

East Morgan County Library District

Financial Statements

For the Year ended December 31, 2023

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Independent Auditors' Report

Board of Trustees
East Morgan County Library District
Brush, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of East Morgan County Library District (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing the audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
April 9, 2024

EAST MORGAN COUNTY LIBRARY DISTRICT

Management's Discussion and Analysis

As management of East Morgan County Library District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

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

Other Information

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

District-wide Financial Analysis

The following represents condensed financial information taken from the government-wide (accrual basis) financial statements for the years ended December 31, 2023 and 2022.

Statement of Net Position

	2023	Percent of Total	2022	Percent of Total
Current and other assets	\$ 2,133,356	59.9%	\$ 1,730,967	53.1%
Capital assets	1,428,436	40.1%	1,530,716	46.9%
Total assets	3,561,792	100.0%	3,261,683	100.0%
Current liabilities	26,416	100.0%	21,005	100.0%
Deferred inflows of resources	908,041	100.0%	896,914	100.0%
Net investment in capital assets	1,428,436	54.4%	1,530,716	65.3%
Restricted	31,000	1.2%	32,000	1.4%
Unrestricted	1,167,899	44.4%	781,048	33.3%
Total net position	\$ 2,627,335	100.0%	\$ 2,343,764	100.0%

Statement of Activities

	2023	Percent of Total	2022	Percent of Total
Revenues				
Program revenues				
Charges for services	\$ 3,639	0.2%	\$ 4,001	0.3%
Operating contributions	16,123	1.0%	49,520	4.5%
General revenues				
Property taxes	889,961	57.7%	929,282	84.4%
Specific ownership taxes	77,789	5.0%	76,016	6.9%
Delinquent taxes and interest	1,339	0.1%	30,013	2.7%
Investment earnings	41,228	2.7%	11,773	1.1%
Insurance proceeds	512,236	33.2%	-	-
Miscellaneous	705	0.1%	221	0.1%
Total revenues	1,543,020	100.0%	1,100,826	100.0%
Expenses				
Culture and recreation				
Salaries and benefits	742,938	59.0%	655,933	57.1%
Supplies and other costs	364,590	29.0%	343,139	29.9%
Depreciation	151,921	12.0%	149,811	13.0%
Total expenses	1,259,449	100.0%	1,148,883	100.0%
Change in net position	\$ 283,571	100.0%	\$ (48,057)	100.0%

Financial Highlights

- Beginning with tax collection year 2003, the District received authorization from the electorate to keep excess revenues and levy 1.5 mills on its assessed valuation. It was also exempted from the old law 5.5% property tax revenue limitation. On November 6, 2007, the voters increased the property tax authorization to 3.5 mills for 2007 (for 2008 collection) and each year thereafter. The process has prevented the “ratchet-down” effect that the Taxpayer’s Bill of Rights had on the District’s property tax revenue.
- The District is heavily reliant on taxes to support governmental operations. During 2023, taxes provided almost 63% of the District’s total revenues. Also note that program revenues cover just under 1% of governmental total revenues, due in large part to the receipt of funds from local foundations. This means that the government’s taxpayers and the District’s other general revenues fund over 64% of the total support for governmental activities. Consequently, the general economy and changes in both residential and commercial property values have a major impact on the District’s revenue streams.
- The District maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. However, to make this ratio meaningful, we have eliminated the property taxes receivable consideration. After that elimination, governmental current assets are \$1,266,951 and current liabilities are \$26,416. As a result, the current ratio for the District is 48:1, compared to 40:1 in the prior year.
- The District’s net position increased \$283,571 or 12.0%. A large portion of the District’s net position is reflected in the investment in capital assets – 54.4%. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, 1.2% of the governmental activities’ annual subject revenue (gross revenue less private grants and contributions) is restricted for use in the event of an emergency.
- The District had governmental fund excess revenues of \$370,851, with an ending fund balance of \$1,183,899. The excess revenues were more than anticipated by \$606,086 compared to the final budget, and was primarily due to greater than anticipated intergovernmental and miscellaneous revenues and lower than anticipated operational and capital costs.
- The District expended \$50,580 less than the final budget, due primarily to salaries and benefits, along with supplies and maintenance costs, coming in lower than anticipated.
- Book purchases totaling \$34,380 were capitalized.

- The East Morgan County Library District was formed in 1982 and shortly thereafter an addition was added to the original Carnegie building. After completing a second 4,600 square foot expansion of the main building in 2010 the staff set out to make the library the center of the community by planning programs, offering computer classes and providing excellent reader's advisory. Once the basement was remodeled in 2014, this level of the Carnegie has been used by more groups and makes a wonderful space in which to host book sales. The community and tourists alike have embraced the new, larger building and appreciate the wonderful furnishings, park setting and friendly customer service provided by well-trained, knowledgeable staff. Children and teen programs continued to grow with new programs added in 2012. More online databases were also added, primarily for research for children and teens. A new, electronic sign and playground were added in 2014 for the enjoyment of the community in the surrounding park. Also, that year, all books were tagged with RFID chips and a self-checkout machine installed. Laptops and WI-FI were added to the facility for increased electronic availability for visitors to the library grounds. Since 2015, the 100-year-old Carnegie building was renovated and a new flag pole, concrete chess table, landscaping and new sidewalks were added to the grounds. There has been continual focus on increasing and maintaining local and state partnerships. The changeover from the Dewey Decimal system to the new topic-based system is complete. In 2020, the pandemic changed the look of the library for most of the year. While many libraries in the state were closed for up to 10 months, the East Morgan County Library District was only closed to the public for a total of about 10 weeks, but with limited service during some of that time. The Board of Directors approved a Resolution declaring the District an essential service. The library continued to provide the community with curbside service, computer use by appointments, library use with distancing and increased cleaning protocols. Programming was conducted outside as much as possible and numbers were reduced when required by current situations. The year was challenging as the District made continual changes based on local, state and federal guidance. All staff was paid throughout the year, and there were only about 6 weeks that no service was provided to the community. The staff adapted well to the many changes and found innovative ways to continue to serve the community. There has been a large growth in technology use, and the WiFi remained available to the public, even when the library was closed. As our area adjusted to a post-pandemic world, some library services changed and some reverted back to pre-pandemic procedures.
- For the 2023 calendar year, we saw most of our usage reach pre-pandemic numbers and even saw increased use in some areas. Our Children's Programming was adjusted to accommodate the new 4-day school week for the local school district. Our Children's Staff also continues to provide off-site programming for certain events. Our Adult Programming saw a large increase, as well. Our Adult Staff provided more programs targeting two new demographics – senior citizens and the Spanish-speaking community. The number of programs and the number of attendees continue to grow. Our meeting rooms have been used much more than in previous years. Many out of town groups, such as clinics who provide remote locations, are now using our rooms for their meetings and appointments.
- The revolving 5-year strategic plan put in place by the Board of Directors strives to find gaps in this rural community that the library can reasonably fill. Many of the current long range plans are focused on upkeep and updating of the current building, primarily with carpeting and re-organizing the adult and children sides of the library.

- At the end of June 2023, the town of Brush experienced a horrible hailstorm that consisted of a half hour of sideways baseball-sized hail in the middle of the night. Because of this storm, the building had much damage. The flat roof on the original Carnegie side, the newer metal roof, both sets of skylights and a number of windows needed to be replaced. Most of the money from the insurance company came to us in 2023, but the work did not begin until 2024. We also upgraded the skylights to ones with stronger material and more energy efficiency.

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 finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to East Morgan County Library District, 500 Clayton Street, Brush, Colorado 80723, or you may call the library director at (970) 848-4596.

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Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds, as applicable.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

EAST MORGAN COUNTY LIBRARY DISTRICT
Statement of Net Position
December 31, 2023

	Governmental Activities
Assets	
Cash	\$ 71,294
Cash with county treasurer	6,081
Investments	866,405
Receivables	1,156,299
Deposit on roof renovation	15,000
Prepaid items	18,277
Capital assets, net of depreciation	1,428,436
Total assets	<u>\$ 3,561,792</u>
Liabilities	
Accounts payable	\$ 24,616
Unearned grant revenue	1,800
Total liabilities	26,416
Deferred inflows of resources	
Deferred property tax revenues	908,041
Total deferred inflows of resources	908,041
Net position	
Net investment in capital assets	1,428,436
Restricted for emergencies	31,000
Unrestricted	1,167,899
Total net position	<u>2,627,335</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,561,792</u>

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

EAST MORGAN COUNTY LIBRARY DISTRICT
Statement of Activities
December 31, 2023

	Governmental Activities
Expenses	
Culture and recreation	
Salaries and benefits	\$ 742,938
Supplies and other costs	364,590
Depreciation	151,921
Total program expenses	<u>1,259,449</u>
Revenues	
Program revenues	
Charges for services	3,639
Operating grants and contributions	16,123
Total program revenues	<u>19,762</u>
General revenues	
Property taxes	889,961
Specific ownership taxes	77,789
Delinquent taxes and interest	1,339
Investment earnings	41,228
Insurance proceeds	512,236
Miscellaneous	705
Total general revenues	<u>1,523,258</u>
Total revenues	<u>1,543,020</u>
Change in net position	283,571
Net position at beginning of year	<u>2,343,764</u>
Net position at end of year	<u><u>\$ 2,627,335</u></u>

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

EAST MORGAN COUNTY LIBRARY DISTRICT
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund
Assets	
Cash	\$ 71,294
Cash with county treasurer	6,081
Investments	866,405
Accounts receivable	248,258
Property taxes receivable	908,041
Prepaid items	18,277
Total assets	\$ 2,118,356
Liabilities	
Accounts payable	\$ 24,616
Unearned grant revenue	1,800
Total liabilities	26,416
Deferred inflows of resources	
Deferred property tax revenues	908,041
Total deferred inflows of resources	908,041
Fund balance	
Nonspendable prepaid items	18,277
Restricted for emergencies	31,000
Committed to subsequent year's expenditures	465,514
Assigned to building expansion preparation needs	15,000
Assigned to carpet needs	30,000
Assigned to shelving needs	15,000
Assigned to grounds improvement needs	20,000
Assigned to roof repairs	487,241
Unassigned	101,867
Total fund balance	1,183,899
Total liabilities, deferred inflows of resources and fund balance	\$ 2,118,356

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

EAST MORGAN COUNTY LIBRARY DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 1,183,899
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	1,428,436
Deposit on roof renovation is not a financial resource and therefore is not reported as an asset in the governmental funds.	<u>15,000</u>
Net position of the governmental activities	<u><u>\$ 2,627,335</u></u>

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

EAST MORGAN COUNTY LIBRARY DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	<u>General Fund</u>
Revenues	
Taxes	\$ 969,089
Intergovernmental	9,719
Charges for services	3,639
Miscellaneous	<u>560,573</u>
Total revenues	1,543,020
Expenditures	
Current	
Culture and recreation	1,139,877
Capital outlay	<u>32,292</u>
Total expenditures	<u>1,172,169</u>
Net change in fund balance	370,851
Fund balance at beginning of year	<u>813,048</u>
Fund balance at end of year	<u><u>\$ 1,183,899</u></u>

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

EAST MORGAN COUNTY LIBRARY DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds	\$ 370,851
Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	(102,280)
Deposits to renovate capital assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown as assets in the statement of net position.	<u>15,000</u>
Change in net position of governmental activities	<u><u>\$ 283,571</u></u>

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

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies

East Morgan County Library District (the District) was approved by the electorate for formation on November 4, 1980 pursuant to C.R.S. 24-90-110 (1)(a), and was established through the joint efforts of the legislative bodies of the governments served by the District – the City of Brush and Brush School District RE-2(J). The District began operations January 1, 1982. The District is administered by a seven-member board of trustees appointed by the governmental units that established the District. The mission of the District is to enrich the lives of its patrons by serving as a resource center of reliable information to meet or exceed their educational, cultural and recreational needs.

This summary of East Morgan County Library District’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District’s accounting policies are described below.

A.1 – Reporting entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The reporting entity’s financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Friends Organization of East Morgan County Library (the Friends), a legally separate, tax-exempt component unit of the District was considered as part of the financial reporting entity. The Friends acts primarily as a fund-raising organization to supplement the resources that are available to the District in support of its programs. The four-member board of the Friends is self-perpetuating and consists of friends of the District. Although the District does not control the timing or amount of receipts from the Friends, the majority of resources, or income thereon, that the Friends holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Friends can only be used by, or for the benefit of, the District, the Friends is considered to be a component unit of the District, but is not reported as such because the economic resources received or held by the Friends are insignificant to the District.

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Complete financial statements for the Friends can be obtained from the Administrative Office at 500 Clayton Street, Brush, Colorado 80723.

A.2 – Fund accounting

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.” The District does not have any proprietary or fiduciary funds.

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following is the District’s major governmental fund:

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property and specific ownership taxes and contributions. Expenditures include all costs associated with the daily operation of the District.

A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds, if applicable.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements (where applicable) but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The District has only one fund, the General Fund.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

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

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes and grants. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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.

Expenses/expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

A.5 - Encumbrances

Encumbrances outstanding at year-end are considered immaterial and thus are not reported as reservations of fund balances.

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.6 – Property taxes

Ad valorem (according to value) property tax revenue is recognized in compliance with National Council on Governmental Accounting (NCGA) Interpretation 3 “Revenue Recognition—Property Taxes.” This interpretation states that property tax revenue is recorded when it becomes available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days.

The District does not accrue revenue from property taxes or other tax sources. These taxes are recorded as revenue at the time of receipt since they are not susceptible to accrual because they are measurable but not available. Property taxes which are measurable but not available, and hence not susceptible to accrual, are recorded as an asset on the balance sheet of the fund entitled to such taxes under the heading “Property Taxes Receivable” with an equal amount of “Deferred Property Tax Revenue” recorded as deferred inflows of resources. This method of reporting the ensuing year’s property taxes is considered preferable in order to disclose property taxes to be received from the adoption of the ensuing year’s budget.

The District’s property taxes, levied by December 15 on assessed valuation as of the preceding January 1, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. The taxes are payable under two methods: 1) in full on or before April 30, 2) one-half on or before February 28 and the remaining one-half on or before June 15.

A.7 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than \$3,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Books, although having an individual cost of less than \$3,000, are also considered capital assets. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>
Buildings and improvements	20-40 years
Furniture and fixtures	5-20 years
Books	6-10 years

A.8 – Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both governmental activities and governmental fund financial statements.

A.9 – Compensated absences

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

A.10 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

A.11 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of directors (the District's highest level of decision-making authority),

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of directors through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

Note B – Cash and deposits

Cash and deposits

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note B – Cash and deposits (Continued)

State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – 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. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$121,837, which were insured in their entirety.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the District's own investment policies and procedures. Investments of the District may include:

- Obligations of the U.S. Government such as treasury bills, notes and bonds
- Certain international agency securities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At year-end, the District had the following investments:

Investment type	Investment maturities (in years)			
	Fair value	< 1	1-5	6-10
Investment in CSAFE	\$ 866,405	\$ 866,405	\$ -	\$ -

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least on nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District's investment in CSAFE was rated AAAM by Standard and Poor's and Fitch ratings services. CSAFE is an SEC Rule 2a7-like investment pool, with each share valued at \$1.00 and is measured at amortized cost. There were no limitations or restrictions on withdrawals during the year.

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note C - Receivables

Receivables at year-end consist of the following:

	<u>Governmental Receivables</u>
Accounts receivable	\$ 248,258
Property taxes receivable	<u>908,041</u>
Total	<u>\$ 1,156,299</u>

Note D - Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Total capital assets, not being depreciated	30,000	-	-	30,000
Capital assets, being depreciated:				
Buildings and improvements	2,617,964	-	-	2,617,964
Books	858,126	34,380	-	892,506
Furniture and fixtures	271,141	15,261	-	286,402
Total capital assets, being depreciated	<u>3,747,231</u>	<u>49,641</u>	<u>-</u>	<u>3,796,872</u>
Total capital assets	3,777,231	49,641	-	3,826,872
Less accumulated depreciation for:				
Buildings and improvements	(1,356,293)	(77,789)	-	(1,434,082)
Books	(651,742)	(66,746)	-	(718,488)
Furniture and fixtures	(238,480)	(7,386)	-	(245,866)
Total accumulated depreciation	<u>(2,246,515)</u>	<u>(151,921)</u>	<u>-</u>	<u>(2,398,436)</u>
Governmental activities capital assets, net	<u>\$ 1,530,716</u>	<u>\$ (102,280)</u>	<u>\$ -</u>	<u>\$ 1,428,436</u>

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note E – Risk management

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 carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note F – Defined contribution plan

The District maintains a SIMPLE Plan (the Plan), a defined contribution plan administered by LPL Financial.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the District's board of trustees. The District's contribution is 3% of covered salary. For the year, the District recognized pension expense of \$14,543.

Note G – Commitments and contingencies

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. In November 2002, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitations of Article X, Section 20 of the Colorado Constitution. In November 2007, the voters of the District also approved a ballot initiative authorizing an operating mill levy of 3.500 mills for collection in 2008 and each year thereafter. TABOR is complex and subject to judicial interpretation.

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to Financial Statements

Note G – Commitments and contingencies (Continued)

The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. TABOR requires an emergency reserve to be set aside in the amount of 3% or more of its fiscal year spending for 1995 and subsequent years thereafter. At year-end, the District has reserved funds in the General Fund in the amount of \$31,000 for the emergency reserve.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements.

- Budgetary Comparison Schedule – General Fund

EAST MORGAN COUNTY LIBRARY DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 964,414	\$ 964,414	\$ 969,089	\$ 4,675
Intergovernmental	6,700	6,700	9,719	3,019
Charges for services	3,500	3,500	3,639	139
Miscellaneous	12,900	12,900	560,573	547,673
Total revenues	987,514	987,514	1,543,020	555,506
Expenditures				
Current				
Culture and recreation	1,204,749	1,204,749	1,139,877	64,872
Capital outlay	18,000	18,000	32,292	(14,292)
Total expenditures	1,222,749	1,222,749	1,172,169	50,580
Net change in fund balance	\$ (235,235)	\$ (235,235)	370,851	\$ 606,086
Fund balance at beginning of year			813,048	
Fund balance at end of year			\$ 1,183,899	

EAST MORGAN COUNTY LIBRARY DISTRICT
Notes to the Required Supplementary Information

Note A – Budgetary data

Annual budgets are adopted as required by Colorado Statutes. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budget amounts included in the financial statements are based on the final amended budget. After initial budget approval, the District's board of directors may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted. Expenditures may not legally exceed appropriations as adopted by resolution at the fund level.

On or before October 15, the executive director submits the proposed budget to the board of directors. A proposed budget is made available for public inspection, and public hearings are conducted to obtain taxpayer comments. Prior to December 15, the District must adopt the budget by formal resolution and certify the mill levies to the County Commissioners. On or before December 31, the District must enact a resolution making appropriations for the following calendar year.

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Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- General Fund – Budgetary Comparison Schedules of Revenues and Expenditures

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General Fund

General Fund – The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property taxes. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements. It is adopted for the specified time period of January 1 to December 31, and all revenues and expenditures for the General Fund must be completed within the budget year.

EAST MORGAN COUNTY LIBRARY DISTRICT
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 896,914	\$ 896,914	\$ 889,961	\$ (6,953)
Specific ownership taxes	65,000	65,000	77,789	12,789
Interest on taxes	2,500	2,500	1,339	(1,161)
Total taxes	964,414	964,414	969,089	4,675
Intergovernmental				
Payment in lieu of taxes	200	200	219	19
City contribution	1,000	1,000	1,000	-
State grants	5,500	5,500	5,500	-
Local grants			3,000	3,000
Total intergovernmental	6,700	6,700	9,719	3,019
Charges for services				
Fax fees	400	400	423	23
Copier fees	1,600	1,600	2,263	663
Lost and damaged fees	1,500	1,500	953	(547)
Total charges for services	3,500	3,500	3,639	139
Miscellaneous				
Interest earnings	8,000	8,000	41,228	33,228
Contributions	2,900	2,900	6,623	3,723
Insurance proceeds			512,236	512,236
Miscellaneous	2,000	2,000	486	(1,514)
Total miscellaneous	12,900	12,900	560,573	547,673
Total revenues	\$ 987,514	\$ 987,514	\$ 1,543,020	\$ 555,506

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EAST MORGAN COUNTY LIBRARY DISTRICT
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures				
Administration				
Salaries	\$ 135,000	\$ 135,000	\$ 136,715	\$ (1,715)
Payroll taxes	13,082	13,082	13,207	(125)
Retirement contributions	5,100	5,100	4,953	147
Employee benefits	36,000	36,000	36,000	-
Workers' compensation	500	500	157	343
Postage	1,500	1,500	1,193	307
Public relations	4,000	4,000	4,598	(598)
Operating supplies	24,000	24,000	23,311	689
Advertising	1,800	1,800	546	1,254
Professional dues	2,000	2,000	2,014	(14)
File management	2,000	2,000	79	1,921
Auditing	7,200	7,200	7,400	(200)
Legal	1,500	1,500	194	1,306
Treasurer's fees	19,000	19,000	17,810	1,190
Travel	500	500	144	356
Professional development	500	500	529	(29)
Board and staff relations	6,000	6,000	5,823	177
Photocopier usage	5,500	5,500	3,828	1,672
Miscellaneous			361	(361)
Liability insurance	2,500	2,500	2,988	(488)
Bond	300	300	251	49
Bank fees	150	150	85	65
Total administration	268,132	268,132	262,186	5,946
Circulation				
Salaries	85,000	85,000	79,481	5,519
Payroll taxes	9,945	9,945	9,229	716
Retirement contribution	4,000	4,000		4,000
Employee benefits	45,000	45,000	42,750	2,250
Workers' compensation	250	250	119	131
Computer specialist	45,000	45,000	45,122	(122)
Processing	6,000	6,000	4,340	1,660
System maintenance	35,000	35,000	28,942	6,058
Software	6,000	6,000	5,538	462
Hardware	8,000	8,000	7,377	623
Consulting	500	500		500
Staff development	1,000	1,000	265	735
Staff tuition	7,000	7,000	9,854	(2,854)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Telecommunications	5,000	5,000	5,138	(138)
Courier	2,500	2,500	2,079	421
Website maintenance	3,500	3,500	2,643	857
Database fees	10,000	10,000	6,356	3,644
Bindery	200	200	504	(304)
Bank and credit card fees	100	100	33	67
Total circulation	273,995	273,995	249,770	24,225
Reference				
Salaries	60,000	60,000	50,893	9,107
Payroll taxes	7,344	7,344	6,098	1,246
Retirement contributions	3,000	3,000	2,355	645
Employee benefits	36,000	36,000	27,000	9,000
Workers' compensation	200	200	87	113
Print materials	35,000	35,000	33,710	1,290
Non-print materials	25,000	25,000	18,008	6,992
Subscriptions	7,000	7,000	6,616	384
E-books	21,000	21,000	22,557	(1,557)
Total reference	194,544	194,544	167,324	27,220
Adult services				
Salaries	63,000	63,000	59,342	3,658
Payroll taxes	6,885	6,885	6,605	280
Retirement contributions	2,800	2,800	2,553	247
Employee benefits	27,000	27,000	27,000	-
Workers' compensation	200	200	82	118
General programs	10,000	10,000	3,951	6,049
Genealogy	4,000	4,000	165	3,835
Total adult services	113,885	113,885	99,698	14,187

(Continued)

EAST MORGAN COUNTY LIBRARY DISTRICT
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2023

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Children's services				
Salaries	120,000	120,000	105,096	14,904
Payroll taxes	13,311	13,311	12,171	1,140
Retirement contributions	5,000	5,000	3,452	1,548
Employee benefits	54,000	54,000	54,000	-
Workers' compensation	275	275	159	116
Children's programs	10,000	10,000	10,765	(765)
Teen programs	7,000	7,000	5,836	1,164
Total children's services	209,586	209,586	191,479	18,107
Building				
Salaries	29,000	29,000	48,983	(19,983)
Payroll taxes	2,907	2,907	3,198	(291)
Retirement contributions	1,200	1,200	1,229	(29)
Workers' compensation	1,300	1,300	1,024	276
Employee benefits	9,000	9,000	9,000	-
Telephone	5,000	5,000	4,994	6
Equipment repairs	10,000	10,000	2,013	7,987
Supplies	3,000	3,000	360	2,640
Property and liability insurance	10,000	10,000	10,585	(585)
Flood insurance	2,500	2,500	2,233	267
Utilities	28,000	28,000	31,087	(3,087)
Custodial supplies	2,000	2,000	2,639	(639)
Building maintenance	15,000	15,000	25,184	(10,184)
Total building	118,907	118,907	142,529	(23,622)
Library park and grounds				
Summer	8,500	8,500	11,732	(3,232)
Winter	5,200	5,200	4,753	447
Miscellaneous	12,000	12,000	10,406	1,594
Total library park and grounds	25,700	25,700	26,891	(1,191)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Capital outlay				
Building improvements	7,000	7,000	28,414	(21,414)
Furniture and equipment	6,000	6,000	3,878	2,122
Building expansion	5,000	5,000		5,000
Total capital outlay	18,000	18,000	32,292	(14,292)
Total expenditures	\$ 1,222,749	\$ 1,222,749	\$ 1,172,169	\$ 50,580