

Grand County Library District
Granby, Colorado

Financial Statements
December 31, 2017



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April 4, 2018

**Grand County Library District
Financial Report
December 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees Grand County Library District

We have audited the accompanying financial statements of the Grand County Library District (the "District"), as of and for the year ended December 31, 2017, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand County Library District as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

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Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section's B to 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 Management's Discussion and Analysis in Section B 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. The budgetary comparison 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 statement or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.

March 23, 2018

Grand County Library District
Management Discussion and Analysis



Grand County Library District

Management's Discussion and Analysis December 31, 2017

As management of Grand 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, 2017.

Financial Highlights

- The assets and deferred outflow of resources of the District exceeded its liabilities and deferred inflow of resources by \$4,201,754 at the close of the most recent fiscal year end. Of this amount, \$1,807,767 may be used to meet the District's ongoing obligations to patrons.
- The District's total net position increased by \$451,259, this was primarily due to an increase property taxes.
- At the end of the current fiscal year, total fund balance for the General Fund was \$2,480,581 or 128% percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: Government-wide financial statements and Notes to the Financial Statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 flows in future fiscal periods.

The governmental activity of the District is library services. There are currently no business-type activities of the District.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently accounts for all its activities using a General Fund.

Overview of the Financial Statements (continued)

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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 D1 through D13 of this report.

Government-wide financial analysis:

Almost all of the District's revenue was from property taxes. Most of the District's assets are reflected in the investment in capital assets (i.e. buildings, books, furniture, fixtures, and equipment). Capital assets account for 54% of the total assets. The District will use these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining assets, 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

Grand County Library District's Net Position

	<u>2017</u>	<u>2016</u>
Assets:		
Current and other assets	\$ 5,241,105	\$ 4,468,905
Capital assets	<u>5,860,860</u>	<u>6,139,883</u>
Total Assets	<u>11,101,965</u>	<u>10,608,788</u>
Liabilities:		
Other liabilities	106,561	88,401
Long-term liabilities	<u>4,406,187</u>	<u>4,547,811</u>
Total Liabilities	<u>4,512,748</u>	<u>4,636,212</u>
Deferred inflows of resources:		
Unavailable grant and pledge revenue	12,023	1,000
Unavailable property tax revenue	<u>2,375,440</u>	<u>2,221,082</u>
Total deferred inflows of resources	<u>2,387,463</u>	<u>2,222,082</u>
Net Position:		
Net investment in capital assets	2,160,987	2,349,383
Restricted	233,000	220,000
Unrestricted	<u>1,807,767</u>	<u>1,181,111</u>
Total Net Position	<u>\$ 4,201,754</u>	<u>\$ 3,750,494</u>

Overview of the Financial Statements (continued)

Approximately 51% of the District's net position reflects its investment in capital assets, which includes buildings, equipment, land, and books.

Grand County Library District's Change in Net Position

	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenues:		
Collection revenue	\$ 12,194	\$ 11,730
General revenues:		
Property taxes	2,188,010	1,625,109
Specific ownership taxes	155,482	100,859
Interest on taxes	(32,303)	2,857
Intergovernmental revenues	10,950	5,541
Earnings on investments	34,422	17,766
Donations	106,027	62,545
Contributed goods and services	6,116	13,906
Other income	38,395	39,643
Total Revenues	<u>2,519,293</u>	<u>1,879,956</u>
Expenses:		
Personnel services	898,669	942,365
Supplies	7,563	23,994
Library materials	192,844	154,620
Technology	83,868	84,868
Communications	54,159	39,114
Facilities and maintenance	218,472	177,857
Professional services	135,143	113,313
Other expenses	104,464	24,208
Capital outlay	-	18,956
Depreciation and amortization	269,914	272,655
Debt service:		
Interest	170,558	174,380
Other	2,752	203
Total Expenses	<u>2,138,406</u>	<u>2,026,533</u>
Change in Net Position	380,887	(146,577)
Net Position - Beginning	<u>3,750,492</u>	<u>3,897,069</u>
Net Position - Ending	<u><u>\$ 4,131,379</u></u>	<u><u>\$ 3,750,492</u></u>

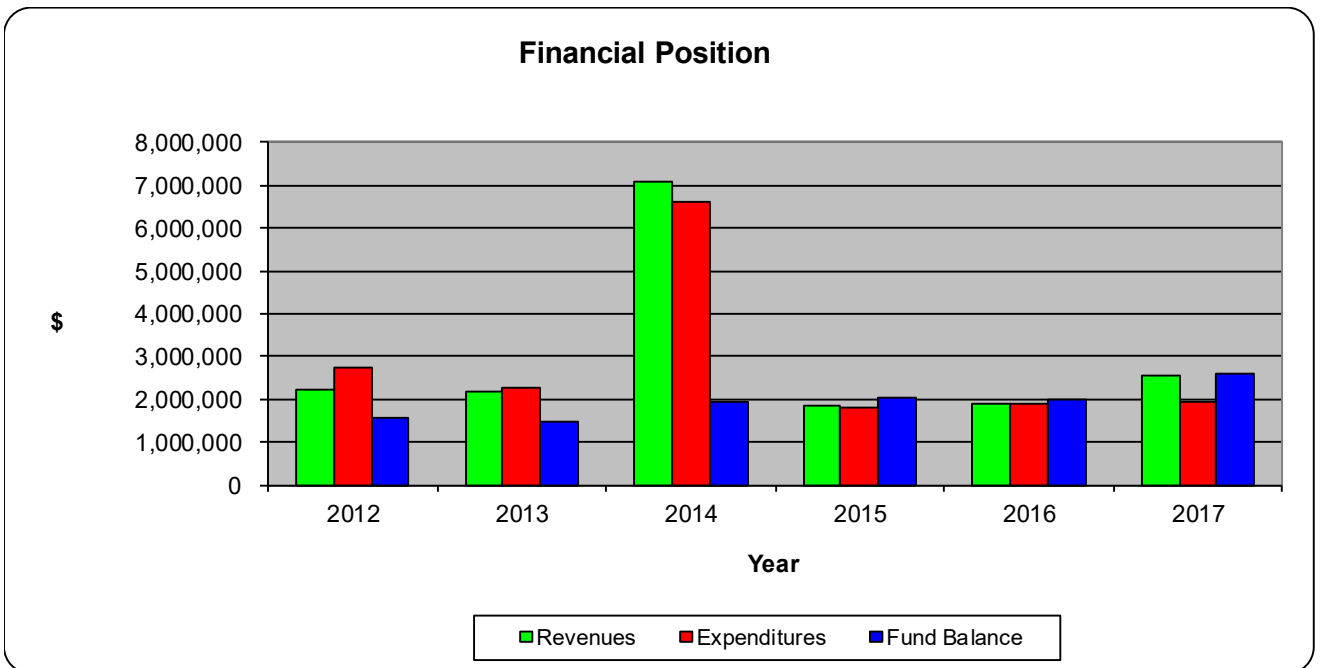
Government-wide financial analysis (continued):

Property taxes were the most significant source of general revenues for the District. Property taxes accounted for 87% of revenues. Specific ownership taxes, which consist of vehicle taxes collected at the County, were also a significant source of revenue accounting for 6% of total revenues.

When compared with 2016, total District expenses increased by \$111,873 or 5.5%. This increase was due to facility repairs and maintenance and additional treasurer fees for the increased mill levy collections.

Financial Analysis of the District's Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District had the following changes in its General and Debt Service Funds for the years 2012 through 2017:

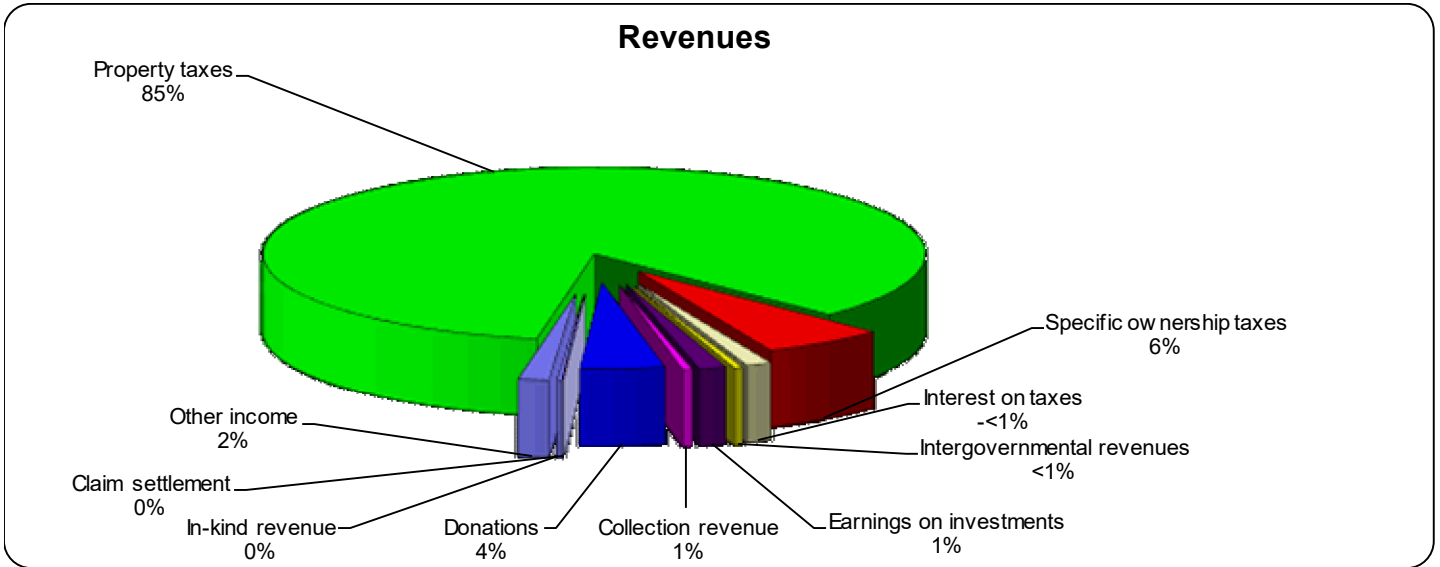


The District's General Fund had a change in fund balance of \$574,802 and an ending fund balance of \$2,480,581. Revenues increased \$627,485 or 33.5% from 2016. During the year, fund balance increased due to an increase in revenue

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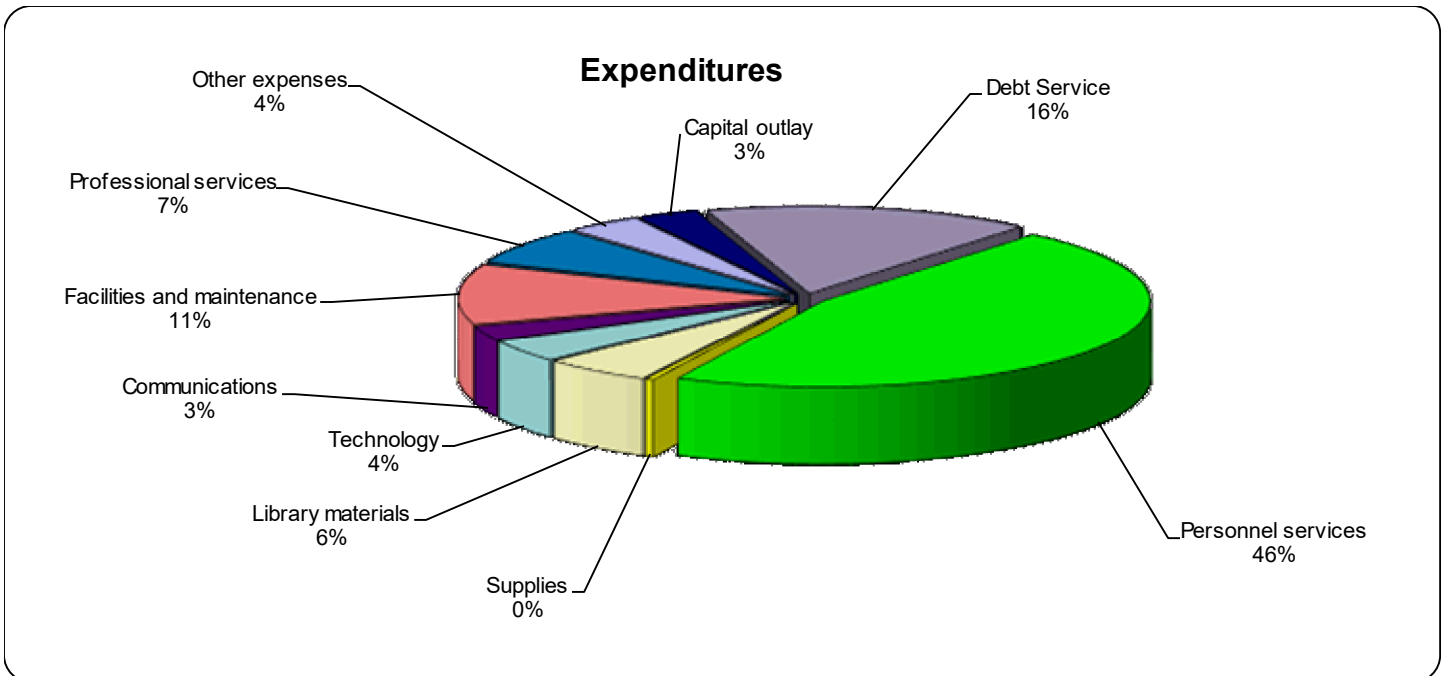
Financial Analysis of the District's Funds (continued)

The following chart represents the District's revenues:



Property taxes make up the largest source of revenue for the District.

The District's General Fund expenditures consist primarily of personnel services (wages, retirement, health insurance, etc.), capital outlay, and debt service.



Financial Analysis of the District's Funds (continued)

Budget variances in the General Fund: The District's 2017 budget was approved at the end of 2016 and was amended to cover the expenditures for water damage repairs during the year. Significant budget variances were as follows:

Account	Final Budget	Actual	From Final Budget	Reason
Revenues:				
Property taxes	2,218,083	2,188,010	(30,073)	Collected 99% of property taxes
Specific ownership taxes	92,000	155,482	63,482	More specific ownership tax collected
Interest on taxes	3,000	(32,303)	(35,303)	YMCA tax abatement
Donations	40,000	92,880	52,880	More donations than expected
Expenditures/Expenses:				
Personnel services	962,019	899,166	62,853	FLSA not implemented Water damage repairs at Hot Sulphur Springs
Facilities and maintenance	185,441	218,472	(33,031)	Library

Capital assets: The District had a net decrease in its capital assets during 2017. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on page D7 of this report.

Long-term debts: The District issued \$4,775,000 of certificates of participation in 2014. Including refunding payments, the District made principal and interest payments totaling \$311,952 in 2017. Additional information can be found in the Notes to the Financial Statements on page D8 of this report.

Next year's budget and rates: The District had \$2,480,581 of fund balance at the end of the current fiscal year. The District's 2018 budget anticipates the Districts 2018 budget anticipates revenues of \$2,580,386 and expenses of \$2,012,112 which results in a increase to fund balance of \$568,274.

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 Grand County Library District, P.O. Box 1050, Granby, CO 80446 or you may call 970-887-9411.

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Grand County Library District
Basic Financial Statements



Grand County Library District
Governmental Fund Balance Sheet/Statement of Net Position
December 31, 2017

	Primary Government				
	General Fund	Special Revenue	Total	Adjustments	Statement of Net Position
Assets:					
Cash and cash equivalents	1,896,647	107,797	2,004,444	-	2,004,444
Cash with County Treasurer	9,354	-	9,354	-	9,354
Property taxes receivable	2,375,440	-	2,375,440	-	2,375,440
Prepaid expense	23,036	-	23,036	-	23,036
Non-current assets:					
Restricted cash	670,127	-	670,127	-	670,127
Capital assets, net of depreciation	-	-	-	5,860,860	5,860,860
Total Assets	4,974,604	107,797	5,082,401	5,860,860	10,943,261
Deferred outflows of resources:					
Deferred charge on refunding	-	-	-	158,702	158,702
Liabilities:					
Accounts/vouchers payable	43,746	-	43,746	-	43,746
Accrued expenses	33,150	-	33,150	-	33,150
Deferred insurance proceeds	29,664	-	29,664	-	29,664
Non-current liabilities:					
Accrued compensated absences	-	-	-	22,071	22,071
Accrued interest	-	-	-	14,114	14,114
Due within one year	-	-	-	145,000	145,000
Due longer than one year	-	-	-	4,225,000	4,225,000
Total Liabilities	106,560	-	106,560	4,406,185	4,512,745
Deferred inflows of resources:					
Unavailable grant and pledge revenue	12,023	-	12,023	-	12,023
Unavailable property tax revenue	2,375,440	-	2,375,440	-	2,375,440
Total deferred inflows of resources	2,387,463	-	2,387,463	-	2,387,463
Fund Balance/Net Position:					
Fund Balance:					
Restricted for					
Nonspendable	23,036	-	23,036		23,036
Restricted for emergencies	73,000	-	73,000		73,000
Restricted for Debt service	160,000	-	160,000		160,000
Committed	1,733,138	107,797	1,840,935		1,840,935
Assigned	491,407	-	491,407		491,407
Total Fund Balance	2,480,581	107,797	2,588,378		2,588,378
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	4,974,604	107,797	5,082,401		9,488,586
Net Position:					
Net investment in capital assets				2,160,987	2,160,987
Restricted for					
Emergencies				73,000	73,000
Debt service				160,000	160,000
Unrestricted				(780,610)	1,807,767
Total Net Position				1,613,377	4,201,754

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

Grand County Library District
Statement of Governmental Fund Revenues, Expenditures
and Changes in Fund Balances / Statement of Activities
For the Year Ended December 31, 2017

	Primary Government				
	General Fund	Special Revenue	Total	Adjustments	Statement of Activities
Revenues:					
Property taxes	2,188,010	-	2,188,010	-	2,188,010
Specific ownership taxes	155,482	-	155,482	-	155,482
Interest on taxes	(32,303)	-	(32,303)	-	(32,303)
Intergovernmental revenues	10,950	-	10,950	-	10,950
Earnings on investments	26,310	8,112	34,422	-	34,422
Collection revenue	12,194	-	12,194	-	12,194
Donations	92,880	13,147	106,027	-	106,027
Contributed goods and services	6,116	-	6,116	-	6,116
Other income	38,395	-	38,395	-	38,395
Total Revenues	2,498,034	21,259	2,519,293	-	2,519,293
Expenditures/Expenses:					
Personnel services	899,167	-	899,167	(498)	898,669
Supplies	7,229	334	7,563	-	7,563
Library materials	105,142	-	105,142	87,702	192,844
Technology	83,868	-	83,868	-	83,868
Communications	54,159	-	54,159	-	54,159
Facilities and maintenance	218,472	-	218,472	-	218,472
Professional services	131,966	3,177	135,143	-	135,143
Other expenses	72,232	660	72,892	(20,000)	52,892
Capital outlay	58,593	-	58,593	(58,593)	-
Depreciation and amortization	-	-	-	269,914	269,914
Debt service:					
Principal	140,000	-	140,000	(140,000)	-
Interest	171,952	-	171,952	(1,394)	170,558
Other	2,752	-	2,752	-	2,752
Total Expenditures/Expenses	1,945,532	4,171	1,949,703	137,131	2,086,834
Excess of Revenues Over Expenditures	552,502	17,088	569,590	(137,131)	432,459
Other Financing Sources (Uses):					
Insurance recoveries	18,800	-	18,800	-	18,800
Transfer in/(out)	3,500	(3,500)	-	-	-
Total Other Financing Sources (Uses)	22,300	(3,500)	18,800	-	18,800
Change in Net Position	574,802	13,588	588,390	(137,131)	451,259
Fund Balances/Net Position - Beginning of Year	1,905,779	94,209	1,999,988	1,750,507	3,750,495
Fund Balances/Net Position - End of Year	2,480,581	107,797	2,588,378	1,613,376	4,201,754

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

Grand County Library District
Notes to the Basic Financial Statements



Grand County Library District
Notes to the Financial Statements
December 31, 2017

I. Summary of Significant Accounting Policies

Grand County Library District (the "District") was established November 8, 1994, by a vote of the Grand County electorate. The District operates under the laws of the State of Colorado and is governed by a Board of Trustees appointed by the Grand County Commissioners. The Trustees serve three-year terms and are not subject to term limits. The District was formed to provide for the selection, organization, and distribution of books and other materials to residents and visitors to the District. The District operates five libraries in Colorado: Fraser Valley, Granby, Juniper, Hot Sulphur Springs, and Kremmling.

The District's financial statements are prepared in accordance with U.S. 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.

A. Reporting Entity

The reporting entity consists of the primary government and component units. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the District. The District's component units are the Grand County Library District Finance Corporation (the "Corporation") which was created as a lease purchase mechanism to issue certificates of participation, and the Grand County Library Foundation (the "Foundation") which was created to assist in raising funds for library construction. The transactions of the Corporation and Foundation have been blended into the District's financial statements as if they were transactions of the District. The Foundation is accounted for as a Special Revenue Fund because its primary source of revenue is donations and contributions. The District is not a component unit of any other entity.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, the District has only governmental activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in two parts – net invested in capital assets and unrestricted net position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in the General Fund which is a set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The General Fund accounts for resources devoted to financing the general services that the District performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.

C. Measurement Focus and Basis of Accounting

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents and Investments (continued)

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District's investment policy follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments 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 U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

2. Categories and Classification of Fund Balance:

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note IV (E).

3. Capital Assets

Capital assets, which include buildings, improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets include assets with an individual cost of \$5,000 or more and an estimated useful life in excess of two years. Books and periodicals, although having an individual cost of less than \$500, 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.

**Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

3. Capital Assets (continued)

Books and periodicals are not depreciated. Additionally, construction in progress is not depreciated until the construction is complete. Buildings, vehicles and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Furniture and fixtures	7 - 10
Equipment	5 - 10
Buildings and improvements	7 - 40

4. Compensated Absences

The District allows its employees to accumulate sick and vacation leave, based on the employee's length and hours of service. A maximum of four weeks unused vacation pay, and two weeks unused personal leave can carry over to the following year. The District does not pay accrued sick leave upon termination. However, vacation leave is paid out upon termination. At year end, the estimated value of accumulated vacation leave, including the District's portion of employment costs is \$22,073.

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District does not have any items that qualify for reporting in this category at December 31, 2017.

In addition to liabilities, the statement of financial 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 government has two types of items, which arise only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the items, unavailable revenue, are reported only in the governmental funds balance sheet. The governmental fund reports unavailable revenues from two sources: property taxes and pledge revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes adjustments between *fund balance – governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation includes Non-current liabilities due within one year. The details of this \$ 4,392,073 amount include \$4,370,000 of the District's Certificates of Participation and \$22,073 of accrued vacation.

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes adjustments between *net change in fund balance of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation includes depreciation and amortization. This amount includes depreciation on fixed assets of \$261,565.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end. In the fall of each year, the District's Board of Trustees formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

- (1) Prior to August 25, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries.
- (2) On or before October 15, the Director submitted to the District's Board of Trustees a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) Prior to December 15, the District computed and certified to the County Commissioners a rate of levy that will derive the necessary property taxes as computed in the proposed budget.

Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (4) After a required public hearing, the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year. For the 2017 budget, this final step was enacted prior to December 15.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2016 were collected in 2017 and taxes certified in 2017 will be collected in 2018. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

B. TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 ("TABOR"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

One of the requirements of TABOR is for emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue (excluding bonded debt service). The District has reserved a portion of its December 31, 2017 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$73,000, which is the approximate required reserve at December 31, 2017.

On November 5, 1996, the District's electorate approved a ballot question allowing the District to collect and expend any additional amounts raised over and above the limitation imposed by TABOR and any other Colorado law. The District believes this includes Colorado Revised Statute 29-1-301, which is commonly known as the "5.5% limit".

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Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. As of the year end, the carrying amount of the District's demand deposits was \$. At year end; the District had the following investments and maturities:

	<u>Rating</u>	<u>Carrying Amounts</u>	<u>Maturities</u>	
			<u>Less than one year</u>	<u>Less than five years</u>
Primary Government:				
<i>Deposits:</i>				
Petty cash	Not Rated	\$ 645	\$ 645	\$ -
Checking	Not Rated	49,310	49,310	-
Savings & money market	Not Rated	268,857	268,857	-
Held by Trustee	Not Rated	160,536	160,536	-
Certificates of Deposit	Not Rated	509,591	509,591	-
Colotrust Investment Pool	Aaa	1,577,834	1,577,834	-
<i>Investments:</i>				
Certificates of deposit				
		<u>\$ 2,566,773</u>	<u>\$ 2,566,773</u>	<u>\$ -</u>
Component Unit:				
<i>Deposits:</i>				
Checking	Not Rated	19,886	\$ 19,886	\$ -
Investments	Not Rated	87,912	87,912	-
		<u>\$ 107,798</u>	<u>\$ 107,798</u>	<u>\$ -</u>

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2017 the District had the following recurring fair value measurements:

Primary Government:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of deposit		\$ -	\$ 509,591	\$ -

Component Unit:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds		\$ -	\$ 67,839	\$ -
Certificate of deposit		\$ -	\$ 20,073	\$ -

Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The Investment Pool represents investments in COLOTRUST which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. The cash Held by Trustee represents the Debt Service Funds which are also investment in Certificates of Deposit through the District's agreement with the Trustee

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

The Investment Pool represents investments in COLOTRUST. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2017, the District's investments in COLOTRUST were of the District's investment portfolio.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding District funds must provide the District with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Capital Assets

The District had the following capital asset changes during the past year:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Books and media	\$ 842,823	\$ 80,722	\$ (148,424)	\$ 775,121
Construction in progress	-	24,171	-	24,171
Capital assets, being depreciated:				
Buildings	8,043,906	34,422	-	8,078,328
Furniture and fixtures	465,330	-	(7,089)	458,241
Equipment	315,313	-	(36,149)	279,164
Total capital assets being depreciated	<u>9,667,372</u>	<u>139,315</u>	<u>(191,662)</u>	<u>9,615,025</u>
Less accumulated depreciation for:				
Buildings	(2,770,297)	(258,862)	-	(3,029,159)
Furniture and fixtures	(455,984)	(2,618)	7,089	(451,513)
Equipment	(301,208)	(8,434)	36,149	(273,493)
Total accumulated depreciation	<u>(3,527,489)</u>	<u>(269,914)</u>	<u>43,238</u>	<u>(3,754,165)</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,139,883</u>	<u>\$ (130,599)</u>	<u>\$ (148,424)</u>	<u>\$ 5,860,860</u>

C. Long-term Debt

1. Certificates of Participation - Series 2014

On November 20, 2014, the District, through the Grand County Library Leasing Trust, issued \$4,775,000 of certificates of participation to refund the 2005 COP's. The interest rate for the Series 2014 issue ranged from 2.0% to 4.0%. Certificates maturing on and after December 1, 2019, will be subject to redemption prior to maturity, as directed by the District, as a whole or in integral multiples of \$5,000 at a redemption price equal to the principal amount of the 2014 Certificates, or portions thereof, being redeemed plus accrued interest to the redemption date.

The following is a schedule of required debt payments as of December 31, 2017:

<u>Year</u>	<u>Series - 2014</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	
2018	145,000	169,363	314,363
2019	145,000	166,463	311,463
2020	150,000	163,200	313,200
2021	155,000	157,200	312,200
2022	150,000	151,000	301,000
2022 - 2026	910,000	654,200	1,564,200
2028 - 2032	1,090,000	459,200	1,549,200
2033 - 2037	1,325,000	223,000	1,548,000
2038	300,000	12,000	312,000
	<u>\$ 4,370,000</u>	<u>\$ 2,155,626</u>	<u>\$ 6,525,626</u>
Less: Interest			<u>(2,155,626)</u>
Total Principal			<u>\$ 4,370,000</u>

**Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)**

IV. Detailed Notes on All Funds (continued)

C. Long-term Debt (continued)

2. Changes in Obligations

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Accrued Comp. Abs.	\$ 22,570	\$ -	\$ (499)	\$ 22,071	\$ 22,073
Series 2014 C.O.P.'s	4,510,000	-	(140,000)	4,370,000	145,000
	<u>\$ 4,532,570</u>	<u>\$ -</u>	<u>\$ (140,499)</u>	<u>\$ 4,392,071</u>	<u>\$ 167,073</u>

D. Receivables

Receivables as of the year end for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

Property tax receivable	<u>\$ 2,375,441</u>
Total receivable	<u><u>\$ 2,375,441</u></u>

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$2,375,440 of property taxes receivable is unavailable revenue from property tax levied in 2017 but not available until 2018.

E. Fund Balance Disclosure

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. This includes amounts required by the Colorado Constitution to be set aside for Emergencies and required to be held for debt service.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Library Board of Trustees.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board or its management designee.

Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Fund Balance Disclosure (continued)

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to Board.

Fund balances at year end are as follows:

Nonspendable	
Prepaid expenses	\$ 23,036
Total nonspendable	<u>\$ 23,036</u>
Restricted	
Tabor reserve	\$ 73,000
Debt Service	160,000
Total restricted	<u>\$ 233,000</u>
Committed	
Economic stabilization	\$ 1,733,138
Total committed	<u>\$ 1,733,138</u>
Assigned	
Technology acquisition	\$ 91,407
Cash flow reserves	400,000
Total assigned	<u>\$ 491,407</u>
Total Fund Balances	<u><u>\$ 2,480,581</u></u>

V. Other Information

A. Risk Management

1. Property and Liability Insurance

The District utilizes One Beacon for property and liability insurance. The District carries coverage for claims up to \$2,000,000, subject to certain exceptions. Any settled claims are not expected to exceed coverage.

**Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)**

V. Other Information (continued)

A. Risk Management (continued)

2. Other Risks

The District carried commercial insurance for all other risks of loss not addressed above, including worker's compensation and employee health and accident insurance. Any settled claims are not expected to exceed the commercial insurance coverage.

B. Employee Benefit Plans

1. Retirement Savings Plan - IRC 401(a)

The District offers its employees a retirement savings plan created in accordance with Internal Revenue Code Section 401(a). The benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

The plan requires all District employees who work on a continuous basis to defer a portion of their salary until future years. The plan is administered and invested by CCOERA. All continuous employees are required to make contributions equal to 3% of gross wages. The District also contributes 3% of the employee gross wages. Employees are 100% vested in their retirement contributions immediately and become vested in the employer's share of the contribution at the following vesting schedule:

<u>Years of Service Completed</u>	<u>Specified Percent Vesting</u>
1	20%
2	40%
3	60%
4	80%
5 or more	100%

The District's current year covered payroll and total payroll was \$611,900 and \$701,888, respectively. During the year, the District's required and actual contributions amounted to \$18,357 which was 3.0% of its current year covered payroll. Employees' required and actual contributions amounted to \$18,357. At year end December 31, 2017 there \$0 payable to CCOERA.

2. Deferred Compensation Plan - IRC 457

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

V. Other Information (continued)

B. Employee Benefit Plans (continued)

2. Deferred Compensation Plan - IRC 457 (continued)

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value. Employees are 100% vested in their deferred compensation contributions as no employer contributions are made to the plan.

3. Cafeteria Plan

The District also provides its employees an opportunity to contribute to an IRS Section 125 plan (commonly known as a cafeteria plan). The plan allows for pretax payments for specific medical and child-care expenses.

C. Operating Leases

The Hot Sulphur Springs Library is located in a building owned by Grand County, Colorado. Continued use of the building is set forth in an agreement. No rent is required by the District pays certain operating costs.

On August 11, 2003, the District entered into a lease agreement with the Town of Grand Lake for use of the Juniper Library in the Grand Lake. The lease term has a twenty-five-year life with unlimited, automatic extensions of 25 years available so long as the District is using the premises for a Library building and providing library services in a non-exclusive manner to the residents of the community of Grand Lake. The lease amount is \$1 annually.

On January 1, 2009, the District entered into a lease agreement with the Town of Kremlin for use of the Kremmling Library building. The lease term is for ten (10) years from the date signed and may be amended at any time by mutual written consent of the Town and the District. The rent for the lease is the performance of obligations contained in the lease agreement, including such items as payment of liability insurance, electric and gas utilities, water, sewer, and trash fees, snow plowing, maintenance, and repair and upkeep of the premises.

D. Significant Taxpayers

As of December 31, 2016, the most recent information available, Nineteen percent (19%) of all District's property taxes were paid by ten taxpayers. The top ten taxpayers for the District:

Grand County Library District
Notes to the Financial Statements
December 31, 2017
(Continued)

V. Other Information (continued)

D. Significant Taxpayers (continued)

As of December 31, 2016, the most recent information available, Nineteen percent (19%) of all District's property taxes were paid by ten taxpayers. The top ten taxpayers for the District:

2015 - 2016				
Rank Tax Paid	Taxpayer & Type of Business	Taxable Assessed Value	Taxes Assessed	Percent Assessed Total
	Freeport - McMoRan Copper & Gold, Inc.			
1	Molybdenum Mining and Processing	\$71,660,920	\$177,930	10.84%
	Union Pacific Corp.			
2	Transportation - Railroad	\$17,313,800	\$42,989	2.62%
	Mountain Parks Electric Inc			
3	Electric Utility	\$6,663,500	\$16,545	1.01%
	Colorado Mountain Resorts Investors			
4	Land Development and Recreation	\$6,492,130	\$16,120	0.98%
	IntraWest/Winter Park Operations			
5	Ski Area Operator	\$6,454,040	\$16,025	0.98%
	Public Service Company of Colorado			
6	Gas Utility	\$6,302,900	\$15,650	0.95%
	Tri-State Generation and Trans.			
7	Electric Utility	\$5,800,700	\$14,403	0.88%
	Qwest Corp.			
8	Telephone Utility	\$5,029,700	\$12,488	0.76%
	Granby Realty Holdings, LLC			
9	Land Development and Recreation	\$2,587,230	\$6,424	0.39%
	IW/WP Village Core Development Co, LLC			
10	Land Development and Recreation	\$1,371,670	\$3,406	0.21%
	Total Top Ten Taxpayers Taxable Assessed Value	<u>\$129,676,590</u>	<u>\$321,980</u>	<u>19.62%</u>
	All Other Taxpayers Taxable Assessed Value	\$ 531,359,950	\$ 1,319,336	80.60%
	Total Taxable Assessed Value	<u>\$ 661,036,540</u>	<u>\$ 1,641,316</u>	<u>100%</u>

VI. Subsequent Events

Management has evaluated subsequent events through March 23, 2018, the date these financial statements were available to be issued.

Grand County Library District
Required Supplemental Information



Grand County Library District
Statement of Revenues, Expenditure and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended December 31, 2017
(With Comparative Totals For the Year Ended 2016)

	<u>2017</u>			<u>2016</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>	<u>Actual</u>
Revenues:					
Property taxes	2,218,083	2,218,083	2,188,010	(30,073)	1,625,109
Specific ownership taxes	92,000	92,000	155,482	63,482	100,859
Interest on taxes	3,000	3,000	(32,303)	(35,303)	2,857
Intergovernmental revenues	5,500	5,500	10,950	5,450	5,541
Earnings on investments	10,600	10,600	26,310	15,710	13,795
Collection revenue	11,000	11,000	12,194	1,194	11,730
Donations	40,000	40,000	92,880	52,880	57,109
Donated goods and services	-	-	6,116	6,116	13,906
Other income	34,940	34,940	38,395	3,455	39,643
Total Revenues	<u>2,415,123</u>	<u>2,415,123</u>	<u>2,498,034</u>	<u>82,911</u>	<u>1,870,549</u>
Expenditures/Expenses:					
Personnel services	962,019	962,019	899,168	62,851	949,871
Supplies	8,400	8,400	7,229	1,171	23,799
Library materials	114,500	114,500	105,142	9,358	126,565
Technology	86,324	86,324	83,868	2,456	84,868
Communications	45,946	44,996	54,159	(9,163)	39,114
Facilities and maintenance	185,441	185,441	218,472	(33,031)	177,857
Professional services	132,044	129,134	131,966	(2,832)	110,927
Other expenses	52,673	52,481	72,232	(19,751)	24,643
Capital outlay	697,770	70,000	58,593	11,407	55,158
Debt service:					
Principal	140,000	140,000	140,000	-	135,000
Interest	172,163	172,163	171,952	211	174,638
Other	2,500	2,500	2,752	(252)	203
Total Expenditures/Expenses	<u>2,599,780</u>	<u>1,967,958</u>	<u>1,945,533</u>	<u>22,425</u>	<u>1,902,643</u>
Excess of Revenues Over Expenditures	<u>(184,657)</u>	<u>447,165</u>	<u>552,501</u>	<u>105,336</u>	<u>(32,094)</u>
Other Financing (Uses):					
Transfers	-	-	3,500	3,500	-
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>22,300</u>	<u>22,300</u>	<u>-</u>
Change in Fund Balance	<u>(184,657)</u>	<u>447,165</u>	<u>574,801</u>	<u>127,636</u>	<u>(32,094)</u>
Fund Balances - Beginning of Year			<u>1,905,780</u>		<u>1,937,874</u>
Fund Balances - End of Year			<u>2,480,581</u>		<u>1,905,780</u>

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

Grand County Library District
Statement of Revenues, Expenditure and Changes in Fund Balances - Budget to Actual
Special Revenue Fund
For the Year Ended December 31, 2017
(With Comparative Totals For the Year Ended 2016)

	<u>2017</u>			<u>Variance</u>	<u>2016</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>From Final Budget</u>	<u>Actual</u>
Revenues:					
Donations	7,000	7,000	13,147	6,147	5,436
Investment income	6,320	6,320	8,112	1,792	3,971
Total Revenues	<u>13,320</u>	<u>13,320</u>	<u>21,259</u>	<u>7,939</u>	<u>9,407</u>
Expenditures/Expenses:					
Supplies	335	335	334	1	195
Facilities and maintenance	3,195	3,195	3,177	18	2,386
Other expenses	652	652	660	(8)	566
Total Expenditures/Expenses	<u>4,182</u>	<u>4,182</u>	<u>4,171</u>	<u>11</u>	<u>3,147</u>
Excess of Revenues Over Expenditures	<u>9,138</u>	<u>9,138</u>	<u>17,088</u>	<u>7,950</u>	<u>6,260</u>
Other Financing (Uses):					
Transfers in/(out)	-	-	(3,500)	(3,500)	-
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>
Change in Fund Balance	<u>9,138</u>	<u>9,138</u>	13,588	<u>4,450</u>	6,260
Fund Balances - Beginning of Year			<u>94,209</u>		<u>87,949</u>
Fund Balances - End of Year			<u>107,797</u>		<u>94,209</u>

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