

GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS

ANNUAL  
FINANCIAL REPORT

FOR THE  
YEAR ENDED  
FEBRUARY 28, 2010

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

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## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Basic Financial Statements

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the Library's independent auditing firm.

## INDEPENDENT AUDITORS' REPORT

May 25, 2010

Members of the Public Library Board  
Glencoe Public Library  
Village of Glencoe, Illinois

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, of the Glencoe Public Library, Illinois, a component unit of the Village of Glencoe, Illinois, as of and for the year ended February 28, 2010, which collectively comprise the Village of Glencoe Public Library's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Glencoe Public Library, Illinois' 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 basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

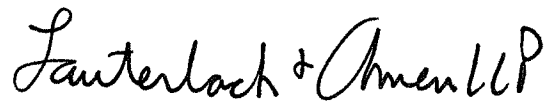
The basic financial statements present only the Glencoe Public Library and are not intended to present fairly the financial position and results of operations of the Village of Glencoe, Illinois in conformity with accounting principles generally accepted in the United States of America.

The Glencoe Public Library has not presented a Management's Discussion and Analysis as required supplementary information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Glencoe Public Library, Illinois as of February 28, 2010 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.

The required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund statements and schedules, as well as the information listed as supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Glencoe Public Library, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Lauterbach & Amen LLP".

LAUTERBACH & AMEN, LLP

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Statement of Net Assets  
February 28, 2010**

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**ASSETS**

**CURRENT ASSETS**

Cash and investments	\$ 1,640,707
Receivables - net of allowances	
Property taxes	1,760,283
Other	2,028
Prepays	15,147
Total current assets	<u>3,418,165</u>

**NONCURRENT ASSETS**

Capital assets	
Nondepreciable	75,772
Depreciable	2,808,580
Accumulated depreciation	(1,024,872)
Total noncurrent assets	<u>1,859,480</u>

Total assets	<u>5,277,645</u>
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**LIABILITIES**

**CURRENT LIABILITIES**

Unearned/deferred revenue	2,004,002
Construction loan/line of credit payable	28,459
Total current liabilities	<u>2,032,461</u>

**NONCURRENT LIABILITIES**

Construction loan/line of credit payable	<u>374,162</u>
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Total liabilities	<u>2,406,623</u>
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**NET ASSETS**

Investment in capital assets - net of related debt	1,456,859
Restricted for employee retirement	27,196
Restricted for donor specified purposes	31,585
Unrestricted	<u>1,355,382</u>

TOTAL NET ASSETS	<u><u>2,871,022</u></u>
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The notes to the financial statements are an integral part of this statement.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Statement of Activities  
Year Ended February 28, 2010**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants/ Contributions	
<b>FUNCTIONS/PROGRAMS</b>				
Governmental activities				
Culture and recreation	\$ 1,912,662	37,929	35,141	(1,839,592)
Interest on long-term debt	19,276	-	-	(19,276)
<b>TOTAL</b>	<b>1,931,938</b>	<b>37,929</b>	<b>35,141</b>	<b>(1,858,868)</b>
		General Revenues		
		Property and replacement taxes		1,891,655
		Interest		4,371
		Miscellaneous		3,644
				<u>1,899,670</u>
		CHANGE IN NET ASSETS		40,802
		NET ASSETS - BEGINNING		<u>2,830,220</u>
		NET ASSETS - ENDING		<u><u>2,871,022</u></u>

The notes to the financial statements are an integral part of this statement.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Balance Sheet  
February 28, 2010**

	General	Nonmajor Governmental	Total
<b>ASSETS</b>			
Cash and investments	\$ 1,563,864	76,843	1,640,707
Receivables - net of allowances			
Property taxes	1,630,104	130,179	1,760,283
Other	2,028	-	2,028
Prepays	15,147	-	15,147
<b>TOTAL ASSETS</b>	<b>3,211,143</b>	<b>207,022</b>	<b>3,418,165</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Unearned/deferred revenues	1,855,761	148,241	2,004,002
<b>FUND BALANCES</b>			
Reserved for prepaids	15,147	-	15,147
Reserved for employee retirement	-	27,196	27,196
Reserved for donor specified purposes	-	31,585	31,585
Unreserved	1,340,235	-	1,340,235
Total fund balances	1,355,382	58,781	1,414,163
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>3,211,143</b>	<b>207,022</b>	<b>3,418,165</b>

The notes to the financial statements are an integral part of this statement.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Reconciliation of Total Fund Balances to the  
Statement of Net Assets**

**February 28, 2010**

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TOTAL FUND BALANCES	\$ 1,414,163
Amounts reported in the Statement of Net Assets are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	1,859,480
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Construction loan/line of credit payable	<u>(402,621)</u>
NET ASSETS	<u>2,871,022</u>

The notes to the financial statements are an integral part of this statement.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended February 28, 2010**

	General	Nonmajor Governmental	Total
<b>REVENUES</b>			
Taxes	\$ 1,769,438	122,217	1,891,655
Intergovernmental	8,947	-	8,947
Charges for services	8,937	-	8,937
Fines and penalties	28,992	-	28,992
Interest	4,371	-	4,371
Miscellaneous			
Contributions	1,785	24,409	26,194
Other	3,644	-	3,644
Total revenues	<u>1,826,114</u>	<u>146,626</u>	<u>1,972,740</u>
<b>EXPENDITURES</b>			
Current			
Culture and recreation			
Library operations	1,676,159	50,102	1,726,261
Building and grounds maintenance	66,672	-	66,672
Employer IMRF and FICA contributions	-	133,616	133,616
Debt service			
Principal retirement	26,950	-	26,950
Interest and fiscal charges	19,276	-	19,276
Total expenditures	<u>1,789,057</u>	<u>183,718</u>	<u>1,972,775</u>
NET CHANGE IN FUND BALANCES	37,057	(37,092)	(35)
FUND BALANCES - BEGINNING	<u>1,318,325</u>	<u>95,873</u>	<u>1,414,198</u>
FUND BALANCES - ENDING	<u><u>1,355,382</u></u>	<u><u>58,781</u></u>	<u><u>1,414,163</u></u>

The notes to the financial statements are an integral part of this statement.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

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

**Year Ended February 28, 2010**

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NET CHANGES IN FUND BALANCES	\$ (35)
Amounts reported in the Statement of Activities 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.	
Capital Outlays	95,967
Depreciation Expense	(82,080)
The increases to long-term liabilities provides current financial resources to governmental funds, while the reduction of the balances consumes the current financial resources of the governmental funds.	
Retirement of construction loan/line of credit payable	<u>26,950</u>
CHANGES IN NET ASSETS	<u><u>40,802</u></u>

The notes to the financial statements are in integral part of this statement.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Glencoe Public Library operates and maintains the public library within the Village of Glencoe. The basic financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP in the United States for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Library's accounting policies established in GAAP in the United States and used by the Library are described below.

**REPORTING ENTITY**

The Library is administered by a publicly elected seven-member board of trustees. As required by GAAP, these financial statements present the Library and any existing component units. Currently, the Library does not have any component units required to be included in this report and has been determined to be a discretely presented component unit of the Village of Glencoe, Illinois.

**BASIS OF PRESENTATION**

**Government-Wide and Fund Financial Statements**

The government-wide Statement of Activities reports both the gross and net cost of the Library's functions. The Library's activities are supported by taxes and intergovernmental revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

A fund is a separate accounting entity with a self-balancing set of accounts. The Library only maintains governmental funds. Separate financial statements are provided for the General Fund, the Library's only major fund, and two nonmajor special revenue funds, the Illinois Municipal Retirement and Social Security Fund and the Restricted Gift Fund. The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library, except those required to be accounted for in another fund.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

**Measurement Focus**

On the government-wide Statement of Net Assets and the Statement of Activities, activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

The Library’s funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

In the government-wide Statement of Net Assets and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Library recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for construction loan/line of credit principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

**Cash and Investments**

For the purpose of the Statement of Net Assets, the Library's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

**Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances include property taxes.

**Prepays**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaids.

**Capital Assets**

Capital assets purchases or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued**

**Capital Assets – Continued**

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and building improvements	20 – 40 Years
Furniture and equipment	10 Years

**Long-Term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities.

**Unearned/Deferred Revenue**

Unearned/deferred revenue is reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current period. The Library also defers tax revenue recognition in connection with resources that have been received, but not yet earned.

**Fund Equity**

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General Fund, Illinois Municipal Retirement and Social Security Fund and the Restricted Gift Fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level for all funds. All annual appropriations lapse at fiscal year-end. The Library Board approves the budget for the Public Library; the Village Board approves the tax levy. State statutes and local ordinances require that the budget be approved before the beginning of the fiscal year.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The Restricted Gift Fund had an excess of actual expenditures over budget of \$50,102 as of the date of this report.

**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

The Library 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 combined balance sheet as "cash and investments".

Permitted Deposits and Investments - Statutes authorize the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, insured credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

Illinois Funds is an investment pool managed by the Illinois public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

**Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end the carrying amount of the Library's deposits totaled \$1,640,609 and the bank balances totaled \$1,719,237. The Library also had funds invested at the Illinois Funds with a fair value of \$98 at year-end.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy attempts to match its investments with anticipated cash flow requirements. The Treasurer establishes a maximum maturity limit for securities. The Library's investment in the Illinois Funds has an average maturity of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the Library's investment policy does not further limit credit risk. At year-end, the Library's investment in the Illinois Funds is rated AAAM by Standard & Poor's.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the Library. At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Library's investment in the Illinois Funds is noncategorizable.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy places no limit on the amount that may be invested in any one issuer, stating only that the Library diversify its investments to the best of its ability based on the nature of the funds invested and the cash flow needs of those funds. At year-end, the Library has no investments that represents more than 5 percent of the total cash and investments portfolio.

**PROPERTY TAXES**

Property taxes for 2009 attach as an enforceable lien on January 1, 2009, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, 2010 and September 1, 2010. The County collects such taxes and remits them periodically to the Library. The allowance for uncollectible taxes has been stated at 0% of the tax levy, to reflect actual collection experience.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS**

Capital asset activity at year end was as follows:

	Beginning Balances	Additions	Deductions	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 75,772	-	-	75,772
Construction in Progress	9,234	-	9,234	-
	<u>85,006</u>	<u>-</u>	<u>9,234</u>	<u>75,772</u>
<b>Depreciable Capital Assets</b>				
Buildings and Building Improvements	2,679,846	67,312	-	2,747,158
Furniture and Equipment	23,533	37,889	-	61,422
	<u>2,703,379</u>	<u>105,201</u>	<u>-</u>	<u>2,808,580</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Building Improvements	936,704	77,385	-	1,014,089
Furniture and Equipment	6,088	4,695	-	10,783
	<u>942,792</u>	<u>82,080</u>	<u>-</u>	<u>1,024,872</u>
<b>Total Net Depreciable Capital Assets</b>	<u>1,760,587</u>	<u>23,121</u>	<u>-</u>	<u>1,783,708</u>
<b>Total Net Capital Assets</b>	<u>1,845,593</u>	<u>23,121</u>	<u>9,234</u>	<u>1,859,480</u>

Depreciation expense was charged to the Culture and Recreation function.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT**

**Construction Loan/Line of Credit**

The Library has an unsecured tax exempt loan that, together with other funds, was used to finance the renovation and addition to the Library building.

<u>Issue</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
Construction loan/line of credit (\$600,000) dated June 25, 1999 due in monthly installments including interest at 4.40% through May 31, 2021.	\$ 429,571	-	26,950	402,621

**Long-Term Liability Activity**

Changes in long-term liabilities during the fiscal year were as follows:

<u>Type of Debt</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>	<u>Amounts Due within One Year</u>
Construction loan/line of credit	\$ 429,571	-	26,950	402,621	28,459

Payments on the construction loan/line of credit are made by the General Fund.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending February 28	Construction Loan/ Line of Credit	
	Principal	Interest
2011	\$ 28,459	17,390
2012	29,712	16,137
2013	31,108	14,741
2014	32,524	13,325
2015	34,005	11,844
2016	35,527	10,322
2017	37,171	8,678
2018	38,864	6,985
2019	40,634	5,215
2020	42,477	3,372
2021	44,418	1,431
2022	7,722	42
Total	402,621	109,482

**NOTE 4 – OTHER INFORMATION**

**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; natural disasters; and injuries to the Library's employees. These risks are provided for through insurance from private insurance companies. The Library currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Notes to the Financial Statements  
February 28, 2010**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN**

The Library contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for 2,640 local governments and school districts in Illinois. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

**Plan Descriptions, Provisions and Funding Policies**

**Illinois Municipal Retirement System**

IMRF covers all Library employees who work more than 1,000 hours per year. Pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions, and all other requirements are established by State statutes.

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Library, under the sponsorship of the Village, is required to contribute the remaining amounts necessary to fund the system, using the actuarial basis specified by statute. A separate actuarial valuation for Library employees is not performed; the employees of the Library are pooled with the employees of the Village for purposes of actuarial valuation. Therefore, the amount of accumulated retirement liability and normal costs related specifically to Library personnel is not available.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund

### Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended February 28, 2010**

	Budget		Actual	Budget Variance Over (Under)
	Original	Final		
<b>REVENUES</b>				
Property and replacement taxes	\$ 1,812,902	1,812,902	1,769,438	(43,464)
Intergovernmental				
Per capita grant	10,500	10,500	8,947	(1,553)
Charges for services				
Copying machine income	1,700	1,700	1,446	(254)
Audiovisual	8,000	8,000	7,491	(509)
Fines and fees	30,800	30,800	28,992	(1,808)
Interest	32,000	32,000	4,371	(27,629)
Miscellaneous				
Contributions	-	-	1,785	1,785
Other	-	-	3,644	3,644
Total revenues	<u>1,895,902</u>	<u>1,895,902</u>	<u>1,826,114</u>	<u>(69,788)</u>
<b>EXPENDITURES</b>				
Culture and recreation				
Library operations	1,777,302	1,777,302	1,676,159	(101,143)
Building and grounds maintenance	71,600	71,600	66,672	(4,928)
Debt service				
Principal retirement	23,500	23,500	26,950	3,450
Interest and fiscal charges	23,500	23,500	19,276	(4,224)
Total expenditures	<u>1,895,902</u>	<u>1,895,902</u>	<u>1,789,057</u>	<u>(106,845)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>37,057</u>	<u>37,057</u>
<b>FUND BALANCE - BEGINNING</b>			<u>1,318,325</u>	
<b>FUND BALANCE - ENDING</b>			<u>1,355,382</u>	

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedule – Major Governmental Fund  
General Fund
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds  
Illinois Municipal Retirement and Social Security – Special Revenue Fund  
Restricted Gift – Special Revenue Fund

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

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## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

### **Illinois Municipal Retirement and Social Security Fund**

The Illinois Municipal Retirement and Social Security Fund is used to account for the proceeds of employer/employee contributions to a pension plan for qualified employees.

### **Restricted Gift Fund**

The Restricted Gift Fund is used to account for proceeds from donations made to the Library with specific criteria for expenditure.

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**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended February 28, 2010**

	Budget		Actual	Budget
	Original	Final		Variance Over (Under)
<b>CULTURE AND RECREATION</b>				
Library operations				
Salaries	\$ 948,700	948,700	933,731	(14,969)
Medical insurance	150,000	150,000	138,691	(11,309)
Unemployment taxes	4,000	4,000	1,969	(2,031)
Books	138,250	138,250	138,380	130
Audio materials	27,800	27,800	26,210	(1,590)
Video materials	17,200	17,200	17,452	252
Periodicals	25,000	25,000	19,889	(5,111)
Web hosting	3,500	3,500	1,800	(1,700)
Internet access	5,000	5,000	5,110	110
O.C.L.C	6,000	6,000	5,622	(378)
Automated resources	66,000	66,000	66,374	374
Staff continuing education	15,000	15,000	12,874	(2,126)
Programs and publicity	30,000	30,000	34,399	4,399
Supplies - LAN/Computers	9,750	9,750	13,974	4,224
Supplies - General	26,000	26,000	17,316	(8,684)
Cooperative computer services	60,000	60,000	59,422	(578)
Telephone	4,200	4,200	4,209	9
Postage	5,100	5,100	5,652	552
Copier expenditures	3,800	3,800	3,651	(149)
Auditing	2,000	2,000	-	(2,000)
Bookkeeping	10,500	10,500	10,145	(355)
Trustee expenditures	1,000	1,000	782	(218)
Insurance	28,000	28,000	18,239	(9,761)
Legal fees	3,000	3,000	1,890	(1,110)
Recruitment	3,000	3,000	747	(2,253)
Library reimbursement	330	330	134	(196)
Computer purchases/LAN maintenance	40,000	40,000	36,222	(3,778)
Furniture expenditures	16,400	16,400	12,645	(3,755)
Facility improvements	50,000	50,000	20,333	(29,667)
Service and resource development	8,772	8,772	3,528	(5,244)
Facility management project	49,000	49,000	45,773	(3,227)
Contract services	20,000	20,000	18,996	(1,004)
<b>Total library operations</b>	<b>1,777,302</b>	<b>1,777,302</b>	<b>1,676,159</b>	<b>(101,143)</b>

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended February 28, 2010**

	Budget		Actual	Budget Variance Over (Under)
	Original	Final		
<b>CULTURE AND RECREATION - CONTINUED</b>				
Building Grounds and Maintenance				
Equipment repairs	\$ 3,000	3,000	925	(2,075)
Building maintenance and repairs	68,600	68,600	65,747	(2,853)
Total building grounds and maintenance	71,600	71,600	66,672	(4,928)
Total culture and recreation	1,848,902	1,848,902	1,742,831	(106,071)
<b>DEBT SERVICE</b>				
Principal retirement	23,500	23,500	26,950	3,450
Interest and fiscal charges	23,500	23,500	19,276	(4,224)
Total debt service	47,000	47,000	46,226	(774)
<b>TOTAL EXPENDITURES</b>	<b>1,895,902</b>	<b>1,895,902</b>	<b>1,789,057</b>	<b>(106,845)</b>

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Combining Balance Sheet**

**Nonmajor Governmental Funds  
February 28, 2010**

	<u>Special Revenue</u>		
	Illinois Municipal Retirement and Social Security	Restricted Gift	Totals
<b>ASSETS</b>			
Cash and investments	\$ 45,258	31,585	76,843
Receivables - net of allowances			
Property taxes	130,179	-	130,179
<b>TOTAL ASSETS</b>	<u>175,437</u>	<u>31,585</u>	<u>207,022</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Unearned/deferred revenues	148,241	-	148,241
<b>FUND BALANCES</b>			
Reserved for employee retirement	27,196	-	27,196
Reserved for donor specified purposes	-	31,585	31,585
Total fund balances	27,196	31,585	58,781
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>175,437</u>	<u>31,585</u>	<u>207,022</u>

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Governmental Funds  
Year Ended February 28, 2010**

	Special Revenue		
	Illinois Municipal Retirement and Social Security	Restricted Gift	Totals
<b>REVENUES</b>			
Property taxes	\$ 122,217	-	122,217
Miscellaneous	-	24,409	24,409
Total revenues	122,217	24,409	146,626
<b>EXPENDITURES</b>			
Culture and recreation			
Library operations	-	50,102	50,102
Employer IMRF and FICA contributions	133,616	-	133,616
Total expenditures	133,616	50,102	183,718
<b>CHANGE IN FUND BALANCES</b>	(11,399)	(25,693)	(37,092)
<b>FUND BALANCES</b>			
BEGINNING	38,595	57,278	95,873
ENDING	27,196	31,585	58,781

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Illinois Municipal Retirement and Social Security - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended February 28, 2010**

	Budget		Actual	Budget Variance Over (Under)
	Original	Final		
REVENUES				
Property taxes	\$ 134,377	134,377	122,217	(12,160)
EXPENDITURES				
Culture and recreation Employer IMRF and FICA contributions	134,377	134,377	133,616	(761)
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	(11,399)	<u>(11,399)</u>
FUND BALANCE - BEGINNING			<u>38,595</u>	
FUND BALANCE - ENDING			<u>27,196</u>	

**GLENCOE PUBLIC LIBRARY  
GLENCOE, ILLINOIS**

**Restricted Gift - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended February 28, 2010**

	Budget		Actual	Budget Variance Over (Under)
	Original	Final		
REVENUES				
Miscellaneous Contributions	\$ -	-	24,409	24,409
EXPENDITURES				
Culture and recreation Library operations	-	-	50,102	50,102
CHANGE IN FUND BALANCE	-	-	(25,693)	(25,693)
FUND BALANCE - BEGINNING			57,278	
FUND BALANCE - ENDING			31,585	