

**Algonquin Area Public Library  
District, Illinois**

**Annual Financial Report**

**For the Year Ended  
June 30, 2011**

**Wolf & Company LLP**  
Certified Public Accountants

# ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

## Table of Contents

---

	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
Principal Officials	i
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3-6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	7
Statement of Activities	8
Fund Financial Statements	
Balance Sheet – Governmental Funds	9
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets	10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	13
Notes to the Financial Statements	14-24
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Analysis of Funding Progress Illinois Municipal Retirement Fund	25
<u>INDIVIDUAL FUND SCHEDULES</u>	
GENERAL FUND	
Schedule of Revenues – Budget and Actual	26
Schedule of Expenditures – Budget and Actual	27-29

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Table of Contents

---

	<u>PAGE</u>
<u>STATISTICAL SECTION</u>	
Schedule of Insurance in Force	30
Property Tax Assessed Valuations, Rates, and Extensions	31-32

## **INTRODUCTORY SECTION**

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Principal Officials  
June 30, 2011

---

BOARD OF TRUSTEES

Lynn Hammerlund, President

Joseph Stefani, Vice President

Erin Van Der Bosch, Secretary

Brian Schwarz, Treasurer

Patricia Pedretti, Trustee

Kent Sprague, Trustee

Amy Faubl, Trustee

ADMINISTRATION

Lynn Elam, Administrative Librarian

Louise Nee, Assistant Administrative Librarian

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**



INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees  
Algonquin Area Public Library District, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparison for the General Fund of the Algonquin Area Public Library District, Illinois (the 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 an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Algonquin Area Public Library District, Illinois as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund 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 the other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements a whole. The introductory section, individual fund budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund budgetary schedules 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, 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 introductory and statistical sections have 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.

*Wolf & Company LLP*

Oakbrook Terrace, Illinois  
November 7, 2011

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

**General Information**

The Algonquin Area Public Library was established as a Library District in 1962. The purpose of the District is to provide library services to the residents of the District. The District serves most of the Village of Algonquin, most of the Village of Lake in the Hills, and a small portion of the Village of Cary, as well as some unincorporated areas.

The Management's Discussion and Analysis is a required supplementary element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34. The purpose is to provide an overview of the financial activities of the Algonquin Area Public Library District on currently known facts, decisions, or conditions.

**Financial Highlights**

The Algonquin Area Public Library District's assets exceed its liabilities by \$2,596,540 as of the fiscal year ending June 30, 2011.

- Capital Assets of \$4,465,129 include land, buildings, vehicle, furniture and equipment, net of accumulated depreciation.
- Unrestricted Assets of \$3,406,055 are available to maintain the continuing operation of the Library.
- General Obligation Bonds outstanding are \$5,385,000 at June 30, 2011 with a current maturity of \$510,000.
- As a result of the current year operations, there was a positive change in Net Assets of \$250,497.

**Financial Analysis of the Algonquin Area Public Library District as a Whole**

Total Liabilities of \$11,695,244 include General Obligation Refunding Bonds (current and non-current), accounts payable, accrued liabilities, and deferred property tax revenue.

**Summary of Net Assets**

	June 30, 2011	Percent	June 30, 2010	Percent
	<u>Balances</u>	<u>of Total</u>	<u>Restated</u>	<u>of Total</u>
			<u>Balances</u>	
<b>Assets:</b>				
Current and Other Assets	\$ 9,826,655	69%	\$ 9,528,793	67%
Capital Assets	<u>4,465,129</u>	<u>31%</u>	<u>4,748,483</u>	<u>33%</u>
Total Assets	<u>14,291,784</u>	<u>100%</u>	<u>14,277,276</u>	<u>100%</u>
<b>Liabilities:</b>				
Current Liabilities	6,366,467	55%	6,118,973	52%
Non-current Liabilities	<u>5,328,777</u>	<u>45%</u>	<u>5,812,260</u>	<u>48%</u>
Total Liabilities	<u>11,695,244</u>	<u>100%</u>	<u>11,931,233</u>	<u>100%</u>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	(919,871)		(1,101,517)	
Restricted for Debt Service	110,356		110,325	
Unrestricted	<u>3,406,055</u>		<u>3,337,235</u>	
Total Net Assets	<u>\$ 2,596,540</u>		<u>\$ 2,346,043</u>	

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONT.)**

---

The data provided below is presented on the accrual basis of accounting. The following table summarizes the changes in the Algonquin Area Public Library District's total net assets for the fiscal years ending June 30, 2011 and 2010.

**Overview of the Statement of Activities**

	2010-11 <u>Amounts</u>	Percent <u>of Total</u>	2009-10 <u>Amounts</u>	Percent <u>of Total</u>
Expenses:				
Library Services				
Administration	\$ 3,271,522	61%	\$ 3,198,840	62%
Operating Services	782,143	15%	748,474	14%
Library Materials and Supplies	663,842	12%	676,410	13%
Miscellaneous	113,953	2%	11,465	1%
Interest	155,233	3%	167,033	3%
Depreciation	344,884	6%	367,644	7%
Total Expenses	<u>5,331,577</u>	<u>100%</u>	<u>5,169,866</u>	<u>100%</u>
Program Revenues:				
Fees, Fines and Other Charges for Service	<u>78,420</u>	1%	<u>75,565</u>	1%
General Revenues:				
Property Taxes	5,421,663	97%	5,364,896	97%
State Grants	40,377	1%	40,289	1%
Interest	7,517	0%	9,007	0%
Miscellaneous	34,097	1%	30,528	1%
Total General Revenues	<u>5,503,654</u>	<u>100%</u>	<u>5,444,720</u>	<u>100%</u>
Change in Net Assets	250,497		350,419	
Net Assets:				
Beginning of Year, as Restated	<u>2,346,043</u>		<u>2,470,357</u>	
End of Year	<u>\$ 2,596,540</u>		<u>\$ 2,820,776</u>	

**Revenue**

The Library receives 97% of its operating revenue from property taxes. Interest, grants, and fines and fees make up the remaining 3% of the Library's total revenue.

**Expenditures**

Personnel services are the largest portion of expenditures, totaling 61% of all expenditures. Personnel services include salaries, health insurance benefits, training and development, employee retirement and social security benefits. The remaining expenditures represent Library operating costs, purchases of Library materials, interest on General Obligation Bonds, and depreciation of the Library's capital assets.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONT.)**

---

**Variations Between Original and Final Budgets**

Actual amounts for revenue and expenditures in the General Fund were less than the original budgets for the fiscal year ending June 30, 2011.

**Capital Assets**

At the end of fiscal 2010, the Algonquin Area Public Library District had total capital assets (net of accumulated depreciation) of \$4,465,129, invested in computers and electronic devices, furniture and fixtures, and the building which houses the Library operations. (More detailed information about the District's capital assets is presented in Note 5 to the financial statements.)

**Capital Assets (Net of Accumulated Depreciation)**

	<i>Governmental Activities</i>	
	<u>2011</u>	<u>2010</u>
Land	\$ 180,968	\$ 180,968
Building and Improvements	5,941,634	5,941,634
Furniture and Equipment	<u>2,837,190</u>	<u>2,796,620</u>
Cost of Capital Assets	8,959,792	8,919,222
Less Accumulated Depreciation	<u>(4,494,663)</u>	<u>(4,170,739)</u>
Net Capital Assets	<u>\$ 4,465,129</u>	<u>\$ 4,748,483</u>

**Long-Term Debt**

The District maintains \$5,385,000 in long-term debt. In the current year, the District reduced its outstanding bonds by \$465,000. (More detailed information about the District's long-term debt is presented in Note 8 to the financial statements.)

**Economic Conditions**

The Algonquin Area Public Library District primarily operates on property taxes that are not affected by short-term economic conditions. However, the Library's property tax income is limited by a tax cap, which in the long term could affect income.

Tax rates have fluctuated over the past few years. General Obligation Refunding Bond principal and interest payments will be the primary variable in future tax rates.

**Conclusion**

The General Fund ended with an unassigned fund balance of \$2,651,278. Also included in the General Fund was a restricted fund balance of \$499,745 for special levies of the District and a nonspendable fund balance of \$29,199 for prepaid items. An increase in fund balance from current year operations of \$159,050 contributed to increases in each of these amounts. The Library has accumulated \$710,473 in a Special Reserve Fund for capital purposes.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (CONT.)**

---

**CONTACTING THE ALGONQUIN AREA PUBLIC LIBRARY DISTRICT'S ADMINISTRATION**

This financial report is designed to provide a general overview of the Algonquin Area Public Library District's finances, comply with finance related laws and regulations, and demonstrate the Library's commitment to public accountability. Questions about this report or the request for additional information should be sent to:

Lynn Elam  
Administrative Librarian  
Algonquin Area Public Library District  
2600 Harnish Drive  
Algonquin, IL 60102

## **BASIC FINANCIAL STATEMENTS**

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Net Assets

June 30, 2011

---

---

Assets	
Current Assets	
Cash and Investments	\$ 6,811,255
Receivables	
Property Taxes	2,864,554
Grant Receivable	40,377
Prepaid Expenses	29,199
Total Current Assets	<u>9,745,385</u>
Non-current Assets	
Capital Assets, Net of	
Accumulated Depreciation	4,465,129
Other Assets	
Deferred Charges, Net of Amortization	81,270
Total Noncurrent Assets	<u>4,546,399</u>
Total Assets	<u>14,291,784</u>
Liabilities	
Current Liabilities	
Accounts Payable	99,109
Accrued Payroll	66,379
Accrued Interest	61,714
Deferred Property Tax Revenue	5,578,846
General Obligation Bonds - Current	510,000
Compensated Absences - Current	50,419
Total Current Liabilities	<u>6,366,467</u>
Non-current Liabilities	
General Obligation Bonds	4,875,000
Compensated Absences	453,777
Total Non-current Liabilities	<u>5,328,777</u>
Total Liabilities	<u>11,695,244</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	(919,871)
Restricted for Debt Service	110,356
Unrestricted	<u>3,406,055</u>
Total Net Assets	<u>\$ 2,596,540</u>

See accompanying Notes to the Financial Statements.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Activities

Year Ended June 30, 2011

---

---

Expenses	
Library Services	
Administration	\$ 3,271,522
Operating Services	782,143
Library Materials and Supplies	663,842
Miscellaneous	113,953
Interest	155,233
Depreciation and Amortization	344,884
	<hr/>
Total Expenses	5,331,577
Program Revenues	
Fees, Fines and Other Charges for Service	78,420
	<hr/>
Net Program Expense	5,253,157
	<hr/>
General Revenues	
Property Taxes	5,421,663
State Grants	40,377
Interest	7,517
Miscellaneous	34,097
	<hr/>
Total General Revenues	5,503,654
	<hr/>
Change in Net Assets	250,497
Net Assets	
Beginning of Year (as restated)	2,346,043
	<hr/>
End of Year	\$ 2,596,540
	<hr/>

See accompanying Notes to the Financial Statements.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

June 30, 2011

ASSETS	General Fund	Special Reserve Fund	Bond and Interest Fund	Total
Cash and Investments	\$ 5,875,364	710,473	225,418	6,811,255
Receivables				
Property Taxes	2,526,246		338,308	2,864,554
Grant Receivable	40,377			40,377
Prepaid Items	29,199			29,199
Due from General Fund			205,509	205,509
<b>Total Assets</b>	<b>\$ 8,471,186</b>	<b>710,473</b>	<b>769,235</b>	<b>9,950,894</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	\$ 99,109			99,109
Accrued Liabilities	66,379			66,379
Deferred Property Taxes	4,919,967		658,879	5,578,846
Due to Bond and Interest Fund	205,509			205,509
<b>Total Liabilities</b>	<b>5,290,964</b>	<b>-</b>	<b>658,879</b>	<b>5,949,843</b>
Fund Balances				
Nonspendable				
Prepaid Items	29,199			29,199
Restricted				
Debt Service			110,356	110,356
Audit	19,725			19,725
Social Security	59,391			59,391
Illinois Municipal Retirement	2,955			2,955
Liability Insurance	13,918			13,918
Building Maintenance	403,756			403,756
Assigned				
Capital Projects		710,473		710,473
Unassigned	2,651,278			2,651,278
<b>Total Fund Balances</b>	<b>3,180,222</b>	<b>710,473</b>	<b>110,356</b>	<b>4,001,051</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,471,186</b>	<b>710,473</b>	<b>769,235</b>	<b>9,950,894</b>

See accompanying Notes to the Financial Statements.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets

June 30, 2011

---

---

Total Fund Balances - Governmental Funds	\$ 4,001,051
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,465,129
Deferred charges are amortized on the Statement of Activities, but were reported in the year in which they were incurred in the governmental funds.	81,270
General obligation bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.	(5,385,000)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(504,196)
Interest on long-term liabilities is shown as an expenditure when paid by governmental funds, but accrued in the Statement of Net Assets.	<u>(61,714)</u>
Net Assets of Governmental Activities	<u>\$ 2,596,540</u>

See accompanying Notes to the Financial Statements.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2011

	General Fund	Special Reserve Fund	Bond and Interest Fund	Total
<b>Revenues</b>				
Taxes	\$ 4,796,816		624,847	5,421,663
Fines	78,420			78,420
Intergovernmental	40,377			40,377
Investment Income	7,015		502	7,517
Miscellaneous	34,097			34,097
Total Revenues	4,956,725	-	625,349	5,582,074
<b>Expenditures</b>				
Personnel Services	3,242,059			3,242,059
Contractual Services	501,987			501,987
Supplies and Utilities	268,436			268,436
Library Materials	663,842			663,842
Miscellaneous	113,953			113,953
Capital Outlay	7,398	44,892		52,290
Debt Service				
Principal			465,000	465,000
Interest			160,318	160,318
Total Expenditures	4,797,675	44,892	625,318	5,467,885
Net Change in Fund Balances	159,050	(44,892)	31	114,189
<b>Fund Balances</b>				
July 1	3,021,172	755,365	110,325	3,886,862
June 30	\$ 3,180,222	710,473	110,356	4,001,051

See accompanying Notes to the Financial Statements.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2011

---

---

Net Change in Fund Balances - Total Governmental Funds	\$ 114,189
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital assets as an expenditure while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Capital expenditures	40,570
Depreciation expense	(323,924)
Debt service payments are reported as a reduction of a liability in governmental activities but are reported as an expenditure in the fund financial statements.	
Bond principal payments	465,000
Amortization of deferred charges	(20,960)
Interest on long-term debt is shown as a fund expenditure when paid, but is accrued in the Statement of Activities.	5,085
The increase in compensated absences does not require the use of current financial resources and, therefore, is not recorded in the governmental funds.	<u>(29,463)</u>
Change in Net Assets of Governmental Activities	<u>\$ 250,497</u>

See accompanying Notes to the Financial Statements.

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
Revenues			
Taxes	\$ 4,791,105	4,796,816	5,711
Fines	80,000	78,420	(1,580)
Intergovernmental	98,640	40,377	(58,263)
Investment Income	10,100	7,015	(3,085)
Miscellaneous	32,000	34,097	2,097
Total Revenues	<u>5,011,845</u>	<u>4,956,725</u>	<u>(55,120)</u>
Expenditures			
Current			
Personnel Services	3,600,000	3,242,059	(357,941)
Contractual Services	599,100	501,987	(97,113)
Supplies and Utilities	549,000	268,436	(280,564)
Library Materials	862,000	663,842	(198,158)
Miscellaneous	124,640	113,953	(10,687)
Capital Outlay	47,000	7,398	(39,602)
Total Expenditures	<u>5,781,740</u>	<u>4,797,675</u>	<u>(984,065)</u>
Net Change in Fund Balance	<u>\$ (769,895)</u>	159,050	<u>928,945</u>
Fund Balance			
July 1		<u>3,021,172</u>	
June 30		<u>3,180,222</u>	

See accompanying Notes to the Financial Statements.

## ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2011

---

### 1. Summary of Significant Accounting Policies

The Algonquin Area Public Library District, Illinois (District), primarily provides services to the residents, generally within the geographic boundaries of the Village of Algonquin as well as the Village of Lake in the Hills.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### A. Reporting Entity

The Algonquin Area Public Library District is governed by the Algonquin Public Library Board of Trustees. The Library District Board of Trustees selects management staff and directs the affairs of the District. As required by generally accepted accounting principles, the financial statements include all accounts of the District. Management has also considered all potential component units. Criteria for including a component unit in the District's reporting entity principally consist of the potential component unit's financial interdependency and accountability to the District. Based upon those criteria, there are no potential component units to be included in the reporting entity.

#### B. Government-wide and Fund Financial Statements

##### *Government-wide Financial Statements*

The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the District. Eliminations have been made to minimize the double-counting of internal activities. The financial activities of the District consist entirely of governmental activities, which are primarily supported by property taxes.

The Statement of Net Assets presents the District's assets and liabilities with the differences reported in three categories:

**Invested in Capital Assets, Net of Related Debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Assets** result when constraints placed on net assets use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. The District does not have any restricted net assets.

**Unrestricted Net Assets** represent net assets not appropriate for expenditures or legally segregated for a specific future use.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., Library Services) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Notes to the Financial Statements

June 30, 2011

I. Summary of Significant Accounting Policies (Cont.)

B. Government-wide and Fund Financial Statements (Cont.)

*Fund Financial Statements*

Governmental fund equity is classified as fund balance. Fund balance may further be classified as nonspendable, restricted, committed, assigned, and unassigned.

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance, if any, is constrained by formal actions of the District's Board, which is considered the District's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District through the approved fund balance policy of the District, if applicable. Any residual fund balance of the General Fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and then unassigned funds.

The following details the restricted fund balance during the year ended June 30, 2011 within the General Fund:

	Balance June 30, 2010	Property Tax Revenue	Expenditures	Balance June 30, 2011
Audit	\$ 20,291	5,524	6,090	19,725
Social Security	50,825	188,849	180,283	59,391
Illinois Municipal Retirement	1,882	287,419	286,346	2,955
Liability Insurance	20,322	41,451	47,855	13,918
Building Maintenance	390,680	268,792	255,716	403,756
	<u>\$ 484,000</u>	<u>792,035</u>	<u>776,290</u>	<u>499,745</u>

Separate financial statements are provided for governmental funds. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District has the following major governmental funds – General Fund, Special Reserve Fund and Bond and Interest Fund. The District's does not have any nonmajor funds.

## ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2011

---

### I. Summary of Significant Accounting Policies (Cont.)

#### B. Government-wide and Fund Financial Statements (Cont.)

##### *Fund Financial Statements (Cont.)*

The District administers the following major governmental funds:

**General Fund** – This is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Special Reserve Fund** – This fund is used to report costs of capital or of a non-recurring nature as the Board designates. As such, the fund equity is reported as Assigned. Funding is generally from excess funds within the General Fund. A budget was not adopted for this fund.

**Bond and Interest Fund** – This fund is used to account for the payments of principal and interest on the outstanding general obligation bonds. Funding is provided by a tax levy as required by Bond Ordinance, therefore the fund equity is Restricted for Debt Service on the bonds.

#### C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type activities are included in the Statement of Net Assets. Revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

All governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Payments for capital assets are reported as current expenditures, and such assets are not depreciated in the funds. Likewise, principal payments for long-term debt are shown as current expenditures in the funds. The District does not have any business-type activities.

#### D. Investments

Investments with a maturity of one year or less are stated at cost plus or minus amortized discount or premium. Investments with a maturity greater than one year are stated at fair value in accordance with GASB Statement No. 31.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Notes to the Financial Statements  
June 30, 2011

---

I. Summary of Significant Accounting Policies (Cont.)

E. Capital Assets

Capital assets which include land, land improvements, buildings, vehicles and furniture and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined as assets with an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

Land Improvements	15-20 years
Buildings	40 years
Vehicles, Furniture, Fixtures and Equipment	5-10 years

F. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, long-term debt is recognized as a liability in a governmental fund when due or when resources have been accumulated for payment early in the following year. The face amount of debt issued is reported as other financing sources. Bond issuance costs are reported as debt service expenditures in the current period.

G. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

H. Accounting 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements

June 30, 2011

---

### 2. Legal Compliance and Accountability

#### Budgets

All departments of the District submit requests for appropriations to the District's administrator so that a budget may be prepared.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General and Debt Service Funds. All annual appropriations lapse at fiscal year end.

The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The budget may be amended by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level.

### 3. Deposits and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "cash and investments." In addition, investments are separately held by several of the District's funds. Cash on hand of \$200 has been excluded from the amounts shown below.

Permitted Deposits and Investments – Statutes authorize the District to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund.

#### A. Deposits

At year-end the carrying amount of the District's deposits totaled \$1,530,543 and the bank balances totaled \$1,619,380. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for credit risk on deposits. As of June 30, 2011, the entire balance is covered by federal depository insurance or by collateral held in the District's name.

#### B. Investments

The District's investments are maintained within the Illinois Funds Money Market Fund. This investment is not subject to risk categorization as the fund provides perfected collateral for the entire balance. The carrying amount and fair value of the Illinois Funds Money Market Fund at June 30, 2011 was \$5,280,512.

## ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements  
June 30, 2011

---

### 3. Deposits and Investments (Cont.)

#### B. Investments (Cont.)

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC and has an affirmed AAAM Standards & Poor's credit qualifying rating. The fair value of the positions of this pool is the same as the value of the pool shares. The Fund offers two separate investment vehicles to public entities. The average yield on the Illinois Funds Money Market Fund for the year ending June 30, 2011 was 0.116%. The Fund issues a publicly available financial report. That report may be obtained by writing to Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

### 4. Receivables - Taxes

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the Counties and issued on or about March 1, 2011, and are payable in two installments, on or about April 1, 2011 and September 1, 2011. The Counties collect such taxes and remit them periodically. The District has recorded a receivable for the uncollected portion of the 2010 levy, and has deferred the entire revenue from that levy as it is the intention to finance the 2011-2012 fiscal year operations with the 2010 levy.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Notes to the Financial Statements  
June 30, 2011

5. Capital Assets

A summary of changes in capital assets for governmental activities of the District is as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 180,968			180,968
<b>Capital Assets Being Depreciated</b>				
Land Improvements	240,024			240,024
Buildings	5,701,610			5,701,610
Vehicles	19,615			19,615
Furniture and Fixtures	1,819,595			1,819,595
Office Equipment	168,645	34,183		202,828
Library Equipment	788,765	6,387		795,152
Total Capital Assets Being Depreciated	8,738,254	40,570	-	8,778,824
<b>Less Accumulated Depreciation For</b>				
Land Improvements	126,858	11,677		138,535
Buildings	1,646,462	149,921		1,796,383
Vehicles	16,812	2,802		19,614
Furniture and Fixtures	1,690,909	62,467		1,753,376
Office Equipment	152,687	2,740		155,427
Library Equipment	537,011	94,317		631,328
Total Accumulated Depreciation	4,170,739	323,924	-	4,494,663
Total Capital Assets Being Depreciated, Net	4,567,515	(283,354)	-	4,284,161
District Capital Assets, Net	\$ 4,748,483	(283,354)	-	4,465,129

6. Risk Management

The District has purchased insurance from private insurance companies. Risks covered included general liability, workers' compensation, medical, and other. Premiums have been displayed as expenditures in appropriate funds.

7. Interfund Receivables and Payables

The following is a summary of interfund receivables and payables as of June 30, 2011:

	Due From Other Funds	Due To Other Funds
General Fund	\$	205,509
Bond and Interest Fund	205,509	

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Notes to the Financial Statements  
June 30, 2011

8. Long-Term Debt

A. General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances July 1	Issuances	Retirements	Balances June 30	Due Within One Year
\$6,300,000 General Obligation Refunding Bonds dated February 12, 2009, due in annual installments of \$450,000 to \$840,000, starting on February 1, 2010 through February 1, 2019, plus interest at 2.625% to 3.00%. Proceeds were used to refund the 1998 and 1999 Series General Obligation Bonds.	Debt Service	\$ 5,850,000		465,000	5,385,000	510,000

B. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$ 510,000	148,113	658,113
2013	555,000	134,725	689,725
2014	595,000	120,156	715,156
2015	635,000	104,538	739,538
2016	705,000	87,075	792,075
2017-2019	2,385,000	140,225	2,525,225
Totals	\$ 5,385,000	734,832	6,119,832

C. Bond Refunding

On February 12, 2009, the District issued Series 2009 General Obligation Refunding Bonds in the amount of \$6,300,000. Proceeds of these bonds, net of discounts and issuance costs, were placed into escrow to fully defease the 1998 and 1999 General Obligation Bonds (\$3,775,000 and \$2,400,000, respectively). The balance of the defeased debt outstanding at June 30, 2011 was \$5,350,000.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Notes to the Financial Statements  
June 30, 2011

8. Long-Term Debt (Cont.)

D. Legal Debt Margin

Assessed Valuation - 2010	<u>\$ 1,363,994,866</u>
Legal Debt Limit - 2.875% of Assessed Valuation	\$ 39,214,852
Amount of Debt Applicable to Debt Limit	<u>5,385,000</u>
Legal Debt Margin	<u>\$ 33,829,582</u>

Chapter 50, Section 405/1 of the Illinois Compiled Statutes provides: "no township, school district or other municipal corporation having a population of less than 300,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 2.875% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying such governmental unit's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

The limitations prescribed shall not apply to any indebtedness of any library district incurred for acquiring or improving sites, constructing, extending or improving and equipping sites for public library purposes or for the establishment, support and maintenance of a public library, under the provisions of The Illinois Public Library District Act.

E. Changes in Long-Term Compensated Absences

Balance July 1, 2010	Issuances	Retirements	Balance June 30, 2011	Due in One Year
\$ 474,733	76,936	47,473	504,196	50,420

9. Employee Retirement System - Illinois Municipal Retirement

*Plan Description*

The District'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, employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its employees. The District annual required contribution rate for calendar year 2010 was 11.94%. The District also contributes for 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.

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Notes to the Financial Statements  
June 30, 2011

9. Employee Retirement System - Illinois Municipal Retirement (Cont.)

*Annual Pension Cost*

The required contribution for calendar year 2010 was \$282,408.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$ 282,408	100%	0
12/31/2008	255,597	100%	0
12/31/2007	228,772	100%	0

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year attributable to inflation, (c) additional projected increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0% annually. The actuarial value of the District's 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 District'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.

*Funding Status and Funding Progress*

As of December 31, 2010, the most recent actuarial valuation date, the plan was 64.22% funded. The actuarial accrued liability for benefits was \$5,215,115 and the actuarial value of assets was \$3,349,267, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,865,848. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$2,365,230 and the ratio of the UAAL to the covered payroll was 79.00%.

The Analysis of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

10. Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in Trust for the exclusive benefits of all participants and beneficiaries. It is the opinion of the District's legal counsel that the District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Investments are managed by the plan's

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Notes to the Financial Statements  
June 30, 2011

---

---

10. Deferred Compensation Plan (Cont.)

trustee under one of four investment options, or a combination thereof. The choice of the investment option(s) is made by the participants. Since amounts held in Trust are for the exclusive benefit of all participants, the District does not maintain the assets on its balance sheet.

11. Other Post-Employment Plan

The District participates in a cost-sharing multiple-employer defined benefit OPEB plan provided and administered by Wellness Insurance Network (the Network). The plan provides health benefits in accordance with a proposal provided by the Network. The employer pays 75% of the applicable single rate and 50% of additional family coverage. The District is required to offer employees, who are IMRF vested, continued health insurance participation upon termination of employment. The retiree pays the entire health insurance premium and, therefore, there is no explicit subsidy. The District participates in a community-related health insurance plan and, as such, it is the District's opinion that there is no implicit subsidy as defined by Governmental Accounting Standards Board (GASB) Statement No. 45. The OPEB does not issue a stand-alone report. Information regarding the plan may be obtained from the Network.

12. Restatement

The District had previously not recorded a liability for accrued compensated absences in the government-wide financial statements related to unused sick and vacation days. During the year ended June 30, 2011, the District has calculated and adjusted beginning net assets and related liabilities to reflect the proper beginning balance. The current year's effect has been recognized in the Statement of Activities for the year ended June 30, 2011. The restatement at June 30, 2010 is as follows:

	As Previously Reported	Restatement	As Restated
Governmental Activities - Net Assets	\$ 2,820,776	(474,733)	2,346,043
Accrued Compensated Absences		474,733	474,733

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Required Supplemental Information

Illinois Municipal Retirement Fund

Analysis of Funding Progress

June 30, 2011

*Analysis of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
12/31/2010	\$ 3,349,267	5,215,115	1,865,848	64.22 %	2,365,230	78.89 %
12/31/2009	3,084,449	4,748,014	1,663,565	64.96	2,247,992	74.00
12/31/2008	2,952,995	4,426,844	1,473,849	66.71	2,146,077	68.68
12/31/2007	2,848,657	3,834,498	985,841	74.29	1,939,034	50.84
12/31/2006	2,539,355	3,229,349	689,994	78.63	1,730,266	39.88
12/31/2005	2,154,214	2,789,186	634,972	77.23	1,607,099	39.51
12/31/2004	1,799,073	2,387,069	587,996	75.37	1,508,329	38.98
12/31/2003	1,706,152	2,105,844	399,692	81.02	1,403,227	28.48

**INDIVIDUAL FUND SCHEDULES**

**GENERAL FUND**

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual  
Year Ended June 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
Taxes			
Property	\$ 4,764,105	4,759,326	(4,779)
Replacement	27,000	37,490	10,490
Total Taxes	<u>4,791,105</u>	<u>4,796,816</u>	<u>5,711</u>
Fines	80,000	78,420	(1,580)
Investment Income	10,100	7,015	(3,085)
Lost Materials Paid	10,000	9,301	(699)
Grants	98,640	40,377	(58,263)
Photocopies	10,000	12,803	2,803
Non-Resident Fees		280	280
Room Rental	2,000	1,450	(550)
Gifts	1,000	5,248	4,248
Staff Purchases	8,000	3,183	(4,817)
Other	<u>1,000</u>	<u>1,832</u>	<u>832</u>
Total Revenues	<u>\$ 5,011,845</u>	<u>4,956,725</u>	<u>(55,120)</u>

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
Culture			
Library Books and Materials			
Books - Adult	\$ 184,000	140,078	(43,922)
Books - Adult - Eastgate	54,000	35,993	(18,007)
Books - Children	115,000	110,906	(4,094)
Books - Children - Eastgate	47,000	31,944	(15,056)
Books - Professional Use	6,000	2,518	(3,482)
Periodicals - Adult	18,000	16,880	(1,120)
Periodicals - Children	2,000	1,273	(727)
Periodicals - Children - Eastgate	6,000	4,673	(1,327)
Periodicals- Professional Use	4,000	2,701	(1,299)
AV Material - Adult	121,000	97,697	(23,303)
AV Material - Adult - Eastgate	57,000	35,178	(21,822)
AV Material - Children	70,000	56,206	(13,794)
AV Material - Children - Eastgate	35,000	17,617	(17,383)
Electronic Materials	135,000	106,977	(28,023)
Other Published Materials	1,000		(1,000)
Patron Refunds	2,000	1,147	(853)
Interlibrary Loan	2,000	372	(1,628)
Materials - Repairs	3,000	1,682	(1,318)
	<u>862,000</u>	<u>663,842</u>	<u>(198,158)</u>
Personnel Expense			
Salaries - Administration	400,000	378,231	(21,769)
Salaries - Circulation	500,000	458,790	(41,210)
Salaries - Custodial	150,000	97,149	(52,851)
Salaries - Adult Services	570,000	511,358	(58,642)
Salaries - Children's Services	490,000	473,617	(16,383)
Salaries - Technical Services	360,000	352,266	(7,734)
Salaries - Eastgate	260,000	226,041	(33,959)
Group Medical Insurance	290,000	232,017	(57,983)
FICA	208,000	180,283	(27,717)
IMRF	312,000	286,348	(25,652)
Employee Conferences	12,000	10,582	(1,418)
Employee Recognition	10,000	9,357	(643)
Employee Continuing Education	5,000	2,976	(2,024)
Employee In-Service Training	5,000	1,425	(3,575)
Employee Travel	6,000	3,149	(2,851)
Employee Professional Fees	7,000	7,028	28
Employee Hiring Expenses	15,000	11,442	(3,558)
	<u>3,600,000</u>	<u>3,242,059</u>	<u>(357,941)</u>

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended June 30, 2011

	Final Budget	Actual	Variance Over (Under)
Culture (Cont.)			
Building Operating Costs			
Utilities - Electric	95,000	86,249	(8,751)
Utilities - Electric - Eastgate	60,000	31,558	(28,442)
Utilities - Gas	60,000	62,533	2,533
Utilities - Water	3,000	2,403	(597)
Utilities - Water - Eastgate	1,000	545	(455)
	<u>219,000</u>	<u>183,288</u>	<u>(35,712)</u>
Trustee Expenses			
Trustee Professional Fees	6,000	2,908	(3,092)
Trustee Development	7,999	8,213	214
Legal Notice Publication	4,000	4,068	68
Land Lease Payment	1	1	
	<u>18,000</u>	<u>15,190</u>	<u>(2,810)</u>
Contractual Services			
Legal Fees	15,000	21,963	6,963
Accounting Services	15,000	13,045	(1,955)
Payroll Services	15,000	15,381	381
Garbage	5,000	2,905	(2,095)
Garbage - Eastgate	4,000	2,147	(1,853)
Maintenance	78,000	81,719	3,719
Maintenance - Eastgate	48,000	37,240	(10,760)
Snow Removal	18,000	13,820	(4,180)
Snow Removal - Eastgate	10,000	6,791	(3,209)
Landscape Services	14,000	7,190	(6,810)
Landscape Services - Eastgate	7,000	3,228	(3,772)
Audit	6,100	6,090	(10)
Collection Services	4,000	3,195	(805)
Liability Insurance	45,000	47,856	2,856
	<u>284,100</u>	<u>262,570</u>	<u>(21,530)</u>
Promotion			
Programming - Adult	28,000	16,772	(11,228)
Programming - Children	40,000	23,980	(16,020)
Publicity	6,000	3,729	(2,271)
Newsletter	48,000	36,613	(11,387)
	<u>122,000</u>	<u>81,094</u>	<u>(40,906)</u>

ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
 Year Ended June 30, 2011

	Final Budget	Actual	Variance Over (Under)
Culture (Cont.)			
Library Operations			
Supplies	200,000	48,709	(151,291)
Postage	13,000	12,746	(254)
Telephone	10,000	8,037	(1,963)
Telephone - Eastgate	7,000	6,485	(515)
Small Equipment	10,000	4,282	(5,718)
Office Equipment Maintenance	8,000	3,649	(4,351)
Office Equipment Maintenance - Eastgate	2,000	122	(1,878)
Vehicle Maintenance	5,000	1,087	(3,913)
	<u>255,000</u>	<u>85,117</u>	<u>(169,883)</u>
Contingencies	<u>75,000</u>	<u>31</u>	<u>(74,969)</u>
Miscellaneous			
Per Capita Grant	98,640	95,738	(2,902)
Staff Purchases	8,000	3,025	(4,975)
	<u>106,640</u>	<u>98,763</u>	<u>(7,877)</u>
Computer Services			
Circulation System Fees	100,000	90,229	(9,771)
Internet	12,000	9,134	(2,866)
Internet - Eastgate	6,000	7,259	1,259
Software	25,000	32,090	7,090
Additional Computer Services	50,000	19,611	(30,389)
	<u>193,000</u>	<u>158,323</u>	<u>(34,677)</u>
Capital Outlay			
Library Equipment	6,000	1,566	(4,434)
Library Equipment - Eastgate	6,000	1,982	(4,018)
Computer	23,000	1,322	(21,678)
Computer - Eastgate	7,000		(7,000)
Shelving	5,000	2,528	(2,472)
	<u>47,000</u>	<u>7,398</u>	<u>(39,602)</u>
Total Expenditures	<u>\$ 5,781,740</u>	<u>4,797,675</u>	<u>(984,065)</u>

**STATISTICAL SECTION**

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Schedule of Insurance in Force

June 30, 2011

Insured	Description of Coverage	Amount of Coverage	Expiration Date	Insuring Company
Library District	Property	\$ 11,035,300	7/13/11	Netherlands Insurance Company
	Boiler and Machinery	N/A	7/13/11	Netherlands Insurance Company
	General Liability	2,000,000	7/13/11	Netherlands Insurance Company
	Umbrella	5,000,000	7/13/11	Indiana Insurance Company
	Workers' Compensation	500,000	7/13/11	Consolidated Insurance Company
	Business Auto	1,000,000	7/13/11	Netherlands Insurance Company
	Directors and Officers	5,000,000	10/1/11	Great American Insurance Company
Lynn Elam	Public Officials Bond	100,000	4/1/12	Liberty Mutual
Brian Schwarz	Public Officials Bond	2,500,000	4/1/12	Liberty Mutual
Louise Nee	Public Officials Bond	100,000	4/1/12	Liberty Mutual

**ALGONQUIN AREA PUBLIC LIBRARY DISTRICT, ILLINOIS**

Property Tax Assessed Valuations, Rates, and Extensions  
 Last Three Fiscal Years  
 June 30, 2011

<u>Tax Levy Year</u>	<u>2010</u>	<u>2009</u>
Assessed Valuations		
McHenry County	\$ 1,328,963,560	\$ 1,421,042,104
Kane County	<u>35,031,306</u>	<u>37,925,082</u>
	<u>\$ 1,363,994,866</u>	<u>\$ 1,458,967,186</u>

<u>Tax Extensions</u>	<u>Combined Amount</u>	<u>McHenry Rate*</u>	<u>Kane Rate*</u>	<u>Combined Amount</u>	<u>McHenry Rate*</u>	<u>Kane Rate*</u>
General	\$ 4,108,502	0.3009	0.3120	\$ 3,971,280	0.2722	0.2722
Liability Insurance	43,292	0.0032	0.0033	41,493	0.0028	0.0028
Audit	5,775	0.0004	0.0004	5,529	0.0004	0.0004
IMRF	300,130	0.0220	0.0228	287,708	0.0197	0.0197
Social Security	200,083	0.0147	0.0152	189,038	0.0130	0.0130
Bond & Interest	658,879	0.0482	0.0504	625,476	0.0429	0.0433
Building, Equipment and Maintenance	<u>262,185</u>	<u>0.0192</u>	<u>0.0193</u>	<u>269,063</u>	<u>0.0184</u>	<u>0.0184</u>
	<u>\$ 5,578,846</u>	<u>0.4086</u>	<u>0.4234</u>	<u>\$ 5,389,587</u>	<u>0.3694</u>	<u>0.3698</u>

\*Property tax rates are per \$100 of assessed valuation.

---

---

2008

\$ 1,431,624,997  
35,033,197

\$ 1,466,658,194

Combined Amount	McHenry Rate*	Kane Rate*
\$ 3,981,632	0.2714	0.2721
40,863	0.0028	0.0028
6,351	0.0004	0.0004
249,727	0.0170	0.0171
181,611	0.0124	0.0124
617,024	0.0421	0.0425
266,374	0.0182	0.0182
<u>\$ 5,343,582</u>	<u>0.3643</u>	<u>0.3655</u>