

**Gail Borden Public Library District  
(Located within the State of Illinois)**

**Comprehensive Annual Financial Report**

**For the fiscal year ended June 30, 2012**

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To the Board of Trustees of  
Gail Borden Public Library District  
Elgin, Illinois

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gail Borden Public Library District (the "District") as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 misstatements. 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, each major fund, and the aggregate remaining fund information of the District at June 30, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 26 through 28 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.

Board of Trustees  
Gail Borden Public Library District

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 financial statements as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Tighe, Kress & Orr, P.C.

Elgin, Illinois  
September 12, 2012

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2012**

The management discussion and analysis of the Gail Borden Public Library District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2012. Please review it in conjunction with the District's basic financial statements, which begin on page 9.

**Financial Highlights**

Total net position decreased \$482,566 which represents a 0.99 percent decrease from 2011. General revenues accounted for \$12,825,343 in revenues or 95.9 percent of all revenues. Program specific revenues in the form of charges for services and capital grants accounted for \$549,514 or 4.1 percent of all revenues. The District had \$13,857,423 in expenses related to governmental activities with \$549,514 in program revenues to cover the cost of those programs. The excess expenses were paid by general revenue.

**Government-wide financial statements** (found on pages 9 and 10 of this report) – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the time of related cash flows. Thus, revenues and expenditures are reported in this statement of some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish the function of the District that is principally supported by taxes.

**Fund financial statements** (found on pages 11-14 of this report) – A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2012**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term in flows 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 a government's near-term financing requirements.

These two statements report the District's net position and changes in them. You can think of the District's net position, the difference between assets (what the District owns), and liabilities (what the District owes) as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's jurisdiction, the availability of capital projects and continuing local government support to assess the overall health of the District.

As indicated in Note 5 of the notes to financial statements, in 2012 the District issued \$2,755,000 of refinancing bonds for the purpose of refunding a portion of a previous bond issue (Series 2002).

#### Reporting the District's Most Significant Funds

##### Fund Financial Statements

Our analysis of the District's major funds begins on page 5. The fund financial statements begin on page 11 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. However, the Board of Trustees establishes other funds to help control and manage money for particular purposes (ex. Capital projects fund). The District only has governmental funds.

##### Major Funds

- General
- Bond and interest
- Building and equipment
- Working cash
- Illinois Municipal Retirement Fund
- Social security
- Capital projects

Governmental Funds: The District's services are reported in governmental funds, which focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2012**

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 15 to 25 of this report.

Other information: In addition to the basic financial statements and the accompanying notes, this report also presents combining and individual fund statements and schedules which can be found on pages 29 to 42 of this report.

**The District as a Whole**

The District's total net position deteriorated from a year ago, decreasing from 48.7 million to 48.3 million. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities.

Table 1  
Net Position (in Millions)

	<u>2012</u>	<u>2011</u>		<u>2012</u>	<u>2011</u>
Current and other assets	17.2	16.4	Net position:		
Long term receivables	20.5	21.8	Invested in capital		
Capital assets	33.8	34.2	assets	33.3	34.2
Total assets	<u>71.5</u>	<u>72.4</u>	Restricted	0.8	1.3
			Unrestricted	<u>14.2</u>	<u>13.2</u>
Other liabilities	2.3	1.9	Total net position	<u>48.3</u>	<u>48.7</u>
Long-term obligations	<u>20.9</u>	<u>21.8</u>			
Total liabilities	<u>23.2</u>	<u>23.7</u>			

Net position of the District's activities decreased .99 percent or \$482,566 due to lower revenues. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased \$951,813 during the year.



**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2012**

Table 2 compares the 2012 change in net position to the 2011 change in net position.

Table 2  
Changes in Net Position for 2012  
Compared with 2011 activity  
(in thousands)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Program Revenues:			
Charges for services	\$ 288.5	\$ 284.8	\$ 3.7
Capital grants	261.0	265.6	(4.6)
General Revenues:			
General revenues	12,825.3	12,993.0	(167.7)
Total Revenues	\$ <u>13,374.8</u>	\$ <u>13,543.4</u>	\$ <u>(168.6)</u>
Program Expenses			
General government	\$ 12,949.7	\$ 29,196.4	\$ 16,246.7
Interest of long-term debt	907.7	1,410.1	502.4
Total Expenses	<u>13,857.4</u>	<u>30,606.5</u>	<u>16,749.1</u>
Increase (decrease) in net position	\$ <u>(482.6)</u>	\$ <u>(17,063.1)</u>	\$ <u>(16,917.7)</u>

**The District's Funds**

Table 3 presents the fund balances of the individual major funds and total non-major funds, and an analysis of significant changes in the fund balances.

Table 3  
Changed in Year End Fund Balance  
(in thousands)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
General	\$ 6,848.8	\$ 7,108.2	\$ (259.4)
Bond and interest	397.6	697.6	(300.0)
Building and equipment fund	117.5	198.3	(80.8)
Capital project fund	-	44.3	(44.3)
Working cash	1,361.3	1,361.3	-
Social security	80.7	143.1	(62.4)
Illinois Municipal Retirement Fund	(64.1)	23.1	(87.2)
Nonmajor funds	361.4	410.9	(49.5)
Total Governmental Balances	\$ <u>9,103.2</u>	\$ <u>9,986.8</u>	\$ <u>(883.6)</u>

The decrease in the General Fund resulted from collection of revenues of \$8,421,404 to pay expenditures of \$9,425,118 due to less property taxes collected.

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2012**

Table 4  
Total Governmental Fund Revenues  
(in thousands)

Revenue Source	2011	2012	Percent of total	Increase (decrease) over 2011	Percentage Change from 2011
Intergovernmental	\$ 14,505.9	\$ 11,370.3	95.0%	(3,135.6)	(21.6)
Charges for services	299.5	305.3	2.6%	5.8	1.9
Investment earnings	327.1	5.1	0.0%	(322.0)	(98.4)
Grants and donations	265.6	261.0	2.2%	(4.6)	8.1
Other	17.8	21.9	0.2%	4.1	23.0
Total	<u>\$ 15,415.9</u>	<u>\$ 11,963.6</u>	100.0%	<u>(3,452.3)</u>	

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$33,787,694 (net of accumulated depreciation). The investment in capital assets includes land, buildings, equipment, computers, and book and library materials. The total decrease in District's investment in capital assets for the current fiscal year was 1.27%. The decrease was due to disposals and depreciation expense being larger than additions during the year.

For more detail on capital assets please refer to the notes to the financial statements.

**Long-Term Debt**

The District has several general obligation bond due dates ranging from 2012 through 2021. The District made principal payments of \$1,345,000 on current portions of bonds due during the year. Interest expense was \$919,356 for the year ended June 30, 2012. For more detail on long term debt please refer to the notes to the financial statements.

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2012**

**Budgetary Highlights**

The increase in earnings resulted from an increase in grants received for the year ended June 30, 2012. The variance in expenditures resulted from the containment of costs.

Following is a comparison of the actual and budgeted items for the general fund.

Table 5  
Final Budget versus Actual Results  
General Fund  
(in thousands)

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 8,656.7	7,891.1	(765.6)
Charges for services	285.0	305.3	20.3
Investment earnings	7.0	4.9	(2.1)
Grants and donations	137.1	198.3	61.2
All other	62.5	21.9	(40.6)
Expenditures:			
Total general government	12,430.6	9,425.1	3,005.5

**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 Gail Borden Public Library District, 270 North Grove, Elgin, Illinois 60120.

**Gail Borden Public Library District**  
**Statement of Net Position**  
**June 30, 2012**

<b>Assets</b>	<u>Governmental Activities</u>
<b>Current Assets:</b>	
Cash	\$ 847,843
Investments, at market value	8,571,765
Property tax receivable	6,091,628
Other receivables	84,554
Current portion of long-term receivables	1,615,000
Total Current Assets	<u>17,210,790</u>
<b>Non-Current Assets:</b>	
Long-term receivables-amount to be provided for payment of general obligation bonds	20,324,090
Accrued bond discount and costs	83,102
Land, buildings and equipment net of accumulated depreciation of \$8,498,527	33,787,694
Total Non-Current Assets	<u>54,194,886</u>
Total Assets	<u>\$ 71,405,676</u>

**Liabilities and Net Position**

<b>Current Liabilities:</b>	
Accounts payable	\$ 214,512
Accrued expenses, including accrued interest of \$36,337	353,070
Current portion of long-term debt	1,615,000
Current portion of equipment loan	133,258
Total Current Liabilities	<u>2,315,840</u>
<b>Non-Current Liabilities:</b>	
Long-term portion of equipment loan	449,076
General obligation bonds payable, net of current portion of long-term debt, including bond premium of \$67,192	<u>20,407,192</u>
Total Liabilities	<u>23,172,108</u>
<b>Net Position:</b>	
Invested in capital assets, net of related debt	33,338,618
Restricted for:	
Debt service	397,553
District's audit cost	6,105
Insurance premium	115,993
Equipment repairs and acquisition	117,503
Other purpose	71,804
Social security tax obligations	80,738
Unrestricted	<u>14,105,254</u>
Total Net Position	<u>\$ 48,233,568</u>

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

**Gail Borden Public Library District**  
**Statement of Activities**  
**For the year ended June 30, 2012**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue and Changes in Net Position
Primary Governments:					
General Government Activities	\$ 12,946,332	\$ 288,477	\$ 261,037	-	\$ (12,396,818)
Interest on Long-Term Debt	911,091	-	-	-	(911,091)
Total Primary Government	\$ 13,857,423	\$ 288,477	\$ 261,037	\$ -	\$ (13,307,909)
General Revenues:					
Property Taxes					12,628,810
Replacement Taxes					152,756
Interest Income					5,082
Developer Fees					16,836
Miscellaneous					21,859
Total General Revenues					12,825,343
Change in Net Position					(482,566)
Net Position-Beginning					48,716,134
Net Position-Ending					\$ 48,233,568

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

Gail Borden Public Library District  
Balance Sheets - Governmental Funds  
June 30, 2012

Assets	General Fund	Bond and Interest Fund	Building and Equipment Fund	Working Cash Fund	IMRF Fund	Social Security Fund	Capital Projects Fund	Other Government Funds	Total Government Funds
Cash	\$ 14,303,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,136	\$ 14,488,484
Investments, at market value	-	4,451,399	3,044,571	1,361,346	3,549,071	2,307,921	-	986,627	15,700,935
Property tax receivable	4,100,595	1,157,038	282,599	-	301,459	186,950	-	62,987	6,091,628
Other receivable	29,391	-	-	-	956	-	-	54,207	84,554
<b>Total Assets</b>	<b>\$ 18,433,334</b>	<b>\$ 5,608,437</b>	<b>\$ 3,327,170</b>	<b>\$ 1,361,346</b>	<b>\$ 3,851,486</b>	<b>\$ 2,494,871</b>	<b>\$ -</b>	<b>\$ 1,288,957</b>	<b>\$ 36,365,601</b>
<b>Liabilities</b>									
<b>Fund Balance Liabilities:</b>									
Excess of checks written over bank balance	\$ 7,129,170	\$ 4,078,086	\$ 2,868,265	\$ -	\$ 3,620,558	\$ 2,208,896	\$ -	\$ 864,836	\$ 20,769,811
Accounts payable	148,168	527	64,834	-	-	-	-	983	214,512
Accrued expenses	294,438	-	-	-	-	22,295	-	-	316,733
Deferred revenue	4,012,804	1,132,271	276,568	-	295,031	182,942	-	61,697	5,961,313
<b>Total Liabilities</b>	<b>11,584,580</b>	<b>5,210,884</b>	<b>3,209,667</b>	<b>-</b>	<b>3,915,589</b>	<b>2,414,133</b>	<b>-</b>	<b>927,516</b>	<b>27,262,369</b>
<b>Fund Balances</b>	<b>17,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,597</b>
Nonspendable:									
Restricted for:									
Debt Service	-	397,553	-	-	-	-	-	-	397,553
District's audit cost	-	-	-	-	-	-	-	6,105	6,105
Insurance premium	-	-	-	-	-	-	-	115,993	115,993
Equipment repairs and acquisition	-	-	117,503	-	-	-	-	-	117,503
Other purpose	-	-	-	-	-	-	-	54,207	54,207
Social security tax obligations	-	-	-	-	-	80,738	-	-	80,738
Committed for:									
Assigned to:									
Capital projects	-	-	-	1,361,346	-	-	-	-	1,361,346
Physical plant expansion	-	-	-	-	-	-	-	179,068	179,068
Unassigned	6,831,157	-	-	-	(64,103)	-	-	6,068	6,773,122
<b>Total Fund Balances</b>	<b>6,848,754</b>	<b>397,553</b>	<b>117,503</b>	<b>1,361,346</b>	<b>(64,103)</b>	<b>80,738</b>	<b>-</b>	<b>361,441</b>	<b>9,103,232</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,433,334</b>	<b>\$ 5,608,437</b>	<b>\$ 3,327,170</b>	<b>\$ 1,361,346</b>	<b>\$ 3,851,486</b>	<b>\$ 2,494,871</b>	<b>\$ -</b>	<b>\$ 1,288,957</b>	<b>\$ 36,365,601</b>

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

**Gail Borden Public Library District**  
**Reconciliation of Total Governmental Fund Balance**  
**To Net Position of Governmental Activities**  
**For the year ended June 30, 2012**

Total Governmental Fund Balance	\$	9,103,232
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Amounts reported in governmental activities in the Statement of Net Position are different because:

Capital assets at historical cost, net accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds statement.		33,787,694
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Long term receivables are not available to pay for current period expenditures and therefore are deferred in the governmental funds statement.		20,324,090
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Deferred revenue is not reflected in Statement of Position.		5,961,313
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Interest payable used in governmental activities are not payable from current resources and therefore are not accrued in the governmental funds statement.		(36,337)
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Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds statement.		(20,407,192)
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Bond costs and bond discounts are reported in governmental funds as expenditures. However, in the Statement of Net Position, the costs are accrued.		83,102
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Long-term liabilities including notes payable are not due and payable in the current period and therefore are not reported in the governmental funds statement.		(582,334)
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Net Position	\$	48,233,568
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The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

**Gail Borden Public Library District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Activities**  
For the year ended June 30, 2012

	General Fund	Bond & Interest Fund	Building & Equipment Fund	Working Cash Fund	IMRF Fund	Social Security Fund	Capital Projects Fund	Other Government Funds	Total Government Funds
<b>Revenues:</b>									
Property taxes	\$ 7,743,575	\$ 1,960,926	\$ 489,331	\$ -	\$ 564,347	\$ 335,371	\$ -	\$ 124,006	\$ 11,217,556
Replacement taxes	147,516	-	-	-	5,240	-	-	-	152,756
Charge for services	305,313	-	-	-	-	-	-	-	305,313
Interest income	4,857	-	-	-	-	-	1	224	5,082
Grants and donations	198,284	-	5,750	-	-	-	-	57,003	261,037
Other	21,859	-	-	-	-	-	-	-	21,859
Total Revenue	<u>8,421,404</u>	<u>1,960,926</u>	<u>495,081</u>	<u>-</u>	<u>569,587</u>	<u>335,371</u>	<u>1</u>	<u>181,233</u>	<u>11,963,603</u>
<b>Expenditures:</b>									
Current:									
General Government	8,323,306	81,827	549,106	-	656,799	397,698	-	230,776	10,239,512
Capital Outlay	1,101,812	-	26,743	-	-	-	-	-	1,128,555
Debt Service:									
Principal	-	1,345,000	-	-	-	-	-	-	1,345,000
Interest	-	919,356	-	-	-	-	-	-	919,356
Total Expenditures	<u>9,425,118</u>	<u>2,346,183</u>	<u>575,849</u>	<u>-</u>	<u>656,799</u>	<u>397,698</u>	<u>-</u>	<u>230,776</u>	<u>13,632,423</u>
Excess (deficiency) of revenues over (under) expenditures:	(1,003,714)	(385,257)	(80,768)	-	(87,212)	(62,327)	1	(49,543)	(1,668,820)
<b>Other Financing Sources (Uses):</b>									
Transfers in	44,300	-	-	-	-	-	-	-	44,300
Transfers out	-	-	-	-	-	-	(44,300)	-	(44,300)
Proceeds of refunding bonds	-	2,755,000	-	-	-	-	-	-	2,755,000
Payment to refunded bonds escrows age	-	(2,669,767)	-	-	-	-	-	-	(2,669,767)
Proceeds from loan	700,000	-	-	-	-	-	-	-	700,000
Total Other Financing Sources (Uses)	<u>744,300</u>	<u>85,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,300)</u>	<u>-</u>	<u>785,233</u>
Net change in fund balances	(259,414)	(300,024)	(80,768)	-	(87,212)	(62,327)	(44,299)	(49,543)	(883,587)
<b>Fund Balances-Beginning</b>	7,108,168	697,577	198,271	1,361,346	23,109	143,065	44,299	410,984	9,986,819
<b>Fund Balances-Ending</b>	<u>\$ 6,848,754</u>	<u>\$ 397,553</u>	<u>\$ 117,503</u>	<u>\$ 1,361,346</u>	<u>\$ (64,103)</u>	<u>\$ 80,738</u>	<u>\$ -</u>	<u>\$ 361,441</u>	<u>\$ 9,103,232</u>

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements



**Gail Borden Public Library District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of Governmental Funds to the Statement of Activities**  
**For the year ended June 30, 2012**

Net Change in Governmental Fund Balance	\$	(883,587)
Amounts reported in governmental activities in the Statement of Net Position are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense (1,083,826) exceeds capitalized fixed assets and disposals 650,697 in the period.		(433,129)
Property tax revenue on a full accrual basis that is deferred on the modified accrual basis in the Statement of Revenues and Expenditures.		1,411,254
Loan proceeds that on a full accrual basis is a liability on the modified accrual basis in the Statement of Revenues and Expenditures.		(700,000)
Loan expenses that on a full accrual basis is a liability on the modified accrual basis in the Statement of Revenues and Expenditures.		117,666
Interest accrued on general obligation bonds is not an expenditure in the governmental funds statement.		5,230
Transfer of long-term receivables related to payment on bonds is not an expenditure in the government fund report.		(1,262,802)
Amortization of bond premiums is not revenue in the governmental funds statement.		3,035
Bond costs and bond discounts are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs is allocated over the life of the debt.		(85,233)
Principal payments on bonds is an expenditure in the government fund report.		1,345,000
Change in Net Position of Governmental Activities	\$	(482,566)

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2012**

**Note 1 – Statement of Significant Accounting Policies**

The significant accounting policies followed by the Gail Borden Public Library District (the “District”) are presented to assist the reader in evaluating the financial statements.

Principles determining scope of reporting entity:

The financial statements of the District consist only of the governmental funds of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or are dependent on the District. Control or dependence is determined on the basis of taxing authority and appointment of respective governing boards.

Fund accounting:

The accounts of the District are organized on the basis of funds, each of which is considered a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which spending activities are controlled. In the financial statements in this report, the funds of the District are grouped into various fund types as follows:

Governmental Funds – General Fund – The general fund is the operating fund of the District. It is used to account for all financial resources relating to the normal daily operations of the District.

Governmental Funds – Bond and Interest Fund – This fund is used to reflect the repayment of principal and interest on the general obligation bonds issued to build the new library building.

Governmental Funds – Building and Equipment Fund – This fund is used to pay for equipment repairs and acquisition.

Governmental Funds – Working Cash Fund – This fund is used to supply the District with emergency cash needs during periods of cash flow deficiencies.

Governmental Funds – Illinois Municipal Retirement Fund – This fund is used for paying the District’s portion of the Illinois Municipal Retirement Fund obligation.

Governmental Funds – Social Security Fund – This fund is used for paying the District’s portion of Social Security tax for employees of the District.

Capital Projects Fund – This fund is used to record the expenditures for the new library building located at 2751 W. Bowes Road, Elgin, Illinois.

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2012**

**Note 1 – Statement of Significant Accounting Policies (continued)**

Fund accounting (continued):

Governmental Funds – Audit Fund – This fund is used to pay for the performance of the District's annual certified audit.

Governmental Funds – Liability and Risk Fund – This fund is used to pay insurance premiums for liability and workmen's compensation insurance coverage for the District.

Governmental Funds – Building Reserve Fund – This fund is used to accumulate resources to expand the Library's physical plant.

Governmental Funds – Gift Fund – This fund is used to pay for special non-operating expenses of the District.

Government-wide fund financial statements:

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the primary government.

The Statement of Activities demonstrates the degree to which the direct expenses are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2012**

**Note 1 – Statement of Significant Accounting Policies (continued)**

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as unrestricted revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Grants and entitlements and interest associated with the current fiscal period are all considered being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

*Fund Accounting*

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

*Governmental Funds*

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2012**

**Note 1 – Statement of Significant Accounting Policies (continued)**

Budgets and budgetary accounting:

The District follows these procedures in establishing the budgeting data reflected in the financial statements:

1. The Board of Trustees appoints the director to prepare the operating budget for the District
2. The proposed budget is then reviewed by the Trustees and approved.

Budget figures are based on the modified accrual basis of accounting.

Revenue recognition – property taxes:

Property taxes are levied by the District in both Kane and Cook Counties and become a lien on January 1. These levies are made in the fall of the year (2011) and the taxes are payable as follows:

Kane County:

One half of the property taxes assessed are due and payable on July 1, and the remaining half is due and payable on September 1.

Cook County:

A preliminary billing (based on the prior year) is due and payable on March 1 of each year and the balance of the taxes are due and payable on September 1 of each year.

Property tax revenues are recognized when they become available. Receipts within 60 days of year-end are considered available. The balance of the property tax receivable which will be collected subsequent to 60 days after year-end is reflected in the accompanying financial statements as deferred revenue.

Compensated absence:

The District provides their full-time employees with paid vacation days each year. The vested portion of unpaid vacation days is reflected as a liability in the accompanying financial statements.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2012**

**Note 1 – Statement of Significant Accounting Policies (continued)**

Cash and cash equivalents:

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when acquired.

Investments:

The Library's investment policy does not contain guidance on credit risks. The Library limits the exposure to credit risk by primarily investing in U.S. agency obligations and the money market funds. Investments in the governmental funds are stated at cost or amortized cost, which approximate market. The Illinois Funds investment type is a money market pool, in which the Funds were created by the State of Illinois Legislator and the appointed oversight is the Illinois State Treasurer. The Illinois Funds are reported at \$1 per share value, which equals the Library's fair value pool.

Inventories and Prepaid items:

Governmental fund inventory items are charged to expenditure account when purchased. Year end inventory was not significant. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide.

Capital Assets:

Capital assets, which include land, buildings, improvements, vehicles and equipment, are reported in the government-wide fund statements. Capital assets are defined by the District as assets with an individual cost of more than \$1,000. These assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated using the straight-line method with useful lives of 7-40 years. Fixed asset acquisitions net of disposals were \$598,396 for the year ended June 30, 2012 these are reflected as expenditures in the Governmental Funds. Depreciation expenses as reflect in the statement of activities for the year ended June 30, 2012 was \$1,083,826.

Fund Balance:

Beginning with fiscal year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

**Gail Borden Public Library District  
Notes to the Financial Statements  
June 30, 2012**

**Note 1 – Statement of Significant Accounting Policies (continued)**

Nonspendable fund balance - amounts that are not in a nonspendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Beginning fund balances for the District's governmental funds have been restated to reflect the above classifications.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

**New Pronouncements:**

Effective June 30, 2012, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

**Gail Borden Public Library District  
Notes to the Financial Statements  
June 30, 2012**

**Note 2 – Pension Plan**

*Plan Description:* The employer’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy:* As set by statute, the employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2011 was 14.28 percent. The employer also contributes for the disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost:* The required contribution for calendar year 2011 was \$639,282.

**Three-Year Trend Information for the Regular Plan**

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 639,282	100%	\$ 0
12/31/2010	\$ 649,087	96%	\$ 27,843
12/31/2009	\$ 560,523	100%	\$ 0

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The employer Regular plan’s unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.



**Gail Borden Public Library District  
Notes to the Financial Statements  
June 30, 2012**

**Note 2 – Pension Plan (continued)**

*Funding Status and Funding Progress:* As of December 31, 2011 the most recent actuarial valuation date, the Regular plan was 54.53 percent funded. The actuarial accrued liability for benefits was \$10,807,568 and the actuarial value of assets was \$5,896,546, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,914,022. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$4,476,763 and the ratio of the UAAL to the covered payroll was 110 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Note 3 – Cash and Investments**

Cash

Deposits of the governmental funds of the District at June 30, 2012 consist of the following, less petty cash amount of \$2,676:

	<u>Bank Balances</u>		<u>Carrying Amount</u>
Checking accounts	\$ 948,723	\$	845,162
Savings accounts	5		5
	<u>\$ 948,728</u>	<u>\$</u>	<u>845,167</u>

All deposits are insured by the Federal Deposit Insurance Corporation (FDIC). In addition, the bank maintains collateral in their name for the credit of Gail Borden Library for the amounts in excess of FDIC limits.

Investments

The investments of \$8,571,765 represent deposits with the State of Illinois Public Treasurers Pool.

As of June 30, 2012, the District has the following investments:

<u>Investment Type</u>	<u>Market Value</u>
State Treasurer’s investment pool	<u>8,571,765</u>
Total Market Value	<u>8,571,765</u>

**Gail Borden Public Library District  
Notes to the Financial Statements  
June 30, 2012**

**Note 4 – Land, Building and Equipment**

The following summarizes fixed asset purchases and disposals for the year ended June 30, 2012:

	Governmental Activities			Balance June 30, 2012
	Balance July 1 2011	Additions	Deletions/	
Non-depreciable:				
Land	\$ 1,767,516	-	-	1,767,516
Depreciable:				
Buildings and improvements	34,786,179	658,918	-	35,445,097
Equipment	1,053,612	38,819	(7,500)	1,084,931
Computer	1,557,311	133,439	(44,800)	1,645,950
Books & library materials	2,523,207	430,716	(611,195)	2,342,728
Accumulated depreciation	(7,467,002)	(1,083,826)	52,300	(8,498,528)
Total Fixed Assets	\$ 34,220,823	178,066	(611,195)	33,787,694

Depreciation expense for the year ended June 30, 2012 totaled \$1,083,826.

**Note 5 – Bonds Payable**

During the year ended June 30, 2001, a tax referendum was passed by the voters of the District. This referendum enabled the District to issue general obligation bonds to finance a new library building on property the library had purchased immediately north of the existing library building.

Four separate series of bonds were issued:

Series A	\$ 10,000,000
Series B	10,000,000
Series 2002	4,000,000
Series 2012	2,755,000
	<u>\$ 26,755,000</u>

In September of 2005, the District issued an additional \$4,000,000 of bonds (Series 2005 A). The proceeds from these bonds were used to construct a separate library building in the western section of the District. The proceeds were invested with the State of Illinois Public Treasurer Pool as part of the project fund.

In April of 2012, the District refinanced the 2002 Series bond. The amount of the refinance totaled \$2,755,000. Of that amount, \$2,669,767 was put into escrow to repay the bonds when they are due. Bond costs and underwriter discount totaled \$85,233. There was an estimated economic gain of \$593,000 due to lower interest cost.

**Gail Borden Public Library District  
Notes to the Financial Statements  
June 30, 2012**

**Note 5 – Bonds Payable (continued)**

A summary of the bonds outstanding at June 30, 2012 are as follows:

Year	Series 2012		Series 2005		Series 2005A		Series 2002	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
12/15/12	80,000	25,828	1,070,000	348,249	265,000	57,273	200,000	4,700
06/15/13	-	25,628		321,499		52,238		-
12/15/13	190,000	25,628	1,270,000	321,499	285,000	52,238	-	-
06/15/14	-	25,010		289,749		46,538		-
12/15/14	180,000	25,010	1,475,000	289,749	290,000	46,538	-	-
06/15/15	-	24,245		257,299		40,375		-
12/15/15	225,000	24,245	1,615,000	257,299	300,000	40,375	-	-
06/15/16	-	22,951		216,924		34,000		-
12/15/16	270,000	22,951	1,820,000	216,924	310,000	34,000	-	-
06/15/17	-	21,264		182,344		27,413		-
12/15/17-12/15/21	1,810,000	157,982	9,010,000	779,508	1,290,000	110,716	-	-
							-	-
Total	\$ 2,755,000	400,741	16,260,000	3,481,041	2,740,000	541,701	200,000	4,700

These bonds will be repaid from property tax revenue as levied by the District on an annual basis.

The total principal bond liability at June 30, 2011 was \$23,095,000. Principal payments of \$1,345,000 were made throughout the June 30, 2012 fiscal year. The total principal bond liability at June 30, 2012 is \$21,955,000.

**Note 6 – Legal Compliance and Accountability**

Legal Debt Margin

Assessed Valuation – 2011 Tax Levy	<u>\$ 3,581,824,783</u>
Statutory Limit – 5.75% of Assessed Valuation (70 ILCS 705/12)	\$ 205,954,925
General Obligation Debt	(26,755,000)
Equipment Loan	<u>(582,334)</u>
Legal Debt Margin	<u>\$ 178,617,591</u>

The District is within the Legal Debt Margin issued by the state.

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2012**

**Note 7 – Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**Note 8 – Long-term Liabilities**

The District entered into a loan for \$700,000 at 4.25% interest during the current year to purchase an electronic book sorter. The District made \$117,666 in principle payments and \$12,243 in interest payments. Monthly payments of \$12,991 are made. The loan comes due in 2016. The balance at June 30, 2012 is \$582,334 with \$133,258 due in 2013.

**Note 9 – Interfund Balance Transfers**

The Capital Projects Fund was closed during the year by transferring \$44,300 from the fund to the General Fund.

**Note 10 – Expenditures Over Budget**

For the year ending June 30, 2012, the District's general fund had individual line expenditures over budget. The total expenditures were under budget.

**Note 11 – Date of Managements Review**

Subsequent events have been evaluated through the date of this report. It was concluded that there are no subsequent events required to disclose.

**Required Supplementary Information**

**Gail Borden Public Library District**  
**Budgetary Comparison Schedule of Revenues,**  
**Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the year ended June 30, 2012**

	Actual	Original and Final Budget	Positive/ (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Revenue:</b>			
Property taxes	\$ 7,743,575	\$ 8,496,672	\$ (753,097)
Replacement taxes	147,516	160,000	(12,484)
Charges for services	305,313	285,000	20,313
Investment earnings	4,857	7,000	(2,143)
Grants and donations	198,284	137,084	61,200
Other	21,859	62,500	(40,641)
Total Revenue	<u>8,421,404</u>	<u>9,148,256</u>	<u>(726,852)</u>
<b>Expenditures:</b>			
Current:			
General government			
Personnel services	6,103,349	7,850,040	1,746,691
Contractual services	1,033,874	1,539,245	505,371
Supplies	116,448	165,960	49,512
Materials	939,726	1,325,400	385,674
Capital outlay	1,101,812	800,000	(301,812)
Loan expenses	129,909	750,000	620,091
Total Expenditures	<u>9,425,118</u>	<u>12,430,645</u>	<u>3,005,527</u>
<b>Other Financing Activities</b>			
Transfers in	44,300	-	44,300
Transfers out	-	(200,000)	200,000
Proceeds from loan	700,000	750,000	(50,000)
Net Change in Fund Balance	<u>\$ (259,414)</u>	<u>\$ (2,732,389)</u>	<u>\$ 2,472,975</u>

The Accompanying Note to the Required Supplementary Information is an Integral Part of These Statements

**Gail Borden Public Library District**  
**Schedule of Funding Progress - Illinois Municipal Retirement Fund**  
**For the year ended June 30, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	5,893,546	10,807,568	4,914,022	54.53	4,476,763	109.77%
12/31/2010	6,771,627	11,099,447	4,327,820	61.01	4,350,448	99.48%
12/31/2009	6,723,858	10,499,365	3,775,507	64.04	4,227,176	89.32%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$5,504,335.

On a market basis, the funded ratio would be 50.93%.

**Gail Borden Public Library District**  
**Note to Required Supplementary Information**  
**June 30, 2012**

**Note 1 – Summary of Significant Accounting Policies**

Budgetary Process

The District follows these procedures in establishing the budget data reflected in the required supplementary information.

1. The Board of Trustees appoints the Director to prepare the operating budget and a schedule of estimated revenues.
2. The proposed budget is reviewed by the Trustees and approved.

Budgeted figures are only prepared for the general fund and are computed on the modified accrual basis of accounting.

There were no revisions to the original budget.



## **Supplementary Information**

**Gail Borden Public Library District**  
**Balance Sheets - Other Governmental Funds**  
**June 30, 2012**

	Special Revenue Funds				Total
	Audit Fund	Liability and Risk Fund	Building Reserve Fund	Gift Fund	Other Governmental Funds
<b>Assets</b>					
Cash	\$ -	\$ -	\$ 179,068	\$ 6,068	\$ 185,136
Investments, at market value	89,534	897,093	-	-	986,627
Property tax receivable	7,048	55,939	-	-	62,987
Other receivables	-	-	-	54,207	54,207
Other assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 96,582</b>	<b>\$ 953,032</b>	<b>\$ 179,068</b>	<b>\$ 60,275</b>	<b>\$ 1,288,957</b>
<b>Liabilities</b>					
<b>Liabilities:</b>					
Excess of checks written over bank balance	\$ 83,553	\$ 781,283	\$ -	\$ -	\$ 864,836
Accounts payable	-	983	-	-	983
Deferred revenue	6,924	54,773	-	-	61,697
<b>Total Liabilities</b>	<b>90,477</b>	<b>837,039</b>	<b>-</b>	<b>-</b>	<b>927,516</b>
<b>Fund Balances</b>					
<b>Nonspendable:</b>	-	-	-	-	-
<b>Restricted for:</b>					
District's audit cost	6,105	-	-	-	6,105
Insurance premiums	-	115,993	-	-	115,993
Other purpose	-	-	-	54,207	54,207
<b>Committed for:</b>	-	-	-	-	-
<b>Assigned to:</b>					
Physical plant expansion	-	-	179,068	-	179,068
Unassigned	-	-	-	6,068	6,068
<b>Total Fund Balance</b>	<b>6,105</b>	<b>115,993</b>	<b>179,068</b>	<b>60,275</b>	<b>361,441</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 96,582</b>	<b>\$ 953,032</b>	<b>\$ 179,068</b>	<b>\$ 60,275</b>	<b>\$ 1,288,957</b>

**Gail Borden Public Library District**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Other Governmental Funds**  
**For the year ended June 30, 2012**

	Special Revenue Funds				Total Other Governmental Funds
	Audit Fund	Liability Insurance Fund	Building Reserve Fund	Gift Fund	
<b>Revenues:</b>					
Property taxes	\$ 11,578	\$ 112,428	\$ -	\$ -	\$ 124,006
Interest income	-	-	191	33	224
Grants and donations	-	-	-	57,003	57,003
Total Revenue	<u>11,578</u>	<u>112,428</u>	<u>191</u>	<u>57,036</u>	<u>181,233</u>
<b>Expenditures:</b>					
Current:					
General government	14,500	125,152	-	91,124	230,776
Total Expenditures	<u>14,500</u>	<u>125,152</u>	<u>-</u>	<u>91,124</u>	<u>230,776</u>
Net Change in Fund Balance	(2,922)	(12,724)	191	(34,088)	(49,543)
Fund Balance-Beginning	<u>9,027</u>	<u>128,717</u>	<u>178,877</u>	<u>94,363</u>	<u>410,984</u>
Fund Balance-Ending	<u>\$ 6,105</u>	<u>\$ 115,993</u>	<u>\$ 179,068</u>	<u>\$ 60,275</u>	<u>\$ 361,441</u>

**Gail Borden Public Library District**  
**General Fund**  
**Statement of Revenue, Expenditures (and Comparison**  
**with Budget), and Changes in Fund Balance**  
**For the year ended June 30, 2012**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance to Final Budget</u>
<b>Revenues:</b>			
Property taxes, 2011 levy less provision for uncollectible of \$41,800	\$ 7,743,575	\$ 8,496,672	\$ (753,097)
State income taxes (personal property replacement taxes)	147,516	160,000	(12,484)
Fines, gifts, grants, interest and other income	530,313	491,584	38,729
 Total Revenue	 <u>8,421,404</u>	 <u>9,148,256</u>	 <u>(726,852)</u>
<b>Expenditures:</b>			
Personnel services	6,103,349	7,850,040	1,746,691
Contractual services	1,033,874	1,539,245	505,371
Supplies	116,448	165,960	49,512
Material	939,726	1,325,400	385,674
Capital improvements	1,101,812	800,000	(301,812)
Loan expenses	129,909	750,000	620,091
Total Expenditures	<u>9,425,118</u>	<u>12,430,645</u>	<u>3,005,527</u>
<b>Other Financing Activities:</b>			
Transfers in	44,300	-	44,300
Transfers out	-	(200,000)	200,000
Proceeds from loan	700,000	750,000	(50,000)
 Net Change in Fund Balance	 (259,414) \$	 <u>(2,732,389) \$</u>	 <u>2,472,975</u>
 Fund balance, July 1, 2011	 7,108,168		
 Fund balance, June 30, 2012	 <u>\$ 6,848,754</u>		

**Gail Borden Public Library District  
General Fund  
Statement of Expenditures  
(and Comparison with Budget)  
For the year ended June 30, 2012**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Personnel services:</b>			
Salaries	\$ 5,366,223	\$ 6,675,040	\$ 1,308,817
Employee insurance	737,126	800,000	62,874
Contingency	-	375,000	375,000
	<u>6,103,349</u>	<u>7,850,040</u>	<u>1,746,691</u>
<b>Contractual services:</b>			
Utilities	310,007	495,075	185,068
Communications	39,713	48,960	9,247
Collection agency	13,157	8,400	(4,757)
Newspaper publications/Public relations	13,224	9,700	(3,524)
Public Relations	78,889	102,720	23,831
Consultant services	85,509	153,150	67,641
Programming	28,746	39,000	10,254
Printing	5,490	15,600	10,110
Copier lease maintenance	30,129	38,400	8,271
Binding	10,335	18,000	7,665
Material processing services	26,234	120,000	93,766
Computer maintenance	243,045	223,200	(19,845)
Small equipment maintenance	12,439	20,040	7,601
Vehicle maintenance	4,630	4,800	170
Payroll processing	7,862	10,200	2,338
Continuing education	59,287	65,640	6,353
Contingency	8,935	70,000	61,065
Dues and membership	12,402	15,600	3,198
Computer on-line services	43,841	80,760	36,919
	<u>1,033,874</u>	<u>1,539,245</u>	<u>505,371</u>
<b>Supplies:</b>			
Office supplies	37,909	63,600	25,691
Library supplies	29,690	36,000	6,310
Consumable supplies	44,049	59,160	15,111
Miscellaneous supplies	4,800	7,200	2,400
	<u>116,448</u>	<u>165,960</u>	<u>49,512</u>
<b>Materials:</b>			
Books	444,066	604,440	160,374
Periodicals	33,263	43,560	10,297
Audio visual materials	263,339	340,200	76,861
Microfilm	19,474	19,200	(274)
Electronic media	179,584	258,000	78,416
Contingency	-	60,000	-
	<u>939,726</u>	<u>1,325,400</u>	<u>385,674</u>
Loan expenditures	<u>129,909</u>	<u>750,000</u>	<u>620,091</u>
Capital improvements	<u>1,101,812</u>	<u>800,000</u>	<u>(301,812)</u>
Total Expenditures	<u>\$ 9,425,118</u>	<u>\$ 12,430,645</u>	<u>\$ 3,005,527</u>

**Gail Borden Public Library District  
 Illinois Municipal Retirement Fund  
 Statement of Revenues, Expenditures (and Comparison  
 with Budget), and Changes in Fund Balance  
 For the year ended June 30, 2012**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Revenues:</b>			
Property taxes, 2011 levy less provision for uncollectible of \$3,100	\$ 564,347	\$ 867,282	\$ (302,935)
State income taxes (personal property replacement taxes)	5,240	6,000	(760)
	<u>569,587</u>	<u>873,282</u>	<u>(303,695)</u>
<b>Expenditures:</b>			
District's contribution to retirement fund	656,799	798,000	141,201
	<u>656,799</u>	<u>798,000</u>	<u>141,201</u>
<b>Other Financing Sources:</b>			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(87,212)	\$ 75,282	\$ (162,494)
Fund balance, July 1, 2011	<u>23,109</u>		
Fund balance, June 30, 2012	<u>\$ (64,103)</u>		

**Gail Borden Public Library District  
Social Security Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the year ended June 30, 2012**

	Actual	Original and Final Budget	Variance to Final Budget
<b>Revenues:</b>			
Property taxes, 2011 levy less provision for uncollectible of \$1,900	\$ 335,371	\$ 390,639	\$ (55,268)
<b>Expenditures:</b>			
District's contribution to social security fund	397,698	498,000	100,302
Net Change in Fund Balance	(62,327)	\$ (107,361)	\$ 45,034
Fund balance, July 1, 2011	143,065		
Fund balance, June 30, 2012	\$ 80,738		

**Gail Borden Public Library District  
Working Cash Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the year ended June 30, 2012**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance to Final Budget</u>
<b>Revenue:</b>			
Interest income	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
General Government	-	1,000,000	(1,000,000)
Net Change in Fund Balnce	-	<u>\$ (1,000,000)</u>	<u>\$ 1,000,000</u>
Fund balance, July 1, 2011	<u>1,361,346</u>		
Fund balance, June 30, 2012	<u>\$ 1,361,346</u>		



**Gail Borden Public Library District  
Liability Insurance Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the year ended June 30, 2012**

	Actual	Original and Final Budget	Variance to Final Budget
<b>Revenues:</b>			
Property taxes, 2011 levy less provision for uncollectibles of \$600	\$ 112,428	\$ 122,968	\$ (10,540)
<b>Expenditures:</b>			
Liability insurance:			
General insurance	70,254	66,000	(4,254)
Employer insurance	39,142	43,440	4,298
Risk management	15,756	36,000	20,244
	125,152	145,440	20,288
Net Change in Fund Balance	(12,724)	\$ (22,472)	\$ 9,748
Fund balance, July 1, 2011	128,717		
Fund balance, June 30, 2012	\$ 115,993		

**Gail Borden Public Library District  
Audit Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the year ended June 30, 2012**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance to Final Budget</u>
<b>Revenues:</b>			
Property taxes, 2011 levy less provision for uncollectibles of \$100	\$ <u>11,578</u>	\$ <u>13,610</u>	\$ <u>(2,032)</u>
 <b>Expenditures:</b>			
Audit fees	<u>14,500</u>	<u>18,600</u>	<u>4,100</u>
Net Change in Fund Balance	(2,922) \$	<u><u>(4,990)</u></u> \$	<u><u>2,068</u></u>
Fund balance, July 1, 2011	<u>9,027</u>		
Fund balance, June 30, 2012	\$ <u><u>6,105</u></u>		

**Gail Borden Public Library District  
 Building and Equipment Fund  
 Statement of Revenues, Expenditures (and Comparison  
 with Budget), and Changes in Fund Balance  
 For the year ended June 30, 2012**

	Actual	Original and Final Budget	Positive/ Negative
<b>Revenues:</b>			
Property taxes, 2011 levy less provision for uncollectibles of \$2,900	\$ 489,331	\$ 613,742	\$ (124,411)
Grants and donations	5,750	-	5,750
Total Revenue	495,081	613,742	(118,661)
<b>Expenditures:</b>			
Repairs and maintenance	548,323	695,520	147,197
Equipment	26,743	54,600	27,857
Contingency	783	25,200	24,417
Total Expenditures	575,849	775,320	199,471
Net Change in Fund Balance	(80,768)	\$ (161,578)	\$ 80,810
Fund balance, July 1, 2011	198,271		
Fund balance, June 30, 2012	\$ 117,503		

**Gail Borden Public Library District  
 Building Reserve Fund  
 Statement of Revenues, Expenditures (and Comparison  
 with Budget), and Changes in Fund Balance  
 For the year ended June 30, 2012**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Revenues:</b>			
Interest income	\$ 191	\$ 250	\$ (59)
 <b>Expenditures:</b>			
Repairs and Maintenance	-	300,000	300,000
Excess (deficiency) of revenues over (under) expenditures:	191	(299,750)	299,941
 <b>Other Financing Sources (Uses):</b>			
Transfers in	-	200,000	(200,000)
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	200,000	(200,000)
Net Change in Fund Balance	191	\$ (99,750)	\$ 99,941
Fund balance, July 1, 2011	178,877		
Fund balance, June 30, 2012	\$ 179,068		

**Gail Borden Public Library District  
Gift Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the year ended June 30, 2012**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Positive/ (Negative)</u>
<b>Revenues:</b>			
Gifts received	\$ 57,003	\$ 296,500	\$ (239,497)
Interest Income	33	-	33
Total Revenues	<u>57,036</u>	<u>296,500</u>	<u>(239,464)</u>
<b>Expenditures:</b>			
Gift fund expenditures	<u>91,124</u>	<u>362,863</u>	<u>271,739</u>
Total Expenditures	<u>91,124</u>	<u>362,863</u>	<u>271,739</u>
Net Change in Fund Balance	(34,088)	<u><u>\$ (66,363)</u></u>	<u><u>\$ 32,275</u></u>
Fund balance, July 1, 2011	<u>94,363</u>		
Fund balance, June 30, 2012	\$ <u><u>60,275</u></u>		

**Gail Borden Public Library District**  
**Bond and Interest Fund**  
**Statement of Revenues, Expenditures (and Comparison**  
**with Budget), and Changes in Fund Balance**  
**For the year ended June 30, 2012**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Revenue:</b>			
Property taxes, 2011 levy less provision for uncollectibles of \$11,800	\$ 1,960,926	\$ 3,311,645	\$ (1,350,719)
Interest income	-	-	-
Total Revenues	1,960,926	3,311,645	(1,350,719)
 <b>Expenditures:</b>			
Bond principal paid and bond interest	2,264,356	2,800,000	535,644
Bank charges	81,827	-	(81,827)
Total Expenditures	2,346,183	2,800,000	453,817
 Excess (deficiency) of revenues over (under) expenditures:	(385,257)	\$ 511,645	\$ (896,902)
 <b>Other Financing Sources (Uses):</b>			
Transfers out	(2,669,767)	-	2,669,767
Payment to refunded bonds escrows agent	2,755,000	-	(2,755,000)
Total Other Financing Sources (Uses)	85,233	-	(85,233)
 Net Change in Fund Balance	(300,024)	511,645	(982,135)
 Fund balance, July 1, 2011	697,577		
 Fund balance, June 30, 2012	\$ 397,553		

**Gail Borden Public Library District  
Capital Projects Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the year ended June 30, 2012**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Revenues:</b>			
Interest Income	\$ 1	\$ -	\$ 1
	1	-	1
 <b>Expenditures:</b>			
Capital Expenditures	-	44,300	44,300
	-	44,300	44,300
 Excess (deficiency) of revenues over (under) expenditures:	 1	 (44,300)	 44,301
 <b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	(44,300)	-	(44,300)
Total Other Financing Sources (Uses):	(44,300)	-	(44,300)
 Net Change in Fund Balance	 (44,299)	 (44,300)	 1
 Fund balance, July 1, 2011	 44,299		
 Fund balance, June 30, 2012	 \$ -		

## **Statistical Section**



**Gail Borden Public Library District**  
**Assessed Valuation and Tax Rates**  
**June 30, 2012**

<b>Tax Year Levy</b>	2011	2010	2009	2008	2007
Assessed Valuation	3,246,462,602	3,581,824,783	3,640,709,406	3,575,105,931	3,279,827,876
<b>Levies by Fund</b>					
Corporate (General)	0.2661	0.2346	0.2399	0.2342	0.2486
Illinois Municipal Retirement	0.0194	0.0184	0.0155	0.0147	0.0149
Social Security	0.0120	0.0103	0.0099	0.0094	0.0094
Audit	0.0004	0.0004	0.0003	0.0003	0.0004
Building and Equipment	0.0174	0.0150	0.0139	0.0106	0.0107
Liability Insurance	0.0038	0.0034	0.0031	0.0032	0.0037
Bond and Interest	0.0767	0.0656	0.0578	0.0534	0.0552
	<u>0.3958</u>	<u>0.3477</u>	<u>0.3404</u>	<u>0.3258</u>	<u>0.3429</u>
Combined (Blended) Cook and Kane County Tax Rates					
<b>Tax Year Levy</b>	2006	2005	2004	2003*	2002*
Assessed Valuation	3,102,029,435	2,663,449,581	2,386,280,401	2,245,667,452	2,010,333,851
<b>Levies by Fund</b>					
Corporate (General)	0.2341	0.2300	0.2552	0.2600	0.2600
Illinois Municipal Retirement	0.0140	0.0154	0.0151	0.0150	0.0145
Social Security	0.0100	0.0109	0.0121	0.0126	0.0130
Audit	0.0004	0.0005	0.0006	0.0005	0.0005
Building and Equipment	0.0128	0.0155	0.0176	0.0154	0.0192
Liability Insurance	0.0043	0.0051	0.0056	0.0044	0.0043
Bond and Interest	0.0602	0.0555	0.0571	0.0674	0.0735
	<u>0.3358</u>	<u>0.3329</u>	<u>0.3633</u>	<u>0.3753</u>	<u>0.3850</u>

\*These years only include Kane County information. Cook County records do not go back 10 years.