

CLEARVIEW LIBRARY DISTRICT

Windsor, Colorado

Annual Financial Report

Year Ended December 31, 2017

CLEARVIEW LIBRARY DISTRICT

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Clearview Library District
Windsor, Colorado

We have audited the accompanying financial statements of the governmental activities and the major fund of Clearview Library District as of and for the year ended December 31, 2017, 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 Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 Clearview Library District, as of December 31, 2017, 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.

Other Matters

Report on Summarized Comparative Information

We have previously audited Clearview Library District's 2016 financial statements, and our report dated June 19, 2017, expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the district's proportionate share of the net pension liability and schedule of the district's contributions to the pension plan, as listed in the table of contents, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Clearview Library District's basic financial statements. The trend information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole for the year ended December 31, 2017.

We have also previously audited, in accordance with auditing standards generally accepted in the United States, the basic financial statements of Clearview Library District for the years ended December 31, 2008 – 2016 (none of which are presented herein). In our reports, we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund. The audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Clearview Library District's financial statements as a whole. The trend information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2008 – 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the trend information listed in the table of contents, related to the 2008 – 2016 financial statements, are fairly stated in all material respects in relation to the financial statements from which they have been derived.



Cole and Crosier, P.C.
Certified Public Accountants

LaSalle, Colorado
June 1, 2018

CLEARVIEW LIBRARY DISTRICT

Management's Discussion and Analysis

As management of Clearview Library District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

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

Other Information

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

As discussed, the District reports major funds in the basic financial statements. The District reports one such fund – the General Fund.

The final section is an optional presentation of *trend data* for the current and prior nine years. It is intended to allow the reader to assess changes in the District's programs and operations over an extended period.

District-Wide Financial Analysis

The following represents condensed financial information taken from the government-wide (accrual basis) financial statements for the year ended December 31, 2017.

	<u>2017</u>	<u>Percent of Total</u>	<u>2016</u>	<u>Percent of Total</u>
<u>ASSETS</u>				
Current assets	\$ 4,500,606	48.7%	\$ 4,839,928	54.2%
Capital assets	4,732,642	51.3%	4,083,037	45.8%
Total assets	<u>9,233,248</u>	<u>100.0%</u>	<u>8,922,965</u>	<u>100.0%</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension related	740,897	100.0%	533,544	100.0%
<u>LIABILITIES</u>				
Current liabilities	98,492	3.7%	38,624	2.0%
Long-term liabilities	53,774	2.0%	41,009	2.1%
Net pension liability	2,494,489	94.3%	1,895,070	95.9%
Total liabilities	<u>2,646,755</u>	<u>100.0%</u>	<u>1,974,703</u>	<u>100.0%</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Property taxes	2,505,799	99.7%	2,455,304	98.6%
Pension related	7,214	0.3%	34,776	1.4%
Total deferred inflows of resources	<u>2,513,013</u>	<u>100.0%</u>	<u>2,490,080</u>	<u>100.0%</u>
<u>NET POSITION</u>				
Net investment in capital assets	4,732,642	98.3%	4,083,037	81.8%
Restricted	80,605	1.7%	73,400	1.5%
Unrestricted	1,130	0.0%	835,289	16.7%
Total net position	<u>\$ 4,814,377</u>	<u>100.0%</u>	<u>\$ 4,991,726</u>	<u>100.0%</u>
<u>REVENUES</u>				
Program revenues -				
Charges for services	\$ 5,200	0.2%	\$ 5,157	0.2%
Fines and forfeits	25,841	1.0%	30,117	1.2%
Operating grants and contributions	6,969	0.3%	6,443	0.3%
General revenues -				
Taxes	2,616,265	98.8%	2,370,519	96.8%
Other revenues	(7,351)	(0.3%)	35,626	1.5%
Total revenues	<u>2,646,924</u>	<u>100.0%</u>	<u>2,447,862</u>	<u>100.0%</u>
<u>EXPENSES</u>				
Library				
Personnel services	1,919,102	68.0%	1,522,110	68.1%
Supplies	51,111	1.8%	72,255	3.2%
Library materials	92,524	3.3%	78,693	3.5%
Insurance	17,740	0.6%	17,117	0.8%
Purchased services	418,886	14.8%	277,278	12.4%
Utilities	37,398	1.3%	36,380	1.6%
Other expenses	6,142	0.2%	4,339	0.2%
Depreciation	281,370	10.0%	227,160	10.2%
Total expenses	<u>2,824,273</u>	<u>100.0%</u>	<u>2,235,332</u>	<u>100.0%</u>
<u>CHANGE IN NET POSITION</u>				
	<u>\$ (177,349)</u>		<u>\$ 212,530</u>	

Financial Highlights

- Beginning with tax collection year 2002, the annual authorized combined operating and debt service mill levy is 3.546. Since 2001, the voters allowed the District to collect, keep and expend all revenues related to this levy. It was also exempted from the old law 5.5% property tax revenue limitation. This has prevented the “ratchet-down” effect that the Taxpayer’s Bill of Rights used to have on the District’s property tax revenue.
- The District is heavily reliant on taxes to support governmental operations. During 2017, taxes provided 98.8% of the District’s total revenues (96.8% for 2016). Also note that program revenues cover roughly 2% of governmental total revenues for each year. This means that the government’s taxpayers and the District’s other general revenues fund 99% of the total support for governmental activities. Consequently, the general economy and the changes in both residential and commercial property values have a major impact on the District’s revenue streams.
- The District maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. However, to make this ratio meaningful, we have eliminated the property taxes receivable. After this elimination, governmental current assets are \$1,994,807 and current liabilities are \$98,492. As a result, the current ratio for the District overall is 20.3 to 1 (61.7 to 1 for 2016).
- The District’s net assets decreased 4.4% or \$177,349, largely due to reporting a net additional pension expense of \$364,504, representing the District’s share of the Colorado PERA collective net pension liability, required by GASB Statement No.68, *Accounting and Financial Reporting for Pensions*. A substantial portion of the District’s net assets is reflected in the investment in capital assets – 98.3%. Accordingly, these assets are not an available source of payment for future spending. Of the remaining net assets, 3% of the governmental activities annual subject revenue (gross General Fund revenue less private grants and contributions), \$80,605 for 2017 and \$73,400 for 2016, is restricted for use in the event of an emergency.
- The District had governmental funds excess expenditures for 2017 in the amount of \$449,685 with ending fund balances totaling \$1,896,315. Excess expenditures of the General Fund were less than budgeted amounts by \$405,832 primarily due to planned spending increases in the areas of personnel, capital outlay, and miscellaneous expenses ending substantially under budget.
- During 2017, in addition to the regular additions to the book inventory, the District paid \$14,444 for computer equipment, and \$832,286 toward a new library. Disposals of fixed assets during 2017 included the normal culling of the book inventory.
- During 2011, the District retired the remaining \$110,000 of its general obligation bonds, leaving it with no long-term debt.
- The District experienced increased usage in 2017 particularly in the area of children’s programming. A teen librarian was hired to plan and conduct programs for children aged 12 through 18, and to have an increased presence in the middle schools and high school of the RE-4 School District. The District has also increased its presence in the grade schools providing STEAM programming. An adult services librarian was hired to manage the collections and programs for the adult population.
- The Library District hired a part-time Foundation Director in 2017 to move the Foundation forward as the private fund-raising arm of the District. A full-time Outreach Children’s Librarian was also hired in order to serve the increased number of children in the District.
- In 2017, the Library District engaged an architect, Barker, Rinker, Seacat; a Contract Manager at Risk, Fransen Pittman; and an Owner Representative, Wember and Associates, to design a building for the property on Main Street purchased at the end of 2016. The District used funds from the Long-Term Building Fund to pay for the services of the firms.
- The Library Board voted in August to put an increase in the mill on the ballot in November. The increase would have funded the financing and operation of a new 38,000 sq. ft. library, twice the size of the current library. The voters did not approve the funding.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Clearview Library District, 720 3rd Street, Windsor, Colorado 80550, or you may call the library director at (970) 686-5603.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

These basic financial statements, consisting of the *Statement of Net Position*, and the *Statement of Activities*, provide a summary overview and broad perspective of the financial position and results of operations of the District as a whole. They are prepared using the accrual basis and include all assets, liabilities, deferred inflows of resources and net position of the District.

CLEARVIEW LIBRARY DISTRICT
Statement of Net Position
December 31, 2017
(With Comparative Totals for December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents		
Cash (Note 2)	\$ 249,983	\$ 321,302
Investment in pooled investment funds (Note 2)	<u>1,671,171</u>	<u>1,933,185</u>
Total cash and cash equivalents	1,921,154	2,254,487
Property taxes receivable	2,505,799	2,455,304
Refund receivable	0	76,482
Prepaid items	73,653	53,325
Oil and gas royalty receivable	0	330
Capital assets, net of accumulated depreciation, where applicable (Note 3)	<u>4,732,642</u>	<u>4,083,037</u>
Total assets	<u>9,233,248</u>	<u>8,922,965</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension related (Note 5)	<u>740,897</u>	<u>533,544</u>
<u>LIABILITIES</u>		
Accounts payable	91,110	33,297
Advances from grantors	7,382	5,327
Long-term liabilities (Note 4)		
Due beyond one year		
Compensated absences (Note 8)	53,774	41,009
Net pension liability (Note 5)	<u>2,494,489</u>	<u>1,895,070</u>
Total liabilities	<u>2,646,755</u>	<u>1,974,703</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Property taxes	2,505,799	2,455,304
Pension related (Note 5)	7,214	34,776
Total deferred inflows of resources	<u>2,513,013</u>	<u>2,490,080</u>
<u>NET POSITION</u>		
Net investment in capital assets	4,732,642	4,083,037
Restricted for TABOR emergencies (Note 6)	80,605	73,400
Unrestricted	1,130	835,289
<u>TOTAL NET POSITION</u>	<u>\$4,814,377</u>	<u>\$4,991,726</u>

The accompanying footnotes are an integral part of this report.

CLEARVIEW LIBRARY DISTRICT
Statement of Activities
For the Year Ended December 31, 2017
(With Comparative Totals for December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>EXPENSES</u>		
Library services		
Personnel services	\$ 1,919,102	\$ 1,522,110
Supplies	51,111	72,255
Library materials	92,524	78,693
Insurance	17,740	17,117
Purchased services	418,886	277,278
Utilities	37,398	36,380
Other expenses	6,142	4,339
Depreciation (Note 3)	281,370	227,160
Total program expenses	<u>2,824,273</u>	<u>2,235,332</u>
<u>PROGRAM REVENUES</u>		
Charges for services	5,200	5,157
Fines and forfeits	25,841	30,117
Operating grants and contributions	6,969	6,443
Total program revenues	<u>38,010</u>	<u>41,717</u>
Net program expenses	<u>(2,786,263)</u>	<u>(2,193,615)</u>
<u>GENERAL REVENUES</u>		
Property taxes	2,425,431	2,228,169
Specific ownership taxes	189,622	140,505
Interest on delinquent taxes	1,212	1,845
Payment in lieu of taxes	1,152	1,152
Unrestricted investment earnings	27,392	21,089
Miscellaneous	5,315	13,385
Loss on disposal of assets	(41,210)	0
Total general revenues	<u>2,608,914</u>	<u>2,406,145</u>
<u>INCREASE (DECREASE) IN NET POSITION</u>	(177,349)	212,530
<u>NET POSITION</u>		
Beginning of year	<u>4,991,726</u>	<u>4,779,196</u>
End of year	<u>\$ 4,814,377</u>	<u>\$ 4,991,726</u>

The accompanying footnotes are an integral part of this report.

FUND FINANCIAL STATEMENTS

Governmental Funds

These financial statements are prepared using the modified accrual basis of accounting and show how the District finances general governmental services, as well as reporting balances available for future spending. There is one governmental fund, the *General Fund*, which accounts for all governmental activities.

CLEARVIEW LIBRARY DISTRICT
Balance Sheet
Governmental Funds - General Fund
December 31, 2017
(With Comparative Totals for December 31, 2016)

	2017	2016
<u>ASSETS</u>		
Petty cash and change fund	\$ 1,359	\$ 1,156
Cash in checking	0	75,215
Cash in money market savings (2017 - .80%; 2016 - .80%)	236,315	234,432
Investment in ColoTrust pooled investment funds (2017 - 1.38%; 2016 - .88%)	1,671,171	1,933,185
Cash with Weld County Treasurer	12,309	10,499
Property taxes receivable		
Delinquent	8,783	14,568
Current	2,497,016	2,440,736
Prepaid items	73,653	53,325
Refund receivable	0	76,482
Oil and gas royalty receivable	0	330
	<u>\$ 4,500,606</u>	<u>\$ 4,839,928</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 91,110	\$ 33,297
Advances from grantors	7,382	5,327
Total liabilities	<u>98,492</u>	<u>38,624</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Property taxes	<u>2,505,799</u>	<u>2,455,304</u>
<u>FUND BALANCE</u>		
Nonspendable - prepaid items	73,653	53,325
Restricted for TABOR emergencies (Note 6)	80,605	73,400
Committed		
Operating reserve	645,469	638,290
Capital reserve	207,522	205,030
Long-term building	493,722	276,885
Unassigned	395,344	1,099,070
Total fund balance	<u>1,896,315</u>	<u>2,346,000</u>
	<u>\$ 4,500,606</u>	<u>\$ 4,839,928</u>

The accompanying footnotes are an integral part of this report.

	<u>2017</u>	<u>2016</u>
<u>RECONCILIATION TO STATEMENT OF NET POSITION</u>		
Total Fund Balance	\$ 1,896,315	\$ 2,346,000
Amounts reported for <i>governmental activities</i> in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	4,732,642	4,083,037
Long-term liabilities including compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(53,774)	(41,009)
Pension liability and related deferred inflows and deferred outflows are not current financial resources and, therefore, are not reported in the fund financial statements.		
Pension liability	(2,494,489)	(1,895,070)
Deferred outflows of resources relating to pensions	740,897	533,544
Deferred inflows of resources relating to pensions	<u>(7,214)</u>	<u>(34,776)</u>
Net Position of Governmental Activities	<u>\$4,814,377</u>	<u>\$4,991,726</u>

CLEARVIEW LIBRARY DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds - General Fund
For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>REVENUES</u>		
Taxes	\$2,616,265	\$2,370,519
Intergovernmental revenue	6,828	6,407
Charges for services	5,200	5,157
Fines and forfeits	25,841	30,117
Miscellaneous	34,000	35,662
Total revenues	<u>2,688,134</u>	<u>2,447,862</u>
<u>EXPENDITURES</u>		
Current		
Library services	2,295,772	2,014,665
Capital outlay	842,047	1,021,801
Total expenditures	<u>3,137,819</u>	<u>3,036,466</u>
<u>DEFICIENCY OF REVENUES</u>		
<u>OVER EXPENDITURES</u>		
	(449,685)	(588,604)
<u>FUND BALANCE</u>		
Beginning of year	<u>2,346,000</u>	<u>2,934,604</u>
End of year	<u>\$1,896,315</u>	<u>\$2,346,000</u>

The accompanying footnotes are an integral part of this report.

	<u>2017</u>	<u>2016</u>
<u>RECONCILIATION TO STATEMENT OF ACTIVITIES,</u>		
<u>INCREASE (DECREASE) IN NET POSITION</u>		
Deficiency of Revenues over Expenditures - Governmental Funds	\$ (449,685)	\$ (588,604)
Amounts reported for governmental activities in the statements of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeds depreciation during the year.	690,815	908,135
In the statement of activities, only the gain or loss on the disposal of the equipment is reported, whereas in the governmental funds, the proceeds, if any, from the disposition increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the property disposed of.	(41,210)	0
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease (increase) in compensated absences	(12,765)	3,651
Pension liability relating to the District's defined benefit retirement plan is recognized on the statement of activities and not included in the fund financial statements.	<u>(364,504)</u>	<u>(110,652)</u>
Increase (Decrease) in Net Position of Governmental Activities	<u>\$ (177,349)</u>	<u>\$ 212,530</u>

CLEARVIEW LIBRARY DISTRICT
Footnotes to Financial Statements
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clearview Library District's ("District") financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

General

Clearview Library District (formerly Windsor-Severance Library District) was organized on or about August 25, 1985 (commencing operations January 1, 1986) pursuant to CRS 24-90-110 (1)(a), by resolution of the legislative bodies of the governments served by the District - the Town of Windsor, Colorado and the Weld County School District RE-4 in Windsor, Colorado. In the process the Town merged the assets and operations of the Windsor Public Library into the District. The District is administered by a seven-member board of trustees appointed by the governmental units that established the entity.

The mission of the District is to meet the informational, educational, recreational, and cultural reading needs of all the people within its service area.

Financial reporting entity

The financial report of the District includes all of the integral parts of the District's operations.

Clearview Library District Foundation (Foundation), a legally separate, tax-exempt component unit of the District was considered as part of the financial reporting entity. It acts primarily as a fund-raising organization to supplement the resources that are available to the District in support of its programs. The nine-member board of the Foundation is self-perpetuating and consists of supporters of the District. Although the District does not control the timing or amount of receipts from this organization, the majority of resources, or income thereon, that it holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the District, the Foundation is considered a component unit of the District, but is not required to be reported as such because the economic resources received or held by the Foundation are insignificant to the District.

During the year ended December 31, 2017, the Foundation distributed no funds to the District for either restricted or unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Administrative Office at 720 3rd Street, Windsor, CO 80550.

Basis of presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information on all of the nonfiduciary activities of the District. The statements report governmental activities, generally supported by taxes and District general revenues. The District does not have any business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the governmental activities of the District.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

NOTE 1 - continued

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the District's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. Fund financial statements are provided for governmental funds.

Major individual governmental funds are reported in separate columns. The District has no non-major funds.

Fund Accounting – The District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District uses one category of funds: governmental.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The District reports the difference between governmental fund assets and liabilities as fund balance. The following are the District's major governmental funds:

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 District for any purpose provided it is expended or transferred according to the general laws of Colorado.

Measurement focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenue and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflow of resources, and in the presentation of expenses versus expenditures.

NOTE 1 – Continued

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, the phrase "available for exchange transactions" means expected to be received within 90 days of year-end.

Revenues – Non-exchange Transactions – Non-exchange transactions in which the District receives value without directly giving equal value in return, include property taxes, specific ownership taxes, grants, and donations. Revenue from property taxes and specific ownership taxes is recognized in the fiscal year for which the taxes are levied (the year in which they are required to be used). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions (other than property taxes) also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, specific ownership taxes, interest and federal, state and private grants.

Deferred Outflows of Resources - In addition to assets, the statements of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with the presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (GASB 71).

Deferred Inflows of Resources – In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The governmental funds and the government-wide statements report a deferred inflow of resources for the property taxes receivable that will become an inflow in the year for which the taxes are levied, and the District has recognized deferred inflows of resources in the government-wide financial statements in accordance with the presentation requirements for GASB 68.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as a liability unless only timing requirements remain, at which point they are recorded as deferred inflows of resources.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 - Continued

Budget information and control

The annual budget of the District is prepared on the same basis as the actual recorded transactions for the same year, in conformity with generally accepted accounting principles. Encumbrances are neither recorded on the books of the District nor included in the budget.

Budgetary controls are established annually by law over all funds. Appropriations for each fund lapse at the end of the budget year. The District must appropriate monies not greater than the budgeted total expenditures of each fund, at which level actual expenditures may not exceed appropriations for the year. Generally, additional appropriations may be authorized by law during the year in cases of emergency caused by a public enemy or some contingency which could not have been reasonably foreseen at the time of adoption of the budget.

Supplemental appropriations were approved as follows for 2017:

<u>Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Capital outlay	\$ 859,975

The following calendar includes various deadlines for the budget process set by state statute.

- August 25 Weld County Assessor certifies new total assessed valuation. Any changes may be made only once by December 10.
- October 15 Submission of proposed budget to Board of Trustees. "Notice of Budget" is published setting public hearing date.
- November 1 Request for excess levy to Division of Local Government.
- December 15 Certification of mill levy to Weld County Board of Commissioners. Budget must be adopted prior to certification. Certified copy of budget is sent to the Division of Local Government within 30 days of adoption.
- December 22 Weld County Board of Commissioners levies taxes and certifies levies to the Assessor.
- December 31 Board of Trustees appropriates funds for the budget year.

Cash and cash equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Capital assets

Capital assets, which include buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. Capital assets include assets with an individual cost of \$3,000 or more and an estimated useful life in excess of one year. Books, although having an individual cost of less than \$3,000, are also considered capital assets. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5 - 15
Buildings and improvements	20 - 40
Books	10

NOTE 1 – Continued

Compensated absences

Employees of the District are allowed to accumulate unused vacation, sick and compensatory time depending on length of employment. Upon termination of employment from the District, an employee will be compensated for all accrued vacation time at the current rate of pay. There is no payment for sick leave upon termination.

Accumulated unpaid vacation time is accrued when earned. In the governmental fund statements, accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds.

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".

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are as follows:

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

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees (the "Board"). The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board or management has the authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts.

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

Prepaid items

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

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 1 – Continued

Property taxes

The Weld County Treasurer acts as the billing and collection agency for the District. Property taxes are due as of January 1 and may be paid in full by April 30 or in equal installments by February 28 and June 15. The District, with authorization of the County of Weld, may fix a levy at the amount levied for the previous year plus 5.5% for all purposes except debt service, which is not subject to such limitations. Increases in assessed valuation due to annexations, inclusions and new construction are exempt from this restriction. The Colorado Taxpayer's Bill of Rights (TABOR), if more restrictive, will supersede these measures to increase taxes. See Note 8.

Comparative data

Comparative total data for the prior year have been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Subsequent events

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the auditor's report.

NOTE 2 – DEPOSITS AND INVESTMENTS

Pursuant to Colorado statute, the County of Weld, Colorado is the custodian of all funds of the District, unless requested by the District to transfer custody to the District. A bond may be requested by the County on such transfer. The District has custody of all funds and does not carry a bond.

Deposits and investments at December 31, 2017, consisted of the following:

Cash on hand	\$ 1,359
Cash with treasurer	12,309
Deposits	
Checking	0
Money market savings	236,315
Investments - local government pools	1,671,171
Total	<u>\$ 1,921,154</u>

Deposits and investments are displayed within this report as follows:

Cash	\$ 249,983
Investment in pooled investment funds	1,671,171
Total	<u>\$ 1,921,154</u>

NOTE 2 – Continued

Cash deposits

Custodial credit risk – deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed 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. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of the eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2017, all the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At December 31, 2017, the District's cash deposits had bank and carrying balances as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 468,684	\$ 236,315
PDPA Collateralized	0	0
Total Cash Deposits	<u>\$ 468,684</u>	<u>\$ 236,315</u>

Investments

Credit risk

The District's investment policy defines allowable investment instruments including:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit
- Commercial paper rated in the highest tier by a nationally recognized rating agency
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar denominated securities
- Local government investment pools

The District manages its credit risk by limiting its investments to the types of securities listed above, by prequalifying the financial institutions, brokers/dealers, intermediaries, and advisors, and by diversifying the investment portfolio so that the impact of potential losses from any type of security or from any one individual issuer will be minimized.

At December 31, 2017, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity in Years</u>
Local Government Pools	<u>\$ 1,671,171</u>	<1

NOTE 2 - Continued

During the year ended December 31, 2017, the District invested funds in ColoTrust. As an investment pool, it is routinely monitored by the Colorado Securities Commissioner. The pool operates similar to 2a-7-like money market fund with a net asset value (NAV) equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation. Separate financial statements can be obtained by going to www.colotrust.com. The District's investment is measured at NAV.

Concentration of credit risk

The District places no specific limit on the amount that may be invested in any one issuer. The District invested substantially all of available funds in local government pools.

Interest rate risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes. The District's investment portfolio does not contain investments that exceed statute limitations.

Custodial credit risk – investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's Board of Trustees approves a list of financial institutions and depositories authorized to provide investment services.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets not being depreciated				
Land	\$ 1,037,824	0	0	\$ 1,037,824
Construction in progress	0	\$ 832,286	0	832,286
Total capital assets not being depreciated	<u>1,037,824</u>	<u>832,286</u>	<u>0</u>	<u>1,870,110</u>
Capital assets being depreciated				
Buildings and improvements	3,166,664	0	0	3,166,664
Land improvements	146,656	0	0	146,656
Books	685,418	125,455	\$ 91,579	719,294
Furniture and equipment	840,480	14,444	0	854,924
Total capital assets being depreciated	<u>4,839,218</u>	<u>139,899</u>	<u>91,579</u>	<u>4,887,538</u>
Less accumulated depreciation for				
Buildings and improvements	1,056,256	82,919	0	1,139,175
Land improvements	98,427	5,720	0	104,147
Books	171,838	96,644	50,369	218,113
Furniture and equipment	467,484	96,087	0	563,571
Total accumulated depreciation	<u>1,794,005</u>	<u>281,370</u>	<u>50,369</u>	<u>2,025,006</u>
Net capital assets being depreciated	<u>3,045,213</u>	<u>(141,471)</u>	<u>41,210</u>	<u>2,862,532</u>
Net capital assets - governmental activities	<u>\$ 4,083,037</u>	<u>\$ 690,815</u>	<u>\$ 41,210</u>	<u>\$ 4,732,642</u>

NOTE 4 – CHANGES IN LONG-TERM DEBT

Changes in Long-Term Debt for 2017 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities</u>					
Compensated absences	\$ 41,009	\$ 12,765	\$ 0	\$ 53,774	\$ 0

NOTE 5 – EMPLOYEE RETIREMENT PLANS

Defined benefit pension plan

Plan description. Eligible employees of the District are provided with pension benefits through the Local Government Division Trust Fund (LGDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

NOTE 5 - Continued

Disability benefits are available for eligible employees once they reach five years earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions. Eligible employees of the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary.

The employer contribution requirements are summarized in the table below:

	Rate
Employer Contributions Rate*	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)*	(1.02)%
Amount Apportioned to the LGDTF*	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411*	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411*	1.50%
Total Employer Contribution Rate to the LGDTF	12.68%

*Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$156,838 for the year ended December 31, 2017.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At December 31, 2017, the District reported a liability of \$2,494,489 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2016 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2016, the District's proportion was 0.1847% percent, which was an increase of 0.0127% from its proportion measured as of December 31, 2015.

NOTE 5 – Continued

For the year ended December 31, 2017, the District recognized pension expense of \$521,342 and reported pension related deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 299,577	0
Changes in proportionate share	63,153	0
Differences between expected and actual experience	44,391	0
Changes of assumptions or other inputs	176,938	\$ 7,214
Contributions subsequent to the measurement date	<u>156,838</u>	<u>0</u>
Total	<u>\$ 740,897</u>	<u>\$ 7,214</u>

Reported as deferred outflows of resources related to pensions, contributions subsequent to the measurement date of \$156,838 will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2018	\$ 349,148
2019	140,906
2020	83,943
2021	<u>2,848</u>
	<u>\$ 576,845</u>

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90-10.85 percent
Long-term investment rate of return, net pension plan investment expenses, including price inflation	7.50 percent
Discount rate	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07: and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the AIR

NOTE 5 - Continued

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50-10.45 percent
Long-term investment rate of return, net pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07: and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the AIR

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year and Females set back 2 years. Active member mortality was based upon the same mortality rated but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor to female rates.

Healthy post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 5 – Continued

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

NOTE 5 – Continued

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cash method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent, 0.25 percent higher compared to the current measurement date.

NOTE 5- Continued

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 3,678,011	\$ 2,494,489	\$ 1,514,405

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined contribution pension plan

Plan Description – Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings.

Other post-employment benefits – healthcare

Plan Description – The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2017, 2016 and 2015, the District contributions to the HCTF were \$12,616, \$11,421 and \$9,975, respectively, equal to their required contributions for each year.

NOTE 6 – COMPLIANCE WITH TAXPAYER’S BILL OF RIGHTS

On November 3, 1992, Colorado voters enacted the Taxpayer’s Bill of Rights (TABOR). The net financial effect of the amendment to the state constitution relates to the limitation of the amount of revenue, after 1992, able to be spent or retained by a Colorado governmental entity subject to its provisions. Generally, subject revenue may be increased annually to the extent of the combined percentage increase in inflation and growth in actual value of real property within the government’s boundaries. Also, Colorado governments are still subject to restrictions under laws existing prior to November 3, 1992, until changed by the voters. Revenue in excess of limitations must be refunded to taxpayers unless voters approve the retention of such revenue. TABOR also restricts the imposition, without prior voter approval, new or increased taxes, increasing a property tax mill levy above that of the prior year, extending expiring taxes or changing tax policies causing net revenue increases. TABOR generally forbids debt or other financial obligations (including pension) with maturities in excess of one year without prior voter approval.

The District uses the basis of accounting used in preparing the annual budget (GAAP basis) in determining compliance with TABOR. The required emergency reserve (for emergencies other than economic conditions, revenue shortfalls, or salary or fringe benefit increases) is treated as a reservation of the General Fund fund balance. The amount represents 3% of “fiscal year spending” (revenue subject to TABOR.)

The District received authorization by the electorate to increase its levy to 1.74 mills for general purposes, beginning with the budget year 1997 and, beginning with the budget year 2002, up to 3.546 mills for general purposes and debt services combined, without limitation of TABOR or “old law 5.5%”.

TABOR is complex and subject to judicial interpretation. Considering the above interpretation of TABOR, the governing board believes that it is in compliance with its fiscal requirements for the year ended December 31, 2017.

NOTE 7 - RISK MANAGEMENT

The District is exposed to losses related to torts; theft of, damage to or destruction of assets; errors and omissions; job-related illnesses or injuries to employees, and natural disasters. The District purchases sufficient commercial insurance to cover losses from these events, and does not self-insure or participate in a public entity risk pool. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

REQUIRED AND OTHER SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND BUDGETARY COMPARISON

These statements provide required supplementary information to the basic financial statements and contain information on the District's budget as compared to actual operating results for the current period.

STATEWIDE DEFINED BENEFIT PENSION PLAN SCHEDULES

These schedules provide required information relating to the participation of the District in the Public Employees' Retirement Association of Colorado (PERA), including the District's share of the net pension liability or asset, and contributions made by the District.

TREND DATA

Presented as optional supplementary information, trend data provide readers with a broader understanding of the government and the trends in its financial affairs than is possible from the financial statements.

CLEARVIEW LIBRARY DISTRICT
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017			Variance with Final Budget	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
<u>REVENUES</u>					
Taxes	\$ 2,582,328	\$ 2,582,328	\$ 2,616,265	\$ 33,937	\$ 2,370,519
Intergovernmental	7,648	7,648	6,828	(820)	6,407
Charges for services	5,500	5,500	5,200	(300)	5,157
Fines and forfeits	24,800	24,800	25,841	1,041	30,117
Miscellaneous	14,000	14,000	34,000	20,000	35,662
Total revenues	<u>2,634,276</u>	<u>2,634,276</u>	<u>2,688,134</u>	<u>53,858</u>	<u>2,447,862</u>
<u>EXPENDITURES</u>					
Current					
Library	2,489,818	2,489,818	2,295,772	194,046	2,014,665
Capital outlay	140,000	999,975	842,047	157,928	1,021,801
Total expenditures	<u>2,629,818</u>	<u>3,489,793</u>	<u>3,137,819</u>	<u>351,974</u>	<u>3,036,466</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>					
<u>OVER EXPENDITURES</u>	4,458	(855,517)	(449,685)	405,832	(588,604)
<u>FUND BALANCE</u>					
Beginning of year	<u>2,353,667</u>	<u>2,353,667</u>	<u>2,346,000</u>	<u>(7,667)</u>	<u>2,934,604</u>
End of year	<u>\$ 2,358,125</u>	<u>\$ 1,498,150</u>	<u>\$ 1,896,315</u>	<u>\$ 398,165</u>	<u>\$ 2,346,000</u>

See the accompanying independent auditor's report.

CLEARVIEW LIBRARY DISTRICT
General Fund
Statement of Revenues - Budget and Actual
For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017			Variance with Final Budget	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
<u>TAXES</u>					
General property taxes	\$2,440,328	\$2,440,328	\$2,425,431	\$ (14,897)	\$2,228,169
Specific ownership taxes	140,000	140,000	189,622	49,622	140,505
Interest on delinquent taxes	2,000	2,000	1,212	(788)	1,845
Total taxes	<u>2,582,328</u>	<u>2,582,328</u>	<u>2,616,265</u>	<u>33,937</u>	<u>2,370,519</u>
<u>INTERGOVERNMENTAL REVENUE</u>					
Payment in lieu of taxes	0	0	1,152	1,152	1,152
State library grant	7,648	7,648	5,676	(1,972)	5,255
Total intergovernmental revenue	<u>7,648</u>	<u>7,648</u>	<u>6,828</u>	<u>(820)</u>	<u>6,407</u>
<u>CHARGES FOR SERVICES</u>					
Video rentals/other fees	2,000	2,000	1,725	(275)	1,667
Copier use	3,500	3,500	3,475	(25)	3,490
Total charges for services	<u>5,500</u>	<u>5,500</u>	<u>5,200</u>	<u>(300)</u>	<u>5,157</u>
<u>FINES AND FORFEITS</u>					
Book replacements	4,800	4,800	4,766	(34)	4,736
Overdue charges	20,000	20,000	21,075	1,075	25,381
Total fines and forfeits	<u>24,800</u>	<u>24,800</u>	<u>25,841</u>	<u>1,041</u>	<u>30,117</u>
<u>MISCELLANEOUS</u>					
Earnings on investments	10,000	10,000	27,392	17,392	21,089
Contributions	0	0	1,293	1,293	1,188
Other miscellaneous revenues	4,000	4,000	5,315	1,315	13,385
Total miscellaneous revenues	<u>14,000</u>	<u>14,000</u>	<u>34,000</u>	<u>20,000</u>	<u>35,662</u>
<u>TOTAL REVENUES</u>	<u>\$2,634,276</u>	<u>\$2,634,276</u>	<u>\$2,688,134</u>	<u>\$ 53,858</u>	<u>\$2,447,862</u>

See the accompanying independent auditor's report.

CLEARVIEW LIBRARY DISTRICT
General Fund
Statement of Expenditures - Budget and Actual
For the Year Ended December 31, 2017
(With Comparative Totals for the Year Ended December 31, 2016)

	2017			Variance with Final Budget	2016
	Budgeted Amounts		Actual		Actual
	Original	Final			
<u>ADMINISTRATION</u>					
Salaries -					
Director	\$ 94,594	\$ 94,594	\$ 95,504	\$ (910)	\$ 90,956
Administrative services	87,880	87,880	61,458	26,422	40,915
Unemployment benefits	0	0	0	0	10,488
PERA and payroll taxes	27,645	27,645	23,780	3,865	19,978
Health and disability insurance	12,116	12,116	10,394	1,722	9,289
Worker's compensation	3,156	3,156	3,441	(285)	3,021
Tuition reimbursements	1,500	1,500	0	1,500	1,450
Operating supplies	30,000	30,000	31,208	(1,208)	34,848
Staff development and training	4,000	4,000	1,485	2,515	1,735
Staff incentives	3,000	3,000	2,887	113	3,731
Payroll service fees	3,500	3,500	3,551	(51)	3,289
Auditing	12,150	12,150	9,425	2,725	8,400
Public relations	50,000	50,000	30,619	19,381	5,748
Meeting and travel expenses	19,500	19,500	20,138	(638)	14,202
Board expenses	5,000	5,000	180	4,820	2,478
Dues	6,000	6,000	6,378	(378)	5,656
Legal	20,000	20,000	21,247	(1,247)	5,100
Telephone	3,500	3,500	4,293	(793)	3,252
Postage	5,000	5,000	1,434	3,566	1,131
Consulting services	85,000	85,000	88,351	(3,351)	38,076
Equipment repairs/small items of equipment	13,500	13,500	0	13,500	31,907
Copier maintenance/lease	5,000	5,000	5,944	(944)	5,734
Bank charges	2,800	2,800	2,407	393	2,723
Miscellaneous	72,000	72,000	6,142	65,858	4,339
Treasurer's fees	36,560	36,560	36,418	142	33,485
Election	0	0	26,380	(26,380)	0
Total administration	603,401	603,401	493,064	110,337	381,931
<u>TECH SERVICES</u>					
Salaries	314,409	314,409	289,802	24,607	262,522
PERA and payroll taxes	47,633	47,633	43,905	3,728	39,772
Health and disability insurance	33,502	33,502	36,872	(3,370)	35,326
Worker's compensation	612	612	482	130	529
Software support/updates	65,500	65,500	70,118	(4,618)	59,256
Tech support	2,000	2,000	1,334	666	1,642
Computer supplies	35,000	35,000	19,903	15,097	5,500
Internet service	16,000	16,000	8,100	7,900	4,050
Courier service	400	400	500	(100)	470
Total tech services	515,056	515,056	471,016	44,040	409,067

See the accompanying independent auditor's report.

2017

2016

	Budgeted Amounts		Actual	Variance	Actual
	Original	Final		with Final Budget	
ADULT SERVICES					
Salaries	386,287	386,287	365,127	21,160	336,271
PERA and payroll taxes	58,522	58,522	55,317	3,205	50,945
Health and disability insurance	29,049	29,049	29,423	(374)	26,664
Worker's compensation	658	658	608	50	678
Programs	10,000	10,000	10,358	(358)	8,745
Total adult services	<u>484,516</u>	<u>484,516</u>	<u>460,833</u>	<u>23,683</u>	<u>423,303</u>
CHILDREN'S SERVICES					
Salaries	215,700	215,700	242,855	(27,155)	248,691
PERA and payroll taxes	32,679	32,679	36,793	(4,114)	37,677
Health and disability insurance	27,311	27,311	27,565	(254)	29,800
Worker's compensation	419	419	365	54	488
Programs	33,000	33,000	27,920	5,080	28,003
Total children's services	<u>309,109</u>	<u>309,109</u>	<u>335,498</u>	<u>(26,389)</u>	<u>344,659</u>
ORDER					
Print materials	78,000	78,000	80,894	(2,894)	69,314
Non-print materials	103,000	103,000	103,964	(964)	93,243
Periodicals	3,000	3,000	3,936	(936)	3,028
Electronic databases	13,250	13,250	14,013	(763)	11,005
Games	13,000	13,000	15,172	(2,172)	15,597
Materials processing	15,000	15,000	13,065	1,935	11,696
Total order	<u>225,250</u>	<u>225,250</u>	<u>231,044</u>	<u>(5,794)</u>	<u>203,883</u>
OUTREACH					
Salaries	208,472	208,472	182,140	26,332	140,344
PERA and payroll taxes	31,584	31,584	27,594	3,990	21,262
Health and disability insurance	8,539	8,539	797	7,742	3,321
Worker's compensation	8,891	8,891	7,611	1,280	6,172
Bookmobile maintenance and fuel	13,000	13,000	12,151	849	5,770
Staff expenses/supplies	1,100	1,100	223	877	482
Telephone	900	900	895	5	906
Total outreach	<u>272,486</u>	<u>272,486</u>	<u>231,411</u>	<u>41,075</u>	<u>178,257</u>
BUILDING					
Repairs and maintenance	27,000	27,000	22,152	4,848	23,462
Utilities	34,000	34,000	32,210	1,790	32,222
Insurance	18,000	18,000	17,740	260	17,117
Security	1,000	1,000	804	196	764
Total building	<u>80,000</u>	<u>80,000</u>	<u>72,906</u>	<u>7,094</u>	<u>73,565</u>
CAPITAL OUTLAY					
Land and building	40,000	899,975	827,603	72,372	984,227
Furniture and equipment	100,000	100,000	14,444	85,556	37,574
Total capital outlay	<u>140,000</u>	<u>999,975</u>	<u>842,047</u>	<u>157,928</u>	<u>1,021,801</u>
TOTAL EXPENDITURES	<u><u>\$ 2,629,818</u></u>	<u><u>\$ 3,489,793</u></u>	<u><u>\$ 3,137,819</u></u>	<u><u>\$ 351,974</u></u>	<u><u>\$ 3,036,466</u></u>

CLEARVIEW LIBRARY DISTRICT
PERA - Statewide Defined Benefit Pension Plan

Schedules of Proportionate Share of the Net Pension Liability and Contributions
(And Related Statistics)
For the Years Ended December 31, 2017, 2016 and 2015

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of the District's Proportionate Share of the Net Pension Liability</u>			
(As of December 31, 2016, 2015 and 2014, the Measurement Date)			
District's proportion of the net pension liability	0.1847%	0.1720%	0.1718%
District's proportionate share of the net pension liability	<u>\$ 2,494,489</u>	<u>\$ 1,895,070</u>	<u>\$ 1,540,151</u>
District's covered-employee payroll	<u>\$ 1,119,697</u>	<u>\$ 977,063</u>	<u>\$ 941,566</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>222.78%</u>	<u>193.96%</u>	<u>163.57%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.60%</u>	<u>76.90%</u>	<u>80.70%</u>

<u>Schedule of the District's Contributions to the Pension Plan</u>			
Contractually required contribution	\$ 156,838	\$ 141,978	\$ 123,885
Contributions in relation to the contractually required contribution	156,838	141,978	123,885
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	<u>\$ 1,236,886</u>	<u>\$ 1,119,697</u>	<u>\$ 977,063</u>
Contributions as a % of covered-employee payroll	<u>12.68%</u>	<u>12.68%</u>	<u>12.68%</u>

GASB Statement No. 68 was adopted during the fiscal year 2015 and requires disclosure of the District's proportionate share of the net pension liability and contributions to the pension plan for the previous 10 year period. Until a full 10-year trend is compiled the District is presenting information for those years for which information is available.

CLEARVIEW LIBRARY DISTRICT
Trend Data
Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Estimated value of taxable real property (1)	<u>\$3,573,771,038</u>	<u>\$3,347,951,480</u>	<u>\$2,744,925,046</u>	<u>\$2,531,612,111</u>
Assessed valuation (1)	<u>\$ 679,927,460</u>	<u>\$ 625,938,150</u>	<u>\$ 522,194,720</u>	<u>\$ 480,495,841</u>
<hr/>				
Mill levy by fund (1)				
General fund	3.590	3.583	3.592	3.558
Debt service fund	.000	.000	.000	.000
Total district mill levy	<u>3.590</u>	<u>3.583</u>	<u>3.592</u>	<u>3.558</u>
<hr/>				
Mill levy including overlapping governments - by population center (1)				
Windsor	94.657	88.027	93.907	95.122
Severance	95.262	88.632	94.512	95.728
Average outside incorporated municipality	82.627	75.997	81.877	83.092
<hr/>				
General property tax revenue				
General fund	\$ 2,425,431	\$ 2,228,169	\$ 1,860,094	\$ 1,682,296
Debt service fund	0	0	0	0
Total general property tax revenue	<u>\$ 2,425,431</u>	<u>\$ 2,228,169</u>	<u>\$ 1,860,094</u>	<u>\$ 1,682,296</u>
<hr/>				
General bonded indebtedness - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<hr/>				
Ratio of general bonded debt to assessed valuation	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<hr/>				
Governmental fund type expenditures by function -				
Library	\$ 2,295,772	\$ 2,014,665	\$ 1,848,067	\$ 1,619,285
Debt service				
Principal retirement	0	0	0	0
Interest charges	0	0	0	0
Capital outlay	842,047	1,021,801	89,812	169,922
Total expenditures	<u>\$ 3,137,819</u>	<u>\$ 3,036,466</u>	<u>\$ 1,937,879</u>	<u>\$ 1,789,207</u>
<hr/>				
Governmental fund type revenues by source -				
Taxes	\$ 2,616,265	\$ 2,370,519	\$ 1,987,440	\$ 1,827,734
Intergovernmental revenue	6,828	6,407	11,395	6,893
Charges for services	5,200	5,157	5,457	5,344
Fines and forfeits	25,841	30,117	33,906	30,865
Miscellaneous revenues	34,000	35,662	10,996	14,851
Total revenues	<u>\$ 2,688,134</u>	<u>\$ 2,447,862</u>	<u>\$ 2,049,194</u>	<u>\$ 1,885,687</u>

(1) For year of property tax collection.
See the accompanying independent auditor's report.

2013	2012	2011	2010	2009	2008
<u>\$2,504,681,429</u>	<u>\$2,431,364,156</u>	<u>\$2,650,824,316</u>	<u>\$2,629,664,875</u>	<u>\$2,459,477,159</u>	<u>\$2,318,545,234</u>
<u>\$ 483,962,490</u>	<u>\$ 465,954,160</u>	<u>\$ 478,016,490</u>	<u>\$ 523,804,930</u>	<u>\$ 431,823,420</u>	<u>\$ 416,225,760</u>
3.594	3.615	3.279	3.346	3.346	3.357
.000	.000	.300	.200	.200	.200
<u>3.594</u>	<u>3.615</u>	<u>3.579</u>	<u>3.546</u>	<u>3.546</u>	<u>3.557</u>
95.659	96.699	96.116	92.748	93.240	90.772
96.284	97.309	96.730	93.362	93.846	91.379
83.629	84.669	84.086	80.718	81.210	78.742
\$ 1,733,977	\$ 1,678,549	\$ 1,554,518	\$ 1,728,520	\$ 1,436,183	\$ 1,392,624
0	0	142,224	103,317	85,844	82,968
<u>\$ 1,733,977</u>	<u>\$ 1,678,549</u>	<u>\$ 1,696,742</u>	<u>\$ 1,831,837</u>	<u>\$ 1,522,027</u>	<u>\$ 1,475,592</u>
\$ 0	\$ 0	\$ 0	\$ 110,000	\$ 415,000	\$ 815,000
0.00%	0.00%	0.00%	0.02%	0.10%	0.20%
\$ 1,620,204	\$ 1,482,862	\$ 1,370,909	\$ 1,112,291	\$ 876,092	\$ 701,735
0	0	110,000	305,000	400,000	110,467
0	0	1,457	21,785	40,135	47,791
95,055	61,236	26,919	280,846	602,687	1,170,386
<u>\$ 1,715,259</u>	<u>\$ 1,544,098</u>	<u>\$ 1,509,285</u>	<u>\$ 1,719,922</u>	<u>\$ 1,918,914</u>	<u>\$ 2,030,379</u>
\$ 1,851,764	\$ 1,820,036	\$ 1,821,723	\$ 1,951,493	\$ 1,649,814	\$ 1,617,149
1,006	1,006	867	867	201	200
6,853	4,553	2,697	2,612	5,209	3,849
28,260	19,873	15,460	14,167	13,016	11,490
15,864	14,715	11,172	9,265	12,354	55,125
<u>\$ 1,903,747</u>	<u>\$ 1,860,183</u>	<u>\$ 1,851,919</u>	<u>\$ 1,978,404</u>	<u>\$ 1,680,594</u>	<u>\$ 1,687,813</u>