FUND BALANCE - GAAP BASIS	138,253	138,253	148,716
FUND BALANCE, BEGINNING	1,298,697	1,298,697	1,149,981
FUND BALANCE, ENDING	\$ 1,436,950	\$ 1,436,950	\$ 1,298,697

The accompanying notes are an integral part of these financial statements.

NORTHERN PLAINS PUBLIC LIBRARY

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Change in Fund Balance - Governmental Funds			\$ 138,253
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	35,586	
Depreciation Expense		<u>(50,426)</u>	(14,840)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level			
Principal payments on capital leases			<u>21,842</u>
Change in Net Position - Governmental Activities			<u>\$ 145,255</u>

The accompanying notes are an integral part of these financial statements.

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northern Plains Public Library (the "Library") was established on September 11, 1985 under the provisions of Article 90 of Title 24 of the Colorado Revised Statutes. The Weld County Commissioners together with the city councils of the six participating municipalities of Ault, Eaton, Evans, Fort Lupton, Greeley and Hudson, Colorado and the Weld County School Library RE-8 Library acted to establish the High Plains Library District. The Northern Plains Public Library is the operating entity for the library funded through the Town of Ault's portion of the High Plains Library District funding.

The financial statements of the Library have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the Library's financial statements.

Reporting Entity

In conformity with GASB financial reporting standards, the Library is the reporting entity for financial reporting purposes. The Library is the primary government financially accountable for all activities of the Library.

As defined by generally accepted accounting principles, the financial reporting entity consists of the primary government (the Library) and its component units. Component units are legally separate organizations for which the appointed officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's governing board, and either a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointment by a higher level of government, or (3) a jointly appointed board.

Based upon the foregoing criteria, there are no component units included in the accompanying financial statements. The Library provides library services in Ault, Colorado and surrounding areas. The library is a component unit of the Town of Ault, Colorado (the "Town").

Government-wide and Fund Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Library does not have any business-type activities.

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Library as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements report detailed information about the Library. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each fund is considered to be a separate accounting entity and is presented in a separate column. The Library's sole fund, the General Fund, is classified as a major governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those components. These funds use the modified accrual basis of accounting whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Intergovernmental grants and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Library.

Because governmental fund financial statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The Library reports the following major governmental fund:

General Fund

The General Fund is the Library's general operating fund and is used to account for all financial transactions. Major revenue sources include allocated taxes passed through the Town of Ault which is reported as intergovernmental resources. Expenditures include all costs associated with the daily operation of the Library.

Budgets

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- By October 15, the Library staff submits, to the Board of Directors, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Directors through passage of a formal resolution,
- The Library legally adopts budgets for all of the funds of the Library on a basis consistent with GAAP.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the board of directors. All appropriations lapse at year end.

Encumbrances

The Library does not report encumbered balances as of December 31, 2016 as all encumbrances lapse at year end.

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The government'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 the date of acquisition including participation in local government investment pools.

Investments

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at cost, which approximates fair value. Certificates of deposit are carried at estimated fair value, including accrued interest.

Capital Assets

Capital assets, which include land, buildings, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. The Library capitalizes all library books and related assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Infrastructure	40 years
Furniture and Equipment	5-15 years
Books and other collection items	10 years

Accrued Compensated Absences Payable

In accordance with the provisions of GASB Statement No. 16, Accounting for Compensated Absences, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay for it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured. The Library's policy for accrued compensated absences is "use it or lose it", therefore the Library has no liability for accrued compensated absences at December 31, 2016.

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgements and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources.

Long-term debt is reported at face value, net of applicable discounts and deferred charge on refunding. Costs related to the issuance of debt are expensed when incurred. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of net position. Long-term liabilities that will be paid from governmental funds are not recognized in the fund financial statements until due.

Net Position/Fund Balances Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position/Fund Balance

In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance (Continued)

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in other governmental funds are presented as unassigned.

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

NOTE 2: CASH AND INVESTMENTS

The Library's cash and investment balances as of the year ended December 31, 2016 are as follows:

	Bank <u>Balance</u>	Book <u>Balance</u>
FDIC Insured	\$ 410,871	\$ 410,871
PDPA Secured (Not in Library's Name)	<u>629,779</u>	<u>611,516</u>
Total Cash	<u>\$ 1,040,650</u>	1,022,387
Investment Pool		<u>442,937</u>
Total Cash and Investments		<u>\$ 1,465,324</u>

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 2: CASH AND INVESTMENTS (Continued)

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 Library'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 eligible depositories and December 31, 2016, all of the Library'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 Library's deposits are categorized as shown above. Included in the cash balances are certificates of deposits totaling \$323,992.

INVESTMENTS

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2016 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Weighted Avg Mat.</u>
Investment Pools	\$ -	\$ 1,364,400	\$ -	\$ 1,364,400	-

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- Investment Pools - Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2016, there were no changes in the methods or assumptions utilized to derive the fair value of the District's assets and liabilities.

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Information regarding the Library's investments as of December 31, 2016 is as follows:

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The Library's policy is to hold investments until maturity.

The Library's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

During the year ended December 31, 2016, the Library invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The pool invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. The pool is rated AAAM by the Standard and Poor's Corporation. The balance of this investment as of December 31, 2016 was \$442,937. Separate financial statements can be obtained by calling (303) 864-7474 or by going to www.colotrust.com

Concentration of Credit Risk - Investments

The Library places no limit on the amount that may be invested in any one issuer. As of December 31, 2016, the Library did not hold any investments requiring additional disclosure.

Interest Rate Risk - Investments

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2016, the Library did not hold any investments requiring safekeeping.

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 3: CAPITAL ASSETS

Changes in governmental activities capital assets for the year ended December 31, 2016 was as follows:

	<u>Balance 1/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2016</u>
Capital assets not being depreciated:				
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Capital assets being depreciated:				
Building and improvements	622,202	-	-	622,202
Equipment	96,459	7,105	-	103,564
Library books	496,638	28,481	2,500	522,619
Total capital assets being depreciated	<u>1,215,299</u>	<u>35,586</u>	<u>2,500</u>	<u>1,248,385</u>
Less: Accumulated depreciation				
Building and improvements	(197,621)	(15,555)	-	(213,176)
Equipment	(85,609)	(2,994)	-	(88,603)
Library books	(334,995)	(31,877)	(2,500)	(364,372)
Total accumulated depreciation	<u>(618,225)</u>	<u>(50,426)</u>	<u>(2,500)</u>	<u>(666,151)</u>
Capital assets, net	<u>\$ 632,074</u>	<u>\$ (14,840)</u>	<u>\$ -</u>	<u>\$ 617,234</u>

The depreciation amount of \$50,426 has all been allocated to the Library Services function in the accompanying statement of activities.

NOTE 4: LONG-TERM OBLIGATIONS

The following is a schedule of changes in debt for the year ended December 31, 2016:

	<u>Balance 12/31/2015</u>	<u>Advances</u>	<u>Retirements</u>	<u>Balance 12/31/2016</u>	<u>Current Portion</u>	<u>Interest Expense</u>
Capital Lease	\$ 121,728	\$ -	\$ 21,842	\$ 99,886	\$ 22,959	\$ 5,590

Capital Lease Payable

During 2001, the Library entered into a capital lease with a local bank for the construction of a new library building with a total cost of \$510,043. The lease amount of \$350,000 requires monthly principal and interest payments of \$2,286 starting March 1, 2001 through December 1, 2020. Interest is to be computed on the unpaid principal balance of the lease at the highest Wall Street Journal published prime rate minus three and one-half percent, adjusted annually on the anniversary date of the lease in December. The agreement provides for a ceiling interest rate of 10% and a minimum rate of 5%. The interest rate applicable at December 31, 2016 was 5%. The net depreciated value of the assets acquired through the capital lease is \$305,777.

**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 4: LONG-TERM OBLIGATIONS (Continued)

Scheduled payments on the lease are as follows:

<u>Year</u>	<u>Payments</u>
2017	27,432
2018	27,432
2019	27,432
2020	<u>27,432</u>
Future minimum lease payments	109,728
Interest at %5	<u>(9,842)</u>
Present Value of Future Payments	<u>\$ 99,886</u>

NOTE 5: FUND BALANCE RESERVATIONS/APPROPRIATIONS

Emergency Reserve

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado, all local governments, and special districts.

The Library's financial activity for the year ended December 31, 2016 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2016, revenue in excess of the Library's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

At a November 7, 1995 election, the voting citizens of the Town of Ault approved an ordinance to "Allow, effective January 1, 1995, the collection, retention, and expenditure of the full proceeds of the Town Sales and Use Tax, fee, other revenues, and Non-Federal Grants, notwithstanding any state restrictions of Article X, Section 20 of the Colorado Constitution." This effectively removed all spending limitations imposed by TABOR.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. Library management believes the Library is in compliance with the requirements of TABOR, however the Library has made certain interpretations of the TABOR amendment's language in order to determine it is in compliance.

The Article requires an emergency reserve be set aside for 2016 in the amount of 3% or more of its fiscal year spending. At December 31, 2016, the Library has reserved the following for emergencies:

General Fund	<u>\$13,000</u>
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**Northern Plains Public Library
Notes to the Financial Statements
December 31, 2016**

NOTE 6: RISK MANAGEMENT

The Library 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 carries commercial insurance covering specific and general risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have similarly not been any significant reductions in insurance coverage over the same period.

NOTE 7: COMMITMENTS AND CONTINGENCIES

The Library is party to a lawsuit initiated by the High Plains Library District. Management believes that an unfavorable outcome relating to the lawsuit is unlikely; accordingly, no liability has been accrued in the financial statements of the Library.

Required Supplementary Information

NORTHERN PLAINS PUBLIC LIBRARY

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	2016		Variance With Final Budget	2015 Actual
	Original & Final Budget	Actual		
REVENUES				
Intergovernmental Revenues				
Federal Grants	\$ 400	\$ 219	\$ (181)	\$ 345
State Grants	1,000,000	-	(1,000,000)	-
Other Intergovernmental	398,672	397,477	(1,195)	390,298
Total Intergovernmental Revenue	<u>1,399,072</u>	<u>397,696</u>	<u>(1,001,376)</u>	<u>390,643</u>
Charges for Services				
Other Charges for Services	<u>2,520</u>	<u>2,918</u>	<u>398</u>	<u>2,664</u>
Investment Earnings				
	<u>4,000</u>	<u>4,301</u>	<u>301</u>	<u>2,537</u>
Other Revenues				
Donations	550	300	(250)	250
Other Miscellaneous Revenue	3,200	3,646	446	2,522
Total Other Revenue	<u>3,750</u>	<u>3,946</u>	<u>196</u>	<u>2,772</u>
TOTAL REVENUES	<u>1,409,342</u>	<u>408,861</u>	<u>(1,000,481)</u>	<u>398,616</u>
EXPENDITURES				
General Government				
Personnel Services	124,550	120,957	(3,593)	112,998
Insurance	3,900	3,300	600	3,283
Professional Fees	63,500	34,859	28,641	24,948
Repairs and Maintenance	13,050	14,427	(1,377)	9,521
Supplies	5,600	4,453	1,147	3,010
Telephone and Utilities	14,000	10,793	3,207	9,976
Travel and Training	3,000	1,657	1,343	296
Other Expenses	24,740	17,267	7,473	16,555
Total General Government	<u>252,340</u>	<u>207,713</u>	<u>37,441</u>	<u>180,587</u>
Capital Outlay				
General Government Capital Outlay	2,041,500	35,463	2,006,037	41,881
Debt Service				
Principal	28,000	21,842	6,158	20,779
Interest	-	5,590	(5,590)	6,653
Total Debt Service	<u>28,000</u>	<u>27,432</u>	<u>568</u>	<u>27,432</u>
TOTAL EXPENDITURES	<u>2,321,840</u>	<u>270,608</u>	<u>2,044,046</u>	<u>249,900</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (912,498)</u>	138,253	<u>\$ 1,043,565</u>	148,716
FUND BALANCE, BEGINNING		1,298,697		1,149,981
FUND BALANCE, ENDING		<u>\$ 1,436,950</u>		<u>\$ 1,298,697</u>

See accompanying Independent Auditors' Report.