

An abstract graphic consisting of several thick, overlapping yellow lines that form a complex, scribbled shape, resembling a stylized knot or a series of loops. It is positioned on the left side of the page, partially behind the title text.

# **Rangeview Library District 2012 Annual Financial Report**

***We Open Doors  
for Curious Minds***

**Prepared by Rebecca Martin  
Finance Manager  
July 18, 2013**

**Rangeview Library District**  
**Finance Office**  
**5877 East 120<sup>th</sup> Avenue**  
**Thornton, Colorado 80602**

## **ANNUAL FINANCIAL REPORT**

### **2012**

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**RANGEVIEW LIBRARY DISTRICT**  
**Year 2012 Annual Financial Report**  
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## Independent Auditors' Report

Board of Trustees  
Rangeview Library District  
Thornton, Colorado

We have audited the accompanying financial statements of the governmental activities and the major fund of the Rangeview Library District (the District) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility For The Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of December 31, 2012, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and general fund budgetary comparison information on pages 6 - 15 and 39, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

*RubinBrown LLP*

July 3, 2013



## **Management's Discussion and Analysis**

The Management's Discussion and Analysis for Rangeview Library District (hereafter referred to as the Library) offers readers a narrative overview and analysis of the Library's financial activities for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our financial statements and notes to the basic financial statements.

### **Financial Highlights**

- The Library District's assets exceeded its liabilities by \$18,878,929 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
  - Invested in capital assets, net of related debt, of \$4,362,367 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - Restricted Net Position: \$3,652,500 is restricted by constraints imposed from outside the Library District such as debt covenants, grantors, laws, or regulations.
  - Unrestricted Net Position: \$10,864,062 represents the portion available to maintain the Library District's continuing obligations to citizens and creditors.
- The Library District's general fund ending fund balance was \$18,292,374 this year. This compares to the prior year ending fund balance of \$17,958,441 showing an increase of \$333,933 during the current year.
- Tax revenue increased by \$96,990 from \$12,672,628 in 2011 to \$12,769,618 in 2012.
- Overall, the Library District continues to maintain a strong financial position, in spite of a weakened economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The 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 supplementary information in addition to the basic financial statements.

## **Government-wide Financial Statements**

The Library District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Library 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 or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Library District's assets and liabilities, with the difference 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 Library District as a whole is improving or deteriorating. Evaluation of the overall health of the Library District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Library District infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Library District's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when the Library District receives or pays cash. An important purpose of the design of the statement of activities is to show the financial reliance of the Library District's distinct activities or functions on revenues provided by the Library District's taxpayers.

The government-wide financial statements can be found on pages 16-18 of this report.

## **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Library 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 Library District's one significant fund.

***Governmental funds.*** 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, the governmental fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus to report the financial activities in the Library's funds.

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

The basic governmental fund financial statements can be found on pages 19-22 of this report.

***Notes to the financial statements.*** The notes to the financial statements 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 basic financial statements can be found on pages 24-37 of this report.

***Required Supplementary Information and Supplementary Information.*** The Library adopts an annual appropriated budget. A budgetary comparison schedule for the funds has been provided as required supplementary information. Details of the original budget, final budget, and actual amounts are found in these sections at pages 38-40.



## Financial Analysis of the Library District as a Whole

The Library district's net assets at December 31, 2012, after eliminations, are \$18,878,929. The following table provides a summary of the Library District's net position.

	<b><u>Governmental Activities</u></b>	
	<b><u>2011</u></b>	<b><u>2012</u></b>
Assets:		
Current Assets	\$30,145,834	\$ 30,487,060
Capital Assets	41,824,489	39,840,086
Other Assets	809,606	763,237
Total Assets	<u>72,779,929</u>	<u>71,090,383</u>
Liabilities:		
Current Liabilities	12,338,516	12,341,922
Noncurrent Liabilities		
Due within One Year	1,535,891	1,570,677
Due in More Than One Year	<u>39,791,252</u>	<u>38,298,855</u>
Total Liabilities	<u>53,665,659</u>	<u>52,211,454</u>
Net Position:		
Capital Assets, Net of Related Debt	4,957,830	4,362,376
Restricted	3,645,374	3,652,057
Unrestricted	<u>10,511,066</u>	<u>10,864,496</u>
Total Net Position	<u>\$19,114,270</u>	<u>\$ 18,878,929</u>

The Library's net position includes its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, shelving, and the collection). This component represents 56% of the total assets. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A portion of the Library's net assets are restricted due to external restraints on funds available for current obligations. Unrestricted net position, in the amount of \$10,864,496 may be used to meet the Library's ongoing obligations to its citizens and creditors.

The following table provides a summary of the Library District's changes in governmental activity's net position:

### **Summary of Changes in Net Position**

	<b><u>Governmental Activities</u></b>	
	<u>2011</u>	<u>2012</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 115,533	\$ 157,037
Operating Grants & Cont.	231,609	250,691
General Revenues:		
Property Taxes	11,891,819	11,941,239
Specific Ownership Taxes	780,809	828,379
Interest Earnings	65,750	109,931
Miscellaneous	<u>37,747</u>	<u>53,359</u>
Total Revenues	13,123,267	13,340,636
Expenses		
Library Services	11,694,282	11,765,165
Interest & Debt Related Costs	<u>1,853,074</u>	<u>1,810,812</u>
Total Expenses	13,547,356	13,575,977
Change in Net Position	<u>(424,089)</u>	<u>(235,341)</u>
Net Position Beginning	19,538,359	19,114,270
Net Position Ending	<u>\$ 19,114,270</u>	<u>\$ 18,878,929</u>

### **Governmental Revenues**

The Library District is heavily reliant on taxes to support governmental operations. Taxes provided 97% of the Library District's total revenues in 2012. Also, note that program revenues cover less than 3% of governmental operating expenses. This means that the government's taxpayers and the Library District's other general revenues fund 97% of the governmental activities. As a result, the general economy and the changes in both residential and commercial property values have a major impact on the Library District's revenue streams. Operating grants of \$250,691 consisted of e-rate refunds, grant award proceeds from Wright Farms Metro District for outdoor programming (Nature Explore), and smaller grants for computer equipment.

Governmental activities decreased the Library's net assets by \$235,341 in 2012. Key elements of this decrease are as follows:

Increases in expenditures contributed to the reduction of net assets, offset by minimal gains in revenues:

- Total revenue from governmental activities increased by \$217,369. The property tax portion of these revenues \$11,941,238. This was an increase of \$49,420.
- Specific Ownership Taxes increased by \$47,570 due to increased vehicle sales.
- Interest earnings increased by \$44,181.
- Charges for services increased by \$41,504 due to increases in printer/copier usage and increases in payments for lost materials by patrons.
- Capital and Operating Grants were increased in 2012 by \$19,082.

### **Governmental Functional Expenses**

Library services comprise 87% of the Library District's total governmental expenses. This classification showed an increase of approximately \$70,883 over that of calendar year 2011. In 2012 virtually every service expense was increased. Additional positions were added to the wages as well as merit and benefit increases. More funds were spent on enlarging and refining the collections at all branches. Programming was increased which included large increases to participation in Summer Reading. Supplies and materials for operations increased to reflect additional programs, materials and employees. Due to higher usage there were increased costs in maintenance, utilities and janitorial.

Interest on the Library District's capital lease totaled \$1,810,812. Depreciation expense on the Library District's assets totaled \$3,279,164 in 2012.

### **Financial Analysis of the Library District's Funds**

#### ***Governmental Funds***

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$18,292,374. Of this year-end total, \$13,097,404 is unassigned,

indicating availability for continuing Library District service requirements. Legally restricted fund balances (i.e., the restricted fund balances) include: \$400,219 required to be set aside for emergency reserve requirements pursuant to the TABOR amendment and \$3,251,838 for the final payment of the COPS. There is \$1,500,000 of fund balance assigned for capital, replacement and operating reserves. Non-spendable fund balance includes \$3,015 of non-spendable deposits and \$39,898 of prepaid expenses.

### ***Major Governmental Funds***

The General Fund is the Library District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$333,933.

Taxes total \$12,769,618 of the total general fund revenues as compared to \$12,672,628 in calendar year 2011. Interest earned in the General Fund was \$44,181 more than 2011. This increase relates primarily to the accrued interest on investments in 2012.

The general fund expenditures show an increase of \$311,788 over the prior year. This increase relates primarily to maintaining services, programs and operation expense while usage of the library continues to increase.

### **Fund Budgetary Highlights**

There was one amendment to the budget in 2012.

Actual revenues were \$358,719 more than budgeted in the General Fund. Property taxes were over budget by \$177,880. Specific ownership tax was over by \$58,821. This tax is based on the licensing tax collected for vehicles, and is always a difficult revenue item to project. Investment earnings came in over budget by \$61,931. Nearly all of the excess in revenue collection can be attributed to an excess in property taxes, specific ownership taxes and an increase in collections of fees and charges for services.

Total expenditures in the General Fund were \$568,214 below the budgeted amount. The majority of this is attributed to savings on positions that were not filled in 2012 and savings in facilities, operations and technology maintenance fees. Capital Outlay decreased by \$95,272 due to the delay in delivery of technology items expected in 2012, but actually delivered in 2013.

The excess revenues over expenditures for 2012 were \$926,933 in the General Fund. The District had budgeted for an end of year general fund balance of \$17,365,441. The actual end of year general fund balance was \$18,292,374, an increase of \$926,933.

## Capital Assets and Debt Administration

### *Capital Assets*

The Library's investment in capital assets for its governmental activities as of December 31, 2012, amounts to \$39,840,086 (net of accumulated depreciation). This investment includes land, buildings and improvements, machinery and equipment, shelving, and the collection after depreciation. The net change in the Library's investment in capital assets for the current fiscal year was \$1,984,403.

	<b>Capital Assets</b>		<b>Percentage of Total</b>	
	<b>Governmental Activities</b>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Non-depreciable assets</b>				
Land	\$ 3,640,170	\$ 3,640,170	100%	100%
Total Non-Depreciable	<u>3,640,170</u>	<u>3,640,170</u>	<u>100%</u>	<u>100%</u>
<b>Depreciable assets</b>				
Buildings and Improvements	34,456,541	34,456,541	75%	76%
Machinery and Equipment	1,349,549	1,242,350	3%	3%
Shelving	1,014,800	1,014,800	2%	2%
Collection of Materials	<u>9,470,747</u>	<u>8,663,243</u>	<u>20%</u>	<u>19%</u>
Total Depreciable Assets	<u>46,291,637</u>	<u>45,376,934</u>	<u>100%</u>	<u>100%</u>
Less Accumulated Depreciation	<u>10,091,721</u>	<u>7,192,615</u>		
Book Value -Depreciable Assets	<u>36,199,916</u>	<u>38,184,319</u>		
Percentage Depreciated	<u>22%</u>	<u>16%</u>		
Book Value - All Assets	<u>\$ 39,840,086</u>	<u>\$ 41,824,489</u>		

Major capital asset events during the current fiscal year included the following:

- Small technological improvements to include DVD dispensing machinery and projector and audio equipment.
- The libraries' collection of materials is valued as of December 31, 2012 at \$3,844,922, after depreciation.

Additional information on the Library's capital assets can be found in Note 4 on page 34 of this report.

### ***Long-term Liabilities***

At the end of the calendar year, the District had total certificates of participation outstanding of \$38,730,000. This total debt is backed by the lease payments from the Library District to the Bondholders. During the year, the Library District made interest payments in the amount of \$1,813,467 and a principal payment of \$1,435,000.

## **Requests for Information**

This financial report is designed to provide a general overview of the Library's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Manager, Rangeview Library District, 5877 East 120<sup>th</sup> Avenue, Thornton, Colorado 80602.



**Government-wide Financial Statements**

**Rangeview Library District**  
**STATEMENT OF NET POSITION**  
**December 31, 2012**

	<u><b>Governmental Activities</b></u>
<b>ASSETS:</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,750,662
Investments	13,292,756
Restricted Cash and Investments	3,252,290
Receivables:	
Property Taxes	11,885,814
Accounts	262,625
Prepaid Expenses	39,898
Deposits	3,015
<b>Total Current Assets</b>	<u>30,487,060</u>
<b>Non-Current Assets</b>	
<b>Capital Assets (Nondepreciable)</b>	
Land	3,640,170
<b>Capital Assets (Net of Accumulated Depreciation)</b>	
Buildings and Improvements	31,082,916
Machinery and Equipment	392,507
Shelving	879,571
Collection	3,844,922
<b>Total Capital Assets</b>	<u>39,840,086</u>
<b>Other Assets</b>	
Debt Issuance Costs ( <i>Net of Accumulated Amortization</i> )	<u>763,237</u>
<b>Total Non-Current Assets</b>	40,603,323
<b>Total Assets</b>	<u>\$ 71,090,383</u>
<b>LIABILITIES:</b>	
Accounts Payable	\$ 211,352
Accrued Payroll	93,260
Accrued Liabilities	4,260
Accrued Interest Payable	147,236
Deferred Revenue	11,885,814
Non-current Liabilities:	
Due Within One Year	1,570,677
Due In More Than One Year	38,298,855
<b>Total Liabilities</b>	<u>52,211,454</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	4,362,376
Restricted	3,652,057
Unrestricted	10,864,496
<b>Total Net Position</b>	<u>\$ 18,878,929</u>

The notes to the basic financial statements are an integral part of this statement.

Rangeview Library District  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2012

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenues & Changes in Net Position Governmental Activities
		Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental Activities					
Library Services	\$ 11,765,165	\$ 157,037	\$ 250,691	\$ -	\$ (11,357,437)
Interest & Debt Related Cost	1,810,812				(1,810,812)
Total Governmental Activities	<u>\$ 13,575,977</u>	<u>\$ 157,037</u>	<u>\$ 250,691</u>	<u>\$ -</u>	<u>(13,168,249)</u>
General Revenues:					
		Property Taxes			11,941,239
		Specific Ownership Tax			828,379
		Investment Income			109,931
		Proceeds from Insurance			2,329
		Miscellaneous			51,030
Total General Revenues					<u>12,932,908</u>
Change in Net Position					(235,341)
Net Position - Beginning					<u>19,114,270</u>
Net Position - Ending					<u>\$ 18,878,929</u>

The notes to the basic financial statements are an integral of this statement.

## **Fund Financial Statements**

**Rangeview Library District**  
**BALANCE SHEET**  
**Governmental Fund**  
**December 31, 2012**

	<u>2012</u>
<b>ASSETS:</b>	
Assets	
Cash and Cash Equivalents	\$ 1,750,662
Investments	13,292,756
Restricted Cash and Investments	3,252,290
Receivables	
Taxes	11,885,814
Accounts & Fees	260,416
Notes Receivable	2,209
Prepaid Expenses	39,898
Deposits	3,015
Total Assets	<u>\$ 30,487,060</u>
 <b>LIABILITIES:</b>	
Accounts Payable	211,352
Accrued Liabilities	4,260
Accrued Payroll	93,260
Deferred Revenue	11,885,814
Total Liabilities	<u>12,194,686</u>
 <b>FUND BALANCE:</b>	
Non-Spendable Fund Balance	42,913
Restricted Fund Balance	3,652,057
Assigned Fund Balance	1,500,000
Unassigned	13,097,404
Total Fund Balance	<u>18,292,374</u>
 Total Liabilities and Fund Balance	<u>\$ 30,487,060</u>

The notes to the basic financial statements are an integral part of this statement.

Rangeview Library District  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE TO THE STATEMENT OF NET POSITION**  
Governmental Fund  
December 31, 2012

<b>Total Governmental Fund Balance</b>	<b>\$ 18,292,374</b>
Amounts reported in the Statement of Net Position are different because:	
Capital assets used in Library activities are not financial resources and, therefore, are not reported in the fund	39,840,086
Other long-term assets are not available to pay for current-period expenditures	
Debt Issuance costs (net of accumulated amortization)	763,237
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund:	
Compensated Absences	(396,624)
Certificates of Participation	(38,730,000)
Premium on Bonds	(742,908)
Accrued Interest Payable	<u>(147,236)</u>
Net Position	<u><u>\$ 18,878,929</u></u>

The notes to the basic financial statements are an integral part of this statement.

Rangeview Library District  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
 Governmental Fund  
 For the Year Ended December 31, 2012

	<u>2012</u>
	<b>General Fund</b>
<b>REVENUES:</b>	
Taxes	\$ 12,769,618
Charges for Services	157,037
Donations	1,000
Grants & E-rate	249,691
Investment Income	109,931
Miscellaneous	53,359
Total Revenues	<u>13,340,636</u>
<b>EXPENDITURES:</b>	
Current Expenditures	
Library Services	
Personnel	5,598,614
Professional & Technical	913,428
Facilities Expenses	948,774
Vehicle & Equipment	85,210
Administrative Services	427,277
Library Materials	1,427,057
Library Services	126,566
Miscellaneous	124,111
Capital Outlay	107,199
<b>Debt Service</b>	
Principal	1,435,000
Interest	1,813,467
Total Expenditures	<u>13,006,703</u>
Net Change in Fund Balance	333,933
<b>Fund Balance, Beginning of Year</b>	<u>17,958,441</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 18,292,374</u></u>

The notes to the basic financial statements are an integral part of this statement.



Rangeview Library District

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE  
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

**Governmental Fund**

**For the Year Ended December 31, 2012**

Amounts reported in the Statement of Activities are different because:

Net Change in fund balance - governmental fund	\$	333,933
In the fund, capital outlays are reported as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation in the current period.		
Capital Outlay		107,199
Collection		1,187,563
Depreciation Expense		(3,279,164)
		<u>(1,984,402)</u>
The issuance of long-term debt (Certificates of Participation) provides current financial resources to governmental funds, but has no effect on net position. Also governmental funds report the effect of debt issuance costs and premiums when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities		
Amortization of Debt Issuance		(46,373)
Amortization of Debt Premium		45,133
		<u>(1,240)</u>
Repayments of Bond Principal are expenditures in the governmental funds, but they reduce long-term liabilities in the Statement of Net Position and do not affect the Statement of Activities		
Repayment of Bond Principal		1,435,000
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Change in accrued interest payable		3,890
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the fund.		
Compensated absences		(22,522)
		<u>(22,522)</u>
Change in Net Position	\$	<u>(235,341)</u>

The notes to the basic financial statements are an integral part of this statement.

**RANGEVIEW LIBRARY DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2012**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

The Rangeview Library District (the Library) was established as of January 1, 2004 as a political subdivision of the State of Colorado and as a public library as defined under Section 24-90-103(13) (a), Colorado Revised Statutes as amended. Effective January 1, 2005, the Library and the County of Adams (the County) entered into an intergovernmental agreement (IGA) which separated the Library from the County and allowed certain supportive services to continue until December 31, 2007. The Library is governed by a five member Board of Trustees (the Board).

The Library follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Library is not financially accountable for any other organization, nor is the Library a component unit of any other primary governmental entity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Library's accounting policies conform to U.S. generally accepted accounting principles (GAAP) as applied to government units, and have been consistently applied in preparation of the financial statements. The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and actual results may differ from those estimates.

The more significant accounting policies of the Library are described as follows:

## **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

### **Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the Library. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by taxes and inter-governmental revenues.

The statement of net position reports all financial and capital resources of the Library. The difference between the assets and liabilities of the Library is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 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 revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Separate financial statements are provided for the governmental fund.

The Library reports the following major governmental fund:

The General Fund was the only fund of the Library District in 2012. It accounts for all financial resources of the Library District.

General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the Library District for any purpose provided it is expended or transferred according to the general laws of Colorado.

## **Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The major sources of revenue susceptible to accrual are all taxes and interest. All other revenue items are considered to be measurable and available only when cash is received by the Library. Expenditures are recorded when the liability is incurred or the long-term obligation is due.

## **Deposits and Investments**

The Library maintains demand deposits and other permitted investments with a variety of financial institutions. All deposits and investments are managed by the Library Director and Finance Manager of the Library. The Library considers all liquid investments with original maturities of three months or less to be cash equivalents. Investments are stated at fair value.

## ***Receivables***

Receivables at December 31, 2012, consisted of taxes, accounts and fees.

Receivables are recorded on the Library District's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and, in the case of receivables, collectability.

## **Property Taxes**

Property taxes are levied by the Library's Board of Trustees. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to levy the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Library.

Property taxes, net of estimated uncollectible taxes, are recorded initially as receivable and deferred revenue in the year they represent an enforceable lien. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

## **Capital Assets**

The Library reports capital assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements.

All capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Library maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method except for Library books and audio visual materials (Materials Collection), are depreciated using the group method.

The following estimated useful lives are used by the Library:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Building Improvements	15 - 40 years
Computers and electronics	5 years
Equipment	7 years
Furniture & Fixtures	10 years
Shelving	20 years
Materials Collection	4 years

The Library capitalizes library books and audiovisual materials. Annually, purchased additions are capitalized at cost. Damaged and lost materials are deleted from the inventory, using average cost.

### **Compensated Absences**

The Library has a policy that allows employees to accumulate unused paid time off benefits up to certain maximum hours. Compensated absences are accrued when incurred and reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The Library's General Fund is used to liquidate compensated absences of the governmental activities.

### **Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. Certificates of participation are recognized as a liability in the governmental fund financial statements when due.

### **Bond Premiums, Discounts and Issuance Costs**

On the government-wide statement of net position bond premiums and discounts are netted against bonds payable and debt issuance costs are reported within other assets. On the government-wide statement of activities, bond premiums and discounts and debt issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At the government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Debt issuance costs are reported as expenditures.

## **FUND EQUITY**

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

### **Fund Balance**

Fund balance represents the difference between assets and liabilities. The Library assigns those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

In the fund financial statements, governmental funds report the following classification of fund balance:

Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. At December 31, 2012, the total restricted fund balance included \$400,219 restricted for TABOR (Note 9) and \$3,251,838 restricted for debt service.

Assigned - includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Board of Trustees has the authority to assign fund balances for a specific purpose.

Unassigned - includes amounts that have not been restricted, committed or assigned to a specific purpose within the General Fund.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which



resources will be expended is as follows: restricted fund balance, assigned fund balance, and lastly, unassigned fund balance.

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 borrowing used for the acquisition or construction of improvements on those assets, excluding unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

### **NOTE 3 - CASH AND INVESTMENTS**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2012, the State regulatory commissioners had indicated that all financial institutions holding deposits for the Library are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2012, the District had bank deposits \$64,508 collateralized with securities held by the financial institution's agent but not in the District's name.

The Library adopted a formal investment policy in 2009. The Library generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- \* Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities

- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

During 2012, the Library invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust is similar to a money market fund, with each share valued at \$1.00. CSAFE is rated AA+ by Standard & Poor's. CSAFE may invest in investments allowed by State statutes. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments by individual governments. To obtain financial statements for CSAFE, you may visit their website at [www.csafe.org](http://www.csafe.org).

The Library invests in the PFM Funds Prime Series, Colorado Investors Class, a money market mutual fund (marketed as the Colorado Statewide Investment Program or "CSIP"). The Prime Series is a separate investment portfolio of PFM Funds (the "Trust"). The Trust is an open-end, diversified, management investment company registered under the Investment Company Act of 1940. The PFM Funds Prime Series invests in obligations of the United States Government and its agencies, high quality debt obligations of U.S. companies and obligations of financial institutions and is rated "AA+" by Standard & Poor's. PFM Asset Management LLC services as the investment advisor, administrator and transfer agent. Shares of the Trust are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA). U.S. Bank N.A. serves as the custodian and acts as safekeeping agent. As of December 31, 2012, the Library had \$5,112,392 invested the PFM Funds Prime Series. To obtain financial statements for PFM Funds Prime Series, Colorado Investors Class, you may visit its website at [www.csipinvest.com](http://www.csipinvest.com)

### Cash and Investment Reconciliation

	Cash and Cash Equivalents	Investments	Restricted Cash and Investments	Total
Fund Reporting level:				
Governmental Funds - Balance Sheet	\$ 1,750,662	\$ 13,292,756	\$ 3,252,290	\$18,295,708
Less petty cash (includes cash on hand)	(1,345)			(1,345)
Total	<u>\$ 1,749,317</u>	<u>\$ 13,292,756</u>	<u>\$ 3,252,290</u>	<u>\$ 18,294,363</u>
Deposits (Valley Bank)				246,649
Investments				14,795,424
Investments (Wells Fargo)				3,252,290
Primary Government Total				<u>\$ 18,294,363</u>

At December 31, 2012, the District's investments consisted of the following:

Investments	Fair Value	% to Total
U.S. Treasury Securities	\$ 3,296,283	25%
Federal Agency Bond/Notes	\$ 1,017,143	8%
Corporate Bonds	\$ 368,281	3%
Commercial Paper	\$ 249,766	2%
Subtotal Investments	<u>\$ 4,931,473</u>	<u>38%</u>
Other money market funds (CSIP)	\$ 5,112,392	38%
Local government investment pool (CSAFE)	<u>\$ 3,248,891</u>	<u>24%</u>
Total Investments	<u>\$ 13,292,756</u>	<u>100%</u>

At December 31, 2012, the District had the following investments and maturities:

Investments	S & P Rating	Fair Value	Investment Maturities	
			Less than 1 yr	1-5 years
U.S. Treasury Securities	AA+	\$ 3,296,283	\$ -	\$3,296,283
Federal Agency Bond/Notes	AA+	\$ 1,017,143	\$ -	\$1,017,143
Corporate Bonds	AA+	\$ 368,281	\$ -	\$ 368,281
Commercial Paper	A-1+	\$ 249,766	\$ 249,766	\$ -
Subtotal Investments		<u>\$ 4,931,473</u>	<u>\$ 249,766</u>	<u>\$4,681,707</u>

**Interest Rate Risk.** As a means of limiting its exposure to losses arising from changing interest rates, the Library's investment policy requires all investments to mature within five years or less from the date of trade settlement.

**Credit Risk.** State statutes limit investments in U.S. Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a NRSRO. Funds invested in money market funds have a Standard and Poor's rating of AAAM for the primary government.

## NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2012 follows:

	Balance 1/1/2012	Additions	Deletions	Balance 12/31/2012
<b>Governmental Activities</b>				
Capital Assets, not Depreciated:				
Land	\$ 3,640,170	\$ -	\$ -	\$ 3,640,170
<i>Total Capital Assets Not Depreciated</i>	<u>3,640,170</u>	<u>-</u>	<u>-</u>	<u>3,640,170</u>
Capital Assets, Depreciated:				
Buildings & Improvements	34,456,541	-	-	34,456,541
Collection	8,663,243	1,187,562	(380,058)	9,470,747
Shelving	1,014,800	-	-	1,014,800
Machinery & Equipment	1,242,350	107,199	-	1,349,549
<i>Total Capital Assets Depreciated</i>	<u>45,376,934</u>	<u>1,294,761</u>	<u>(380,058)</u>	<u>46,291,637</u>
Less Accumulated Depreciation				
Buildings & Improvements	(2,516,651)	(856,974)	-	(3,373,625)
Collection	(3,925,109)	(2,080,774)	380,058	(5,625,825)
Shelving	(84,489)	(50,740)	-	(135,229)
Machinery & Equipment	(666,366)	(290,676)	-	(957,042)
<i>Total Accumulated Depreciation</i>	<u>(7,192,615)</u>	<u>(3,279,164)</u>	<u>380,058</u>	<u>(10,091,721)</u>
<i>Net Total Capital Assets Depreciated</i>	<u>38,184,319</u>	<u>(1,984,403)</u>	<u>-</u>	<u>36,199,916</u>
<b>Governmental Activities Net Capital Assets</b>	<u>\$ 41,824,489</u>	<u>\$ (1,984,403)</u>	<u>\$ -</u>	<u>\$ 39,840,086</u>

## NOTE 5 - LONG-TERM OBLIGATIONS

Primary Government Bonds – the following is a summary of the outstanding long-term bond issues at December 31, 2012:

<u>Year Issued</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Interest Due Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>
2008	Certificates of Participation	3% - 5%	6/15, 12/15	6/18/2008	12/15/2030	\$42,900,000

### ***New Building Construction and Renovations***

On June 18, 2008, the Library issued \$42,900,000 in certificates of participation for construction of new facilities and renovations of some existing facilities. The Library broke ground on construction of three new library buildings, the Bennett Branch, the Brighton Branch and a branch at 9417 Huron Street in 2008. Construction of the Wright Farms Branch began in 2009 and renovations of the Thornton and Commerce City Branches were completed in 2010. Perl Mack Branch renovations were completed in 2011. Wells Fargo Bank, N.A. serves as Trustee for the Library.

Annual debt service requirements, as of December 31, 2012, follow:

Year	2008 Certificates of Participation		
	Principal	Interest	Total
2013	\$ 1,485,000	\$ 1,766,838	\$ 3,251,838
2014	1,535,000	1,714,863	3,249,863
2015	1,590,000	1,657,300	3,247,300
2016	1,650,000	1,597,675	3,247,675
2017	1,720,000	1,531,675	3,251,675
2018-2022	9,695,000	6,546,625	16,241,625
2023-2027	12,210,000	4,035,125	16,245,125
2028-2030	8,845,000	899,000	9,744,000
Total	<u>\$38,730,000</u>	<u>\$19,749,101</u>	<u>\$58,479,101</u>

***Changes in Long-term Liabilities*** – Changes in the Library District’s long-term obligations consisted of the following for the year ended December 31, 2012:

	Outstanding 1/1/2012	Additions	Reductions	Outstanding 12/31/2012	Amounts Due In One Year
Governmental Activities:					
Compensated absences	\$ 374,102	\$ 188,696	\$ (166,174)	\$ 396,624	\$ 40,544
Certificates of participation					
2008 certificates of participation	40,165,000	-	(1,435,000)	38,730,000	1,485,000
Premium on Bonds	788,041	-	(45,133)	742,908	45,133
Total	<u>\$ 41,327,143</u>	<u>\$ 188,696</u>	<u>\$ (1,646,307)</u>	<u>\$ 39,869,532</u>	<u>\$ 1,570,677</u>

This lease will be an annually renewable obligation of the Library payable solely from Base Rentals and Additional Rentals and will not be a general obligation or other indebtedness of the Library or a multiple fiscal year direct or indirect debt or other financial obligation.

All long-term obligations of the Library’s governmental funds will be financed through future General Fund expendable available financial sources as they become due. The compensated absences liability will be paid from the fund from which the employee’s salaries are paid (i.e., currently the general fund).

## **NOTE 6 - COMMITMENTS AND CONTINGENCIES**

### **Operating Leases**

The Library leases various office equipment, under operating leases that expire in 2013, 2014, 2015 and 2016. All operating leases will have expired by December 31, 2016. The future minimum annual rental commitments under these leases are as follows:

	Minimum Lease Payment
2013	\$ 52,483
2014	41,392
2015	24,210
2016	3,535
	<u>\$ 121,620</u>

Total rent expense for the year ended December 31, 2012, was \$54,840.

## **NOTE 7 - PENSION PLAN**

The Library participates in the Adams County Retirement Plan (the Plan), a multi-employer defined benefit pension plan. Effective December 27, 2004, the Library

joined the Plan as a participating employer. Eligible employees of the Library participate in the Plan on the same terms as eligible Adams County employees so long as the Library remains a participating employer. The County and the Library are currently the only participating employers in the Plan. The Plan includes all full-time and permanent part-time employees with 30 hours or more, weekly. The Plan provides retirement, disability and death benefits. All benefits are determined by the requirements established by the Plan. Benefit provision changes are made by the Adams County Retirement Board which was established under the authority of Colorado Revised Statutes 24-54-107. The Adams County Retirement Board is the administrator of the Plan. Plan members and the Library are required to contribute at a rate set by the Adams County Board of Commissioners. In 2012, the total contribution rate was 16.5%. Covered employees contributed 8.25% of their salaries to the Plan; the Library contributed another 8.25%. Total contributions made by the Library during the years ended December 31, 2012, 2011 and 2010 were \$262,844, \$255,926 and \$248,077, respectively. These amounts are equal to the funding policy required contributions for each year.

The Plan issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Adams County Retirement Plan, 4430 South Adams County Parkway, Brighton, CO 80601, or by calling 720-523-62897.

## **NOTE 8 - RISK MANAGEMENT**

The Library is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The Library is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2012. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Library pays annual premiums to the Pool for liability, property, public officials liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool



determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

## **NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

At a general election held in November 2006, the Library's voters approved an increase in the Library's taxes by \$6 million annually, commencing in 2007 and by whatever additional amounts are raised annually thereafter by an increase of 2.261 mills, and also authorized the Library to collect, retain and spend all revenues generated from the mill levy increase, as a voter-approved revenue and spending change and an exception each year, beginning in 2007 and thereafter, to any statutory limits and any constitutional limits, including TABOR.

TABOR requires local governments to establish Emergency Reserves. The Library restricted 3% of its annual General Fund revenues to comply with provisions of TABOR's emergency reserve requirements. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Library's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## **Budgetary Comparison Schedule – General Fund**

Rangeview Library District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balances - Budget and Actual  
General Fund  
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Final Budget -</u> <u>Positive (Negative)</u>
<b>REVENUES:</b>				
Taxes				
General Property Taxes	\$ 11,704,625	\$ 11,763,358	\$ 11,941,238	\$ 177,880
Specific Ownership Taxes	769,559	769,559	828,380	58,821
Charges for Services	80,000	150,000	157,037	7,037
Grants and e-rate	170,000	251,000	250,691	(309)
Investment Income	48,000	48,000	109,931	61,931
Miscellaneous	-	-	53,359	53,359
Total Revenues	<u>12,772,184</u>	<u>12,981,917</u>	<u>13,340,636</u>	<u>358,719</u>
<b>EXPENDITURES:</b>				
Personnel	5,822,720	5,875,345	5,598,614	276,731
Professional & Technical	968,004	989,504	913,428	76,076
Facilities, Vehicle & Equip	1,000,363	1,040,263	1,033,984	6,279
Foundation Expenses	15,000	-	-	
Administrative Services	483,266	500,845	427,277	73,568
Library Materials	1,418,968	1,463,968	1,427,057	36,911
Library Services	149,000	137,000	126,566	10,434
Capital Outlay	-	202,471	107,199	95,272
Miscellaneous	117,046	117,046	124,111	(7,065)
<b>Debt Services:</b>				
Interest & Principal	<u>3,248,475</u>	<u>3,248,475</u>	<u>3,248,467</u>	<u>8</u>
Total Expenditures	<u>13,222,842</u>	<u>13,574,917</u>	<u>13,006,703</u>	<u>568,214</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(450,658)	(593,000)	333,933	926,933
<b>Fund Balance, Beginning of Year</b>	<u>17,224,599</u>	<u>17,958,441</u>	<u>17,958,441</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 16,773,941</u>	<u>\$ 17,365,441</u>	<u>\$ 18,292,374</u>	<u>\$ 926,933</u>

See the accompanying independent auditors' report.

## **RANGEVIEW LIBRARY DISTRICT**

### **NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**December 31, 2012**

#### **NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

##### **Budget**

A budget is legally adopted for the Library. The basis of budgeting is the same as GAAP. Schedules in the Required Supplementary Information are presented on a GAAP basis. Capital outlay is budgeted as an expenditure.

The Library follows these procedures in establishing the budgetary data reflected in the financial statement:

- In October, the Library Director submits a proposed operating budget for the fiscal year commencing the following January 1.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution of the Board of Trustees.
- The Library Director is authorized to transfer budget amounts between line items. Any revisions that alter the total expenditures of the Library must be approved by the Board of Trustees after the required public hearings have been conducted.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.