

**NEDERLAND COMMUNITY
LIBRARY DISTRICT**

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2011

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>PAGE</u>
Title Page	
Table of Contents	
FINANCIAL SECTION	
Independent Auditors' Report	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Notes to Financial Statements	6 - 14
Required Supplementary Information	
General Fund – Budgetary Comparison Schedule	15

FINANCIAL SECTION

Board of Directors
Nederland Community Library District
Nederland, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Nederland Community Library District, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the District. These financial statements are the responsibility of the Nederland Community Library District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Nederland Community Library District as of December 31, 2011, 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.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

September XX, 2012

BASIC FINANCIAL STATEMENTS

NEDERLAND COMMUNITY LIBRARY DISTRICT

STATEMENT OF NET ASSETS

As of December 31, 2011

	GOVERNMENTAL ACTIVITIES	
	2011	2010
	<u> </u>	<u> </u>
ASSETS		
Cash and Investments	\$ 134,285	\$ 116,311
Restricted Cash and Investments	109,995	481,302
Property Taxes Receivable	388,426	380,300
Prepaid Items	-	19,281
Inventory	23,828	10,943
Bond Issuance Costs	63,020	65,760
Capital Assets, Not Depreciated	100,000	1,671,278
Capital Assets, Depreciated, Net of Accumulated Depreciation	<u>1,672,518</u>	<u>-</u>
 TOTAL ASSETS	 <u>2,492,072</u>	 <u>2,745,175</u>
LIABILITIES		
Accounts Payable	816	152,146
Retainage Payable	-	66,195
Accrued Expenses	3,834	3,449
Deferred Revenue - Property Taxes	388,426	380,300
Noncurrent Liabilities		
Due within One Year	45,000	45,000
Due in More Than One Year	<u>1,810,993</u>	<u>1,857,775</u>
 TOTAL LIABILITIES	 <u>2,249,069</u>	 <u>2,504,865</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	26,520	249,805
Restricted for Emergencies	12,000	11,000
Unrestricted	<u>204,483</u>	<u>(20,495)</u>
 TOTAL NET ASSETS	 <u>\$ 243,003</u>	 <u>\$ 240,310</u>

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

NEDERLAND COMMUNITY LIBRARY DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES		Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2011	2010
PRIMARY GOVERNMENT						
Governmental Activities						
General Government	\$ 101,221	\$ -		\$ -	\$ (101,221)	\$ (173,539)
Library	220,579	1,101	22,843	-	(196,635)	(68,689)
Interest on Long Term Debt	90,203	-	-	-	(90,203)	(84,025)
Total Governmental Activities	<u>\$ 321,800</u>	<u>\$ 1,101</u>	<u>\$ 22,843</u>	<u>\$ -</u>	(388,059)	(326,253)
GENERAL REVENUES						
Property Taxes					373,893	311,904
Specific Ownership Taxes					15,777	15,543
Interest					1,082	10,598
TOTAL GENERAL REVENUES					<u>390,752</u>	<u>338,045</u>
CHANGE IN NET ASSETS					2,693	11,792
NET ASSETS, Beginning					<u>240,310</u>	<u>228,518</u>
NET ASSETS, Ending					<u>\$ 243,003</u>	<u>\$ 240,310</u>

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

NEDERLAND COMMUNITY LIBRARY DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

	<u>GENERAL FUND</u>	
	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and Investments	\$ 134,285	\$ 116,311
Restricted Cash and Investments	109,995	481,302
Property Taxes Receivable	388,426	380,300
Prepaid Items	-	19,281
Inventory	<u>23,828</u>	<u>10,943</u>
 TOTAL ASSETS	 <u>\$ 656,534</u>	 <u>\$ 1,008,137</u>
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 816	152,146
Retainage Payable	-	66,195
Accrued Expenses	3,834	3,449
Deferred Revenues	<u>388,426</u>	<u>380,300</u>
 TOTAL LIABILITIES	 <u>393,076</u>	 <u>602,090</u>
 FUND BALANCES		
Nonspendable	23,828	30,224
Restricted for Emergencies	12,000	11,000
Unassigned	<u>227,630</u>	<u>364,823</u>
 TOTAL FUND BALANCES	 263,458	 406,047
 Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,772,518	1,671,278
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This includes the bonds payable (\$1,815,000), bond premium (\$40,993) and bond issuance costs \$63,020.	<u>(1,792,973)</u>	<u>(1,837,015)</u>
 Net assets of governmental activities	 <u>\$ 243,003</u>	 <u>\$ 240,310</u>

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

NEDERLAND COMMUNITY LIBRARY DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2011

	GENERAL FUND	
	2011	2010
REVENUES		
Taxes	\$ 389,670	\$ 327,447
Charges for Services	1,101	2,243
Interest	1,082	10,598
Other	22,843	1,360
Contributed Assets	-	4,000
TOTAL REVENUES	<u>414,696</u>	<u>345,648</u>
EXPENDITURES		
Current		
General Government	101,221	177,539
Library	132,694	72,292
Capital Outlay	189,125	1,618,679
Debt Service		
Principal	45,000	40,000
Interest	89,245	83,067
TOTAL EXPENDITURES	<u>557,285</u>	<u>1,991,577</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(142,589)</u>	<u>(1,645,929)</u>
FUND BALANCE, Beginning	<u>406,047</u>	<u>2,051,976</u>
FUND BALANCE, Ending	<u>\$ 263,458</u>	<u>\$ 406,047</u>

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

NEDERLAND COMMUNITY LIBRARY DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ (142,589)
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 and reported as depreciation expense. This is the amount by which capital outlay, \$135,373, exceeded depreciation (\$34,133) in the current period.	101,240
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. These include payments on bonds payable \$45,000, amortization of bond issue cost (\$2,740) and bond premium \$1,782.	<u>44,042</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 2,693</u></u>

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

NEDERLAND COMMUNITY LIBRARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Nederland Community Library District (the “District”) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provided benefits to, or imposes financial burdens on the District.

Based upon the application of these criteria, no organizations are includable within the District’s reporting entity.

Government-Wide and Fund Financial Statements

The District financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the District. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to patrons or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported in separate columns in the fund financial statements.

NEDERLAND COMMUNITY LIBRARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District's government-wide financial statements include a statement of net assets and a statement of activities. These statements present summaries of governmental activities for the District. Governmental activities normally are supported by taxes and intergovernmental revenues.

The government-wide financial statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets, and infrastructure assets, are included in the accompanying statement of net assets. The statement of activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The District reports the following major governmental fund:

General Fund – This is the District's operating fund. It accounts for all activities of the government.

Assets, Liabilities and Fund Equity

Cash – Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the District's cash.

Accounts Receivable – Receivables consist of amounts due from other governments. An allowance for doubtful accounts is not necessary as they have been fully collected in the succeeding year.

NEDERLAND COMMUNITY LIBRARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Inventories – Inventories consist of books and magazines and are carried at cost using the first-in, first-out method.

Capital Assets – Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

Long Term Obligations - In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.

NEDERLAND COMMUNITY LIBRARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2011.
- **Unassigned** – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Property Taxes

Property taxes are levied on or before December 15 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year end.

NEDERLAND COMMUNITY LIBRARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Directors to obtain citizen comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Directors. Budgeted amounts reported in the accompanying financial statements are as originally adopted and amended by the Board of Directors.

NOTE 3: CASH AND INVESTMENTS

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations.

At December 31, 2011, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has a formal policy that limits their exposure to custodial credit risk. This policy limits deposits only to accounts managed in accordance with the Colorado Public Deposit Protection Act (PDPA).

NEDERLAND COMMUNITY LIBRARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 3: CASH AND INVESTMENTS (Continued)

At December 31, 2011, the District had deposits with financial institutions with a carrying amount of \$244,280. The bank balances with the financial institutions were \$254,670. Of these balances, \$250,000 was covered by federal depository insurance and \$4,670 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Interest Rate Risk

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.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The District had no investments requiring categorization as of December 31, 2011.

Restricted Cash

At December 31, 2011, \$109,995 of the District's cash was restricted for the construction of the District's new facility.

NEDERLAND COMMUNITY LIBRARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2011 is summarized below:

	Balances <u>12/31/10</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/11</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ -	\$ 100,000	\$ -	\$ 100,000
Construction in Process	<u>1,671,278</u>	<u>-</u>	<u>1,671,278</u>	<u>-</u>
Total Capital Assets, not depreciated	<u>1,671,278</u>	<u>100,000</u>	<u>1,671,278</u>	<u>100,000</u>
Capital Assets, depreciated				
Buildings	<u>-</u>	<u>1,706,651</u>	<u>-</u>	<u>1,706,651</u>
Less Accumulated Depreciation				
Buildings	<u>-</u>	<u>34,133</u>	<u>-</u>	<u>34,133</u>
Total Capital Assets, depreciated, net	<u>-</u>	<u>1,672,518</u>	<u>-</u>	<u>1,672,518</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,671,278</u>	<u>\$ 1,772,518</u>	<u>\$ 1,671,278</u>	<u>\$ 1,772,518</u>

Depreciation expense was charged to the Library activity.

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2011.

	Balance <u>12/31/10</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/11</u>	Due In <u>One Year</u>
Series 2009 G.O. Bonds	\$ 1,860,000	\$ -	\$ 45,000	\$ 1,815,000	\$ 45,000
Bond Premium	<u>42,775</u>	<u>-</u>	<u>1,782</u>	<u>40,993</u>	<u>-</u>
Total	<u>\$ 1,902,775</u>	<u>\$ -</u>	<u>\$ 46,782</u>	<u>\$ 1,855,993</u>	<u>\$ 45,000</u>

NEDERLAND COMMUNITY LIBRARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 5: LONG-TERM DEBT (Continued)

G.O. Bonds

The District issued 2009 General Obligation (G.O.) Bonds, dated December 28, 2009, with principal and interest payments due semi-annually on June 1 and December 1, through 2034. Interest accrues at rates ranging from 2.75% to 5.50%. Bonds maturing on and before December 1, 2019 are not subject to redemption prior to their respective maturity dates. Bonds maturing on or after December 1, 2020 are subject to redemption at the option of the District, in whole or in part in integral multiples of \$5,000, with no redemption premium. Bonds maturing on or after December 1, 2014 are subject to mandatory sinking fund redemption without any redemption premium.

Annual debt service requirements for the bonds at December 31, 2011 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 45,000	\$ 88,007	\$ 133,007
2013	50,000	86,770	136,770
2014	50,000	85,395	135,395
2015	50,000	84,020	134,020
2016	55,000	81,945	136,945
2017-2021	305,000	373,158	678,158
2022-2026	390,000	285,475	675,475
2027-2031	500,000	171,450	671,450
2032-2034	<u>370,000</u>	<u>37,750</u>	<u>407,750</u>
Totals	<u>\$ 1,815,000</u>	<u>\$ 1,293,970</u>	<u>\$ 3,108,970</u>

NOTE 6: COMMITMENTS AND CONTINGENCIES

Tabor Amendment – In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and growth. On November 2005, voters within the District approved the collection, retention and expenditure of property taxes, specific ownership taxes, interest income and any other income of the District. The District has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2011, the emergency reserve of \$12,000 was recorded in the General Fund.

NEDERLAND COMMUNITY LIBRARY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carried commercial insurance for these risks of loss.

NOTE 8: RETIREMENT COMMITMENTS

Employees Pension Plan

The District contributes to a multiple employer defined contribution retirement plan administered by the TIAA/CREF. This plan is for all full-time employees, as of December 31, 2011, the Director of the District is the only employee who is qualified to participate in the plan. The District contributes 3% of the employee's base salary. Employees may make additional voluntary contributions not to exceed \$14,000. Plan provisions are established and may be amended by the Board of Directors. During the year ended December 31, 2011 and 2010, employer and employee contributions were \$1,615 and \$1,599, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

NEDERLAND COMMUNITY LIBRARY DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2011

	2011			VARIANCE Positive (Negative)	2010 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Property Taxes	\$ 380,300	\$ 380,300	\$ 373,893	\$ (6,407)	\$ 311,904
Specific Ownership Taxes	12,000	13,000	15,777	2,777	15,543
Grants and Donations	15,000	23,200	22,843	(357)	1,360
Charges for Services	1,000	1,000	1,101	101	2,243
Interest	750	900	1,082	182	10,598
Contributed Assets	-	-	-	-	4,000
TOTAL REVENUES	409,050	418,400	414,696	(3,704)	345,648
EXPENDITURES					
General Government					
Salaries and Benefits	62,989	62,989	59,262	3,727	60,798
Rent	3,300	-	-	-	26,643
Supplies	4,000	6,000	5,286	714	1,805
Insurance	4,850	4,850	1,540	3,310	3,335
Professional Fees	12,500	21,923	12,696	9,227	82,453
Small Equipment	14,750	15,888	17,292	(1,404)	392
Miscellaneous	4,860	7,252	5,145	2,107	2,113
Contingency	14,000	14,000	-	14,000	-
Capital Outlay	-	382,218	189,125	193,093	1,618,679
Debt Service					
Principal	45,000	45,000	45,000	-	40,000
Interest	89,245	89,245	89,245	-	83,067
Total General Government	255,494	649,365	424,591	224,774	1,919,285
Library					
Salaries and Benefits	73,008	76,008	70,438	5,570	36,152
Books and Materials	37,000	31,900	19,094	12,806	17,707
Computer System	3,000	3,000	2,681	319	1,050
Program Development	9,000	15,210	11,569	3,641	3,990
Maintenance	17,148	15,188	16,668	(1,480)	10,125
Utilities	10,900	14,500	10,330	4,170	2,638
Miscellaneous	3,500	3,500	1,914	1,586	630
Total Library	153,556	159,306	132,694	26,612	72,292
TOTAL EXPENDITURES	409,050	808,671	557,285	251,386	1,991,577
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	-	(390,271)	(142,589)	247,682	(1,645,929)
FUND BALANCE, Beginning	-	390,271	406,047	15,776	2,051,976
FUND BALANCE, Ending	\$ -	\$ -	\$ 263,458	\$ 263,458	\$ 406,047

See the accompanying independent auditors' report.