

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

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2011

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Board of Trustees
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 as of and for the year ended June 30, 2011, 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, 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.

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 25 through 27 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 statement 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.

A handwritten signature in black ink, appearing to read "Travis K. ... P.C." with a stylized flourish at the end.

Elgin, Illinois
September 23, 2011

**Gail Borden Public Library District
Management's Discussion and Analysis
For the Year Ended June 30, 2011**

The management discussion and analysis of the Gail Borden Public Library District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2011. Please review it in conjunction with the District's basic financial statements, which begin on page 9.

Financial Highlights

Total net assets decreased \$17,063,076 which represents a 25.9 percent decrease from 2010. General revenues accounted for \$12,992,992 in revenues or 95.9 percent of all revenues. Program specific revenues in the form of charges for services, and capital grants accounted for \$550,434 or 4.1 percent of all revenues. The District had \$29,196,417 in expenses related to governmental activities with \$550,434 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 Gail Borden Public Library District's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the District's 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 time of related cash flows. Thus, revenues and expense 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 function of the Gail Borden Public Library District that is principally supported by taxes.

Fund financial statements (found on pages 11-14 of this report) – A fund is grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Gail Borden Public Library 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 Gail Borden Public Library District are governmental funds.

**Gail Borden Public Library District
Management's Discussion and Analysis
For the Year Ended June 30, 2011**

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 statement 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 assets and changes in them. You can think of the District's net assets, 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 assets 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 2005 the District issued \$17,730,000 of refunding bonds for the purpose of refunding a portion of two previous bond issues. (Series A and Series B 2000). However, due to call restrictions on the previously issued bonds, they will not be paid off until 2011. Therefore, the proceeds from the refunding bond issue have been invested in state and local EFT's with the interest income being used to service the debt on the bonds (See Note 5 of the accompanying notes to financial statements). The Series A and Series B 2000 bonds were paid off in 2011.

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

**Gail Borden Public Library District
Management's Discussion and Analysis
For the Year Ended June 30, 2011**

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 Assets and the Statement of Activities) and governmental funds in a reconciliation following the fund 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 governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 15 to 24 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 28-42 of this report.

The District as a Whole

The District's total net assets decreased substantially from a year ago, decreasing from 61.7 million to 48.7 million. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

Table 1
Net Assets (in Millions)

	<u>2011</u>	<u>2010</u>		<u>2011</u>	<u>2010</u>
Current and other assets	16.4	49.4	Net assets:		
Long term receivables	21.8	19.1	Invested in capital		
Capital assets	34.2	34.8	assets	34.2	34.8
Total assets	<u>72.4</u>	<u>103.3</u>	Restricted	1.3	17.2
			Unrestricted	13.2	9.7
Other liabilities	1.9	18.4	Total net assets	<u>48.7</u>	<u>61.7</u>
Long-term obligations	21.8	23.2			
Total Liabilities	<u>23.7</u>	<u>41.6</u>			

Net assets of the District's activities decreased 25.9 percent or \$17,063,076 due to debt service repayment. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased \$54,771 during the year.

**Gail Borden Public Library District
Management's Discussion and Analysis
For the Year Ended June 30, 2011**

Table 2 compares the 2011 change in net assets to the 2010 change in net assets.

Table 2
Changes in Net Assets for 2011
Compared with 2010 activity
(in thousands)

	2011	2010	Change
Program Revenues:			
Charges for services	\$ 284.8	\$ 250.4	\$ 34.4
Capital grants	265.6	151.8	113.8
General Revenues:			
General Revenues	12,993.0	12,255.3	737.7
Total Revenues	<u>\$ 13,543.4</u>	<u>\$ 12,657.5</u>	<u>\$ 885.9</u>
Program Expenses			
General government	\$ 29,196.4	\$ 11,888.3	\$ (17,308.1)
Interest of long-term debt	1,410.1	1,923.3	513.2
Total Expenses	<u>30,606.5</u>	<u>13,811.6</u>	<u>(16,794.9)</u>
Increase (decrease) in net assets	<u>\$ (17,063.1)</u>	<u>\$ (1,154.1)</u>	<u>\$ (15,909.0)</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)

	2011	2010	Change
General	\$ 7,108.2	\$ 5,026.6	\$ 2,081.6
Bond and interest	697.6	17,230.9	(16,533.3)
Building and equipment fund	198.3	185.6	12.7
Capital project fund	44.3	44.3	-
Working cash	1,361.3	1,361.3	-
Social security	143.1	112.1	31.0
Illinois Municipal Retirement Fund	23.1	(14.2)	37.3
Nonmajor funds	410.9	684.3	(273.4)
Total Governmental Balances	<u>\$ 9,986.8</u>	<u>\$ 24,630.9</u>	<u>\$ (14,644.1)</u>

The increase in the General Fund resulted from collection of revenues of \$10,824,239 to pay expenditures of \$8,742,657 due to cost containment. The decrease in the bond and interest fund is due to the repayments of Series 2000 A and Series 2000 B Bonds. The overall position of the District deteriorated due to the bond repayments.

**Gail Borden Public Library District
Management's Discussion and Analysis
For the Year Ended June 30, 2011**

Table 4
Total Governmental Fund Revenues
(in thousands)

Revenue Source	2011 Amount	Percent of total	Increase (decrease) over 2010	Percent increase (decrease)
Intergovernmental	\$ 14,505.9	94.1%	2,355.0	19.4
Charges for services	299.5	1.9%	13.4	4.7
Investment earnings	327.1	2.1%	(327.1)	(50.0)
Grants and donations	265.6	1.7%	113.8	75.0
Other	17.8	0.1%	(21.5)	54.7
Total	\$ <u>15,415.9</u>	100.0%	<u>2,133.6</u>	

Capital Assets

The Gail Borden Public Library District's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$34,220,823 (net of accumulated depreciation). The investment in capital assets includes land, buildings, equipment, computers and book and library materials. The total decrease in Gail Borden Public Library District's investment in capital assets for the current fiscal year was 1.68%. 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 Gail Borden Public Library District has several general obligation bonds due dates ranging from 2011 through 2021. The District made principal payments of \$17,830,000 on current portions of bonds due during the year. These principal payments paid off two bonds during the year. Interest expense was \$1,453,174 for the year ended June 30, 2011. 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, 2011**

Budgetary Highlights

The increase in intergovernmental earnings resulted in an increase in grants received for the year ended June 30, 2011. 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	\$ 8,687.8	10,262.4	1,574.6
Charges for services	296.0	299.5	3.5
Investment earnings	6.8	7.5	0.7
Grants and donations	160.0	237.1	77.1
All other	52.0	17.8	(34.2)
Expenditures:			
Total general government	11,299.2	8,742.7	2,556.5

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 Assets
June 30, 2011

Assets	<u>Governmental Activities</u>
Current Assets:	
Cash	\$ 985,374
Investments, at market value	7,672,802
Property tax receivable	6,330,675
Other receivables	48,491
Current portion of long-term receivables	1,345,000
Total Current Assets	<u>16,382,342</u>
Non-Current Assets:	
Long-term receivables-amount to be provided for payment of general obligation bonds	21,822,358
Land, buildings and equipment net of accumulated depreciation of \$7,467,001	34,220,823
Total Non-Current Assets	<u>56,043,181</u>
Total Assets	<u>\$ 72,425,523</u>
 Liabilities and Net Assets 	
Current Liabilities:	
Accounts payable	218,573
Accrued expenses, including accrued interest of \$41,567	323,458
Current portion of long-term debt	1,345,000
Total Current Liabilities	<u>1,887,031</u>
Non-Current Liabilities:	
General obligation bonds payable, net of current portion of long-term debt, including bond premium of \$72,358	<u>21,822,358</u>
Total Liabilities	<u>23,709,389</u>
Net Assets:	
Invested in capital assets net of related debt	34,220,823
Restricted for:	
Capital projects	44,299
Debt service	697,577
District's audit cost	9,027
Insurance premium	128,717
Equipment repairs and acquisition	198,272
Other purpose	43,597
Retirement fund obligations	23,109
Social security tax obligations	143,065
Unrestricted	<u>13,207,648</u>
Total Net Assets	<u>\$ 48,716,134</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, 2011

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue and Changes in Net Assets
Primary Governments:					
General Government Activities	\$ 29,196,417	\$ 284,786	\$ 265,648	\$ -	\$ (28,645,983)
Interest on Long-Term Debt	1,410,085	-	-	-	(1,410,085)
Total Primary Government	30,606,502	284,786	265,648	-	(30,056,068)
General Revenues:					
Property Taxes					12,472,929
Replacement Taxes					160,519
Interest Income					327,054
Developer Fees					14,712
Miscellaneous					17,778
Total General Revenues					12,992,992
Change in Net Assets					(17,063,076)
Net Assets-Beginning					61,727,487
Prior Period Adjustment					4,051,723
Beginning Balance Restated					65,779,210
Net Assets-Ending					\$ 48,716,134

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

Gail Borden Public Library District
Balance Sheet - Governmental Funds
June 30, 2011

	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
Assets									
Cash	\$ 10,324,446	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,933	\$ 247,240	\$ 10,613,619
Investments, at market value	-	2,198,646	2,481,214	1,361,346	2,889,484	1,922,455	2,366	843,513	11,699,024
Property tax receivable	4,311,652	1,125,579	284,612	-	343,712	192,443	-	72,677	6,330,675
Other receivable	21,790	-	-	-	701	-	-	26,000	48,491
Total Assets	\$ 14,657,888	\$ 3,324,225	\$ 2,765,826	\$ 1,361,346	\$ 3,233,897	\$ 2,114,898	\$ 44,299	\$ 1,189,430	\$ 28,691,809
Liabilities									
Fund Balance Liabilities:									
Excess of checks written over bank balance	\$ 4,026,222	\$ 1,817,136	\$ 2,314,956	\$ -	\$ 2,963,760	\$ 1,814,093	\$ -	\$ 718,300	\$ 13,654,467
Accounts payable	162,136	525	48,044	-	-	-	-	7,868	218,573
Accrued expenses	262,489	-	-	-	-	19,402	-	-	281,891
Deferred revenue	3,098,873	808,987	204,554	-	247,028	138,338	-	52,278	4,550,058
Total Liabilities	\$ 7,549,720	\$ 2,626,648	\$ 2,567,554	\$ -	\$ 3,210,788	\$ 1,971,833	\$ -	\$ 778,446	\$ 18,704,989
Fund Balance	\$ 17,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,597
Nonspendable:									
Restricted for:									
Capital projects	-	-	-	-	-	-	44,299	-	44,299
Debt Service	-	697,577	-	-	-	-	-	-	697,577
District's audit cost	-	-	-	-	-	-	-	9,027	9,027
Insurance premium	-	-	-	-	-	-	-	128,717	128,717
Equipment repairs and acquisition	-	-	198,272	-	-	-	-	-	198,272
Other purpose	-	-	-	-	-	-	-	26,000	26,000
Retirement fund obligations	-	-	-	-	23,109	-	-	-	23,109
Social security tax obligations	-	-	-	-	-	143,065	-	-	143,065
Committed for:									
Assigned to:									
Capital projects	-	-	-	1,361,346	-	-	-	-	1,361,346
Physical plant expansion	-	-	-	-	-	-	-	178,877	178,877
Unassigned	7,090,571	-	-	-	-	-	-	68,363	7,158,934
Total Fund Balance	\$ 7,108,168	\$ 697,577	\$ 198,272	\$ 1,361,346	\$ 23,109	\$ 143,065	\$ 44,299	\$ 410,984	\$ 9,986,820
Total Liabilities and Fund Balance	\$ 14,657,888	\$ 3,324,225	\$ 2,765,826	\$ 1,361,346	\$ 3,233,897	\$ 2,114,898	\$ 44,299	\$ 1,189,430	\$ 28,691,809

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, 2011

	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
Revenues:									
Property taxes	\$ 10,107,375	\$ 2,433,123	\$ 566,205	\$ -	\$ 668,408	\$ 419,593	\$ -	\$ 150,667	\$ 14,345,371
Replacement taxes	155,013	-	-	-	5,506	-	-	-	160,519
Charge for services	299,498	-	-	-	-	-	-	-	299,498
Interest income	7,491	318,908	-	-	-	-	3	652	327,054
Grants and donations	237,084	-	-	-	-	-	-	28,564	265,648
Other	17,778	-	-	-	-	-	-	-	17,778
Total Revenue	<u>10,824,239</u>	<u>2,752,031</u>	<u>566,205</u>	<u>-</u>	<u>673,914</u>	<u>419,593</u>	<u>3</u>	<u>179,883</u>	<u>15,415,868</u>
Expenditures:									
Current:									
General Government	8,155,976	2,191	519,990	-	636,558	388,598	-	453,221	10,156,534
Capital Outlay	586,681	-	33,546	-	-	-	-	-	620,227
Debt Service:									
Principal	-	17,830,000	-	-	-	-	-	-	17,830,000
Interest	-	1,453,147	-	-	-	-	-	-	1,453,147
Total Expenditures	<u>8,742,657</u>	<u>19,285,338</u>	<u>553,536</u>	<u>-</u>	<u>636,558</u>	<u>388,598</u>	<u>-</u>	<u>453,221</u>	<u>30,059,908</u>
Excess (deficiency) of revenues over (under) expenditures:	2,081,582	(16,533,307)	12,669	-	37,356	30,995	3	(273,338)	(14,644,040)
Other Financing Sources (Uses):									
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balance	2,081,582	(16,533,307)	12,669	-	37,356	30,995	3	(273,338)	(14,644,040)
Fund Balance, beginning	5,026,586	17,230,884	185,603	1,361,346	(14,247)	112,070	44,296	684,322	24,630,860
Fund Balance, ending	<u>\$ 7,108,168</u>	<u>\$ 697,577</u>	<u>\$ 198,272</u>	<u>\$ 1,361,346</u>	<u>\$ 23,109</u>	<u>\$ 143,065</u>	<u>\$ 44,299</u>	<u>\$ 410,984</u>	<u>\$ 9,986,820</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 Revenue, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
For the year ended June 30, 2011

Net change in governmental fund balance \$ (14,644,040)

Amounts reported in governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 485,721

Property tax revenue on a full accrual basis that is deferred on the modified accrual basis in the statement of revenue and expenditures. (1,872,442)

Depreciation of capital assets is not an expenditure in the governmental funds report. (1,070,261)

Interest accrued on general obligation bonds is not an expenditure in the governmental funds statement. 37,946

Transfer of long-term receivables related to payment on bonds is not an expenditure in the government fund report. (17,835,116)

Amortization of bond premiums is not revenue in the governmental funds statement. 5,116

Principal payments on bonds is an expenditure in the government fund report. 17,830,000

Change in net assets of governmental activities \$ (17,063,076)

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, 2011

Note 1 – Statement of Significant Accounting Policies

The significant accounting policies followed by the Library 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 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 equity, revenues, and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which spending activities are controlled. The funds of the District are grouped, in the financial statements in this report 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 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, 2011

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 Library.

Government-wide fund financial statements:

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) 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 of a given function or segment is 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, 2011

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, 2011

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 (2010) 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 vacations 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, 2011

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 \$462,521 for the year ended June 30, 2011 these are reflected as expenditures in the Governmental Funds. Depreciation expenses as reflect in the statement of activities for the year ended June 30, 2011 was \$1,070,261.

Fund Equity:

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, 2011

Note 1 – Statement of Significant Accounting Policies (continued)

Nonspendable fund balance - amounts that are not in 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).

Note 2 – Pension Plan

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.

**Gail Borden Public Library District
Notes to the Financial Statements
June 30, 2011**

Note 2- Pension Plan (Continued)

As set by statute, your 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 contribution rate for the calendar year 2010 used by the employer was 14.28 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 14.92 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.

For the calendar year ending December 31, 2010, the employer's actual contributions for pension cast for the Regular were \$621,244. Its required contribution for calendar year 2010 was \$649,087.

Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	649,087	96%	27,843
12/31/2009	560,523	100%	0
12/31/2008	550,008	100%	0

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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 your 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% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

As of December 31, 2010 the most recent actuarial valuation date, the Regular plan was 61.01 percent funded. The actuarial accrued liability for benefits was \$11,099,447 and the actuarial value of assets was \$6,771,627, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,327,820. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$4,350,448 and the ratio of the UAAL to the covered payroll was 99 percent.

Gail Borden Public Library District
Notes to the Financial Statements
June 30, 2011

Note 2- Pension Plan (Continued)

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, 2011 consist of the following less petty cash amount of \$2,676:

	<u>Bank Balances</u>	<u>Carrying Amount</u>
Checking accounts	\$ 1,105,060	\$ 982,692
Savings accounts	5	5
	\$ 1,105,065	\$ 982,697

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

Investments

The investments of \$7,672,802 represent deposits with the State of Illinois Public Treasurers Pool of \$7,672,802 at fair market value.

As of June 30, 2011, the District has the following investments:

<u>Investment Type</u>	<u>Market Value</u>
State Treasurer's investment pool	7,672,802
Total Market Value	7,672,802

Gail Borden Public Library District
Notes to the Financial Statements
June 30, 2011

Note 4 – Land, Building and Equipment

	Governmental Activities			
	Balance July 1, 2010	Additions	Deletions/ Retirement	Balance June 30, 2011
Non-depreciable:				
Land	\$ 1,767,516	-	-	1,767,516
Depreciable:				
Buildings and improvements	34,431,222	354,957	-	34,786,179
Equipment	1,026,924	26,688	-	1,053,612
Computer	1,331,509	249,002	(23,200)	1,557,311
Books & library materials	2,668,133	472,942	(617,868)	2,523,207
Accumulated depreciation	(6,419,941)	(1,070,261)	23,200	(7,467,002)
Total Fixed Assets	\$ 34,805,363	33,328	(617,868)	34,220,823

A summary of changes in the Fixed Assets is as follows: Building acquisitions of \$354,957 represent expenditures through June 30, 2011 for finalizing the new branch library built on the west end of the District.

Note 5 – Bonds Payable

During the year ended June 30, 2001, a tax referendum was passed by the voters of the Library 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.

Three separate series of bonds were issued:

Series A	\$ 10,000,000
Series B	10,000,000
Series 2002	4,000,000
	\$ 24,000,000

During the year ended June 30, 2005 the District issued a refunding bond series (Series 2005) for \$17,730,000. The proceeds from this bond issue have been invested in state and local government – EFT's that have due dates from 2010 through 2011. These EFT's were used during the year to repay the Series A and Series B Bonds that came due.

The purpose of this refunding bond issue is to refund a portion of the 2000 Series A bond issue (\$5,850,000) and all of the 2000 Series B bond issue (\$10,000,000) due after December 15, 2010 which took place during the year ended June 30, 2011.

**Gail Borden Public Library District
Notes to the Financial Statements
June 30, 2011**

Note 5 – Bonds Payable (continued)

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.

A summary of the bonds outstanding at June 30, 2011 are as follows:

	Series 2002		Series 2005		Series 2005 A	
	Principal	Interest	Principal	Interest	Principal	Interest
12/15/2011	200,000	70,750	900,000	366,249	245,000	61,805
6/15/2012	-	66,050	-	348,249	-	57,273
12/15/2012	200,000	66,050	1,070,000	348,249	265,000	57,273
6/15/2013	-	61,350	-	321,499	-	52,238
12/15/2013	150,000	61,350	1,270,000	321,499	285,000	52,238
6/15/2014	-	57,825	-	289,749	-	46,538
12/15/2014	150,000	57,825	1,475,000	289,749	290,000	46,538
6/15/2015	-	54,300	-	257,299	-	40,375
12/15/2015	200,000	54,300	1,615,000	257,299	300,000	40,375
6/15/2016	-	49,600	-	216,924	-	34,000
12/15/16-12/15/21	2,050,000	398,600	10,830,000	1,178,771	1,600,000	172,124
Total	\$ 2,950,000	998,000	17,160,000	4,195,536	2,985,000	660,777

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, 2010 was \$40,925,000. Principal payments of \$17,830,000 were made throughout the June 30, 2011 fiscal year. The total principal bond liability at June 30, 2011 is \$23,095,000.

Gail Borden Public Library District
Notes to the Financial Statements
June 30, 2011

Note 6 – Risk Management

The Library 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 Library 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 7 – Prior Period Adjustment

Adjustments were made to the prior period to correct the fund balance account in the Bond and Interest Fund.

Note 8 – 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, 2011

	Actual	Original and Final Budget	Variance to Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenue:			
Property taxes	\$ 10,107,375	\$ 8,540,797	\$ 1,566,578
Replacement taxes	155,013	147,000	8,013
Charges for services	299,498	296,000	3,498
Investment earnings	7,491	6,800	691
Grants and Donations	237,084	160,000	77,084
Other	17,778	52,000	(34,222)
Total Revenue	<u>10,824,239</u>	<u>9,202,597</u>	<u>1,621,642</u>
Expenditures:			
Current:			
General government			
Personnel services	5,934,676	7,256,630	1,321,954
Contractual services	1,067,984	1,412,980	344,996
Supplies	109,767	168,360	58,593
Grant	-	350,000	350,000
Materials	1,043,549	1,279,590	236,041
Capital outlay	586,681	831,600	244,919
Total Expenditures	<u>8,742,657</u>	<u>11,299,160</u>	<u>2,556,503</u>
Other Financing Activities			
Transfers Out	-	(153,600)	(153,600)
Net Change in Fund Balance	<u>\$ 2,081,582</u>	<u>\$ (2,250,163)</u>	<u>\$ 4,331,745</u>

The Accompanying Notes to the Required Supplementary Information are 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, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability ---Entry Age (b)	Unfunded AAL (U/AAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	U/AAL as a Percentage of Covered Payroll ((b-a)/c)
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%
12/31/2008	5,863,261	9,795,800	3,932,539	59.85	4,014,655	97.95%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$7,272,904.
On a market basis, the funded ratio would be 65.52%.

Gail Borden Public Library District
Note to Required Supplementary Information
June 30, 2011

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 Sheet - Other Governmental Funds
June 30, 2011

	Special Revenue Funds				Total Other Governmental Funds
	Audit Fund	Liability and Risk Fund	Building Reserve Fund	Gift Fund	
Assets					
Cash	-	-	\$ 178,877	\$ 68,363	\$ 247,240
Investments, at market value	76,251	767,262	-	-	843,513
Property tax receivable	6,585	66,092	-	-	72,677
Other receivables	-	-	-	26,000	26,000
Other assets	-	-	-	-	-
Total Assets	\$ 82,836	\$ 833,354	\$ 178,877	\$ 94,363	\$ 1,189,430
Liabilities					
Liabilities:					
Excess of checks written over bank balance	\$ 69,053	\$ 649,247	\$ -	\$ -	\$ 718,300
Accounts payable	-	7,868	-	-	7,868
Deferred revenue	4,756	47,522	-	-	52,278
Total Liabilities	73,809	704,637	-	-	778,446
Fund Balances					
Nonspendable:	-	-	-	-	-
Restricted for:					
District's audit cost	9,027	-	-	-	9,027
Insurance premiums	-	128,717	-	-	128,717
Other purpose	-	-	-	26,000	26,000
Committed for:	-	-	-	-	-
Assigned to:					
Physical plant expansion	-	-	178,877	-	178,877
Unassigned	-	-	-	68,363	68,363
Total Fund Balance	9,027	128,717	178,877	94,363	410,984
Total Liabilities and Fund Balance	\$ 82,836	\$ 833,354	\$ 178,877	\$ 94,363	\$ 1,189,430

Gail Borden Public Library District
Statement of Revenues, Expenditures and Changes
in Fund Balances - Other Governmental Funds
For the year ended June 30, 2011

	Special Revenue Funds				Total Other Governmental Funds
	Audit Fund	Liability Insurance Fund	Building Reserve Fund	Gift Fund	
Revenues:					
Property taxes	\$ 14,797	\$ 135,870	\$ -	\$ -	\$ 150,667
Interest income	-	-	555	97	652
Grants and donations	-	-	-	28,564	28,564
Total Revenue	<u>14,797</u>	<u>135,870</u>	<u>555</u>	<u>28,661</u>	<u>179,883</u>
Expenditures:					
Current:					
General government	14,000	136,572	287,694	14,955	453,221
Total Expenditures	<u>14,000</u>	<u>136,572</u>	<u>287,694</u>	<u>14,955</u>	<u>453,221</u>
Net Change in Fund Balance	797	(702)	(287,139)	13,706	(273,338)
Fund Balance-beginning	<u>8,230</u>	<u>129,419</u>	<u>466,016</u>	<u>80,657</u>	<u>684,322</u>
Fund Balance-ending	<u>\$ 9,027</u>	<u>\$ 128,717</u>	<u>\$ 178,877</u>	<u>\$ 94,363</u>	<u>\$ 410,984</u>

**Gail Borden Public Library District
General Fund
Statement of Revenue, Expenditures (and Comparison
with Budget), and Changes in District Equity
For the year ended June 30, 2011**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance to Final Budget</u>
Revenue:			
Property taxes, 2010 levy less provision for uncollectibles of \$44,000	\$ 10,107,375	\$ 8,540,797	\$ 1,566,578
State income taxes (personal property replacement taxes)	155,013	147,000	8,013
Fines, gifts, grants, interest and other income	561,851	514,800	47,051
 Total Revenue	 <u>10,824,239</u>	 <u>9,202,597</u>	 <u>1,621,642</u>
Expenditures:			
Personnel services	5,934,676	7,256,630	1,321,954
Contractual services	1,067,984	1,412,980	344,996
Supplies	109,767	168,360	58,593
Material	1,043,549	1,279,590	236,041
Capital improvements	586,681	831,600	244,919
Grant	-	350,000	350,000
	<u>8,742,657</u>	<u>11,299,160</u>	<u>2,556,503</u>
Other Financing Activities:			
Transfers out	-	(153,600)	153,600
 Net Change in Fund Balance	 2,081,582	 <u>\$ (2,250,163)</u>	 <u>\$ 4,331,745</u>
 District equity, July 1, 2010	 5,026,586		
 District equity, June 30, 2011	 <u>\$ 7,108,168</u>		

Gail Borden Public Library District
General Fund
Statement of Expenditures
(and Comparison with Budget)
For the year ended June 30, 2011

	Actual	Original and Final Budget	Variance to Final Budget
Personnel services:			
Salaries	\$ 5,230,723	\$ 6,403,993	\$ 1,173,270
Employee insurance	703,953	852,637	148,684
	<u>5,934,676</u>	<u>7,256,630</u>	<u>1,321,954</u>
Contractual services:			
Utilities	365,397	482,800	117,403
Communications	29,187	66,480	37,293
Collection agency	6,444	8,100	1,656
Newspaper publications/Public relations	12,780	11,000	(1,780)
Public Relations	66,555	81,600	15,045
Consultant services	98,567	130,000	31,433
Programming	30,229	43,200	12,971
Printing	15,282	30,000	14,718
Copier lease maintenance	29,044	38,400	9,356
Binding	13,943	12,000	(1,943)
Material processing services	30,349	120,720	90,371
Computer maintenance	170,645	166,200	(4,445)
Small equipment maintenance	15,211	21,960	6,749
Vehicle maintenance	4,772	4,800	28
Payroll processing	7,420	9,600	2,180
Continuing education	55,449	68,400	12,951
Contingency	14,348	12,000	(2,348)
Dues and membership	11,317	14,400	3,083
Delivery of materials	20,953	12,000	(8,953)
Computer on-line services	70,092	79,320	9,228
	<u>1,067,984</u>	<u>1,412,980</u>	<u>344,996</u>
Supplies:			
Office supplies	33,505	52,800	19,295
Library supplies	27,209	51,600	24,391
Consumable supplies	43,659	56,760	13,101
Miscellaneous supplies	5,394	7,200	1,806
	<u>109,767</u>	<u>168,360</u>	<u>58,593</u>
Materials:			
Books	517,825	678,720	160,895
Periodicals	35,505	43,800	8,295
Audio visual materials	276,501	314,400	37,899
Microfilm	19,756	30,000	10,244
Electronic media	193,962	212,670	18,708
	<u>1,043,549</u>	<u>1,279,590</u>	<u>236,041</u>
Grant Expenditures	-	350,000	350,000
Capital improvements	586,681	831,600	244,919
Total expenditures	<u>\$ 8,742,657</u>	<u>\$ 11,299,160</u>	<u>\$ 2,556,503</u>

**Gail Borden Public Library District
 Illinois Municipal Retirement Fund
 Statement of Revenue, Expenditures (and Comparison
 with Budget), and Changes in District Equity
 For the year ended June 30, 2011**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance to Final Budget</u>
Revenue:			
Property taxes, 2010 levy less provision for uncollectibles of \$3,500	\$ 668,408	\$ 541,983	\$ 126,425
State income taxes (personal property replacement taxes)	5,506	4,500	1,006
Total Revenue	<u>673,914</u>	<u>546,483</u>	<u>127,431</u>
Expenditures:			
Library's contribution to retirement fund	636,558	768,296	131,738
	<u>636,558</u>	<u>768,296</u>	<u>131,738</u>
Other Financing Sources:			
Transfers in	<u>-</u>	<u>128,000</u>	<u>(128,000)</u>
Net Change in Fund Balance	37,356	<u><u>\$ (93,813)</u></u>	<u><u>\$ 131,169</u></u>
District equity, July 1, 2010	<u>(14,247)</u>		
District equity, June 30, 2011	<u><u>\$ 23,109</u></u>		

**Gail Borden Public Library District
Social Security Fund
Statement of Revenue, Expenditures (and Comparison
with Budget), and Changes in District Equity
For the year ended June 30, 2011**

	Actual	Original and Final Budget	Variance to Final Budget
Revenue:			
Property taxes, 2010 levy less provision for uncollectibles of \$2,000	\$ 419,593	\$ 346,325	\$ 73,268
Expenditures:			
Library's contribution to social security fund	388,598	487,200	98,602
Net Change in Fund Balance	30,995	\$ (140,875)	\$ 171,870
District equity, July 1, 2010	112,070		
District equity, June 30, 2011	\$ 143,065		

**Gail Borden Public Library District
Working Cash Fund
Statement of Revenue, Expenditures (and Comparison
with Budget), and Changes in District Equity
For the year ended June 30, 2011**

	Actual	Original and Final Budget	Variance to Final Budget
Revenue:			
Interest income	\$ -	\$ -	\$ -
Expenditures:			
None	-	-	-
Net Change in Fund Balnce	-	<u>\$ -</u>	<u>\$ -</u>
District equity, July 1, 2010	<u>1,361,346</u>		
District equity, June 30, 2011	<u>\$ 1,361,346</u>		

**Gail Borden Public Library District
Liability Insurance Fund
Statement of Revenue, Expenditures (and Comparison
with Budget), and Changes in District Equity
For the year ended June 30, 2011**

	Actual	Original and Final Budget	Variance to Final Budget
Revenue:			
Property taxes, 2010 levy less provision for uncollectibles of \$700	\$ 135,870	\$ 111,471	\$ 24,399
Total Revenue	135,870	111,471	24,399
Expenditures:			
Liability insurance:			
General insurance	50,881	75,000	24,119
Employer insurance	32,983	35,640	2,657
Risk management	52,708	54,000	1,292
	136,572	164,640	28,068
Net Change in Fund Balance	(702)	\$ (53,169)	\$ 52,467
District equity, July 1, 2010	129,419		
District equity, June 30, 2011	\$ 128,717		

**Gail Borden Public Library District
Audit Fund
Statement of Revenue, Expenditures (and Comparison
with Budget), and Changes in District Equity
For the year ended June 30, 2011**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance to Final Budget</u>
Revenue:			
Property taxes, 2010 levy less provision for uncollectibles of \$100	\$ 14,797	\$ 11,964	\$ 2,833
Expenditures:			
Audit fees	14,000	16,560	2,560
Net Change in Fund Balance	797	\$ (4,596)	\$ 5,393
District equity, July 1, 2010	8,230		
District equity, June 30, 2011	\$ 9,027		

Gail Borden Public Library District
Building and Equipment Fund
Statement of Revenue, Expenditures (and Comparison
with Budget), and Changes in District Equity
For the year ended June 30, 2011

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance to Final Budget</u>
Revenue:			
Property taxes, 2010 levy less provision for uncollectibles of \$2,900	\$ 566,205	\$ 459,017	\$ 107,188
Total Revenue	<u>566,205</u>	<u>459,017</u>	<u>107,188</u>
Expenditures:			
Repairs and maintenance:			
Building and grounds	236,532	660,120	423,588
Heating/Cooling equipment	44,672	-	(44,672)
Other equipment	1,815	46,200	44,385
General cleaning service	168,299	-	(168,299)
Janitorial and maintenance supplies	45,801	-	(45,801)
Other building expense	18,474	-	(18,474)
Other equipment and furnishings	33,546	-	(33,546)
Contingency	4,397	21,600	17,203
	<u>553,536</u>	<u>727,920</u>	<u>174,384</u>
 Net Change in Fund Balance	 12,669	 \$ <u><u>(268,903)</u></u>	 \$ <u><u>281,572</u></u>
 District equity, July 1, 2010	 <u>185,603</u>		
 District equity, June 30, 2011	 \$ <u><u>198,272</u></u>		

**Gail Borden Public Library District
 Building Reserve Fund
 Statement of Revenue, Expenditures (and Comparison
 with Budget), and Changes in District Equity
 For the year ended June 30, 2011**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance to Final Budget</u>
Revenue:			
Interest income	\$ 555	\$ 400	\$ 155
Expenditures:			
Repairs and Maintenance	287,694	416,416	128,722
Net Change in Fund Balance	(287,139)	<u>(416,016)</u>	<u>128,877</u>
District equity, July 1, 2010	<u>466,016</u>		
District equity, June 30, 2011	<u>\$ 178,877</u>		

**Gail Borden Public Library District
 Gift Fund
 Statement of Revenue, Expenditures (and Comparison
 with Budget), and Changes in District Equity
 For the year ended June 30, 2011**

	Actual	Original and Final Budget	Variance to Final Budget
Revenue:			
Gifts received	\$ 97	\$ 300,000	\$ (299,903)
Interest Income	28,564	-	28,564
	28,661	300,000	(271,339)
Expenditures:			
Gift fund expenditures	14,955	370,000	355,045
	14,955	370,000	355,045
Net Change in Fund Balance	13,706	\$ <u><u>(70,000)</u></u>	\$ <u><u>83,706</u></u>
District equity, July 1, 2010	80,657		
District equity, June 30, 2011	\$ <u><u>94,363</u></u>		

Gail Borden Public Library District
Bond and Interest Fund
Statement of Revenue, Expenditures (and Comparison
with Budget), and Changes in District Equity
For the year ended June 30, 2011

	Actual	Original and Final Budget	Variance to Final Budget
Revenue:			
Property taxes, 2010 levy less provision for uncollectibles of \$11,500	\$ 2,433,123	\$ 2,202,577	\$ 230,546
Interest income	318,908	-	318,908
	2,752,031	2,202,577	549,454
 Expenditures:			
Bond principal paid and bond interest	19,283,147	2,814,370	(16,468,777)
Bank charges	2,191	-	(2,191)
	19,285,338	2,814,370	(16,470,968)
 Net Change in Fund Balance	(16,533,307)	\$ (611,793)	\$ (15,921,514)
 District equity, July 1, 2010	17,230,884		
 District equity, June 30, 2011	\$ 697,577		

**Gail Borden Public Library District
Capital Projects Fund
Statement of Revenue, Expenditures (and Comparison
with Budget), and Changes in District Equity
For the year ended June 30, 2011**

	Actual	Original and Final Budget	Variance to Final Budget
Revenue:			
Interest Income	\$ 3	\$ -	\$ 3
	3	-	3
 Expenditures:			
Capital Expenditures	-	44,297	44,297
	-	44,297	44,297
Net Change in Fund Balance	3	\$ (44,297)	\$ 44,300
District equity, July 1, 2010	44,296		
District equity, June 30, 2011	\$ 44,299		

Statistical Section

Gail Borden Public Library District
Assessed Valuation and Tax Rates
June 30, 2011

Tax Year Levy	2010	2009	2008	2007	2006
Assessed Valuation	3,581,824,783	3,640,709,406	3,575,105,931	3,279,827,876	3,102,029,435
Levies by Fund			Combined (Blended) Cook and Kane County Tax Rates		
Corporate (General)	0.2346	0.2399	0.2342	0.2486	0.2341
Illinois Municipal Retirement	0.0184	0.0155	0.0147	0.0149	0.0140
Social Security	0.0103	0.0099	0.0094	0.0094	0.0100
Audit	0.0004	0.0003	0.0003	0.0004	0.0004
Building and Equipment	0.0150	0.0139	0.0106	0.0107	0.0128
Liability Insurance	0.0034	0.0031	0.0032	0.0037	0.0043
Bond and Interest	0.0656	0.0578	0.0534	0.0552	0.0602
	<u>0.3476</u>	<u>0.3404</u>	<u>0.3258</u>	<u>0.3429</u>	<u>0.3358</u>
Tax Year Levy	2005	2004	2003*	2002*	2001*
Assessed Valuation	2,663,449,581	2,386,280,401	2,245,667,452	2,010,333,851	1,793,549,999
Levies by Fund			Combined (Blended) Cook and Kane County Tax Rates		
Corporate (General)	0.2300	0.2552	0.2600	0.2600	0.2600
Illinois Municipal Retirement	0.0154	0.0151	0.0150	0.0145	0.0151
Social Security	0.0109	0.0121	0.0126	0.0130	0.0145
Audit	0.0005	0.0006	0.0005	0.0005	0.0003
Building and Equipment	0.0155	0.0176	0.0154	0.0192	0.0200
Liability Insurance	0.0051	0.0056	0.0044	0.0043	0.0020
Bond and Interest	0.0555	0.0571	0.0674	0.0735	0.0871
	<u>0.3329</u>	<u>0.3633</u>	<u>0.3753</u>	<u>0.3850</u>	<u>0.3990</u>

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