

**Garfield County Public Library District  
Financial Statements  
December 31, 2017**



**GARFIELD COUNTY  
LIBRARIES**

**E**

**RECEIVED**

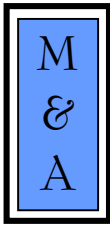
Office of the State Auditor

July 10, 2018

**Garfield County Public Library District  
Financial Report  
December 31, 2017**

**Table of Contents**

	<b>Page</b>
INDEPENDENT AUDITOR'S REPORT	A1 - A2
Management's Discussion and Analysis	B1 – B7
Basic Financial Statements:	
Government-wide Financial Statements:	
Balance Sheet / Statement of Net Position	C1
Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities	C2
Notes to the Financial Statements	D1 - D14
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - General Fund	E1



# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

CHAPEL SQUARE, BLDG C  
245 CHAPEL PLACE, SUITE 300  
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM  
MAIN OFFICE: (970) 845-8800  
FACSIMILE: (970) 845-8108  
E-MAIL: MCMAHAN@MCMAHANCPA.COM

## INDEPENDENT AUDITOR'S REPORT

### To the Board of Trustees Garfield County Public Library District

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Garfield County Public Library District (the "District"), as of and for the year ended December 31, 2017, which collectively comprise the District's basic financial statements 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 respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Garfield County Public Library District as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Member: American Institute of Certified Public Accountants*

PAUL J. BACKES, CPA, CGMA  
MICHAEL N. JENKINS, CA, CPA, CGMA  
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800  
ASPEN: (970) 544-3996  
FRISCO: (970) 668-3481

**Other Matters**

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

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
July 5, 2018**

Management Discussion and Analysis



GARFIELD COUNTY  
LIBRARIES

# Garfield County Public Library District

## Management's Discussion and Analysis December 31, 2017

As management of Garfield County Public 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 of the District exceeded its liabilities by \$18,591,462 at December 31, 2017. Of this amount, \$3,819,952 may be used to meet the District's ongoing obligations to patrons.
- The District's total Net Position decreased by \$70,118. This was at partially due to the refunding of certificates of participation during the year.
- At the end of 2017, total fund balance for the General Fund was \$3,811,701 or 83% 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 are comprised of 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, and deferred inflows/outflows of resources, 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 and the District discreetly presents the Garfield County Public Library Foundation, a non-profit organization formed exclusively for the benefit of, to perform the functions of, or to carry out the charitable and educational purposes of the District.

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

## **Overview of the Financial Statements (continued)**

**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 has one fund, the General Fund, which is a governmental fund.

**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 in section D of this report.

### **Government-wide financial analysis:**

The majority of the District's revenue was from property and sales taxes (see the Notes to the Financial Statements). 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 78% 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.

## Overview of the Financial Statements (continued)

### Government-wide financial analysis (continued):

#### Garfield County Public Library District's Net Position

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Current and other assets	\$ 7,360,961	\$ 8,697,935
Capital assets	26,759,472	28,759,166
<b>Total Assets</b>	<u>34,120,433</u>	<u>37,457,101</u>
<b>Deferred Outflows of Resources:</b>		
Bond refunding deferred outflows	1,440,324	-
<b>Total Deferred Outflows of Resources</b>	<u>1,440,324</u>	<u>-</u>
<b>Liabilities:</b>		
Other liabilities	321,693	198,647
Long-term liabilities	14,466,805	16,384,788
<b>Total Liabilities</b>	<u>14,788,498</u>	<u>16,583,435</u>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue	2,180,797	2,212,086
<b>Total Deferred Inflows of Resources</b>	<u>2,180,797</u>	<u>2,212,086</u>
<b>Net Position:</b>		
Investment in capital assets	14,616,810	13,193,173
Restricted	154,700	178,314
Unrestricted	3,819,952	5,290,093
<b>Total Net Position</b>	<u>\$ 18,591,462</u>	<u>\$ 18,661,580</u>

Approximately 79% of the District's net position reflects its investment in capital assets, which includes buildings, equipment, land, vehicles, and books and periodicals. Total assets decreased \$3,336,668 primarily due to depreciation on capital assets and the refunding of certificates of participation. Total liabilities decreased \$1,794,937 mainly due to repayment of principal on debt.

## Overview of the Financial Statements (continued)

### Government-wide financial analysis (continued):

#### Garfield County Public Library District's Change in Net Position

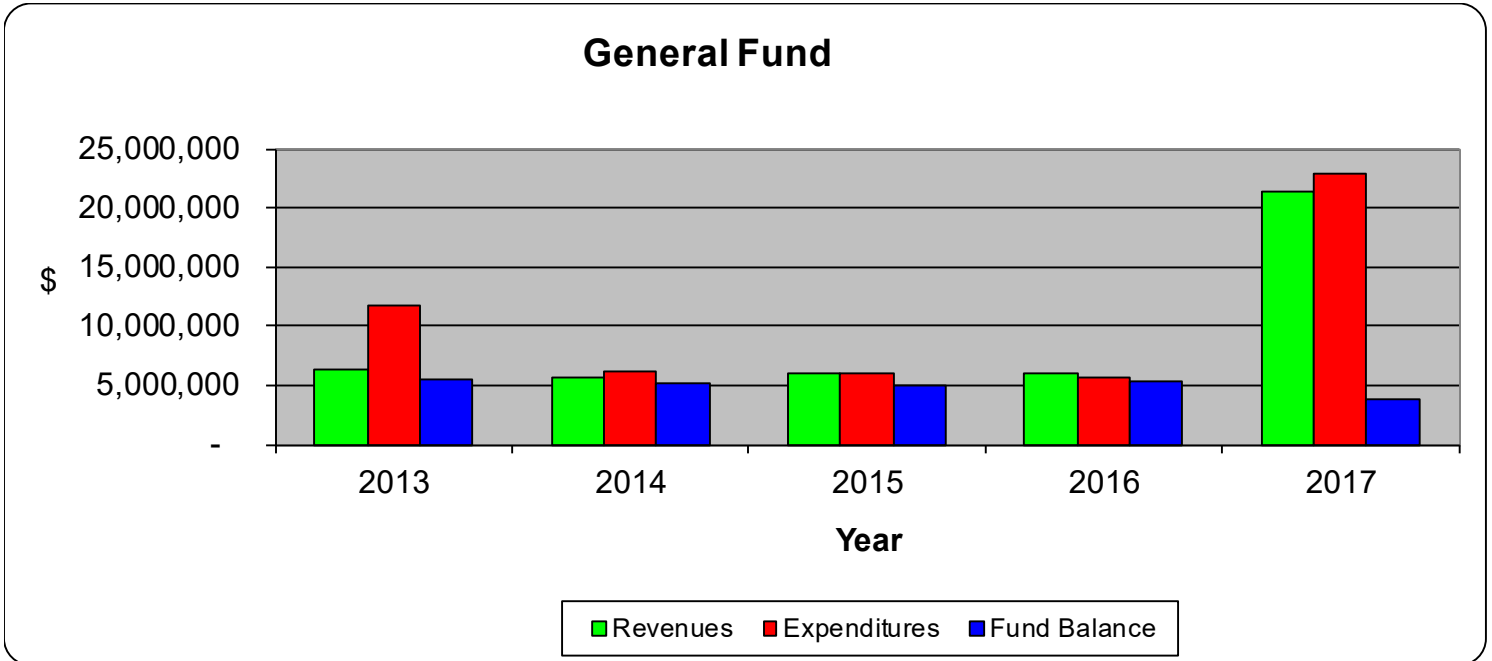
<b>Revenues:</b>	<b>2017</b>	<b>2016</b>
Program revenues:		
Collection revenue	\$ 152,989	\$ 153,810
General revenues:		
Sales taxes	2,468,162	2,175,983
Property taxes	2,228,601	3,423,183
Specific ownership taxes	170,897	164,683
Earnings on investments	41,488	26,355
Donations	11,745	19,463
Grant income	86,516	4,864
<b>Total Revenues</b>	<u>5,160,398</u>	<u>5,968,341</u>
<b>Expenses:</b>		
Library services	4,334,903	4,416,885
General government	604,062	1,252,031
<b>Total Expenses</b>	<u>4,938,965</u>	<u>5,668,916</u>
<b>Operating Income</b>	<u>221,433</u>	<u>299,425</u>
Gain on sale of assets	30,499	-
TABOR refund	(139,232)	-
Debt issuance costs	(182,818)	-
<b>Non-operating income</b>	<u>(291,551)</u>	<u>-</u>
<b>Change in Net Position</b>	(70,118)	299,425
<b>Net Position:</b>		
Beginning of Year	18,661,580	18,362,155
Ending of Year	<u>\$ 18,591,462</u>	<u>\$ 18,661,580</u>

The decrease in net position is attributable to the decrease in property tax revenue and the refunding of certificates of participation. Property and sales taxes were the most significant sources of general revenue for the District accounting for approximately 91% of revenues.

## Overview of the Financial Statements (continued)

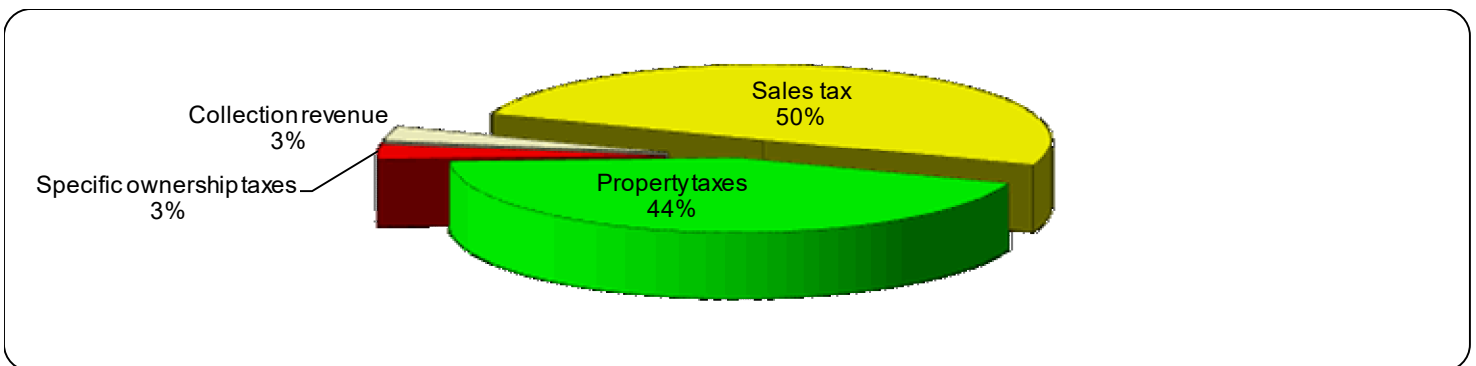
### Financial Analysis of the District's Funds

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 Fund for the years 2013 through 2017:



The District's General Fund had an increase in fund balance of \$587,067 and an ending fund balance of \$3,811,701. Revenues decreased \$788,249 from 2016. Expenditures decreased \$1,164,808 from 2016. This was due to spending reductions of debt service, personnel, library materials, building maintenance and utilities during the fiscal year.

The following chart represents the District's revenues:

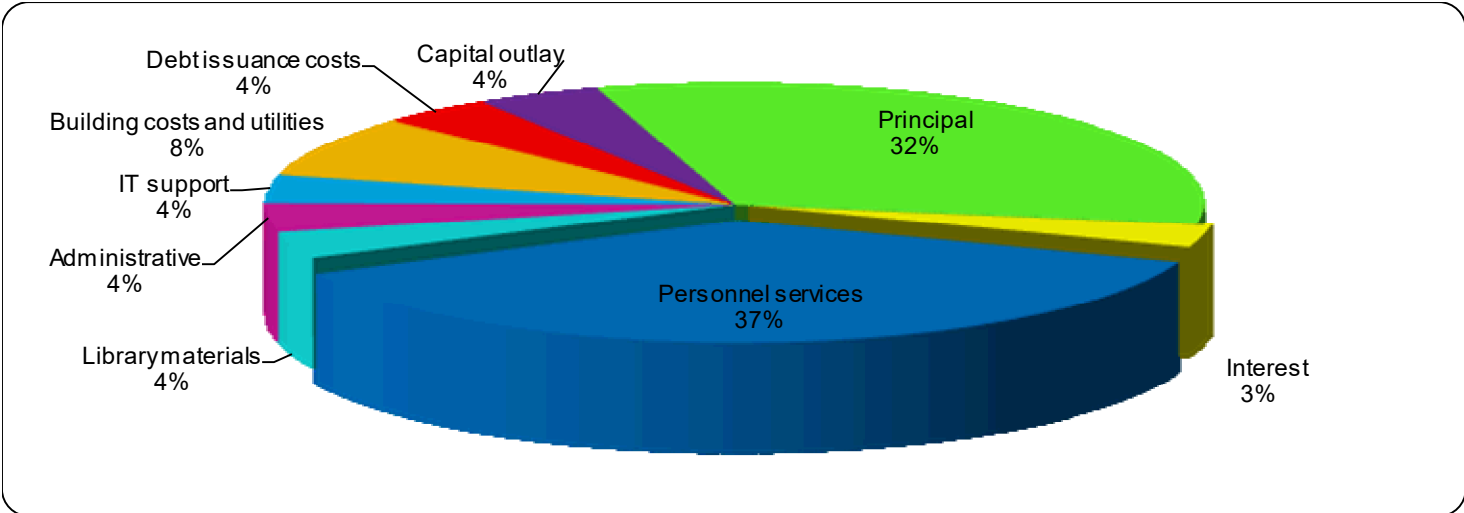


Property and sales taxes make up the largest sources of revenue for the District.

**Overview of the Financial Statements (continued)**

**Financial Analysis of the District's Funds (continued):**

The following chart represents the District's expenses:



Personnel services (wages, retirement, health insurance, etc.) make up the largest source of expenditures for the District.

**Budget variances in the General Fund:** The District's 2017 budget was approved at the end of 2016. Significant budget variances were as follows:

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance From Final Budget</b>	<b>Reason</b>
<b>Revenues:</b>				
Earnings on investments	10,000	41,488	31,488	Increase in overall interest rates.
Grant income	20,300	86,516	66,216	Grants were received that were not anticipated.
<b>Expenditures:</b>				
Personnel services	1,844,553	1,751,014	93,539	Reduction in staff
Library materials	196,351	166,880	29,471	Fewer purchases than originally planned and accrual differences
Capital outlay	-	201,494	(201,494)	Expenditures were incurred for work on 2nd floor of Cooper Commons buildings that was not known at the time of budget preparation.

## **Overview of the Financial Statements (continued)**

### **Financial Analysis of the District's Funds (continued):**

**Capital assets:** The District had a net investment in capital of assets of \$14,616,810 at the end of 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 in section D of this report.

**Next year's budget and rates:** The District had \$3,811,701 of fund balance at the end of the current fiscal year. The District's 2018 budget anticipated a beginning balance of \$3,458,913. The 2018 budget anticipates revenues of \$4,812,080 and expenditures of \$4,872,080.

### **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 Garfield County Public Library District, P.O. Box 832, Rifle, CO 81650 or you may call 970-625-4270.

Basic Financial Statements



GARFIELD COUNTY  
LIBRARIES

**Garfield County Public Library District**  
**Balance Sheet / Statement of Net Position**  
**December 31, 2017**

	Primary Government			Component Unit
	General Fund	Adjustments	Statement of Net Position	
<b>Assets:</b>				
Cash and cash equivalents	3,712,149	-	3,712,149	290,663
Accounts receivable	127,229	-	127,229	2,350
Prepaid expenses	9,715	-	9,715	-
Property taxes receivable	2,180,797	-	2,180,797	-
Sales taxes receivable	447,252	-	447,252	-
Long-term lease, net of amortization	-	883,819	883,819	-
Capital assets, net of depreciation	-	26,759,472	26,759,472	-
<b>Total Assets</b>	<b>6,477,142</b>	<b>27,643,291</b>	<b>34,120,433</b>	<b>293,013</b>
<b>Deferred Outflows of Resources:</b>				
Bond refunding deferred outflows	-	1,440,324	1,440,324	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>1,440,324</b>	<b>1,440,324</b>	<b>-</b>
<b>Liabilities:</b>				
Accounts/vouchers payable	109,244	-	109,244	4,300
TABOR refund liability	139,232	-	139,232	-
Accrued compensated absences	-	73,217	73,217	-
Certificates of participation - current portion	-	1,286,556	1,286,556	-
Certificates of participation - non-current portion	-	13,180,249	13,180,249	-
<b>Total Liabilities</b>	<b>248,476</b>	<b>14,540,022</b>	<b>14,788,498</b>	<b>4,300</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - property taxes	2,180,797	-	2,180,797	-
Unavailable revenue - sales taxes	236,168	(236,168)	-	-
Unavailable revenue - grant revenue	-	-	-	63,820
<b>Total Deferred Inflows of Resources</b>	<b>2,416,965</b>	<b>(236,168)</b>	<b>2,180,797</b>	<b>63,820</b>
<b>Fund Balance/Net Position:</b>				
<b>Fund Balance:</b>				
Non-spendable	9,715			
Restricted for emergencies	154,700			
Assigned for replacement	151,266			
Unassigned	3,496,020			
<b>Total Fund Balance</b>	<b>3,811,701</b>			
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>6,477,142</b>			
<b>Net Position:</b>				
Investment in capital assets			14,616,810	-
Restricted for emergencies			154,700	-
Unrestricted			3,819,952	224,893
<b>Total Net Position</b>			<b>18,591,462</b>	<b>224,893</b>

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

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

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>	
<b>Revenues:</b>				
Property taxes	2,228,601	-	2,228,601	-
Sales taxes, net of \$79,531 in refunds	2,463,315	4,847	2,468,162	-
Specific ownership taxes	170,897	-	170,897	-
Earnings on investments	41,488	-	41,488	38
Fines, fees and other revenue	152,989	-	152,989	25,175
Donations	11,745	-	11,745	84,925
Grant income	86,516	-	86,516	30,557
<b>Total Revenues</b>	<u>5,155,551</u>	<u>4,847</u>	<u>5,160,398</u>	<u>140,695</u>
<b>Expenditures/Expenses:</b>				
Personnel services	1,751,014	(1,414)	1,749,600	-
Library materials	166,880	(109,801)	57,079	-
Administrative	181,178	-	181,178	-
IT support	174,966	-	174,966	-
Purchased services	32,769	-	32,769	-
Building costs and utilities	382,703	-	382,703	-
Programming	13,556	-	13,556	44,369
Capital outlay	201,494	(201,494)	-	-
Advertising and marketing	4,124	-	4,124	-
Depreciation and amortization	-	2,099,196	2,099,196	-
Debt service:				
Principal	1,518,886	(1,518,886)	-	-
Interest	140,914	102,880	243,794	-
<b>Total Expenditures/Expenses</b>	<u>4,568,484</u>	<u>370,481</u>	<u>4,938,965</u>	<u>44,369</u>
<b>Excess (Deficiency) of Revenue Over Expenditures / Operating Income</b>	587,067	(365,634)	221,433	
<b>Other Financing Sources (Uses) / Non-operating Income:</b>				
Debt proceeds	15,985,690	(15,985,690)	-	
Deposit with escrow agent / Debt defeasance	(17,927,993)	17,927,993	-	
Debt issuance costs	(182,818)	-	(182,818)	
TABOR refund	(139,232)	-	(139,232)	
Proceeds / gain on sale of asset	251,900	(221,401)	30,499	
<b>Total Other Financing Sources (Uses) / Non-operating Income:</b>	<u>(2,012,453)</u>	<u>1,720,902</u>	<u>(291,551)</u>	
<b>Change in Fund Balance / Net Position</b>	(1,425,386)	1,355,268	(70,118)	96,326
<b>Fund Balances/Net Position:</b>				
Beginning of Year (Restated)	5,237,087		18,661,580	128,567
End of Year	<u>3,811,701</u>		<u>18,591,462</u>	<u>224,893</u>

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

Notes to the Basic Financial Statements



GARFIELD COUNTY  
LIBRARIES

**Garfield County Public Library District**  
**Notes to the Financial Statements**  
**December 31, 2017**

**I. Summary of Significant Accounting Policies**

The Garfield County Public Library District (the "District") was established January 1, 2007, as a political subdivision of the State of Colorado to provide library services throughout Garfield County. The District is governed by a seven (7) member board of trustees (the Board) appointed by the Garfield County Commissioners (the Commissioners). The Commissioners' accountability for the District does not extend beyond making appointments to the Board.

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 financial statements include the Garfield County Public Library Foundation, Inc. (the "Foundation") which was formed exclusively to carry out the charitable and education functions of the District.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component unit.

**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 three parts - invested in capital assets, net of related debt; restricted net position 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.

**Garfield County Public 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 individual funds in the fund financial statements. Each fund is accounted for by providing a separate 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 District reports only the general fund, which is the District's primary operating fund that accounts all financial resources of the District.

**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, Cash Equivalents and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

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.

**Garfield County Public 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)**

Colorado statute permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

**2. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and a deferred inflow of resources.

**3. Sales Taxes**

Sales tax is collected by businesses throughout Garfield County and remitted to the State of Colorado, Department of Revenue, by the 20<sup>th</sup> of each month after receipt. The State of Colorado then remits Garfield County's portion to the Garfield County Treasurer. The Garfield County Treasurer then allocates the District's portion of sales taxes and transfers to the District on the 10<sup>th</sup> of the month following receipt from the state. Sales taxes received by the District are reported as revenue when received except at year-end. Amount due to the District at December 31 and received within 60 days are reported as a receivable and a revenue in the current year. Amounts not received within 60 days after year-end are recorded as a receivable and deferred inflow of resources.

**4. Due to and Due from Component Unit**

Component unit receivables and payables arise from transactions with the Foundation and are recorded in the general fund in the period in which the transactions are executed. The balances result from the time lag between the dates that the component unit reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments are made.

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

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**5. Capital Assets**

Capital assets, which include land, buildings, equipment, furniture and fixtures, and library materials are reported in the government-wide financial statements. Capital assets are determined using the following cost thresholds.

<u>Assets</u>	<u>Threshold</u>
Land	All
Buildings	\$50,000
Furniture, fixtures and equipment	\$5,000
Library materials	All

Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Buildings, furniture, fixtures and equipment and library materials are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	27.5 - 40
Building improvements	20
Furniture, fixtures and equipment	3 - 10
Library materials	5

**6. Compensated Absences**

The District allows its employees to accumulate personal days off, based on the employee's length of service. Personal days off can be accrued up to a maximum of 240 hours. Personal days off are paid out upon termination up to the maximum accrual.

The District also allows employees to accumulate sick leave. Sick leave is accrued at a rate of 8 hours per month regardless of employee's length of service. Sick leave can accumulate up to 960 hours. The District does not pay accrued sick leave upon termination

At December 31, 2017, the estimated value of accumulated personal days off, including the District's taxes is \$73,217.

**7. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position with 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 and so will not be recognized as an outflow of resource (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. Accordingly, the item, bond refunding deferred outflows, is deferred and recognized as an outflow of resources in the period that amounts become expended.

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

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**7. Deferred Outflows and Inflows of Resources (continued)**

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 District has two items that qualify for reporting in this category. Accordingly, these items, unavailable revenue from property taxes, and unavailable revenue from sales tax, are deferred and recognized as inflows of resources in the period that the amounts become available.

**8. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**E. Fund Balance Disclosure**

The District classifies governmental fund balances as follows:

- 1. 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.
- 2. Spendable Fund Balance:**
  - a. 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. As of December 31, 2017, \$154,700 was restricted for emergencies.
  - b. 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 board of directors. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements

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

**I. Summary of Significant Accounting Policies (continued)**

**E. Fund Balance Disclosure (continued)**

**2. Spendable Fund Balance (continued):**

- c. 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.
- d. 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's policy is to maintain a minimum fund balance that will provide for sufficient cash flow to operate the District for six months to one year. This amount shall be equal to not less than 50% of the previous year's actual expenditures of the District's General Fund. The District's goal is to increase this fund balance level to 100% of the previous year's actual expenditures.

**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. Below are the elements of the adjustments column.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. \$26,759,472 represents the net book value of capital assets at December 31, 2017. Long-term leases are not financial resources and, therefore, are not reported in the funds. \$883,819 represents the value of the long-term lease net of accumulated amortization.

Long-term liabilities are not due and payable in the current period, and therefore are not reported in the fund financial statements. \$14,540,022 represents long term debt and accrued compensated absences. Unavailable sales tax revenue of \$236,168 is recognized in the current period Statement of Activities, but deferred in the fund.

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

**II. Reconciliation of Government-wide and Fund Financial Statements (continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balance and the government-wide Statement of Activities**

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. Below are the elements of the adjustments column.

Some revenues reported in the Statement of Activities are recognized when earned and therefore are not reported as revenues in the governmental funds. The adjustment of \$4,847 represents the change in unavailable sales taxes between 2016 and 2017.

Capital asset additions are reported as expenditures in governmental funds, however in the Statement of Activities, these costs are allocated over the estimated useful lives of those assets. Additions of capital assets are books and periodicals of \$109,801 and building improvements of \$201,494. Depreciation and amortization expense of \$2,099,196 represents \$2,089,589 of depreciation on capital assets and \$9,607 of amortization expense on the long-term lease.

Principal payment on long-term debt is an expense in the fund and reduction of liability in the Statement of Activities, \$1,518,886 represents payments on long-term debt for the year ended December 31, 2017. The adjustment of \$102,880 is amortization of bond refunding deferred outflows. The final element of the reconciliation is the change in the accrued compensated absences of \$1,414.

The bond proceeds of \$15,985,690 and refunding of bonds of \$17,927,993 are recognized as fund flows in the General Fund, but in the Statement of Net Position, they are recognized as an addition and reduction of bond liabilities, respectively.

Proceeds from the sale of assets is reported as a fund flow in the General Fund, but only the economic gain on the sale is recognized in the Statement of Activities. The \$221,401 adjustment is the difference between the sale proceeds and the gain on the sale.

**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) For the 2017 budget, prior to August 25, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries.

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

**III. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

- (2) On or before October 15, 2016, 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) For the 2017 budget, prior to December 15, 2016, 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.
- (4) After a required public hearing, the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- (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 raising revenue, 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 \$154,700, which is the approximate required reserve at December 31, 2017.

The District's voters approved the following ballot questions on November 7, 2006:

Shall Garfield County be authorized to enter into a multiple-fiscal year financial obligation without any increase in the current rate of any county tax through a pledge and, commencing January 1, 2007, transfer to the Garfield County Public Library District of an amount equal to the one-quarter cent sales tax currently authorized to be deposited into the Garfield County Library Fund of Garfield County Public Works Fund pursuant to County Resolution No. 80-198, with such authority to continue until such date that the pledge and transfer is revoked by majority vote of the electors of the county; and shall such tax revenues constitute a voter-approved revenue change of the county within the meaning of Article X, Section 20 of the Colorado Constitution.

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

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment (continued)**

Shall Garfield County Public Library District taxes be increased \$2,500,000 annually (for collection in calendar year 2008) and by such additional amounts raised annually thereafter from an ad valorem property tax mill levy imposed at a rate of one mill for a limited twenty-year period (with calendar year 2027 being the last collection year for the tax increase) for the purpose of funding library capital improvements, including:

- Relocating and expanding the size of the Glenwood Springs library.
- Expansion of the Carbondale library
- Expansion of the Rifle library
- Improving and expanding the New Castle library
- Expansion of the Silt library
- Eventual expansion of the Parachute/Battlement Mesa library; and

The furnishing, operating and maintaining of such facilities; and shall the revenue from such taxes and the interest income thereon (regardless of amount) constitute a voter-approved revenue change of the District within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

**IV. Detailed Notes on All Funds**

**A. Cash 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. The carrying amount of the District's demand deposits and petty cash was \$489,323 at year end.

At December 31, 2017, the District had the following investments and value measurements.

<b>Investments Measured at Net Asset Value</b>	
Colotrust	<u><u>\$3,171,789</u></u>
 <b>Investments Measured at Amortized Cost</b>	
Csafe	<u><u>51,037</u></u>

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

**IV. Detailed Notes on All Funds (continued)**

**A. Cash and Investments (continued)**

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities 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;
- Negotiable Certificates of Deposit: matrix pricing based on the securities' relationship to benchmark quoted prices;

The Investment Pool represents investments in COLOTRUST and C-SAFE. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

*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 and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

*Credit Risk.* District investment policy limits investments to those authorized by State statutes. 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. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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

**IV. Detailed Notes on All Funds (continued)**

**A. Cash and Investments (continued)**

At December 31, 2017, the District had the following cash and investments with the following maturities:

	<u>Rating</u>	<u>Carrying Amounts</u>	<u>Maturities Less than one year</u>
<b>Primary Government:</b>			
<i>Cash and cash equivalents:</i>			
Petty cash	Not Rated	\$ 1,075	1,075
Checking	Not Rated	487,373	487,373
Savings & money market	Not Rated	875	875
Colostrust & Csafe	AAA	<u>3,222,826</u>	<u>3,222,826</u>
		<u>\$ 3,712,149</u>	
<b>Component Unit:</b>			
<i>Cash and cash equivalents:</i>			
Checking	Not Rated	<u>\$ 194,496</u>	194,496
		<u>\$ 194,496</u>	

**B. Receivables**

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

Fines, fees and delinquent accounts	\$ 127,229
Property taxes receivable	2,180,797
Sales taxes receivable	447,252
Less: Allowance for doubtful accounts	-
<b>Total receivable</b>	<u><u>\$ 2,755,278</u></u>

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. A deferred inflow amount of \$2,180,797 is for unavailable property taxes levied in 2017 but not available until 2018 and \$236,168 is for sales taxes collected in December 2017 but not available until 2018.

**C. Long Term Lease**

The District has a 99-year lease with the City of Rifle (the "City") for use of the land under the District's library in the City. This lease is being amortized using the straight-line method over the life of 99 years. Net value of the lease for the year ended December 31, 2017 is \$883,819, which consists of original value of \$951,067 less accumulated amortization of \$67,248.

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

**IV. Detailed Notes on All Funds (continued)**

**D. 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>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	40,657	201,494	(242,151)	-
Land	2,377,331	-	-	2,377,331
Capital assets, being depreciated:				
Buildings	24,640,632	242,150	(241,968)	24,640,814
Furniture, fixtures, and equipment	2,231,955	-	-	2,231,955
Books and media	3,886,621	109,801	(171,659)	3,824,763
<b>Total capital assets being depreciated</b>	<u>30,759,208</u>	<u>351,951</u>	<u>(413,627)</u>	<u>30,697,532</u>
Less accumulated depreciation for:				
Buildings	(1,775,621)	(618,272)	20,567	(2,373,326)
Furniture, fixtures, and equipment	(1,637,980)	(275,554)	-	(1,913,534)
Books and media	(1,004,429)	(1,195,761)	171,659	(2,028,531)
<b>Total accumulated depreciation</b>	<u>(4,418,030)</u>	<u>(2,089,587)</u>	<u>192,226</u>	<u>(6,315,391)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>28,759,166</u>	<u>(1,536,142)</u>	<u>(463,552)</u>	<u>26,759,472</u>

**E. Long-Term Debt**

At December 31, 2017, the District had the following long-term obligations outstanding:

**1. Certificates of Participation, Series 2009**

On September 2, 2009, the District issued \$13,750,000 in Regional Lease Purchase Financing Program Certificates of Participation. The Certificates have an interest rate of 2.0% to 5.375%. The Certificates are payable semi-annually on June 1 and December 1, with principal payable December 1. The Certificates have varying maturities beginning in 2010.

The Certificates were sold offering a premium of \$10,148, which is being amortized over the life of the Certificates.

These Certificates of Participation were fully refunded on April 28, 2017.

**2. Certificates of Participation, Series 2010**

On October 21, 2010, the District issued \$9,185,000 in Regional Lease Purchase Financing Program Certificates of Participation. The Certificates have an interest rate of 2.0% to 4.5%. The Certificates are payable semi-annually on June 1 and December 1, with principal payable December 1. The Certificates have varying maturities beginning in 2011.

The Certificates were sold offering a premium of \$68,695, which is being amortized over the life of the Certificates.

These Certificates of Participation were fully refunded on April 28, 2017.

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

**IV. Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

**3. Refunding Certificates of Participation – Series 2017**

On April 28, 2017, the District issued \$15,985,690 in Refunding Certificates of Participation. The Certificates have an interest rate of 2.580%. The Certificates are payable annually on September 1. The Certificates mature September 1, 2027.

As a result of this refunding the District recognized a debt refunding deferred outflow of resources in the amount of \$1,543,204. This deferred outflow of resources will be amortized over the life of the bonds.

The net present value savings on the refunding of the 2009 issue was \$499,380, offset by a \$9,330 net present value loss on the refunding of the 2010 issue, for an overall net present value savings of \$490,050.

**4. Schedule of Debt Service Requirements**

Year	Principal	Interest	Total
2018	1,286,556	373,243	1,659,799
2019	1,319,749	340,050	1,659,799
2020	1,353,798	306,001	1,659,799
2021	1,388,727	271,073	1,659,800
2022	1,424,557	235,244	1,659,801
2023 - 2027	7,693,418	605,580	8,298,998
<b>Total</b>	<b>14,466,805</b>	<b>2,131,191</b>	<b>16,597,996</b>
<b>Less: Interest</b>			<b>(2,131,191)</b>
<b>Total Principal</b>			<b>\$14,466,805</b>

**5. Changes in Long-term Obligations**

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Certificates of Participation:					
Series 2009	\$ 9,850,000	\$ -	\$ (9,850,000)	\$ -	\$ -
Series 2010	6,485,000	-	(6,485,000)	-	-
Original issue premium	49,788	-	(49,788)	-	-
Series 2017	-	15,985,690	(1,518,885)	14,466,805	1,286,556
Accrued Comp. Absences	74,631	-	(1,414)	73,217	24,406
	<b>\$ 16,459,419</b>	<b>\$15,985,690</b>	<b>\$(17,905,087)</b>	<b>\$14,540,022</b>	<b>\$ 1,310,962</b>

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

**IV. Detailed Notes on All Funds (continued)**

**F. Retirement Plan**

**1. Defined Contribution Money Purchase Plan**

The District provides a retirement plan for eligible District employees in the Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan). The Plan is a defined contribution money purchase plan. Employees participate in the Plan immediately upon employment. The employees and the District each contribute 3% of gross wages.

The District's contributions for each employee plus earnings are fully vested after five years of continuous service. District contributions and related interest forfeited by employees who leave employment before fully vesting are returned to the Plan to reduce future retirement requirements. The District contributed \$30,679 to the Plan in 2017.

**2. Deferred Compensation Plan (457)**

The District has a deferred compensation plan (the Plan), administered by CCOERA, and created in accordance with Internal Revenue Code Section 457. The Plan permits the District's employees 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. Participation in the Plan is optional.

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 (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of the participants or their beneficiaries. The District has no ownership interest in the Plan, nor is the District liable for any losses under the Plan.

**V. Other Information**

**A. Risk Management**

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; volunteer injuries; natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in 2017.

**B. Component Unit Net Position Restatement**

During the year ended December 31, 2017 the Garfield County Public Library Foundation wrote off due to and due from component unit as described in Note D.4. These transactions are now being run through revenues and expenses at the time they are incurred. This change resulted in a restatement of beginning net position in the amount of \$80,627.

Required Supplemental Information



GARFIELD COUNTY  
LIBRARIES

**Garfield County Public Library District**  
**Statement of Revenues, Expenditure and Changes in Fund Balances - Budget to Actual**  
**General Fund**  
**For the Year Ended December 31, 2017**

	2017			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property taxes	2,212,311	2,212,311	2,228,601	16,290
Sales taxes, net of \$79,531 in refunds	2,200,000	2,200,000	2,542,846	342,846
Less: Sales tax refunds	(100,000)	(100,000)	(79,531)	20,469
Specific ownership taxes	164,000	164,000	170,897	6,897
Earnings on investments	10,000	10,000	41,488	31,488
Fines, fees and other revenue	153,632	153,632	152,989	(643)
Donations	20,000	20,000	11,745	(8,255)
Grant income	20,300	20,300	86,516	66,216
<b>Total Revenues</b>	<u>4,680,243</u>	<u>4,680,243</u>	<u>5,155,551</u>	<u>475,308</u>
<b>Expenditures:</b>				
Personnel services	1,844,553	1,844,553	1,751,014	93,539
Library materials	196,351	196,351	166,880	29,471
Administrative	195,795	195,795	181,178	14,617
IT support	185,557	185,557	174,966	10,591
Purchased services	45,000	45,000	32,769	12,231
Building costs and utilities	360,007	360,007	382,703	(22,696)
Programming	20,000	20,000	13,556	6,444
Capital outlay	-	-	201,494	(201,494)
Advertising and marketing	4,980	4,980	4,124	856
Debt service:				
Principal	1,828,000	1,828,000	1,518,886	309,114
Interest	-	-	140,914	(140,914)
<b>Total Expenditures</b>	<u>4,680,243</u>	<u>4,680,243</u>	<u>4,568,484</u>	<u>111,759</u>
<b>Excess of Revenues Over Expenditures</b>	-	-	587,067	587,067
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of asset	-	-	251,900	251,900
TABOR refund	-	-	(139,232)	(139,232)
Debt issuance costs	-	(182,818)	(182,818)	-
Proceeds from debt issuance	-	15,985,690	15,985,690	-
Payment to refunding escrow agent	-	(17,927,993)	(17,927,993)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(2,125,121)</u>	<u>(2,012,453)</u>	<u>112,668</u>
<b>Change in Net Position</b>	-	(2,125,121)	(1,425,386)	<u>699,735</u>
<b>Fund Balances/Net Position</b>				
Beginning of Year	<u>5,045,423</u>	<u>5,177,087</u>	<u>5,237,087</u>	
End of Year	<u>5,045,423</u>	<u>3,051,966</u>	<u>3,811,701</u>	

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