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**REPORT OF**  
**THE SOUTHERN CHAFFEE COUNTY REGIONAL LIBRARY**  
**DECEMBER 31, 2018**

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# **SOUTHERN CHAFFEE COUNTY REGIONAL LIBRARY**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Southern Chaffee County Regional Library

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Southern Chaffee County Regional Library as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 business-type activities and each major fund of the Southern Chaffee County Regional Library, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–10 and 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southern Chaffee County Regional Library basic financial statements. The Endowment Fund, Future Projects Fund and the Rental House Fund budget to actual is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Endowment Fund, Future Projects Fund and the Rental House Fund budget to actual is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Endowment Fund, Future Projects Fund and the Rental House Fund budget to actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Blair and Associates, P.C.*

May 3, 2019

## Management's Discussion and Analysis

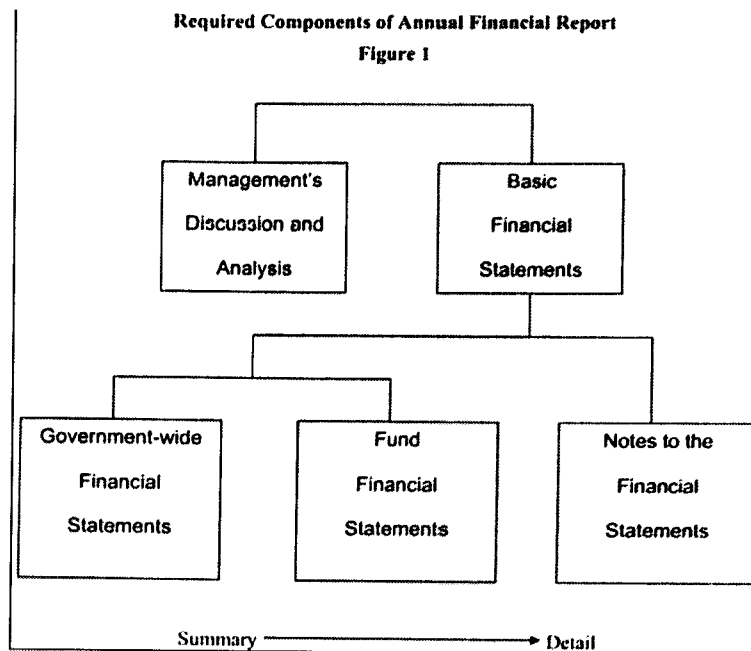
As management of the Southern Chaffee County Regional Library (the "District"), we offer this narrative overview and analysis of the financial activities of the Southern Chaffee County Regional Library for the year ended December 31, 2018. We encourage the readers to consider this Management's Discussion and Analysis (MD&A) in conjunction with the District's financial statements, which follow this MD&A.

### Financial Highlights

- The District's total assets exceeded its liabilities on December 31, 2018 by \$3,446,227 (see Exhibit 1). This represented an increase of \$185,043 from net position at December 31, 2017 (see Exhibit 2). This perspective on net position includes spendable resources as well as the investment in buildings, collections and other capital assets of \$893,814; funds of \$199,899 that can only be invested, and the earnings from those investments are available to the District for any purpose; and emergency reserve of \$25,500.
- The District's total liabilities increased \$13,182 from the prior year as shown in Figure 2.
- As of December 31, 2018, the District's governmental funds reported combined ending fund balances of \$2,561,175, an increase of \$252,908 in comparison to the prior year (see Exhibits 3 and 4). The portion of the total fund balance for the General Fund that is unassigned and available for spending at the District's discretion is \$634,191.
- Within the District's general operating fund, total actual revenues were \$52,583 more than the 2018 final budget, while total actual expenditures were \$113,279 less than the 2018 final budget (see Exhibit 5).

### Overview of the Financial Statements

The District's basic financial statements consist of three components; 1) *government-wide financial statements*, 2) *fund financial statements* and 3) *notes to the financial statements*. Figure 1 illustrates the components of a typical annual financial report.



## Basic Financial Statements

### ***Government-wide Financial Statements:***

The *government-wide financial statements* (Exhibits 1 and 2) provide both current and long-term information about the District's financial status. These financial statements present a broad overview of the District's finances, similar in format to financial statements of a private-sector business. The statement of activities (Exhibit 2) reports changes in the District's net position. This statement includes all of the District's revenues and expenses, regardless of when the cash is received or paid, as defined under the full accrual accounting method.

### ***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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The *fund financial statements* focus on the activities of the District's individual governmental funds and are divided into two parts: 1) the "modified accrual basis statements" (Exhibits 3 and 4) and the "budget basis statements" (Exhibits 5 thru 8).

Exhibits 3 and 4 focus on assets that can readily be converted into cash in the short term and liabilities that will be settled in the short term. Governmental funds in the "modified accrual basis statements" are reported using modified accrual accounting, which recognizes expenditures when the liability is incurred and revenue when measurable and available. The modified accrual accounting method provides a short-term spending focus, which helps the reader assess the amount of financial resources immediately available to finance the District's programs. The differences in accounting for financial information in the *government-wide statements* (Exhibits 1 and 2) and the fund statements are illustrated by the reconciliations on Exhibits 2 through 4.

The annual budgets shown in the "budget basis statements" (Exhibits 5 thru 8) are prepared as described in Note 1. These budgets are presented using the modified accrual basis of accounting for governmental funds and working capital basis for enterprise funds.

The "budget basis statements" for the General Fund, Endowment Fund, Future Projects Fund and Rental House Fund demonstrate how the District complied with the year's approved budget. The "budget basis statements" are presented using the same classifications as those used in the legal budget document.

### ***Notes to the Basic Financial Statements:***

*Notes to the financial statements* provide additional information that is essential to fully understanding the financial statement data.

### **Government-Wide Financial Analysis**

The Statement of Net Position and the Statement of Activities (Exhibits 1 and 2) present the District's financial information as a whole. Figures 2 and 3 provide summaries of these statements for 2017 and 2018.

**The District's Net Position Figure 2**

	Governmental Activities		Business-type Activities	
	2017	2018	2017	2018
Current and other assets	\$ 2,311,691	\$ 2,570,488	\$ 50,562	\$ 36,331
Other assets	775,000	788,000	-	-
Capital assets, net of depreciation	794,504	751,946	146,151	141,868
Total assets	<u>3,881,195</u>	<u>4,110,434</u>	<u>196,713</u>	<u>178,199</u>
Short-term liabilities	3,424	9,313	500	-
Long-term liabilities	37,800	45,093	-	-
Total liabilities	<u>41,224</u>	<u>54,406</u>	<u>500</u>	<u>-</u>
Deferred inflow of resources	<u>775,000</u>	<u>788,000</u>	<u>-</u>	<u>-</u>
Net position:				
Invested in capital assets, net of related debt	794,504	751,946	146,151	141,868
Restricted:				
For emergency	25,500	25,500	-	-
For Endowment	199,899	199,899	-	-
Unrestricted	<u>2,045,068</u>	<u>2,290,683</u>	<u>50,062</u>	<u>36,331</u>
Total net position	<u>\$ 3,064,971</u>	<u>\$ 3,268,028</u>	<u>\$ 196,213</u>	<u>\$ 178,199</u>

***Net Position:***

The District's assets exceeded its liabilities by \$3,446,227 as of December 31, 2018, an increase in the District's net position of \$185,043 during 2018 (see Figures 2 and 3). Of the net position, \$893,814 is invested in capital assets, which includes land, buildings, library materials, furniture and equipment, less related debt. The District uses capital assets to provide services to patrons; consequently, these assets are not available for future spending. The remaining portions of the District's net position are classified as either restricted or unrestricted. The restricted assets of \$199,899 are to be used for investments, and emergency reserve of \$25,500. The remaining net position is unrestricted assets of \$2,327,014 which can be used for future operations.

## The District's Changes in Net Position

**Figure 3**

	Governmental Activities		Business-Type Activities	
	2017	2018	2017	2018
<b>Revenues:</b>				
General revenues:				
Property taxes and other	\$ 827,182	\$ 878,340	\$ 4,016	\$ -
Other	86,821	106,960	519	(3,962)
Total revenues	<u>914,003</u>	<u>985,300</u>	<u>4,535</u>	<u>(3,962)</u>
<b>Expenses:</b>				
Salaries and benefits	403,061	414,614	-	-
Special events and programs	3,214	5,446	-	-
Library materials	44,072	44,896	-	-
General operating library materials	116,585	123,438	-	-
Building operations and maintenance	63,159	61,463	-	-
Business-type activities	-	-	-	14,052
Depreciation expense	138,128	132,386	-	-
Total expenses	<u>768,219</u>	<u>782,243</u>	<u>-</u>	<u>14,052</u>
Increase in net position	145,784	203,057	4,535	(18,014)
Net position, January 1	2,919,187	3,064,971	191,678	196,213
Net position, December 31	<u>\$ 3,064,971</u>	<u>\$ 3,268,028</u>	<u>\$ 196,213</u>	<u>\$ 178,199</u>

The District receives 90 percent of its funding from property tax revenues. Salaries and benefits represent 52 percent of the District's total expenditures. Under the method of accounting used for the government-wide financial statements, library books and other collections are capitalized as assets and depreciated over their estimated useful lives. Consequently, most of the year's expenditures for books and collections are not included in the "library materials" expense shown in Figure 3.

## Fund Financial Analysis

### *“Modified Accrual Basis Statement” Analysis (Exhibits 3 and 4):*

The General Fund is the chief operating fund of the District. At the end of the calendar year 2018, the fund balance of the General Fund is \$659,691. Also, \$25,500 are reserved for emergency under Tabor. The remaining unassigned fund balance of \$634,191 is available for future spending.

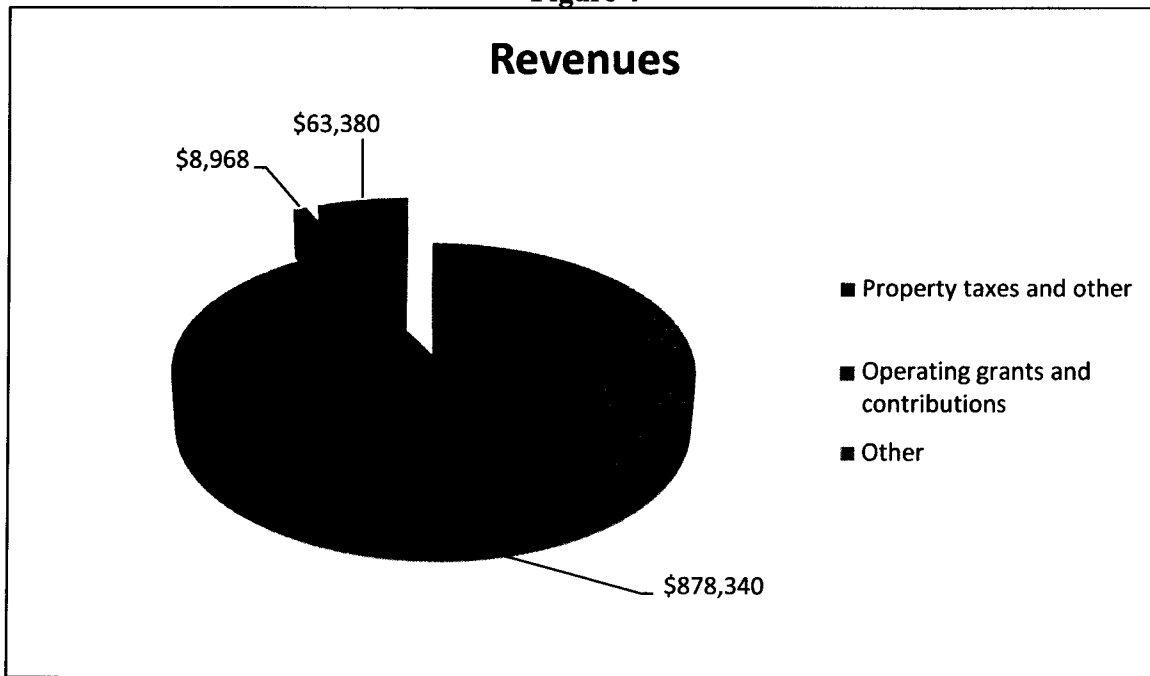
On December 31, 2018, the District reported a combined fund balance for its governmental funds of \$2,561,175 (see Exhibit 3). Of this amount, the Endowment Fund balance consists of \$335,165; \$199,899 is restricted for investment, while the earnings on the investments are available to the District and are committed to the Future Projects Fund. Per board policy, the remaining balance stays in the fund which is committed to the Future Projects Fund. The Future Projects Fund balance of \$1,566,319 is committed for the future project expenditures.

The General Fund balance increased in 2018 mainly due to increase in property taxes and other tax revenues (see Exhibit 4).

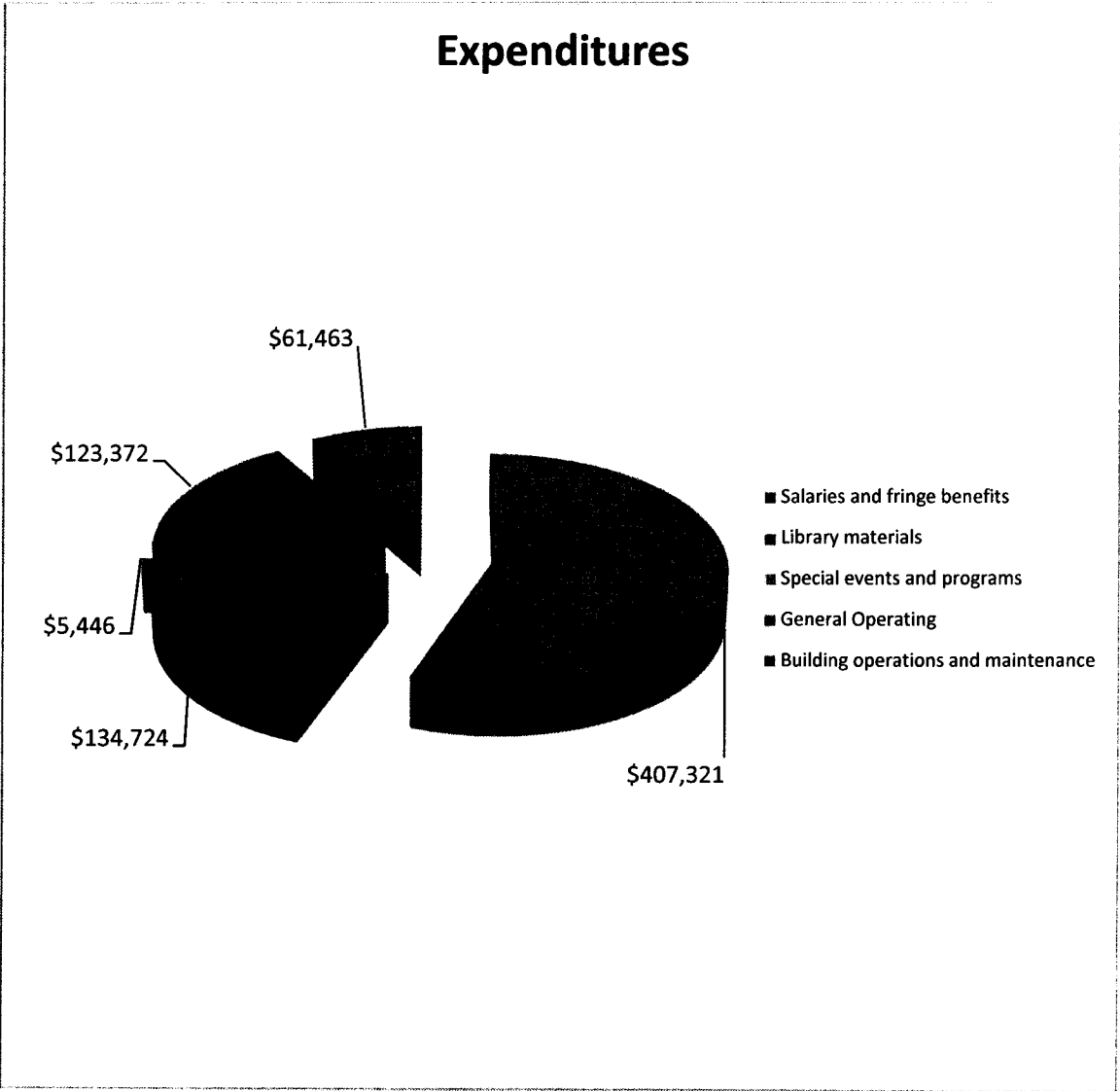
The charts in Figures 4 and 5 represent only the General Fund’s revenues and expenditures.

### General Fund Revenues

Figure 4



**General Fund Expenditures**  
**Figure 5**



**Capital Asset Discussion**

The District’s investment in capital assets as of December 31, 2018, totals \$893,814, net of accumulated depreciation (see Figure 6). These assets include buildings, land, furniture, equipment, books, and audio visual equipment. Additional information on the District’s capital assets can be found in Note 4 of the financial statements.

Major capital asset transactions during the calendar year include the following:

Books and audio visual devices \$ 89,828

**Capital Assets**  
**Figure 6**

	<u>2017</u>	<u>2018</u>
Land	\$ 1,958	\$ 1,958
Building	552,961	525,067
Furniture and equipment	1,583	791
Books and audio visual devices	<u>238,002</u>	<u>224,130</u>
Total capital assets	<u>\$ 794,504</u>	<u>\$ 751,946</u>

## **Economic Factors and Next Year's Budget**

For the fiscal year 2019 budget, the total mill levy is 3.5 mills. The mill levy for the fiscal year 2018 was also 3.5 mills.

### **Highlights:**

- The Southern Chaffee County Library District's financial status continues to be strong.
- The District's General Fund balance beginning January 1, 2019 provides the ability to support the economic outlook for future considerations in sustaining materials, programming and capital improvements.
- In the short term, the District enjoys a margin within its mill levy revenue, plus fund balances, which can be used to maintain the current levels of service for several years, as well as to seed a possible building project, if necessary.
- Started investigating the possibility of an expansion project (see details below)

The discussion to enlarge the library, to include program meeting spaces, has continued to be discussed and to be a push from the community. The library often fills with people, and the need for more sitting area space will continue to be monitored. In 2002 the Salida Regional Library's (SRL) Board of Trustees purchased an adjacent property with the goal of eventually expanding the library on this site when the existing library became too small to meet the current and future needs of the community. The expansion would likely include constructing a new building with funds that have been saved in our Future Projects account, to include a connector from the current library.

In the fall of 2018 we started the investigative process for possible expansion by advertising for RFP's from both architects and contractors. We are starting 2019 reviewing designs and specific anticipated costs and hope to move forward with the expansion summer 2019.

We look forward to remaining a vital resource in our community.

## **Request for Information**

The Financial Report is designed to provide a general overview of the District's finances, compliance with finance related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information contact the Salida Regional Library Director at 405 E Street Salida, CO 81201.  
[smatthews@salidalibrary.org](mailto:smatthews@salidalibrary.org) 719-538-4826

**Southern Chaffee County Regional Library District**  
**Statement of Net Position**  
**December 31, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,570,488	\$ 36,331	\$ 2,606,819
Taxes and other receivables	788,000	-	788,000
Total current assets	<u>3,358,488</u>	<u>36,331</u>	<u>3,394,819</u>
<b>Net capital assets</b>	<u>751,946</u>	<u>141,868</u>	<u>893,814</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,110,434</u>	<u>\$ 178,199</u>	<u>\$ 4,288,633</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 9,313	\$ -	\$ 9,313
Total current liabilities	<u>9,313</u>	<u>-</u>	<u>9,313</u>
<b>LONG-TERM LIABILITIES</b>			
Compensated absences	<u>45,093</u>	<u>-</u>	<u>45,093</u>
<b>TOTAL LIABILITIES</b>	<u>54,406</u>	<u>-</u>	<u>54,406</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	<u>788,000</u>	<u>-</u>	<u>788,000</u>
<b>NET POSITION</b>			
Net Investment in capital assets	751,946	141,868	893,814
Restricted for:			
Emergencies	25,500	-	25,500
Endowment	199,899	-	199,899
Unrestricted	<u>2,290,683</u>	<u>36,331</u>	<u>2,327,014</u>
<b>TOTAL NET POSITION</b>	<u>\$ 3,268,028</u>	<u>\$ 178,199</u>	<u>\$ 3,446,227</u>

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

**Southern Chaffee County Regional Library District**  
**Statement of Activities**  
**December 31, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Functions/Programs</b>			
<b>Governmental activities</b>			
Salaries and fringe benefits	\$ (414,614)	\$ -	\$ (414,614)
Library materials	(44,896)	-	(44,896)
Special events and programs	(5,446)	-	(5,446)
General operating	(123,438)	-	(123,438)
Building operations and maintenance	(61,463)	-	(61,463)
Depreciation	(132,386)	-	(132,386)
Total governmental activities	<u>(782,243)</u>	<u>-</u>	<u>(782,243)</u>
<b>Business-type activities</b>	<u>-</u>	<u>(14,052)</u>	<u>(14,052)</u>
<b>Total primary government</b>	<u>(782,243)</u>	<u>(14,052)</u>	<u>(796,295)</u>
<b>General revenues</b>			
Taxes	878,340	-	878,340
Other income	102,126	872	102,998
<b>Transfers In (Out)</b>	<u>4,834</u>	<u>(4,834)</u>	<u>-</u>
<b>Total General Revenues and Transfers</b>	<u>985,300</u>	<u>(3,962)</u>	<u>981,338</u>
<b>Change in net position</b>	203,057	(18,014)	185,043
<b>Net position - Beginning of year</b>	<u>3,064,971</u>	<u>196,213</u>	<u>3,261,184</u>
<b>Net position - End of year</b>	<u>\$ 3,268,028</u>	<u>\$ 178,199</u>	<u>\$ 3,446,227</u>

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

**Southern Chaffee County Regional Library District**  
**Balance Sheet - Governmental Funds**  
**December 31, 2018**

	<b>Major Funds</b>			<b>Total</b>
	<b>General Fund</b>	<b>Endowment</b>	<b>Future Projects</b>	
<b>Assets</b>				
Cash and Investments	\$ 669,004	\$ 335,165	\$ 1,566,319	\$ 2,570,488
Receivables:				
Taxes	788,000	-		788,000
<b>Total assets</b>	<b>\$ 1,457,004</b>	<b>\$ 335,165</b>	<b>\$ 1,566,319</b>	<b>\$ 3,358,488</b>
<b>Liabilities and fund equity</b>				
Liabilities				
Accounts payable	\$ 9,313	\$ -	\$ -	\$ 9,313
<b>Total liabilities</b>	<b>9,313</b>	<b>-</b>	<b>-</b>	<b>9,313</b>
<b>Deferred Inflows of Resources</b>				
Deferred property tax revenue	788,000	-	-	788,000
<b>Fund Balances</b>				
Nonspendable	-	199,899	-	199,899
Restricted				
Reserve for emergency	25,500	-	-	25,500
Capital expenditures	-	135,266	1,566,319	1,701,585
Unassigned	634,191	-	-	634,191
<b>Total fund equity</b>	<b>659,691</b>	<b>335,165</b>	<b>1,566,319</b>	<b>2,561,175</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,457,004</b>	<b>\$ 335,165</b>	<b>\$ 1,566,319</b>	<b>\$ 3,358,488</b>

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

**Southern Chaffee County Regional Library District  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2018**

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<b>Total fund balance for governmental funds</b>	<b>\$ 2,561,175</b>
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	1,958	
Building		1,276,066	
Furniture and equipment		184,757	
Books and audio-visual devices		627,250	
Less accumulated depreciation		<u>(1,338,085)</u>	
<b>Total capital assets</b>			<b>751,946</b>

Long-term liabilities are not due and payable in the current period and accordingly are not reported in the funds. Other related amounts include debt issuance costs, bond interest payable, unamortized bond premium and unamortized deferred amount of refunding.

Compensated absences		<u>(45,093)</u>	
<b>Total long-term liabilities</b>			<b><u>(45,093)</u></b>

<b>Total net position of governmental activities</b>	<b><u><u>\$ 3,268,028</u></u></b>
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**The accompanying notes are an integral part of the financial statements.**

**Southern Chaffee County Regional Library District**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Governmental Funds**  
**For the year ended December 31, 2018**

	<b>General Fund</b>	<b>Endowment</b>	<b>Future Projects</b>	<b>2018</b>
<b>Revenues</b>				
Property taxes and other	\$ 878,340	\$ -	\$ -	\$ 878,340
Grants and donations	8,968	-	-	8,968
Other	63,380	4,455	25,323	93,158
<b>Total revenues</b>	<u>950,688</u>	<u>4,455</u>	<u>25,323</u>	<u>980,466</u>
<b>Expenditures</b>				
Current:				
Program services:				
Salaries and fringe benefits	407,321	-	-	407,321
Library materials	134,724	-	-	134,724
Special events and programs	5,446	-	-	5,446
General operating	123,372	-	66	123,438
Building operations and maintenance	61,463	-	-	61,463
<b>Total expenditures</b>	<u>732,326</u>	<u>-</u>	<u>66</u>	<u>732,392</u>
Excess of revenues over (under) expenditures	218,362	4,455	25,257	248,074
<b>Other financing sources (uses)</b>				
Transfers in	(142,000)	(29,606)	-	(171,606)
Transfers out	-	-	176,440	176,440
<b>Total other financing sources (uses)</b>	<u>(142,000)</u>	<u>(29,606)</u>	<u>176,440</u>	<u>4,834</u>
<b>Net change in fund balance</b>	76,362	(25,151)	201,697	252,908
Fund balance, January 1	583,329	360,316	1,364,622	2,308,267
<b>Fund Balance, December 31</b>	<u>\$ 659,691</u>	<u>\$ 335,165</u>	<u>\$ 1,566,319</u>	<u>\$ 2,561,175</u>

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

**Southern Chaffee County Regional Library District  
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and  
Changes in Fund Balance to the Statement of Activities  
For the year ended December 31, 2018**

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**Net change in fund balance for governmental funds** **\$ 252,908**

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation was more than capital outlay in the current period.

Depreciation expense	\$ (132,386)	
Capital outlay	<u>89,828</u>	
		<b>(42,558)</b>

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources and revenues are not recognized until they become both measurable and available. In the Statement of Activities however, which is presented on the accrual basis revenues are recognized when earned and expenses and liabilities are reported regardless of when financial resources are available. In addition, interest and amortization on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of these balances.

Compensated absences	<u>(7,293)</u>	
		<u><b>(7,293)</b></u>

**Change in net position of governmental activities** **\$ 203,057**

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

**Southern Chaffee County Regional Library District**  
**Statement of Net Position - Proprietary Fund**  
**December 31, 2018**

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	<u>Rental House Fund</u>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 36,331
Capital assets, net of accumulated depreciation	<u>141,868</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 178,199</u></u>
 <b>LIABILITIES AND NET POSITION</b>	
Current liabilities	
Tenant deposits	<u>\$ -</u>
 <b>NET POSITION</b>	
Investment in capital assets, net of related debt	141,868
Unrestricted	<u>36,331</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 178,199</u></u>

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

**Southern Chaffee County Regional Library District  
Statement of Revenues, Expenditures and  
Changes in Net Position - Proprietary Fund  
For the Year Ended December 31, 2018**

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	<b>Rental House Fund</b>
Operating revenues	
Charges for services:	
Rent	\$       850
 Operating expenses	
Insurance	19
Contingency	10,600
Depreciation	4,283
	<b>14,902</b>
Total operating expenses	
	<b>(14,052)</b>
 Non-operating income (expenses)	
Transfers (Out)	(4,834)
Interest	872
	<b>(18,014)</b>
Net income	
	<b>196,213</b>
Net position - Beginning of the year	
	<b>\$   178,199</b>
Net position - End of the year	

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

**Southern Chaffee County Regional Library District**  
**Statement of Cash Flows - Proprietary Fund**  
**For the Year Ended December 31, 2018**

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	<u><b>Rental House Fund</b></u>
Cash flows from operating activities:	
Cash received from tenants	\$ 850
Cash paid to suppliers and employees	<u>10,619</u>
Net cash provided by operating activities	<u>(9,769)</u>
Cash flows from noncapital financing activities:	
Transfers (out)	(4,834)
Interest	<u>872</u>
Net cash used by noncapital financing activities	<u>(3,962)</u>
Net increase (decrease) in cash	(13,731)
Cash - Beginning of the year	<u>50,562</u>
Cash - Ending of the year	<u><u>\$ 36,831</u></u>
Reconciliation of operating income to cash flows from operating activities:	
Operating income	\$ (14,052)
Adjustments to reconcile operating income to cash flows from operating activities:	
Depreciation	<u>4,283</u>
Cash flows from operating activities	<u><u>\$ (9,769)</u></u>

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

**Southern Chaffee County Regional Library**  
**Notes to the Financial Statements**  
**December 31, 2018**

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**Note 1 - Summary of Significant Accounting Policies**

**A. The Financial Reporting Entity**

The Southern Chaffee County Regional Library is incorporated as a library district under the laws of the State of Colorado and is governed by a five person board appointed in accordance with CRS 24-90-108(2)(c). The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements of the District consist only of the funds and account groups of the District, a stand-alone government. Based on criteria set forth by GASB, there are no component units for which the District is financially accountable. The more significant of the District's accounting principles are described below.

**B. Basis of Presentation, Basis of Accounting**

**Government-wide Statements:** The statement of net position and the statement of activities display information about all of the activities of the District. These statements include the financial activities of the overall government, except for fiduciary activities. These statements distinguish between the governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Financial Statements:** The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds.

The District reports the following major governmental funds:

**General Fund** - This is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Southern Chaffee County Regional Library**  
**Notes to the Financial Statements**  
**December 31, 2018**

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**Note 1 - Summary of Significant Accounting Policies-(continued)**

**B. Basis of Presentation, Basis of Accounting-(continued)**

*Endowment Fund* - The Endowment Fund is used to account for contributions wherein the principal amount of the gift is restricted and only the earnings from investments are available for future operating or capital expenditures.

*Future Projects Fund* -The Future Projects Fund is used to account for the accumulation of resources for approved future project expenditures.

The District reports the following major business-type activity fund:

*Rental House Fund* - The Rental House Fund is used to account for District's Rental Unit.

**C. Measurement Focus, Basis of Accounting**

***Government-wide Financial Statements***

The government-wide fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchanges, include property and specific ownership taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the period for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

***Governmental Fund Financial Statements***

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, specific ownership taxes, grants, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's practice to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

**Southern Chaffee County Regional Library**  
**Notes to the Financial Statements**  
**December 31, 2018**

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**Note 1 - Summary of Significant Accounting Policies-(continued)**

**C. Measurement Focus, Basis of Accounting-(continued)**

The accrual basis of accounting is utilized by the enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section of 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 will not recognize as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of 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 will not be recognize as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

**D. Assets, Liabilities, and Equity**

**Investments-**Investments at December 31, 2018, consisted of obligations of U.S. Agency Bonds stated at fair market value, money market mutual funds stated at amortized cost and ColoTrust stated at net asset value.

**Cash and cash equivalents-** The District considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturity of three months or less to be cash equivalents

**Property taxes-** Property taxes are levied on December 22 and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a deferred inflow of resources at December 31, net of an estimated uncollectible portion.

**Allowance for doubtful accounts-** The District considers all accounts receivable to be collectible and, accordingly, provides no allowance for doubtful accounts.

**Capital assets-** Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**Southern Chaffee County Regional Library**  
**Notes to the Financial Statements**  
**December 31, 2018**

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**Note 1 - Summary of Significant Accounting Policies-(continued)**

**D. Assets, Liabilities, and Equity-(continued)**

**Capital assets-(continued)**

Depreciation is calculated using the straight-line method over the estimated useful lives. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense. The estimated useful lives are as follows:

Furniture and equipment	3 -10 years
Books and audio-visual devices	5 years
Buildings	50 years

**Compensated absences-** Compensated absences arise from policies concerning vacation and sick leave. Vacation leave accumulates at specified rates for employees with over one year of full-time employment and the maximum vacation leave will be capped according to the employee manual. Any unused or accrued capped amount will be paid at 100% upon retirement or termination. Sick leave accumulates at specified rates for permanent employees, and up to 60 days of unused sick pay is payable upon termination

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the government-wide statements, vacation and sick pay is accrued when incurred and reported as a liability of the governmental and business type activities. In the governmental funds, vacation and sick pay that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a liability by the fund that will pay for it. Amounts not expected to be liquidated with expendable, available financial resources are not reported as expenditures.

**Fund equity-**The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, governmental funds report the following classifications of fund balance:

- *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.
- *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.
- *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.
- *Assigned-*includes spendable fund balance amounts that are intended to be used for specific purposes that are neither consider restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.
- *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.

**Southern Chaffee County Regional Library**  
**Notes to the Financial Statements**  
**December 31, 2018**

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**Note 1 - Summary of Significant Accounting Policies-(continued)**

**D. Assets, Liabilities, and Equity-(continued)**

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

**E. Budget and Budgetary Accounting**

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

1. Budgets are required by state law for all governmental and enterprise funds.
2. During September the proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following January 1.
3. Prior to December 15, the budget is adopted and appropriations are authorized by resolution at the fund level for all funds. The legal level of budgeting control is at the individual fund level for all funds
4. Budgets are adopted on a basis consistent with the accounting basis of all funds, except that book donations and advance refunding are not budgeted.
5. Expenditures may not legally exceed appropriations at the fund level. The Board of Trustees may increase or decrease the budget and appropriations during the year within restrictions imposed by the District and laws of the State of Colorado. Budget amounts included in the financial statements are based on the final, legally amended budget.
6. Appropriations lapse at the end of the year, and the Board of Trustees may adopt supplemental appropriations during the year. For 2016, supplemental appropriations were not adopted.

**Note 2 - Deposits with Financial Institutions and Investments**

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must at least be equal to 102% of the aggregate uninsured deposits.

**Southern Chaffee County Regional Library**  
**Notes to the Financial Statements**  
**December 31, 2018**

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**Note 2 -Deposits with Financial Institutions and Investments-(continued)**

**Custodial Credit: Risks -Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2018, the District's bank balances of \$383,210 were insured under FDIC.

**Investments**

At December 31, 2018 the District had the following investments:

	Rating	Fair Value
ColoTrust Plus	Aaa	\$ 1,443,005
Sigma Financial Corporation		
Certificate of Deposits	FDIC	\$ 505,492
Federal Farm Credit Bks Bond	AA+	149,795
Federal Home Loan Bank	AA+	124,632
Money market account	Unrated	5,312
Total		\$ 785,231

**Interest rate risk** - The District does have a formal policy limiting investment maturities, which helps manage its exposure to fair value losses from increasing interest rates.

**Credit risk**- Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including 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; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The District's general investment policy is to apply the prudent-person rule: Prudence and protection of District funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2017, the District's investment in ColoTrust Plus, a 2a7-like investment pool, was rated AAA/V by Standard & Poor's, Aaa by Moody's Investors Service and AAA/V-1 by Fitch Ratings.

**Concentration of credit risk**- Investments must be in accordance with Colorado statutes and will be diversified. All of the District's investments are in ColoTrust and U.S. government agency securities.

**Fair Value**—The District categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

**Southern Chaffee County Regional Library**  
**Notes to the Financial Statements**  
**December 31, 2018**

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**Note 2 -Deposits with Financial Institutions and Investments-(continued)**

**Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

**Level 1:** Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

**Level 3:** Unobservable inputs for an asset or liability.

The District has the following fair value measurements as of December 31, 2018:

	<u>12/31/2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Investments by Fair Value Level:</u>				
U.S. Agency Bonds	\$ 274,427	\$ _____	\$ 274,427	\$ _____
Total Investments by Fair Value Level	<u>274,427</u>	<u>\$ _____</u>	<u>\$ 274,427</u>	<u>\$ _____</u>
 Investments Measured at Amortized Costs				
Money Market Mutual Funds	5,312			
Certificate of Deposits	<u>505,492</u>			
	<u>510,804</u>			
 Investments Measured at Net Asset Value				
ColoTrust	<u>1,443,005</u>			
 Total Investments	<u>\$2,228,236</u>			

**Note 3 -Participation in Public Entity Risk Pool**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has commercial insurance that covers the buildings, boiler, workers compensation, rental insurance, employee health and accident and liability for director and District.

**Note 4 -Contingent Liabilities**

Under the terms of federal and state grants, costs may be questioned as not being appropriate expenses which could lead to reimbursement to the grantor agencies. District management is not aware of any such expenses which would not be allowed.

**Southern Chaffee County Regional Library**  
**Notes to the Financial Statements**  
**December 31, 2018**

**Note 5 -Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,958	\$ -	\$ -	\$ 1,958
Capital assets being depreciated:				
Building	1,276,066	-	-	1,276,066
Furniture and equipment	184,757	-	-	184,757
Books and audio visual devices	636,162	89,828	(98,740)	627,250
Total capital assets being depreciated	2,096,985	89,828	(98,740)	2,088,073
Less accumulated depreciation for:				
Building	(723,105)	(27,894)	-	(750,999)
Furniture and equipment	(183,174)	(792)	-	(183,966)
Books and audio visual devices	(398,160)	(103,700)	98,740	(403,120)
Total accumulated depreciation	(1,304,439)	(132,386)	98,740	(1,338,085)
Total Capital assets being depreciated, net	792,546	(42,558)	-	749,988
Governmental activity capital assets, net	\$ 794,504	\$ (42,558)	\$ -	\$ 751,946

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities	
Culture and recreation	\$ 132,386

	Beginning Balance	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 45,294	\$ -	\$ -	\$ 45,294
Capital assets being depreciated:				
Building	171,324	-	-	171,324
Less accumulated depreciation for:				
Building	(70,467)	(4,283)	-	(74,750)
Total Capital assets being depreciated, net	100,857	(4,283)	-	96,574
Governmental activity capital assets, net	\$ 146,151	\$ (4,283)	\$ -	\$ 141,868

**Note 6 - Retirement Plans**

Defined Contribution Plan

The District has a defined contribution plan for its employees which is administered by Colorado County Officials and Employees Retirement Association (CCOERA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings.

**Southern Chaffee County Regional Library**  
**Notes to the Financial Statements**  
**December 31, 2018**

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**Note 6 - Retirement Plans (continued)**

Full time/Salaried employees are eligible to participate six months from the date of employment. Both the employees and the District make a basic contribution up to 6% of the employee's salary.

Employees may make additional voluntary contributions not to exceed 10% of compensations. Participants vest in employer contributions and in earnings, losses and changes in fair market value of Plan assets at a rate of 20% per year. Any nonvested District contributions forfeited by an employee who leaves the District's employment are remitted to the District.

The District's total payroll in 2018 was \$341,623. The total payroll covered by the plan was \$341,623. A contribution of \$21,762 was made to the plan in 2018. This contribution consisted of the District's contribution of \$10,881 and the employee's contributions of \$10,881, which is 6% of the covered payroll per group of contributor.

**Note 7 -Tax, Spending and Debt Limitations**

The State Constitution, Article X, Section 20, has several limitations regarding revenue raising, spending abilities, and other specific requirements of state and local governments. The Section is complex and subject to judicial interpretations. In 2000, the District obtained voter approval on the ballot to the following:

Without changing current mill levy and property tax limits, shall the Southern Chaffee County Regional Library (Salida Regional Library) be authorized to collect, retain and expend all revenues received from any source, commencing January 1 , 1999, and for each year thereafter, to constitute a voter-approved revenue change under Article X, Section 20 of the Colorado Constitution(TABOR).

District management believes the District is in compliance with the requirements of the Section. However, District management has made certain interpretations of the Section's language in order to determine its compliance. The emergency reserves required under the Section have been funded.

**Note 8 –Transfers**

During the year ended December 31, 2018, the following transfers were made to the Future Projects Fund:

<u><b>Fund</b></u>	<u><b>Transfer Out</b></u>
General	\$ 142,000
Rental House	4,834
Endowment	<u>29,606</u>
Total	<u>\$ 176,440</u>

**Southern Chaffee County Regional Library District**  
**Budget Comparison Schedule - General Fund**  
**For the year ended December 31, 2018**

	2018		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property taxes and other	\$ 858,900	\$ 878,340	\$ 19,440
Grants and donations	11,500	8,968	(2,532)
Other	27,705	63,380	35,675
<b>Total revenues</b>	<u>898,105</u>	<u>950,688</u>	<u>52,583</u>
<b>Expenditures</b>			
Current			
Culture and recreation			
Salaries and benefits	438,400	407,321	31,079
Treasurer's fees	24,000	23,227	773
Office supplies	14,000	12,779	1,221
Library materials	103,850	91,770	12,080
Recordings materials	38,500	32,626	5,874
Auditing fees	4,000	4,050	(50)
Telephone and telecom	6,200	5,720	480
Postage	3,000	2,898	102
Utilities	14,800	12,700	2,100
Insurance	11,600	7,959	3,641
Accounting fees	600	1,679	(1,079)
Janitorial fees and supplies	20,100	18,930	1,170
Repair and maintenance	15,000	7,487	7,513
Dues and meetings	6,000	6,029	(29)
Equipment, facilities and furnishings	33,055	22,346	10,709
Electronic subscriptions	14,000	10,328	3,672
Courier service	15,900	15,107	793
Programs	6,900	5,446	1,454
Marmot	20,000	17,848	2,152
Legal	1,800	1,659	141
Miscellaneous	28,900	24,417	4,483
Contingency	25,000	-	25,000
<b>Total expenditures</b>	<u>845,605</u>	<u>732,326</u>	<u>113,279</u>
Excess (Deficiency) of revenues over expenditures	52,500	218,362	165,862
<b>Other financing sources (uses)</b>			
Operating transfers in/(Out)	-	(142,000)	(142,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(142,000)</u>	<u>(142,000)</u>
<b>Net change in fund balance</b>	52,500	76,362	23,862
Fund balance, January 1	583,000	583,329	329
<b>Fund balance, December 31</b>	<u>\$ 635,500</u>	<u>\$ 659,691</u>	<u>\$ 24,191</u>

**Southern Chaffee County Regional Library District  
Budget Comparison Schedule - Endowment Fund  
For the year ended December 31, 2018**

	2018		Variance Favorable (Unfavorable)
	Original and Final Budget	Actual	
<b>Revenues</b>			
Miscellaneous			
Interest income	\$ 3,500	\$ 4,455	\$ 955
<b>Total revenues</b>	<u>3,500</u>	<u>4,455</u>	<u>955</u>
<b>Expenditures</b>			
Current			
Miscellaneous	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	3,500	4,455	955
<b>Other financing sources (uses)</b>			
Operating transfers in	-	(29,606)	(29,606)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(29,606)</u>	<u>(29,606)</u>
<b>Net change in fund balance</b>	3,500	(25,151)	(28,651)
Fund balance, January 1	<u>335,728</u>	<u>360,316</u>	<u>24,588</u>
<b>Fund balance, December 31</b>	<u>\$ 339,228</u>	<u>\$ 335,165</u>	<u>\$ (4,063)</u>

**Southern Chaffee County Regional Library District  
Budget Comparison Schedule - Future Projects Fund  
For the year ended December 31, 2018**

	<b>2018</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Gain (Loss) on Investments	\$ -	\$ (4,149)	\$ (4,149)
Interest Income	13,350	29,472	16,122
<b>Total revenues</b>	<u>13,350</u>	<u>25,323</u>	<u>(4,149)</u>
<b>Expenditures</b>			
Miscellaneous	-	66	(66)
<b>Total expenditures</b>	<u>-</u>	<u>66</u>	<u>(66)</u>
Excess (deficiency) of revenues over expenditures	13,350	25,257	(4,215)
<b>Other financing sources (uses)</b>			
Transfers In	-	176,440	176,440
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>176,440</u>	<u>176,440</u>
<b>Net change in fund balance</b>	13,350	201,697	172,225
Fund balance, January 1	<u>1,363,000</u>	<u>1,364,622</u>	<u>1,622</u>
<b>Fund balance, December 31</b>	<u>\$ 1,376,350</u>	<u>\$ 1,566,319</u>	<u>\$ 173,847</u>

**Southern Chaffee County Regional Library District  
Budget Comparison Schedule - Rental House Fund  
For the year ended December 31, 2018**

	2018		Variance Favorable (Unfavorable)
	Original and Final Budget	Actual	
<b>Operating Revenues</b>			
Rents	\$ 10,200	\$ 850	\$ (9,350)
<b>Total operating revenues</b>	<u>10,200</u>	<u>850</u>	<u>(9,350)</u>
<b>Expenditures</b>			
Repairs and maintenance	300	-	300
Insurance	710	19	691
Contingency	21,000	10,600	10,400
<b>Total operating expenditures</b>	<u>22,010</u>	<u>10,619</u>	<u>11,391</u>
Excess (deficiency) of revenues over expenditures	(11,810)	(9,769)	2,041
<b>Other income (expenses)</b>			
Transfers (Out)	-	(4,834)	
Interest income	490	872	382
<b>Net income-budgetary basis</b>	<u>\$ (11,320)</u>	<u>(13,731)</u>	<u>\$ (2,411)</u>
<b>GAAP Basis Adjustments (depreciation)</b>		<u>(4,283)</u>	
<b>Net income</b>		<u>(18,014)</u>	
Net Position Beginning		<u>196,213</u>	
<b>Net Position Ending</b>		<u>\$ 178,199</u>	