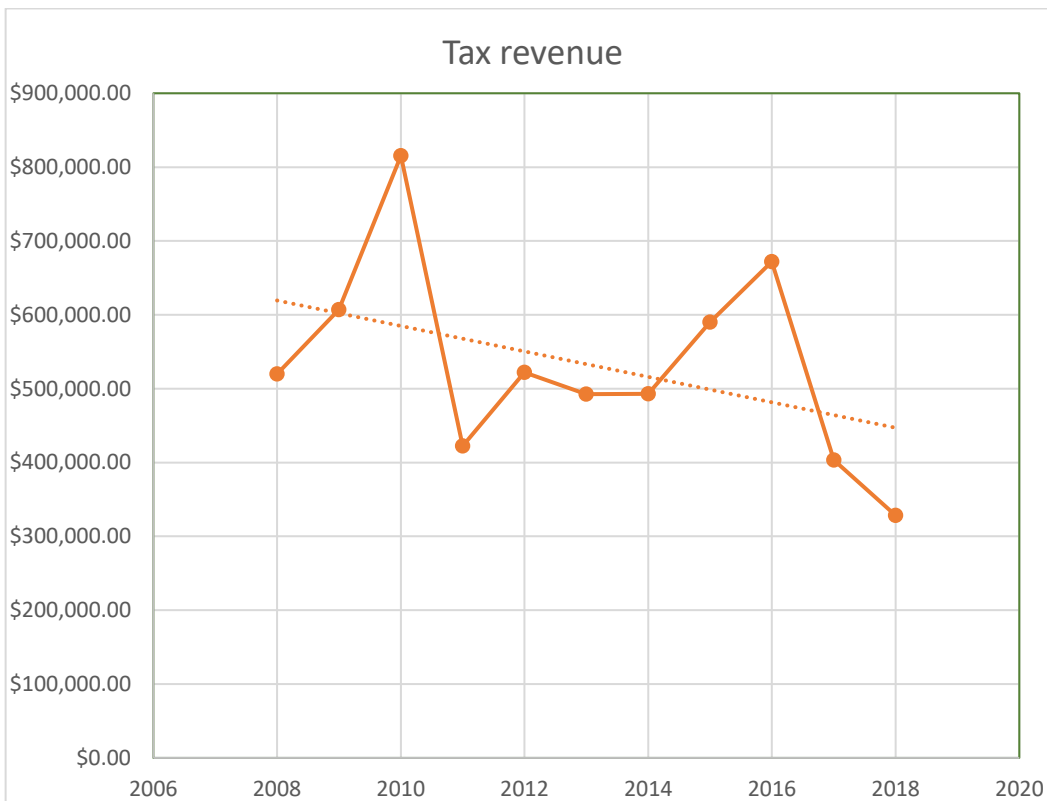




2018 BUDGET MESSAGE FROM IGNACIO COMMUNITY LIBRARY DISTRICT

The Ignacio Community Library (ICL) Board of Trustees takes the role of fiscal responsibility very seriously. Over the years, the revenues for the library, especially those based on taxes in La Plata County have fluctuated a great deal. In light of this, the Trustees have been and remain committed to maintaining a sizeable reserve. We do this for several reasons. First, although the State of Colorado requires the district to maintain reserves of 3% of the budget, the ICL Board believes it prudent to have six months of reserves on hand. Second, it is our hope that we will not be put in a position to decrease services to the community or increase our mill levy due to continued decreases in revenues. Third, we hold a large reserve as protection against emergencies. Fourth, we hope to continue to evolve to meet the ever-changing needs of our community and our patrons and desire to be ready to grow, even if a remodel or addition to our building becomes necessary. Past boards have created the situation of large reserves by paying off our library construction debt early and investing well and we hope to continue in this manner.

ICL Budget: Property taxes are the largest source of general revenues for the library. Property taxes (\$398,710) accounted for 78% of total revenues. Specific ownership taxes, a property tax consisting of vehicle taxes collected by the county were a significant source of revenue, accounting for over 8% of the budget. Grants, donations, and library services constitute less than 5% of the budget and the remainder came from ICL's reserves.



Library revenues over the past ten years reflect the decreased property values.

Any change in assessed property values has a significant impact on the library's budget. The highest revenue was in 2010 and was over \$800,000. In 2017 the total property tax revenues were \$398,710. Decreases in property tax revenue resulting from falling oil and gas revenues resulted in a decrease of almost \$130,000. Property tax revenue coming to the library in 2018 will likely decrease again.

Beginning Fund Balance (unaudited, Reserve and General) in 2018: The 2018 beginning fund balance is \$2,093,066. The Beginning Fund Balance figure is a projected amount pending the final certified audit. The La Plata County Treasurer projects continued decreases in revenue due to mandatory property tax rebalancing due to the Gallagher Amendment as well as falling oil and gas revenues. The Board projects a need for certain upgrades and improvements to the facility to meet the needs of the community and, although it hopes not to, a mill levy increase may be necessary.

Ending Fund Balance (unaudited, Reserve and General) in 2018: The ending balance for the district is expected to drop again as the district covers revenue shortfalls and necessary improvements. The district does not plan on cutting services, hours or staffing during 2018.

Revenues: This is the second year of reduced revenue for the ICL district. Revenues for the 2017 budget year decreased 40% due to a decrease in county oil and gas revenues. Projected revenue for the 2018 budget year are expected to drop another 19%. To supplement the revenues from oil and gas, the Ignacio Community Library researches and applies for grants throughout the year.

Expenditures: With the library being open 62 hours per week it is no surprise that salaries and benefits comprise 57% of the library's budget. The district has the equivalent of 8 FTE employees with 4 full-time and 7 part-time employees. The budget for books and materials is \$50,000 or 8% of the budget.

Services Delivered: ICL is central to Ignacio and the surrounding area. We offer a place for residents to meet, learn, create, and engage. In 2017 we offered over 350 programs in which over 2400 people participated. We also offered literacy programs at the Southern Ute Detention center, participated in events at the Ignacio Schools, and offered special after-hours programs including the popular Night Sky events. We continue to provide our patrons with current books, magazines and DVDs while also offering literacy kits, e-readers, computer and internet access, and meeting spaces. In the past we have received grants from the American Library Association such as the Explore Space Exhibit and the upcoming Native Voices Exhibit. In addition, the library service desk offers a variety of business services such as FAX, laminating, and copying. A notary is available at the library during most operating hours.

The Ignacio Community Library's Board of Trustees is committed to continuing to provide the highest quality service and programming to the district and thus has agreed to supplement the operating budget. It is the Board's intention to continue to be open the same hours with the same level of staffing to best serve the community.

Request for information: Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Marcia Vining, Director, Ignacio Community Library District, P.O. Box 886, Ignacio, CO 81137, or you may call 970-563-9287.