

Agenda Item
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MOUNTAIN VALLEY LIBRARY SYSTEM
FINANCIAL STATEMENTS
June 30, 2008

MOUNTAIN VALLEY LIBRARY SYSTEM
Financial Statements
For The Year Ended June 30, 2008

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MOUNTAIN VALLEY LIBRARY SYSTEM

MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

Our discussion and analysis of the Library's financial performance provides an overview of financial activities for the year ending June 30, 2008. Please read this in conjunction with the financial statements as listed in the Table of Contents

FINANCIAL HIGHLIGHTS

- Net assets increased during the year by \$7,028.
- Actual pooled cash decreased \$(53,372) from 6/30/07 to 6/30/08.
- The Library increased its net assets for the year by \$7,028 per its "Statement of Activities".
- The Library has continued its' management contract with North Bay Cooperative Library System for the period 7/1/08 to 6/30/09.
- The Library has no long term financing.
- All capital assets were disposed of in the 6/30/07 year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to MVLS' basic financial statements, which are comprised of the following components, in addition to management's discussion and analysis: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide and fund financial statements are presented in a combined format on pages 7 and 8. Items in the adjustment column are discussed in Notes 3 and 4.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of MVLS' finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of MVLS' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of MVLS is improving or deteriorating.

The *statement of activities* presents information showing how MVLS' net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MVLS uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. MVLS has one fund, which is a governmental-type fund.

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating MVLS' near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the general fund with similar information presented for governmental activities. Both the general fund balance sheet and the general fund statement of revenues, expenditures, and change in fund balance provide a column detailing the differences (adjustments) between the general fund and governmental activities. These adjustments are discussed in further detail in Notes 3 and 4 to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 through 13 of this report.

OTHER INFORMATION

We also report on "Required Supplementary Information". This consists of a budget to actual comparison. Notes on budgetary procedures are provided for this report. This information begins on page 14.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements provide long-term and short-term information about MVLS' overall financial condition. This analysis addresses the financial statements of MVLS as a whole.

SUMMARIZED STATEMENT OF NET ASSETS

	6/30/08		6/30/07	
ASSETS				
Pooled Cash & Investments	\$ 394,236	100%	\$ 447,608	100%
Capital Assets (Net)	-	0%	-	0%
	<u>\$ 394,236</u>	<u>100%</u>	<u>\$ 447,608</u>	<u>100%</u>
LIABILITIES				
Accounts Payable	\$ 9,986	100%	\$ 70,386	100%
	<u>\$ 9,986</u>	<u>100%</u>	<u>\$ 70,386</u>	<u>100%</u>
NET ASSETS				
Invested in Capital Assets	\$ -	0%	\$ -	0%
Unrestricted	384,250	100%	377,222	100%
	<u>\$ 384,250</u>	<u>100%</u>	<u>\$ 377,222</u>	<u>100%</u>

The Library's largest portion of net assets is our cash at 100% for the current year. Therefore, we have a highly liquid financial status as most of our assets are available for future use.

The Library has a minimal amount of liabilities compared to its assets.

The unrestricted net assets has a positive balance of \$384,250 which increased from \$7,028 last year

A summarization of the General Fund Balance Sheet has not been presented due to the fact that they are now both the same.

SUMMARY STATEMENT OF ACTIVITIES

	<u>6/30/08</u>		<u>6/30/07</u>	
PROGRAM REVENUES				
Library Services	\$ -	0%	\$ 54,346	14%
Membership Fees	52,315	18%	48,575	13%
GRANTS				
State CLSA Grants	212,800	74%	221,158	58%
Federal LSTA Grant	-	0%	2,207	1%
GENERAL REVENUES				
Interest Income	20,187	7%	13,868	4%
Other General Revenues	2,860	1%	41,269	11%
Total Revenues	<u>\$ 288,162</u>	<u>100%</u>	<u>\$ 381,423</u>	<u>100%</u>
PROGRAM EXPENSES				
Final Salary Benefits	2,181	1%	126,581	30%
Operating Expenses	278,953	99%	282,593	67%
Disposition of Capital Assets	-	0%	10,726	0%
Depreciation	-	0%	-	0%
Total Expenses	<u>281,134</u>	<u>100%</u>	<u>419,900</u>	<u>97%</u>
Increase (Deficit) in Net Assets	\$ 7,028		\$ (38,477)	
Net Assets – Beginning of Year	<u>377,222</u>		<u>415,699</u>	
Net Assets – End of Year	<u>\$ 384,250</u>		<u>\$ 377,222</u>	

The majority of revenue came from the State CLSA grants at 74%. The increase in net assets of \$7,028 has improved from the prior year at \$(38,477).

GENERAL FUND BUDGETARY HIGHLIGHTS

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
State CLSA Grants	\$ 217,717	\$ 214,890	\$ 212,800	\$ (2,090)
Member Fees	55,215	51,558	52,315	757
Miscellaneous Revenues	-	-	2,860	2,860
Interest Income	12,000	14,000	20,187	6,187
Total Revenues	<u>284,932</u>	<u>280,448</u>	<u>288,162</u>	<u>7,714</u>
EXPENDITURES				
Final Salary Benefits	\$ -	\$ 10,000	\$ 2,181	\$ 7,819
Communications	-	-	310	(310)
Telephone Service Chgs.	400	400	-	400
Office Expense	3,204	7,169	1,449	5,720
Postage	5,000	5,000	2,953	2,047
Supplies	43,337	26,165	35,090	(8,925)
Professional/Special	34,100	16,422	14,465	1,957
Data Processing Services	700	700	-	700
DP Assessment Program	50	50	-	50
County Services	5,000	5,000	-	5,000
Contract Svs	183,105	191,755	192,491	(736)
Public/Legal Notices	200	200	-	200
Rents/Leases	2,400	-	-	-
Special Dept.	13,756	637	75	562
Training-in Service	17,000	37,000	29,872	7,128
Travel	1,200	1,417	1,372	45
Private Car Exp	2,900	3,533	876	2,657
Total Expenditures	<u>312,352</u>	<u>305,448</u>	<u>281,134</u>	<u>24,314</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (27,420)</u>	<u>\$ (25,000)</u>	<u>\$ 7,028</u>	<u>\$ 32,028</u>

The Library makes budgetary adjustments during the year to reflect changing conditions. The Library initially projected a planned net deficit of \$(27,420), however, the actual amounts reflected a surplus of \$7,028.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration

The Library has no long term debt outstanding such as bond issuance or capital leases.

Capital Assets

The Library disposed of its remaining capital assets during the year. There were no new asset purchases

ECONOMIC FACTORS AND 08/09 BUDGET

1. The Library is anticipating a decrease of \$13,893 (expenditures) in our operating budget. The differences in the new budget and 6/30/08 actual expenditures are as follows:

	6/30/2009	6/30/2008	
	Budget	Fund	
REVENUES		Basis Actual	Difference
Interest Income	\$ 14,000	\$ 20,187	\$ (6,187)
State CLSA Grant	213,163	212,800	363
Member Fees	51,558	52,315	(757)
Miscellaneous Revenues	-	2,860	(2,860)
	<u>278,721</u>	<u>288,162</u>	<u>(9,441)</u>
EXPENDITURES			
Salaries & Benefits	-	2,181	2,181
Operating Expenses	<u>295,027</u>	<u>278,953</u>	<u>(16,074)</u>
	<u>295,027</u>	<u>281,134</u>	<u>(13,893)</u>
Excess of Revenues Over Expenditures	<u>\$ (16,306)</u>	<u>\$ 7,028</u>	<u>\$ (23,334)</u>

The original budget projects a \$16,306 deficit to be paid from accumulated funds (the fund balance).

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens and taxpayers with a general overview of our finances and to show the accountability for the money received. If you have any questions about this report or need additional financial information, contact the Library's office at (707) 544-0142.

Annette Milliron Debacker
System Administrator

MOUNTAIN VALLEY LIBRARY SYSTEM
STATEMENT OF NET ASSETS AND GENERAL FUND BALANCE SHEET
6/30/2008

	General Fund	Adjustments (Note 3)	Statement of Net Assets
ASSETS:			
Cash & Investments in County Treasury	\$ 394,236	\$ -	\$ 394,236
Total Assets	<u>\$ 394,236</u>	<u>\$ -</u>	<u>\$ 394,236</u>
 LIABILITIES			
Liabilities:			
Accounts Payable	\$ 9,986	\$ -	\$ 9,986
Total Liabilities	<u>9,986</u>	<u>-</u>	<u>9,986</u>
 FUND BALANCE / NET ASSETS			
Fund Balance:			
Unreserved, undesignated	8,102	(8,102)	-
Unreserved, designated	376,148	(376,148)	-
Total Liabilities and Fund Balance	<u>\$ 384,250</u>		
 NET ASSETS:			
Unrestricted		377,222	377,250
		<u>\$ 369,120</u>	<u>\$ 384,250</u>

The accompanying notes are an integral part of the financial statements

MOUNTAIN VALLEY LIBRARY SYSTEM
STATEMENT OF ACTIVITIES AND GENERAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For The Year Ended June 30, 2008

	General Fund	Adjustments (Note 4)	Statement of Activities
Program Expenses			
Library Services			
Final Salary Benefits	\$ 2,181	\$ -	\$ 2,181
Services & Supplies	278,953	-	278,953
Total Program Expenses	<u>281,134</u>	<u>-</u>	<u>281,134</u>
Program Revenues			
Member Fees	52,315	-	52,315
Total Program Revenues	<u>52,315</u>	<u>-</u>	<u>52,315</u>
Net Program Expenses before Operating Grants	228,819	-	228,819
State CLSA Grants	212,800	-	212,800
Total Operating Grants	<u>212,800</u>	<u>-</u>	<u>212,800</u>
Net Program expenses	16,019	-	16,019
General Revenues			
Interest Income	20,187	-	20,187
Miscellaneous Revenues	2,860	-	2,860
Total General Revenues	<u>23,047</u>	<u>-</u>	<u>23,047</u>
Increase (Decrease) in Net Assets	7,028	-	7,028
Fund Balance / Net Assets, Beginning of Year	<u>377,222</u>	<u>-</u>	<u>377,222</u>
Fund Balance / Net Assets, End of Year	<u>\$ 384,250</u>	<u>\$ -</u>	<u>\$ 384,250</u>

The accompanying notes are an integral part of the financial statements