

**INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
DARIEN, ILLINOIS**

ANNUAL FINANCIAL REPORT

**For the Year Ended
June 30, 2012**

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
TABLE OF CONTENTS

	<u>Page's)</u>
INDEPENDENT AUDITOR'S REPORT	1-2
Management's Discussion and Analysis	MD&A 1-5
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements	
Governmental Funds	
Balance Sheet	5
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets	6
Statement of Revenues, Expenditures, and Changes in Fund Balances	7
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	8
Statement of Fiduciary Net Assets	9
Statement of Changes in Fiduciary Net Assets	10
Notes to Financial Statements	11-21
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	22-24
Schedule of Funding Progress - Illinois Municipal Retirement Fund	25
Schedule of Employer Contributions - Illinois Municipal Retirement Fund	26
Notes to Required Supplementary Information	27
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
NON-MAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet - Special Revenue Funds	28
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds	29
SUPPLEMENTARY INFORMATION	
Tax Levy	30

**Brian Zabel & ASSOCIATES P.C.****CERTIFIED PUBLIC ACCOUNTANTS**

1040 West Route 6 • Morris, IL 60450

Phone: (815) 941-9833

Fax: (815) 941-9835

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Indian Prairie Public Library District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate fund information of the Indian Prairie Public Library District, as of and for the year ended June 30, 2012, which collectively comprise the Library's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Indian Prairie Public Library District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 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 aspects, the respective financial position of the government activities, each major fund, and the aggregate remaining fund information of the Indian Prairie Public Library District, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other required supplementary information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's financial statements. The combining and individual fund financial statements and schedules in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Indian Prairie Public Library District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Brian Zabel & Associates, P.C.

BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
September 27, 2012

**INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

As management of the Indian Prairie Public Library District (Library), we offer readers of the Library's statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Library exceeded its liabilities at June 30, 2012 by \$7,581,660 (net assets). Of this amount, \$667,302 (unrestricted net assets) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net assets increased by \$283,248.
- At June 30, 2012, the Library's governmental funds reported combined ending fund balances of \$1,463,081 a decrease of \$6,895 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

This Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to private-sector business.

The Statement of Net Assets includes all of the Library's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

The Statement of Activities presents information showing how the Library's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements show functions of the Library that are principally supported by taxes, fees, and other revenues (governmental activities). The Library does not conduct functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Library include providing general library services and general governmental administrative services.

The governmental-wide financial statements can be found on pages 3 and 4 of this report.

**INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Library can be allocated into two categories: governmental funds and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains three individual major governmental funds. The General Fund (Corporate Fund) is used to account for funds received from general property taxes and other general revenue, and to account for expenditures made for general Library purposes. The Special Reserve Fund is used accumulate monies for capital projects and improvements of the Library. The Debt Service Fund is used to accumulate monies for the payment of long-term debt.

Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Special Reserve Fund, and the Debt Service Fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 5 through 8 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is in accordance with accounting principles generally accepted in the United States of America.

The basic fiduciary fund financial statements can be found on pages 9 and 10 of this report.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

The notes to financial statements can be found on pages 11 through 21 of this report.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's progress in meeting its obligation to provide library services to all of its residents.

The Library adopts an annual budget and appropriation ordinance that includes the General Fund, the Special Reserve Fund, the Debt Service Fund, and the Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the adopted budget and appropriation ordinance.

The budgetary comparison statement and related notes can be found on pages 22 through 27 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by \$7,581,660 at June 30, 2012.

A significant portion of the Library's net assets (81%) reflects investment in capital assets (e.g., land, buildings, and vehicles and equipment); less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Indian Prairie Public Library District's Net Assets at Year End

	Governmental Activities	
	FY 2012	FY 2011
Current and Other Assets	\$ 4,822,692	\$ 4,741,888
Capital Assets	7,033,579	7,188,436
Total Assets	\$ 11,856,271	\$ 11,930,324
Current Liabilities	\$ 3,283,237	\$ 3,204,973
Noncurrent Liabilities	991,374	1,426,939
Total Liabilities	\$ 4,274,611	\$ 4,631,912
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 6,118,579	\$ 5,828,436
Restricted	795,779	800,714
Unrestricted	667,302	669,262
Total Net Assets	\$ 7,581,660	\$ 7,298,412

The majority portion of the Library's net assets (91%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$667,302) may be used to meet the Library's ongoing obligations to citizens and creditors.

At June 30, 2012, the Library is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The Library's net assets increased by \$283,248 during the year ended June 30, 2012.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2012

85

Governmental Activities - Governmental activities increased the Library's net assets by \$283,248. The key elements of this increase are as follows:

Indian Prairie Public Library District's Change in Net Assets

	Governmental Activities	
	FY 2012	FY 2011
Revenues		
Program Revenues		
Charges for Services	\$ 191,212	\$ 184,168
Grants and Contributions	45,423	92,241
General Revenues		
Property Taxes	3,542,475	3,466,926
Interest	28,683	38,013
Miscellaneous	1,934	5,147
Total Revenues	<u>3,809,727</u>	<u>3,786,495</u>
Expenses		
General Government	<u>3,526,479</u>	<u>3,391,819</u>
Total Expenses	<u>3,526,479</u>	<u>3,391,819</u>
Increase in Net Assets	283,248	394,676
Net Assets-Beginning	7,298,412	6,903,736
Net Assets-Ending	<u>\$ 7,581,660</u>	<u>\$ 7,298,412</u>

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds- The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Library's net resources available for spending at the end of the fiscal year.

At June 30, 2012 the Library's governmental funds reported combined ending unreserved fund balances of \$667,302.

The General Fund is the chief operating fund of the Library. At June 30, 2012, unreserved fund balance of the General Fund was \$667,302. The fund balance of the General Fund decreased by \$1,960 during the year ended June 30, 2012.

86

**INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

GENERAL FUND BUDGETARY HIGHLIGHTS

Significant differences between the final budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$1,732 (unfavorable).
- The difference between the estimated expenditures and the actual expenditures was \$394,480 (favorable).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The Library's investment in capital assets for its governmental activities as of June 30, 2012 amount to \$7,033,579 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and furniture, fixtures, and equipment. The total decrease in the Library's investment in capital assets for the year ended June 30, 2012 was \$154,857 and was due to the District remodel.

Indian Prairie Public Library District's Capital Assets
(Net of Depreciation)

	Governmental Activities	
	6/30/2012	6/30/2011
Land	\$ 491,400	\$ 491,400
Building and Improvements	6,502,659	6,656,343
Furniture, Fixtures, and Equipment	39,520	40,693
Total	<u>\$ 7,033,579</u>	<u>\$ 7,188,436</u>

Additional information on the Library's capital assets can be found in Note 3 on page 17 of this report.

Long-Term Debt – At June 30, 2012, the Library had \$915,000 in debt outstanding.

Additional information on the Library's long-term debt can be found in Note 5 on page 18 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The equalized assessed valuation (EAV) for the Library for 2012 is \$2,062,114,942. That represents a decrease in EAV of \$281,297,412 over the prior year's EAV.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Board of Trustees, Indian Prairie Public Library District, 401 Plainfield Rd, Darien, IL 60561.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012

ASSETS	
Cash and Investments	\$ 3,188,608
Property Taxes Receivable	1,634,084
Capital Assets (net of accumulated depreciation)	<u>7,033,579</u>
TOTAL ASSETS	<u>\$ 11,856,271</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 6,331
Accrued Payroll	83,424
Deferred Revenue	<u>3,193,482</u>
Total Current Liabilities	<u>3,283,237</u>
Noncurrent Liabilities	
Bond Payable	915,000
Compensated Absences	<u>76,374</u>
Total Noncurrent Liabilities	<u>991,374</u>
Total Liabilities	<u>4,274,611</u>
NET ASSETS	
Invested in Capital Assets	6,118,579
Reserved	795,779
Unreserved	<u>667,302</u>
Total Net Assets	<u>7,581,660</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,856,271</u>

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

STATEMENT OF ACTIVITIES

June 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Total
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Current				
General Government	\$ 3,526,479	\$ 191,212	\$ 45,423	\$ (3,289,844)
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,526,479</u>	<u>\$ 191,212</u>	<u>\$ 45,423</u>	<u>(3,289,844)</u>
General Revenues				
				3,542,475
				28,683
				1,934
				<u>3,573,092</u>
				283,248
				<u>7,298,412</u>
				<u>\$ 7,581,660</u>

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2012

	Governmental Fund Types				Fiduciary Fund Types		Total Governmental Funds
	General Fund	Special Reserve Fund	Debt Service Fund	Non-Major Governmental Funds	Trust and Agency Funds		
ASSETS							
Cash and Investments	\$ 2,280,914	\$ 22,056	\$ 302,287	\$ 191,947	\$ 391,404	\$	\$ 3,188,608
Property Taxes Receivable	1,299,363	-	235,040	99,681	-	-	1,634,084
Deferred Compensation Plan	-	-	-	-	998,494	-	998,494
TOTAL ASSETS	\$ 3,580,277	\$ 22,056	\$ 537,327	\$ 291,628	\$ 1,389,898	\$	\$ 5,821,186
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts Payable	\$ 6,329	-	-	\$ 2	-	\$	\$ 6,331
Accrued Payroll	83,424	-	-	-	-	-	83,424
Compensated Absences	76,374	-	-	-	-	-	76,374
Deferred Revenue	2,746,848	-	235,040	211,594	-	-	3,193,482
Deferred Compensation Plan	-	-	-	-	998,494	-	998,494
Total Liabilities	2,912,975	-	235,040	211,596	998,494	\$	4,358,105
FUND BALANCES							
Reserved Fund Balance	-	22,056	302,287	80,032	391,404	-	795,779
Unreserved Fund Balance	667,302	-	-	-	-	-	667,302
Total Fund Balances	667,302	22,056	302,287	80,032	391,404	\$	1,463,081
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,580,277	\$ 22,056	\$ 537,327	\$ 291,628	\$ 1,389,898	\$	\$ 5,821,186

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

June 30, 2012

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,463,081
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets are used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	7,033,579
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds	
Bond Payable	<u>(915,000)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 7,581,660</u>

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2012

	Governmental Fund Type				Fiduciary	Total
	General	Special Reserve Fund	Debt Service Fund	Non-major Governmental Funds	Working Cash Fund	
REVENUES						
Property taxes	\$ 2,823,932	\$ -	\$ 491,989	\$ 226,554	\$ -	\$ 3,542,475
Per Capita Grant	43,613	-	-	-	-	43,613
IL Historical Records Preservation	-	-	-	-	-	-
Service Fees	191,212	-	-	-	-	191,212
Gifts and Donations	1,810	-	-	-	-	1,810
Interest	21,280	15	134	-	7,254	28,683
Collection Agency Fee	357	-	-	-	-	357
Miscellaneous	1,577	-	-	-	-	1,577
Total Revenues	3,083,781	15	492,123	226,554	7,254	3,809,727
EXPENDITURES						
Current						
Personnel	2,174,583	-	-	-	-	2,174,583
Materials	485,493	-	-	-	-	485,493
Building	150,309	-	-	-	-	150,309
Automation	125,319	-	-	-	-	125,319
Operations	36,574	-	-	-	-	36,574
Contractual Services	25,560	-	-	-	-	25,560
Insurance	2,794	-	-	17,252	-	20,046
Public Information	53,580	-	-	-	-	53,580
Maintenance, repair and service	-	-	-	112,743	-	112,743
IMRF	-	-	-	62,000	-	62,000
Social security	-	-	-	62,000	-	62,000
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	445,000	-	-	445,000
Interest	-	-	31,686	-	-	31,686
Bond Fees	-	-	200	-	-	200
Contingencies	31,529	-	-	-	-	31,529
Total Expenditures	3,085,741	-	476,886	253,995	-	3,816,622
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,960)	15	15,237	(27,441)	7,254	(6,895)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,960)	15	15,237	(27,441)	7,254	(6,895)
FUND BALANCES, JULY 1	669,262	22,041	287,050	107,473	384,150	1,469,976
FUND BALANCES, JUNE 30	\$ 667,302	\$ 22,056	\$ 302,287	\$ 80,032	\$ 391,404	\$ 1,463,081

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUNDS BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

NET CHANGE IN FUND BALANCES		
TOTAL GOVERNMENTAL FUNDS	\$	(6,895)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the Statement of Activities		16,124
The decrease in long-term liabilities for principal payments is reported as an expenditure when due in governmental funds but as a decrease of liabilities in the Statement of Activities		445,000
Some expenses in the Statement of Activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(170,981)</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>283,248</u>

94

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2012

	Working Cash Fund	Deferred Compensation Plan
ASSETS		
Cash and Cash Equivalents	\$ 391,404	\$ -
Deferred Compensation Plan	-	998,494
	-	998,494
TOTAL ASSETS	\$ 391,404	\$ 998,494
LIABILITIES		
Deferred Compensation Plan	\$ -	\$ 998,494
	-	998,494
TOTAL LIABILITIES	-	998,494
NET ASSETS	391,404	-
TOTAL LIABILITIES AND NET ASSETS	\$ 391,404	\$ 998,494

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 Year Ended June 30, 2012

	Working Cash Fund	Deferred Compensation Plan
ADDITIONS		
Property Tax	\$ -	\$ -
Investment Income	7,254	-
Realized gain (loss)	-	13,171
Member contributions	-	40,920
TOTAL ADDITIONS	<u>7,254</u>	<u>54,091</u>
DEDUCTIONS		
Investment expense	-	-
Withdrawals	-	66,223
Miscellaneous	-	-
TOTAL DEDUCTIONS	<u>-</u>	<u>66,223</u>
CHANGE IN NET ASSETS	7,254	(12,132)
NET ASSETS - JULY 1, 2011	<u>384,150</u>	<u>1,010,626</u>
NET ASSETS - JUNE 30, 2012	<u>\$ 391,404</u>	<u>\$ 998,494</u>

See accompanying notes to financial statements.

96

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Indian Prairie Public Library District (the Library) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Library was organized under the laws of the State of Illinois. The Library is governed by a Board of Trustees (the Board) and the rules and regulations for library districts.

The accounting policies of the Library conform to GAAP as applicable to governmental units. The following is a summary of the more significant policies.

a. **Reporting Entity**

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will be by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

2) Fiscal dependency on the primary government.

b. **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Library. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by grants and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Library reports the following major governmental funds:

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Reserve Fund is used to accumulate monies for capital projects and improvements of the Library.

The Debt Service Fund is used to accumulate monies for payment on long-term debt.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred.

Charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Library; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Library reports deferred/unearned revenue on its financial statements. Deferred/unearned revenues arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned revenues also arise when resources are received by the Library before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the liability for deferred/unearned revenue is removed from the financial statements and revenue is recognized.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Restricted Cash

The Library has transferred funds to the Special Reserve. Additionally the Library has funds in the Debt Service Fund. These amounts are restricted.

e. Prepaid Item/Expenses

Payments made to vendors for services that will benefit periods beyond the draft of this report are recorded as prepaid items/expenses.

f. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-50
Furniture, fixtures and equipment	5-10

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

106

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Vacation and Sick Leave

In the event of termination, an employee is reimbursed for accumulated vacation days.

Vested or accumulated vacation time that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements, and the remainder is reported in long-term debt. Vested or accumulated vacation time of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

h. Interfund Transactions

Interfund service transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund service transactions and reimbursements, are reported as transfers.

Actively between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other fund" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

i. Fund Equity/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the net assets are restricted as a result of enabling legislation adopted by the Library. Invested in capital assets represents the Library's investment in the book value of capital assets.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

101

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

2. DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes and the Library’s investment policy 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, 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 Illinois Funds.

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

a. Deposits

To guard against credit risk for deposits with financial institutions, the Library’s investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of the uninsured deposits with the collateral held by a third party acting as the agent of the Library.

b. Investments

At June 30, 2012, the Library had invested \$1,111,197, which is the fair value, in Illinois Funds. These investments are liquid with no maturity date.

GASB 40 – Operating Funds

In accordance with its investment policy, the Library limits its exposure to interest rate risk to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The portfolio that is invested with Illinois Funds, which is completely liquid, is not subject to interest rate risk.

Illinois Funds is “AAA” rated and credit risk is very marginal.

102

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 491,400	\$ -	\$ -	\$ 491,400
Capital assets being depreciated				
Building and improvements	7,684,213	-	-	7,684,213
Furniture, fixtures, and equipment	<u>242,457</u>	<u>29,037</u>	<u>12,913</u>	<u>258,581</u>
Total capital assets being depreciated	<u>7,926,670</u>	<u>29,037</u>	<u>12,913</u>	<u>7,942,794</u>
Less accumulated depreciation for				
Building improvements	1,027,870	153,684	-	1,181,554
Furniture, fixtures, and equipment	<u>201,764</u>	<u>17,297</u>	-	<u>219,061</u>
Total accumulated depreciation	<u>1,229,634</u>	<u>170,981</u>	<u>-</u>	<u>1,400,615</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 7,188,436</u>	<u>\$ (141,944)</u>	<u>\$ 12,913</u>	<u>\$ 7,033,579</u>

Depreciation expense was charged to functions of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General Government	<u>\$ 170,981</u>

4. 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; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

103

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

5. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the year ended June 30, 2012:

	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
GOVERNMENTAL ACTIVITIES					
Bonds payable	\$ 1,360,000	\$ -	\$ 445,000	\$ 915,000	\$ 460,000
Compensated absences	66,939	9,435	-	76,374	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,426,939</u>	<u>\$ 9,435</u>	<u>\$ 445,000</u>	<u>\$ 991,374</u>	<u>\$ 460,000</u>

On December 16, 1993, the District issued \$4,950,000 in library bonds to provide financing for the construction of new library facilities. A portion of the above issue has been refunded by the issuance of \$3,840,000 General Obligation Refunding Bonds, Series 2003 dated July 1, 2003 resulting in a savings to the District of \$478,353. These bonds mature annually in varying amounts beginning December 30, 2004 through December 30, 2014. Interest at varying rates is due in June and December of each year through December 30, 2014. As of June 30, 2012, the District owes \$0 from the original issuance and \$915,000 from the refunding issuance, for a total of \$915,000 of outstanding bonds payable.

Principal and interest maturities of the outstanding bonds at June 30, 2012 are as follows:

Years Ending June 30,	Principal	Interest
2013	460,000	19,521
2014	455,000	6,598
Totals	<u>\$ 915,000</u>	<u>\$ 26,119</u>

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

104

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

6. RECEIVABLES – TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2012, 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 Ordinance). Tax bills are prepared by the County and issued on or about June 1, 2012 and September 1, 2012. The County collects such taxes and remits them periodically. Based upon actual collection experience, uncollectible property taxes are immaterial, therefore, an allowance provision has not been recorded. Except for the Debt Service Fund (see note 10), the District has deferred recognition of the 2011 tax levy as it is intended to fund operations of the 2011-2012 fiscal year.

7. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor cannot be determined at this time. The District does not expect to have any such liability if any were to arise it would be immaterial.

8. DEFERRED COMPENATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future year. 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 benefit of participants and their beneficiaries.

9. EMPLOYEE RETIREMENT SYSTEMS

Illinois Municipal Retirement Fund

The Library'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 Library's 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

105

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

As set by statute, Library employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library's annual required contribution rate for calendar year 2011 was 13.41 percent. The Library 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.

For December 31, 2011, the Library's annual pension cost of \$169,210 was equal to the Library's required and actual contributions. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the 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 Library's plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

As of December 31, 2011, the most recent actuarial valuation date, the plan was 60.71% funded. The actuarial accrued liability for benefits was \$3,204,079 and the actuarial value of assets was \$1,945,054, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,259,025. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$1,261,818 and the ratio of UAAL to the covered payroll was 100 percent.

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 169,210	100%	\$ -
2010	163,433	100%	-
2009	144,503	100%	-

The schedule of funding progress, presented as RSI following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

10. DEBT SERVICE REVENUE RECOGNITION

The District has elected to recognize property taxes received during the fiscal year for the Debt Service Fund as revenue earned. This is a departure from the method property taxes are recorded in other funds. (See Note 1)

REQUIRED SUPPLEMENTARY INFORMATION

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Property taxes	\$ 2,853,313	\$ 2,853,313	\$ 2,823,932
Per Capita Grant	44,000	44,000	43,613
IL Historical Records Preservation	-	-	-
Service Fees:			
Copier	15,000	15,000	10,989
Computer Copies	-	-	3,485
Fines/Fees	58,000	58,000	61,824
Lost Materials	12,000	12,000	11,193
Non-Resident Fees	85,000	85,000	90,255
Video Rental	8,000	8,000	10,716
Book Rental	3,000	3,000	2,575
Meeting Room Rental	-	-	175
Gifts/Donations	2,000	2,000	1,810
Interest	2,200	2,200	21,280
Collection Agency Fee	-	-	357
Miscellaneous	3,000	3,000	1,577
Total Revenues	<u>3,085,513</u>	<u>3,085,513</u>	<u>3,083,781</u>
EXPENDITURES			
Current			
Personnel:			
Salaries	1,944,321	1,944,321	1,844,070
Medical/Life Insurance	130,000	130,000	107,452
Staff Development	25,000	25,000	20,004
Recruitment	2,000	2,000	-
Benefits - IMRF	150,000	150,000	111,302
Benefits - FICA	85,000	85,000	76,847
Workers Compensation	8,500	8,500	8,318
Unemployment Insurance	5,000	5,000	2,999
Employee Assistance Program	3,000	3,000	2,500
Board Development	1,500	1,500	1,091
Total Personnel	<u>2,354,321</u>	<u>2,354,321</u>	<u>2,174,583</u>
Materials:			
Books	250,000	250,000	244,172

(See independent auditor's report.)

EXPENDITURES (cont)

Current (cont)

Materials:

Periodicals	40,000	40,000	27,051
Audio	56,000	56,000	53,906
Video	52,000	52,000	54,917
Story Boxes	700	700	527
Electronic Reference Resources	70,000	70,000	73,426
Circulating CD Rom	5,000	5,000	3,342
Government Documents	500	500	-
Life Skills/Ell	3,000	3,000	3,427
Processing Supplies	25,000	25,000	24,725
Total Materials	502,200	502,200	485,493

Building:

Cleaning Service	65,000	65,000	55,270
Maintenance Supplies	20,000	20,000	14,750
Building Maintenance/Repairs	60,000	60,000	42,769
Gas	-	-	-
Telephone and Water/Sewer	12,000	12,000	9,255
Security System Monitoring	1,500	1,500	1,533
Property Maintenance	35,000	35,000	24,274
Garbage Disposal	5,000	5,000	2,458
Electric	-	-	-
Total Building	198,500	198,500	150,309

Automation:

Supplies	12,000	12,000	9,117
Automation-Prof Services	12,000	12,000	10,097
Purchase of Equipment	30,000	30,000	20,968
Automation Equipment Maintenance	4,000	4,000	1,606
Software	21,000	21,000	19,723
SWAN Maintenance	47,000	47,000	44,922
SWAN Database Maintenance	15,500	15,500	14,006
New Technologies	8,000	8,000	-
Telecommunications	6,000	6,000	4,880
Total Automation	155,500	155,500	125,319

Operations:

Office Supplies	16,000	16,000	12,681
Photocopy Supplies	6,000	6,000	4,355
Patron Cards	5,000	5,000	3,709
Postage	11,000	11,000	9,567
Non-Payment Reimbursements	6,000	6,000	2,288

(See independent auditor's report.)

EXPENDITURES (cont)

Current (cont)

Operations (cont):

Travel	1,000	1,000	637
Bank Fees	3,000	3,000	2,417
Organizational Membership	2,000	2,000	920

Total Operations	<u>50,000</u>	<u>50,000</u>	<u>36,574</u>
------------------	---------------	---------------	---------------

Contractual Services:

Professional Services	12,000	12,000	12,194
Legal Services	12,000	12,000	3,924
Credit Bureau	2,000	2,000	954
Audit	4,000	4,000	2,725
Equipment Maint./Repair	1,200	1,200	328
Equipment Maint. Contracts	6,500	6,500	3,418
Photocopy Maint. Contracts	3,000	3,000	2,017

Total Contractual Services	<u>40,700</u>	<u>40,700</u>	<u>25,560</u>
----------------------------	---------------	---------------	---------------

Insurance:

Multi-peril Physical Assets	-	-	-
Bonding & Liability	5,000	5,000	2,794

Total Insurance	<u>5,000</u>	<u>5,000</u>	<u>2,794</u>
-----------------	--------------	--------------	--------------

Public Information

Legal Notices	3,000	3,000	1,804
Marketing	27,500	27,500	25,956
Information Supplies	3,000	3,000	2,244
Special Events	30,000	30,000	19,698
Information Printing	7,500	7,500	3,878

Total Public Information	<u>71,000</u>	<u>71,000</u>	<u>53,580</u>
--------------------------	---------------	---------------	---------------

Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
----------------	----------	----------	----------

Contingencies	<u>100,000</u>	<u>100,000</u>	<u>31,529</u>
---------------	----------------	----------------	---------------

Total Expenditures	<u>3,477,221</u>	<u>3,477,221</u>	<u>3,085,741</u>
--------------------	------------------	------------------	------------------

EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES

(391,708)	(391,708)	(1,960)
-----------	-----------	---------

OTHER FINANCING SOURCES (USES)

Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
--------------------	----------	----------	----------

NET CHANGE IN FUND BALANCE	<u>(391,708)</u>	<u>(391,708)</u>	(1,960)
----------------------------	------------------	------------------	---------

FUND BALANCE, JULY 1			<u>669,262</u>
----------------------	--	--	----------------

FUND BALANCE, JUNE 30			<u>\$ 667,302</u>
-----------------------	--	--	-------------------

(See independent auditor's report.)

111

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

**SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND**

June 30, 2012

Actuarial Valuation Date: December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2009	\$ 1,800,815	\$ 2,966,685	60.70%	\$ 1,165,870	\$ 1,208,217	96.50%
2010	1,799,112	3,108,068	57.89%	1,308,956	1,255,247	104.28%
2011	1,945,054	3,204,079	60.71%	1,259,025	1,261,818	99.78%

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2012

<u>Year Ended December 31</u>	<u>Employer Contribution</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 144,503	\$ 144,503	100%
2010	163,433	163,433	100%
2011	169,210	169,210	100%

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

113

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2011

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted (at the fund level) for the General, Special Reserve, Debt Service and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The District prepares and submits to the Board a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them. Annual budgets are adopted for the General Fund on a basis consistent with GAAP. The legal level of budgetary control is at the fund level.
2. The proposed operating budget is adopted by the Board at a public meeting.
3. Any amendments to the budget must be adopted by the Board at a public meeting.
4. Budgeted amounts presented in the financial statements are those as originally adopted by the Board. There were no amendments to the budget for the year ended June 30, 2012.

NON-MAJOR GOVERNMENTAL FUNDS

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2012

	IMRF	Special Revenue			Totals
		Social Security	Liability Insurance	Building Maintenance	
Cash and investments	\$ 35,216	\$ 30,832	\$ 20,739	\$ 105,160	\$ 191,947
Property tax receivable	27,468	24,714	7,218	40,281	99,681
TOTAL ASSETS	\$ 62,684	\$ 55,546	\$ 27,957	\$ 145,441	\$ 291,628
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	2	-	\$ -	2
Deferred revenues	58,237	52,413	15,530	85,414	211,594
Total Liabilities	58,237	52,415	15,530	85,414	211,596
FUND EQUITY					
Fund balances	4,447	3,131	12,427	60,027	80,032
Total Fund Equities	4,447	3,131	12,427	60,027	80,032
TOTAL LIABILITIES AND FUND BALANCES	\$ 62,684	\$ 55,546	\$ 27,957	\$ 145,441	\$ 291,628

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2012

	Special Revenues				Totals
	IMRF	Social Security	Liability Insurance	Building Maintenance	
REVENUES					
Property Taxes	\$ 61,593	\$ 57,020	\$ 17,685	\$ 90,256	\$ 226,554
Interest	-	-	-	-	-
Total Revenues	<u>61,593</u>	<u>57,020</u>	<u>17,685</u>	<u>90,256</u>	<u>226,554</u>
EXPENDITURES					
General Government					
Insurance premiums	-	-	17,252	-	17,252
Building maintenance	-	-	-	112,743	112,743
IMRF	62,000	-	-	-	62,000
FICA	-	62,000	-	-	62,000
Total Expenditures	<u>62,000</u>	<u>62,000</u>	<u>17,252</u>	<u>112,743</u>	<u>253,995</u>
NET CHANGES IN FUND BALANCES	<u>(407)</u>	<u>(4,980)</u>	<u>433</u>	<u>(22,487)</u>	<u>(27,441)</u>
Other financing sources (uses):					
Transfers from (to) general fund	-	-	-	-	-
FUND BALANCES, JULY 1	<u>4,854</u>	<u>8,111</u>	<u>11,994</u>	<u>82,514</u>	<u>107,473</u>
FUND BALANCES, JUNE 30	<u>\$ 4,447</u>	<u>\$ 3,131</u>	<u>\$ 12,427</u>	<u>\$ 60,027</u>	<u>\$ 80,032</u>

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

PROPERTY TAX ASSESSED VALUATIONS, RATES, EXTENSIONS, AND COLLECTIONS
June 30, 2012

Tax Levy Year	2011			2010		
	DuPage County	Cook County		DuPage County	Cook County	
Assessed Valuation	1,941,235,088	120,879,854		2,214,917,184	128,495,170	
Tax Extensions	Rate	Amount	Rate	Amount	Rate	Amount
Corporate	0.1415	\$ 2,746,848	0.1532	\$ 185,292	0.1283	\$ 2,666,484
I.M.R.F.	0.0030	58,237	0.0000	-	0.0028	58,193
Social Security	0.0027	52,413	0.0000	-	0.0026	54,036
Audit	0.0000	-	0.0000	-	0.0000	-
Liability Insurance	0.0008	15,530	0.0000	-	0.0008	16,627
Building Maintenance	0.0044	85,414	0.0000	-	0.0041	85,211
Debt Service	0.0236	465,688	0.0247	29,874	0.0220	464,346
	<u>0.1760</u>	<u>3,424,130</u>	<u>0.1779</u>	<u>215,166</u>	<u>0.1606</u>	<u>3,344,896</u>
Total DuPage Co Extension		\$ 3,424,130		\$ 3,344,896		\$ 179,766
Total Cook Co Extension		215,166		209,447		128,495,170
Total Extensions		\$ 3,639,296		\$ 3,554,343		\$ 1,661,698
Tax Collections:						
year ended June 30, 2012		\$ 1,693,472		\$ 1,661,698		\$ 46.75%
Previous years						
Total Collected		\$ 1,693,472		\$ 1,661,698		46.75%
Percent Collected		46.53%		46.75%		

Property tax rates are per \$100 of assessed valuation. Assessed valuation, rates and extended amounts of property taxes levied have been presented for each of the counties for which the District files a property tax levy.

(See independent auditor's report.)