

**GARFIELD COUNTY
PUBLIC LIBRARY DISTRICT**

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITOR

December 31, 2008

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Report of Independent Auditor

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Certified Public Accountants & Consultants

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To the Board of Trustees
Garfield County Public Library District

REPORT OF INDEPENDENT AUDITOR


We have audited the accompanying financial statements of the governmental activities, the blended component unit and the remaining fund information of Garfield County Public Library District (the District), as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the blended component unit and the remaining fund information of the District, as of December 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information on pages 27 to 28 is not a required part of the basis financial statements, but is supplemental information required by the Governmental Accounting Standards Board. The required supplemental information, other than management's discussion and analysis, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Dalby, Wendland & Co., P.C.".

DALBY, WENDLAND & CO., P.C.
Grand Junction, Colorado

May 28, 2009

Management's Discussion and Analysis

GARFIELD COUNTY PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2008

The financial managers of Garfield County Public Library District (the District) present the following discussion and analysis of the District's financial performance to provide an overview of the District's financial activities for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

Financial Highlights

- Total revenue for the District increased 53%, or \$2,230,969 from 2007. In 2007, revenue increased 34%, or \$911,309 from 2006. The higher increase is due mainly to a continued increase in population and industry in Garfield County resulting in increased sales tax revenues. Also, the District started to collect property taxes levied for capital improvements.
- District expenditures from 2007 to 2008 increased by 24%, or \$786,226. The 2007 expenditures increased over 2006 showing a 34% increase. The increase in spending primarily results from the increase in personnel, expanded hours of operation and an increase in library materials.
- The General Fund reported a fund balance at December 31 of \$1,819,238 (2008) and \$2,316,918 (2007). Fund balance decreased by \$497,680 (2008) and by \$365,688 (2007). An amount of \$908,568 was transferred from the General Fund to the Capital Improvement Fund. During the 2008 audit, a prior period adjustment was posted to correct the recording of November 2007 sales tax revenue collected in February 2008. The adjustment decreased revenue in the current year which resulted in an adjusted fund balance at December 31, 2007 of \$2,611,447.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. This report also contains other required supplemental information in addition to the basic financial statements themselves.

Because of the nature and significance of the relationship between Garfield County Public Library District and Garfield County Public Library Foundation (the Foundation), the Foundation is determined to be a component unit of the District. The Foundation's financial information is presented as a blended component unit within the financial statements of the District. A blended component unit, although a legally separate entity, is in substance, part of the District's operations and so data from this unit is combined with the Garfield County Public Library District, a primary government.

Blended Component Unit – The Foundation is responsible for the philanthropic arm of the District to provide services and capital improvements. The Foundation is a 501(c)(3) organization and is governed by the District’s Board of Trustees. The Foundation is reported as a non-major special revenue fund.

The government-wide financial statements, fund financial statements and notes to the financial statements are discussed below.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business. They are prepared using the full accrual basis of accounting.

The Statement of Net Assets presents information on all the District’s assets and liabilities (both short-term and long-term, if any), with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities shows how the District’s net assets changed during the most recent fiscal year by listing the revenues collected and expenses incurred. Revenues and expenses are recorded on an accrual basis; some of these items may incur related cash flow in future periods.

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

The government-wide financial statements can be found on pages 13 and 14.

Fund Financial Statements

The fund financial statements are designed to provide readers with an overview of the recent fiscal activities of the District and are reported using a modified-accrual basis of accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently has three governmental funds, the General Fund, which is the District’s primary operating fund that accounts for all financial resources of the District; the Capital Improvement Fund, which is the fund that accounts for capital outlays for the District; and the Special Revenue Fund, which is the fund that accounts for all financial resources of the Foundation.

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

Because the focus of governmental funds is narrower than that of the government-wide financial

statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the General Fund balance sheet and statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District's governmental fund financial statements can be found on pages 15 through 17.

An annual appropriated budget is adopted for the General Fund and the Capital Improvement Fund. Budgetary comparison statements can be found on pages 27 and 28.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 26

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information for the District's budget.

As noted earlier, net assets may serve, over time, as a useful indicator of the government's financial position. In the case of the District, assets exceeded liabilities by \$11,391,324 at December 31, 2008 and by \$8,748,699 at December 31, 2007.

The following summarizes the District's governmental net assets at December 31:

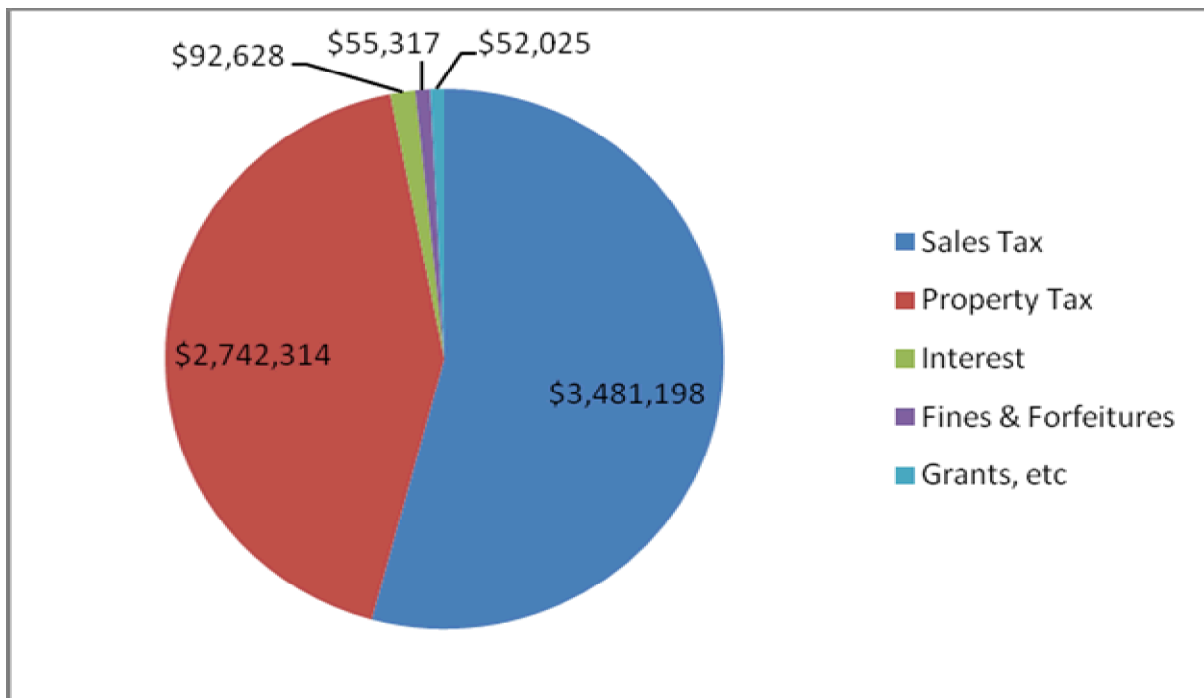
	<u>2008</u>	<u>2007</u>
Assets		
Current and other assets	\$ 9,185,585	\$ 3,084,661
Capital assets, net	<u>6,103,597</u>	<u>5,827,978</u>
<i>Total Assets</i>	<u>15,289,182</u>	<u>8,912,639</u>
Liabilities		
Deferred property tax revenue	3,233,000	-
TABOR refund	105,038	-
Property tax refund	359,156	-
Accounts payable and other liabilities	<u>200,664</u>	<u>163,970</u>
<i>Total Liabilities</i>	<u>3,897,858</u>	<u>163,970</u>
Net Assets		
Invested in capital assets, net	6,103,597	5,827,978
Restricted	119,208	95,939
Unrestricted	<u>5,168,519</u>	<u>2,824,752</u>
<i>Total Net Assets</i>	<u>\$ 11,391,324</u>	<u>\$ 8,748,669</u>

A significant portion of the District's assets are reflected in the investment in capital assets (i.e. land and improvements, buildings and improvements, library materials, furniture and equipment, and leasehold improvements). Capital assets account for 40% of the total assets. The District will use these assets to provide library services to Garfield County citizens. Therefore, these assets are not an available source for funding of future spending.

The following summarizes the change in the District's governmental net assets for the year ended December 31:

	2008	2007
Revenue		
Program Revenue:		
Gifts and donations	\$ 12,526	\$ 6,473
Fines and forfeitures	55,317	27,444
Other revenue	39,499	33,205
General Revenue:		
Sales taxes, net	3,481,198	4,031,828
Property taxes levied for capital improvements, net	2,742,314	
Interest	92,628	93,563
<i>Total Revenue</i>	<u>6,423,482</u>	<u>4,192,513</u>
Expenses		
Personnel	2,250,473	1,964,665
Programming and library services	1,165,738	702,756
Other expenses	659,145	621,709
<i>Total Expenses</i>	<u>4,075,356</u>	<u>3,289,130</u>
<i>Change in Net Assets</i>	2,348,126	903,383
Net Assets – beginning of year	8,748,669	7,845,286
Prior period adjustment	294,529	-
Net Assets – beginning of year as adjusted	<u>9,043,198</u>	<u>7,845,286</u>
Net Assets - end of year	<u>\$ 11,391,324</u>	<u>\$ 8,748,669</u>

Almost all of the District's revenue, 97% percent, was from sales taxes and property taxes. Operating revenue, which includes fines for overdue materials, fees for use of equipment, interest income, reimbursement to the District by patrons for lost library materials, and other miscellaneous revenue, accounted for 1.5% percent, and gifts and grants generated .2% of District revenues.



Financial Analysis of the Governmental Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District currently has three governmental funds, the General Fund, which is the District's primary operating fund that accounts for all financial resources of the District; the Capital Improvement Fund, which is the fund that accounts for capital outlays for the District; and the Special Revenue Fund, which is the fund that accounts for all financial resources of the Foundation.

At December 31, 2007, the District had a General Fund balance of \$2,316,918. During the 2008 audit, a prior period adjustment was posted to correct the recording of November 2007 sales tax revenue collected in February 2008. The adjustment decreased revenue in the current year which resulted in an adjusted fund balance at December 31, 2007 of \$2,611,447.

The General Fund had a fund balance of \$1,819,238 at December 31, 2008, a decrease of \$497,680 from December 31, 2007. The unreserved portion of the fund balance in the amount of \$1,700,030 is available for spending.

The District's fund balance has been growing steadily since 2005, however, some reserve funds were allocated for capital improvements. The steady increase in past years has been due to the increased sales tax collections valuations in Garfield County resulting in higher tax collections and the District's decision to reserve funds for future use.

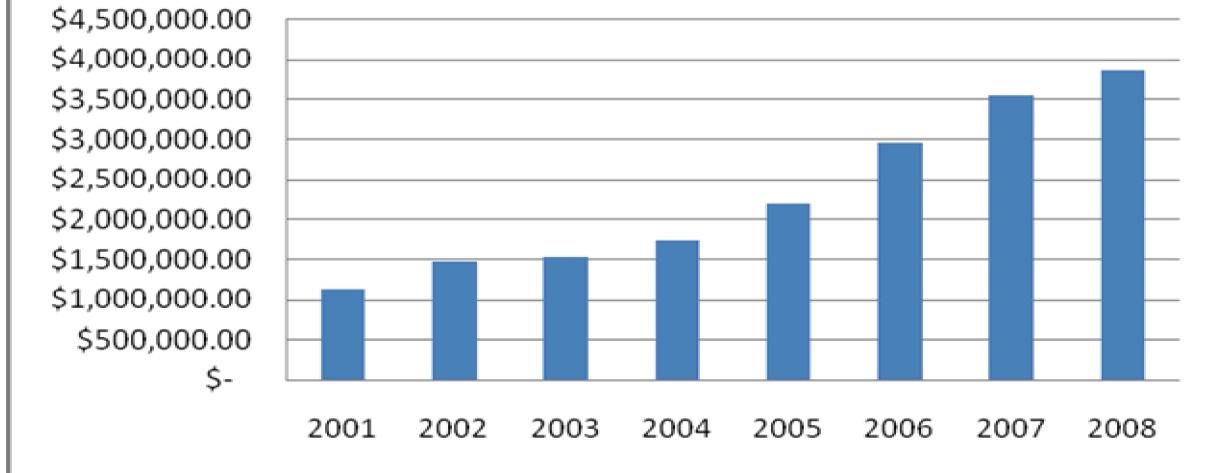
In 2008, the District started receiving 1 mill levy of property tax for capital improvements. The levy was limited by the ballot to \$2,500,000. The District received \$2,859,156 and will refund the difference in 2009.

The District was unaware they would receive Specific Ownership Tax in 2008 and did not budget for that revenue. The District received \$242,314 in Specific ownership Tax revenue in 2008.

Interest received on investments in the Capital Improvement Fund was better than anticipated and is over budget by \$35,974.

Working with each city to reach an agreement on where to build a new library or remodel the existing one took most of the year. In the fall, the District finally reached an agreement with the City of Rifle and the Town of Parachute. An RFQ was issued for a Construction Manager for both projects and a contract with Blythe Group was signed in November, 2008. Subsequently, an RFQ was issued for an Architectural firm to design both projects. In December, the District began negotiating with Barker, Rinker, Seacat, an architectural firm from Denver, and a letter of intent was issued in January 2009.

Undesignated Fund Balance History 2001-2008



Component Unit

The following summarizes the Foundation's financial position:

	2008	2007
Assets	<u>\$ 25,998</u>	<u>\$ 33,456</u>
Liabilities	6,397	-
Fund Balance - Unreserved	19,601	33,456
Total Liabilities and Net Assets	<u>\$ 25,998</u>	<u>\$ 33,456</u>

The Foundation's changes in fund balance is summarized as follows:

	2008	2007
Contributions	\$ 3,976	\$ 4,723
Interest and other	546	1,281
	<i>Total Revenue</i>	6,004
Expenses	(18,377)	(50)
	Increase(Decrease) in Fund Balance	<u>\$ 5,954</u>

Budgetary Highlights

Significant Budget Variances Were as Follows:

Revenue Variances

General Fund

The District realized approximately \$444,261 in additional sales tax revenue due to increased population and sales tax collected in Garfield County. The District realized approximately \$3,600 less in interest income due to less interest being paid on funds deposited.

Capital Improvement Fund

In 2008, the District started receiving 1 mill levy of property tax revenue for capital improvements. The levy was limited by the ballot to \$2,500,000. The District received \$2,859,156 of property tax revenue in 2008 and will refund the difference in 2009.

The District was unaware they would received specific ownership tax in 2008 and did not budget for the revenue. The District received \$242,314 in specific ownership tax revenue in 2008.

Interest received on investments was better than anticipated and is over budget by \$35,974.

Expenditure Variances – General Fund

Personnel

Personnel expense was approximately \$270,000 under budget during 2008 due to several positions not filled until late in the year and vacant positions not being filled.

Capital

Capital outlay was approximately \$190,542 under budget during 2008 due to not starting bids for construction projects until late in the year.

Due to the delay in reaching an agreement with the cities and towns, the budget was under on several line items.

Materials

In 2008, the budget for materials was increased by over \$175,000 to assist in bringing the collection up to date. A new Acquisitions Librarian was hired in August and a new Technical Services Manager in September. Both employees have expertise in Millennium, the District's library collection management software, and years of experience with cataloging. These positions are considered professional positions and an ALA (American Library Association) accredited Master of Library Science (or equivalent) is required. Inventories were completed at all six (6) branches in 2008. The Acquisitions Module was purchased from Millennium to track library materials purchasing. This module was tested with our vendors and put in place as of January 1, 2009.

Programming increased at every branch for 2008. Summer Reading was expanded to include young adults and adults. All branches were encouraged to expand their programming to appeal to a greater number of people using the libraries. It was successful with a 60% increase in the number of adult programs and 70% increase in young adult programs. Statistics show a 96% increase in library cards and a 27% increase in visitors.

Operations

The Professional Fees line item was over \$15,000 due to the audit. It was our first audit as a separate governmental entity and had budgeted only \$20,000.

Library Materials were over budget by \$51,849 mostly because the cost of out of house processing was higher than expected.

Repair and Maintenance was over budget by \$11,535 because of a higher than usual number of failures in plumbing, electrical and other building problems.

Equipment rental was under budget of \$9,918 because the copier fees were reduced for 2008.

Telephone line item was under budget by \$10,310 because of some additional savings in telephone rates and staff education on telephone usage.

The training budget and travel budget were under by a total of \$18,855 because staff was unable to take advantage of training opportunities. The District is working on scheduling to allow more staff to attend necessary training.

Advertising was under budget by \$7,411 because the District felt the marketing campaign was not being effective and decided to stop advertising on the radio and in the newspapers. Advertising was brought in-house and the District created an Outreach Coordinator position. This position is responsible for promotion and advertising for the District. This position was budgeted for the full year and not filled until October.

The treasurer's fee for processing sales tax for the District was over budget by \$1,100 because we received more sales tax than was budgeted.

Expenditure Variances – Capital Improvement Fund

Architect fees were under budget by \$350,000.

Fees and permits for construction were under budget by \$17,000.

Legal notices were under budget by \$4,400.

Land was purchased for the Rifle Branch Library for \$450,000 that was not budgeted for. This line item is over budget by the entire amount.

Treasurer's fees for collection of property tax was not budgeted for and was over budget by \$57,183.

Information Technology and Automation

In 2008, we purchased 11 staff computers as part of an on-going computer replacement program. The District also purchased the Acquisitions Module that coordinates with Millennium.

The District also purchased two (2) additional sessions from Millennium to offer better customer service at the Branches.

Capital Assets

Capital assets built or acquired by the District are recorded at historical cost, including ancillary costs necessary to place the assets in their intended location and condition of use. Ancillary costs include freight charges, site preparation, appraisal fees, and legal claims directly attributable to the asset's acquisition. Donated capital assets are recorded at the estimated fair value of the assets at the time of donation.

For the purchase or construction of new assets, the following dollar thresholds are used to determine if the asset should be capitalized.

<u>Type of Asset</u>	<u>Capitalization Threshold</u>
Land	All purchases are capitalized, regardless of cost
Land improvements	\$50,000
Buildings	\$50,000
Leasehold improvements	\$50,000
Library materials	All purchases are capitalized, regardless of cost
Furniture, fixtures, equipment and computer software	\$ 5,000
Works of art and historical treasures	\$ 5,000 per item/collection
Vehicles	\$ 5,000

For expenditures related to repair, remodeling or expansion of an existing capital asset, the District must determine if the expenditure increased the capacity or operating efficiency, or extended the useful life of the asset. The thresholds identified above shall be used to capitalize repair, remodeling or expansion expenditures. Expenditures that only serve to restore a capital asset to a working condition or do not enhance or extend the useful life should be recorded as repair and maintenance expense and not be capitalized.

Capital assets are depreciated using the straight-line method of depreciation over estimated useful lives as follows:

<u>Capital Asset</u>	<u>Estimated Useful Life</u>
Buildings	
A. Fireproof construction	40 years
B. External masonry wall construction frame construction	27.5 years
Building improvements	20 years
Leasehold improvements	The lesser of the estimated life of the asset or the term of the lease
Equipment (non office)	10 years
Computer equipment	3 years
Other office equipment (copiers, appliances, file cabinets)	6 years
Office furnishings	10 years
New motor vehicles	5 years
Used motor vehicles	3 years
Library materials	Variable

The District's net capital assets increased from \$5,827,978 to \$6,103,597 due in most part to increased capital expenditures made possible by cost savings realized in other areas of the budget.

Economic Factors and Future Budgeting

The District's General Fund balance is \$1,819,238 beginning January 1, 2009, and provides a very bright economic outlook for future potential considerations in expanded materials, programming and

capital improvements. A new Executive Director started in December 2007 and brings a wealth of knowledge in library organization and capital improvements. The continued increase in sales tax and the addition of property tax revenue will enable the District to achieve new or remodeled library facilities for each town in Garfield County.

A strategic plan was completed at the beginning of 2008 and will guide the District's budget for the next 3 years.

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 District's finances. Questions concerning any of the information provided in this report or requests for additional information, including those pertaining to the Foundation, should be addressed to: Garfield County Public Library District, P.O. Box 832, Rifle, CO 81650, or you may call (970) 625-4270.

Government-Wide Financial Statements

GARFIELD COUNTY PUBLIC LIBRARY DISTRICT

STATEMENT OF NET ASSETS

December 31, 2008

ASSETS	
Cash	\$ 1,177,323
Investments	3,705,119
Taxes receivable	4,233,037
Prepaid items	68,106
Other assets	2,000
Capital assets, net of accumulated depreciation, where applicable:	
Land and land improvements	487,076
Construction-in-progress	15,293
Buildings and improvements	1,835,324
Library materials	3,708,828
Furniture and equipment	57,076
	<u>6,103,597</u>
<i>Capital Assets, net</i>	<u>6,103,597</u>
Total Assets	<u>\$ 15,289,182</u>
LIABILITIES	
Deferred property tax revenue	\$ 3,233,000
TABOR refund payable	105,038
Property tax refund payable	359,156
Accounts payable and accrued liabilities	145,671
Compensated absences	54,993
	<u>3,897,858</u>
<i>Total Liabilities</i>	<u>3,897,858</u>
NET ASSETS	
Invested in capital assets, net	6,103,597
Restricted for emergencies	119,208
Unrestricted	5,168,519
	<u>11,391,324</u>
<i>Total Net Assets</i>	<u>11,391,324</u>
Total Liabilities and Net Assets	<u>\$ 15,289,182</u>

See accompanying notes.

GARFIELD COUNTY PUBLIC LIBRARY DISTRICT

STATEMENT OF ACTIVITIES

For the year ended December 31, 2008

PROGRAM EXPENSES

Library services:	
Personnel	\$ 2,250,473
Programming and library services	1,165,738
Purchased services and consulting	258,554
Property and equipment maintenance	180,703
Administrative	162,090
Printing and advertising	35,462
Miscellaneous	22,336
	<hr/>
<i>Total Expenses</i>	4,075,356

PROGRAM REVENUES

Fines and forfeitures	55,317
Miscellaneous	39,499
Gifts and donations	12,526
	<hr/>
<i>Net Program Expenses</i>	3,968,014

GENERAL REVENUES

Sales tax revenue, net	3,481,198
Property taxes levied for capital improvements, net	2,500,000
Specific ownership taxes	242,314
Interest	92,628
	<hr/>

Total General Revenues

 6,316,140

Change in Net Assets 2,348,126

Net Assets - beginning of the year	8,748,669
Prior period adjustment	294,529
	<hr/>
Net Assets - beginning of the year, as adjusted	9,043,198
Net Assets - end of the year	<hr/> <hr/> \$ 11,391,324

See accompanying notes.

Fund Financial Statements

GARFIELD COUNTY PUBLIC LIBRARY DISTRICT

**BALANCE SHEET –
GOVERNMENTAL FUNDS**

For the year ended December 31, 2008

	General Fund	Capital Improvement Fund	Non-Major Governmental Fund	Total Governmental Funds
ASSETS				
Cash	\$ 676,005	\$ 498,004	\$ 3,314	\$ 1,177,323
Investments	644,634	3,037,801	22,684	3,705,119
Sales taxes receivable	1,000,037	-	-	1,000,037
Property taxes receivable	-	3,233,000	-	3,233,000
Prepaid items	68,106	-	-	68,106
Other assets	2,000	-	-	2,000
Total Assets	\$ 2,390,782	\$ 6,768,805	\$ 25,998	\$ 9,185,585
LIABILITIES				
Accounts payable, accrued payroll and employee benefits	\$ 110,681	\$ 28,593	\$ 6,397	\$ 145,671
Sales tax refund payable	105,038	-	-	105,038
Property tax refund payable	-	359,156	-	359,156
Deferred sales tax revenue	355,825	-	-	355,825
Deferred property tax revenue	-	3,233,000	-	3,233,000
Total Liabilities	571,544	3,620,749	6,397	4,198,690
FUND BALANCE				
Reserved for emergencies	119,208	-	-	119,208
Unreserved	1,700,030	3,148,056	19,601	4,867,687
Total Fund Balance	1,819,238	3,148,056	19,601	4,986,895
Total Liabilities and Fund Balance	\$ 2,390,782	\$ 6,768,805	\$ 25,998	\$ 9,185,585

RECONCILIATION TO THE STATEMENT OF NET ASSETS

Fund balance reported above	\$ 4,986,895
Accrued compensated absences payable are not due and payable in the current year and, therefore, are not reported in the Fund.	(54,993)
Deferred sales tax revenue is recognized in the current period in the statement of revenue, expenditures and changes in net assets.	355,825
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Fund:	
Add capital assets not reported above	9,176,518
Less accumulated depreciation not reported above	<u>(3,072,921)</u>
Net Assets	\$ 11,391,324

See accompanying notes.

GARFIELD COUNTY PUBLIC LIBRARY DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS

For the year ended December 31, 2008

	General Fund	Capital Improvement Fund	Non-Major Governmental Fund	Total Governmental Funds
REVENUES				
Sales taxes	\$ 3,853,250	\$ -	\$ -	\$ 3,853,250
Property taxes	-	2,859,156	-	2,859,156
Specific ownership taxes		242,314		242,314
Interest	36,358	55,974	296	92,628
Fines and forfeitures	55,317	-	-	55,317
Gifts and donations	8,550	-	3,976	12,526
Miscellaneous	37,225	2,024	250	39,499
<i>Total Revenues</i>	<u>3,990,700</u>	<u>3,159,468</u>	<u>4,522</u>	<u>7,154,690</u>
EXPENDITURES				
Personnel	2,248,002	-	-	2,248,002
Capital outlay	382,505	465,293	-	847,798
Programming and library services	698,036	-	-	698,036
Purchased services and consulting	221,689	36,865	-	258,554
Administrative	76,881	58,666	-	135,547
Property and equipment maintenance	102,769	-	-	102,769
Printing and advertising	35,462	-	-	35,462
Miscellaneous	3,959	-	18,377	22,336
<i>Total Expenditures</i>	<u>3,769,303</u>	<u>560,824</u>	<u>18,377</u>	<u>4,348,504</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>221,397</u>	<u>2,598,644</u>	<u>(13,855)</u>	<u>2,806,186</u>
OTHER FINANCING SOURCES (USES)				
Other operating - TABOR refund	(105,038)	-	-	(105,038)
Other operating - property tax refund	-	(359,156)	-	(359,156)
Transfers In (Out)	(908,568)	908,568	-	-
<i>Net Change in Fund Balances</i>	<u>(792,209)</u>	<u>3,148,056</u>	<u>(13,855)</u>	<u>2,341,992</u>
Fund Balance - beginning of the year	2,316,918	-	33,456	2,350,374
Prior period adjustment	294,529	-	-	294,529
Fund Balance - beginning of the year, as adjusted	<u>2,611,447</u>	<u>-</u>	<u>33,456</u>	<u>2,644,903</u>
Fund Balance - end of the year	<u><u>\$ 1,819,238</u></u>	<u><u>\$ 3,148,056</u></u>	<u><u>\$ 19,601</u></u>	<u><u>\$ 4,986,895</u></u>

(continued)

See accompanying notes.

GARFIELD COUNTY PUBLIC LIBRARY DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS (continued)

For the year ended December 31, 2008

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total Governmental Funds</u>
RECONCILIATION TO STATEMENT OF ACTIVITIES				
Net change in fund balances - total governmental fund				\$ 2,341,992
Some revenues reported in the statement of activities are recognized when earned and therefore are not reported as revenues in governmental funds.				
Deferred sales tax revenue recognized in current period				355,825
Deferred sales tax revenue recognized in prior period				(622,839)
Capital outlays are reported as expenditures in the Fund; however, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful life as depreciation expense.				
Capital outlay	847,798			
Depreciation expense	(386,513)			
Library materials removed from circulation, net	<u>(185,666)</u>			275,619
Compensated absences are recognized as an expenditure in the governmental fund when they are determined to be payable from current financial resources. In the statement of activities, compensated absences are recognized as an expenditure when earned.				
December 31, 2007	52,522			
December 31, 2008	<u>(54,993)</u>			<u>(2,471)</u>
<i>Change in Net Assets of Governmental Activities</i>				<u><u>\$ 2,348,126</u></u>

See accompanying notes.

Notes to Basic Financial Statements

GARFIELD COUNTY PUBLIC LIBRARY DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The financial statements of the District include all of the integral parts of the District's operations. The District applied criteria to determine whether any organization should be included in the District's reporting entity. Management has determined that Garfield County Public Library Foundation (the Foundation) meets the criteria to be included in the District's financial statements as a blended component unit. As required by generally accepted accounting principles, these financial statements present the District and its component unit, for which the District is considered to be financially accountable. A blended component unit, although a legally separate entity, is in substance, part of the District's operations and so data from this unit is combined with the Garfield County Public Library District, a primary government. Additional financial information pertaining to the Foundation may be obtained from the Foundation, P.O. Box 832, Rifle, Colorado, 81650.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government.

The statement of activities demonstrates the degree to which the program expenses of a given function or segment, are offset by program revenue. *Program expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a

given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported, instead, as *general revenue*.

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The District has three funds, the *General Fund*, which is the District's primary operating fund that accounts for all financial resources of the District; the *Capital Improvement Fund*, which is the fund that accounts for capital outlays for the District; and a *Special Revenue Fund*, which is the fund that accounts for all financial resources of the Foundation.

C. Measurement Focus and Basis of Accounting

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

Governmental activities in the government-wide financial statements use the economic resources measurement focus and are presented on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements use the current financial resources measurement focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual; i.e., both measurable and available. Revenue is considered available if received within sixty days following year end.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

E. Investments

Investments are stated at fair value based on quoted market values with the exception of money market funds and external investment pools which are stated at cost which is equal to fair value. Unrealized gains and losses are included in the change in net assets. Fair values are determined using quoted markets.

F. Contributions

Contributions including unconditional promises to give are recognized in the period received. All contributions are available for unrestricted use unless specifically restricted by the donor. If restrictions of donor-restricted contributions are met in the same reporting period, the contribution is reported as unrestricted. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions. Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

G. Sales Taxes

Sales tax is collected by businesses throughout Garfield County and remitted to the State of Colorado, Department of Revenue, by the 20th of each month after receipt. The State of Colorado then remits Garfield County's portion of sales tax collected to the Garfield County Treasurer. The Garfield County Treasurer then allocates the District's portion of sales tax and transfers it to the District on the 10th of the month following receipt from the State. Sales taxes received by the District are reported as revenue when received except at year end. Amounts due to the District at December 31 and received within 30 days are reported as a receivable and as revenue in the current year. Amounts not received within 30 days after year-end are recorded as a receivable and deferred revenue.

H. Accrued Compensated Absences

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation, which will be used after December 31, 2008, or paid upon separation from District service. In the government-wide financial statements, the cost of compensated absences is reported as an accrued liability. In governmental fund financial statements, the cost of compensated absences is recognized when payments are made to employees.

I. Encumbrances

Encumbrance accounting, under which commitments for the expenditure of funds are recorded to reserve the applicable budgetary appropriation, is used in the General Fund. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and are reported as reservations of

the fund balance and are re-appropriated to provide spending authority in the succeeding year's budget.

J. Capital Assets

Capital assets built or acquired by the District are recorded at historical cost, including ancillary costs necessary to place the assets in their intended location and condition of use. Ancillary costs include freight charges, site preparation, appraisal fees, and legal claims directly attributable to the asset's acquisition. Donated capital assets are recorded at the estimated fair value of the assets at the time of donation.

For the purchase or construction of new assets, the following dollar thresholds are used to determine if the asset should be capitalized.

<u>Type of Asset</u>	<u>Capitalization Threshold</u>
Land	All purchases are capitalized, regardless of cost
Land improvements	\$50,000
Buildings	\$50,000
Leasehold improvements	\$50,000
Library materials	All purchases are capitalized, regardless of cost
Furniture, fixtures, equipment and computer software	\$ 5,000
Works of art and historical treasures	\$ 5,000 per item/collection
Vehicles	\$ 5,000

For expenditures related to repair, remodeling or expansion of an existing capital asset, the District must determine if the expenditure increased the capacity or operating efficiency, or extended the useful life of the asset. The thresholds identified above shall be used to capitalize repair, remodeling or expansion expenditures. Expenditures that only serve to restore a capital asset to a working condition or do not enhance or extend the useful life should be recorded as repair and maintenance expense and not be capitalized.

Capital assets are depreciated using the straight-line method of depreciation based on estimated useful lives as follows:

<u>Capital Asset</u>	<u>Estimated Useful Life</u>
Buildings	
A. Fireproof construction	40 years
B. External masonry wall construction frame construction	27.5 years
Building improvements	20 years
Leasehold improvements	The lesser of the estimated life of the asset or the term of the lease
Equipment (non office)	10 years
Computer equipment	3 years
Other office equipment (copiers,	

appliances, file cabinets)	6 years
Office furnishings	10 years
New motor vehicles	5 years
Used motor vehicles	3 years
Library materials	Variable

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law for all governmental funds.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoptions of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget.
- F. Budget appropriations lapse at the end of each year.
- G. The District adopts budgets on a modified accrual basis.

The Capital Improvement Fund exceeded budgeted expenditures in current year by \$115,293.

NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (Amendment One), which provides for certain limitations in revenue raising, spending abilities and other specific requirements of state and local government units. Amendment One also requires a 3% reserve of the District’s fiscal year spending, excluding bonded debt services. A portion of the District’s General Fund balance is classified as restricted for an emergency reserve as required.

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Fiscal year spending and revenue limits are determined based on the prior year spending, adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. In effect, it has been generally interpreted that fiscal year spending approximates non-exempt revenue or receipts. "Spending," as defined by Taxpayer's Bill of Rights (TABOR), excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves. The District uses the same basis of accounting for the calculation of fiscal year spending as is used in the preparation of these financial statements. The District has recorded a TABOR refund payable in the amount of \$105,038 and a property tax refund payable in the amount of \$359,156 for the 2008 fiscal year.

Amendment One is complex and subject to judicial interpretation. For 2008, the District believes it is in compliance with applicable requirements of Amendment One.

NOTE 4 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits

The Colorado Public Deposit Protection Act (PDPA) governs the District's deposits. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal deposit insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to one hundred and two percent of the uninsured deposits. The Colorado Division of Banking for banks is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At year-end, the carrying amount of the District's deposits consisted of the following:

	Bank Balance	Carrying Amount
Cash in checking and petty cash	\$ 1,199,840	\$ 930,522
Capital improvement account	-	500
	<u>\$ 1,199,840</u>	<u>\$ 931,022</u>

\$250,000 was covered by depositor's insurance; \$949,840 was collateralized under PDPA requirements.

The Foundation's deposits consisted of a checking account with a bank balance of \$3,314 at December 31, 2008 which was 100% insured by depositor's insurance.

Custodial Credit Risk - Investments

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. At December 31, 2008, the District had investments (certificates of deposit) with a market value of \$3,685,155 and a book balance of \$3,682,435. The District's investments were held in a financial institution and 100% collateralized under PDPA requirements. The Foundation held investments (certificates of deposit) with a market value of \$23,778 and a book balance of \$22,684 at December 31, 2008. The Foundation's investments were held in a financial institution and covered 100% insured by depositor's insurance.

NOTE 5 - CAPITAL ASSETS

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
Capital assets not being depreciated:				
Land	\$ 37,076	\$ 450,000	\$ -	\$ 487,076
Construction-in-progress	-	15,293	-	15,293
<i>Non-Depreciated Capital Assets</i>	<u>37,076</u>	<u>465,293</u>	<u>-</u>	<u>502,369</u>
Capital assets being depreciated				
Land improvements	14,000	-	-	14,000
Building and improvements	3,408,967	-	-	3,408,967
Library materials	5,011,233	372,700	(265,238)	5,118,695
Furniture and equipment	122,682	9,805	-	132,487
<i>Depreciated Capital Assets</i>	<u>8,556,882</u>	<u>382,505</u>	<u>(265,238)</u>	<u>8,674,149</u>
<i>Total Capital Assets</i>	<u>8,593,958</u>	<u>847,798</u>	<u>(265,238)</u>	<u>9,176,518</u>
Less accumulated depreciation:				
Land improvements	14,000	-	-	14,000
Building and improvements	1,495,709	77,934	-	1,573,643
Library materials	1,207,403	282,036	79,572	1,409,867
Furniture and equipment	48,868	26,543	-	75,411
<i>Total Accumulated Depreciation</i>	<u>2,765,980</u>	<u>386,513</u>	<u>79,572</u>	<u>3,072,921</u>
<i>Capital Assets, Net</i>	<u>\$ 5,827,978</u>	<u>\$ 461,285</u>	<u>\$ (185,666)</u>	<u>\$ 6,103,597</u>

Total depreciation expense for 2008 was \$386,513, of which \$26,543 was charged to the administrative function, \$77,934 was charged to the property and equipment maintenance and upkeep function, and \$282,036 charged to the programming and library services function.

NOTE 6 - COMPENSATED ABSENCES

The District had \$54,993 in compensated absences as of December 31, 2008, comprised of vacation pay, with certain limitations, that will be due if employees terminate their employment with the District.

	Beginning Balance	Additions	Payments	Ending Balance
Accrued compensated absences	\$ 52,522	\$ 4,049	\$ (1,578)	\$ 54,993
<i>Total Accrued Compensated Absences</i>	<u>\$ 52,522</u>	<u>\$ 4,049</u>	<u>\$ (1,578)</u>	<u>\$ 54,993</u>

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers to supplement the expenditures/expenses of other funds were as follows:

	<u>General Fund</u>
Transfers out:	
General Fund	\$ (908,568)
Transfers in:	
Capital Improvement Fund	<u>908,568</u>
<i>Total</i>	<u>\$ -</u>

NOTE 8 - OPERATING LEASES

The District leases space for its Carbondale branch to provide a branch library location under an operating lease. The District's lease term is through December 31, 2013, with a fixed rental rate of \$30 for a thirty (30) year term, with up to three (3) additional ten (10) year renewal terms at a rate of \$10 per term. The District has prepaid the rental charges through 2013.

The District leases space for its Glenwood Springs branch to provide a branch library location under an operating lease. The District's lease term is through March 1, 2081, with a fixed rental rate of \$1 annually. The District has prepaid the rental charges through 2081.

The District leases space for its Parachute branch to provide a branch library location under an operating lease. The District's lease term is through January 1, 2032, with a fixed rental rate of \$10 annually. The District has prepaid the rental charges through 2032.

The District leases space for its Silt branch to provide a branch library location under an operating lease. The District's lease term is through February 28, 2013, with a fixed rental rate of \$1 annually. The District has prepaid the rental charges through 2013.

The District leases space for its Rifle branch to provide a branch library location under an operating lease. The District's lease term is through March 1, 2082, with a fixed rental rate of \$1 annually. The District has prepaid the rental charges through 2082.

The District leases space for its administration offices under an operating lease. The District's lease term is through January 4, 2010, with a fixed monthly rental rate of \$4,721, with a first option to renew after thirty-six (36) months. The lease agreement is subject to annual appropriation by the District's Board. Lease expenditures for 2008 were \$55,858.

The District leases space to the Town of New Castle (the Town) under an operating lease and provides a branch library to the Town. The Town's lease term is through June 29, 2013, with a fixed rental rate of \$1 annually. The Town has prepaid the rental charges through 2013.

NOTE 9 - RETIREMENT PLAN

The District provides a retirement plan for eligible District employees in the Colorado County Officials and Employees Retirement Association (CCOERA) Retirement Plan (the Retirement Plan). The Retirement Plan is a defined contribution money purchase plan. Employees participate in the Retirement Plan immediately upon employment. The employees and the District each contribute 5% of gross wages. The District's contributions for each employee (and earnings allocated to the employee's account) are fully vested after five years of continuous service. District contributions and related interest forfeited by employees who leave employment before fully vesting are returned to the Retirement Plan to reduce future retirement requirements.

The District's total payroll in 2008 was \$1,665,784. Covered wages were approximately \$1,485,647. Non-elective contributions to the Retirement Plan for 2008 were \$74,461 (by the District) and \$74,737 (by employees).

Deferred Compensation Plan

The District has a deferred compensation plan (the Plan), administered by CCOERA, created in accordance with Internal Revenue Code Section 457. The Plan permits the District's employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation in the Plan is optional.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of the participants or their beneficiaries. The District has no ownership interest in the Plan nor is the District liable for any losses under the Plan.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Risk

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; volunteer injuries; natural disasters; and employee health, dental, vision and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in 2008.

NOTE 11 - SUBSEQUENT EVENTS

The District entered into a contract on February 2, 2009 for architectural services in the amount of \$850,000 for the new Rifle branch library and the addition to the Parachute branch library. The District also entered into a contract on April 27, 2009 for demolition services to facilitate the construction of the new Rifle branch library in the amount of \$25,205.

Required Supplemental Information

GARFIELD COUNTY PUBLIC LIBRARY DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND**

For the year ended December 31, 2008

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Sales taxes	\$ 3,788,592	\$ 3,788,592	\$ 3,853,250	\$ 64,658
Fines and forfeitures	40,000	40,000	55,317	15,317
Interest	40,000	40,000	36,358	(3,642)
Miscellaneous	5,000	5,000	45,775	40,775
<i>Total Revenues</i>	<u>3,873,592</u>	<u>3,873,592</u>	<u>3,990,700</u>	<u>117,108</u>
EXPENDITURES				
Personnel	2,517,889	2,517,889	2,248,002	269,887
Programming and library services	511,691	511,691	698,036	(186,345)
Capital outlay	573,047	573,047	382,505	190,542
Purchased services and consulting	144,754	144,754	221,689	(76,935)
Property and equipment expense	-	-	102,769	(102,769)
Administrative	75,772	75,772	76,881	(1,109)
Advertising and printing	47,440	47,440	35,462	11,978
Miscellaneous	2,440	2,440	3,959	(1,519)
<i>Total Expenditures</i>	<u>3,873,033</u>	<u>3,873,033</u>	<u>3,769,303</u>	<u>103,730</u>
<i>Excess of Revenues Over Expenditures</i>	<u>559</u>	<u>559</u>	<u>221,397</u>	<u>220,838</u>
OTHER FINANCING SOURCES (USES)				
Other Operating - TABOR Refunds	-	-	(105,038)	(105,038)
Transfers In (Out)	-	-	(908,568)	(908,568)
Net change in fund balances	559	559	(792,209)	(792,768)
Fund Balance - beginning of the year	2,316,918	2,316,918	2,316,918	-
Prior period adjustment	-	-	294,529	294,529
Fund Balance - beginning of the year, as adjusted	2,316,918	2,316,918	2,611,447	294,529
Fund Balance - end of the year	<u>\$ 2,317,477</u>	<u>\$ 2,317,477</u>	<u>\$ 1,819,238</u>	<u>\$ (498,239)</u>

GARFIELD COUNTY PUBLIC LIBRARY DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – CAPITAL IMPROVEMENT FUND

For the year ended December 31, 2008

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Property taxes	\$ 2,500,000	\$ 2,500,000	\$ 2,859,156	\$ 359,156
Specific ownership taxes	-	-	242,314	242,314
Interest	20,000	20,000	55,974	35,974
Miscellaneous	-	-	2,024	2,024
<i>Total Revenues</i>	<u>2,520,000</u>	<u>2,520,000</u>	<u>3,159,468</u>	<u>639,468</u>
EXPENDITURES				
Capital outlay	350,000	350,000	465,293	(115,293)
Administrative	-	-	58,666	(58,666)
Purchased services and consulting	-	-	36,865	(36,865)
<i>Total Expenditures</i>	<u>350,000</u>	<u>350,000</u>	<u>560,824</u>	<u>(210,824)</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,170,000</u>	<u>2,170,000</u>	<u>2,598,644</u>	<u>428,644</u>
OTHER FINANCING SOURCES (USES)				
Other Operating - property tax refund	-	-	(359,156)	(359,156)
Transfer In	-	-	908,568	908,568
Net change in fund balances	<u>2,170,000</u>	<u>2,170,000</u>	<u>3,148,056</u>	<u>978,056</u>
Fund Balance - beginning of the year	-	-	-	-
Fund Balance - end of the year	<u>\$ 2,170,000</u>	<u>\$ 2,170,000</u>	<u>\$ 3,148,056</u>	<u>\$ 978,056</u>