

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

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2013**

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Independent Auditor's Report

To the Board of Trustees of  
Gail Borden Public Library District  
Elgin, Illinois 60120

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Gail Borden Public Library District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gail Borden Public Library District as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–8 and 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Tighe, Kress & Orr P.C.

Elgin, Illinois  
October 2, 2013

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2013**

The management discussion and analysis of the Gail Borden Public Library District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2013. Please review it in conjunction with the District's basic financial statements, which begin on page 9.

**Financial Highlights**

Total net position decreased \$1,884,491 which represents a 3.7 percent decrease from 2012. General revenues accounted for \$12,039,680 in revenues or 95.1 percent of all revenues. Program specific revenues in the form of charges for services and capital grants accounted for \$626,313 or 4.9 percent of all revenues. The District had \$13,715,771 in expenses related to governmental activities with \$626,313 in program revenues to cover the cost of those programs. The excess expenses were paid by general revenue.

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

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

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

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

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

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2013**

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

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

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

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

##### Fund Financial Statements

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

##### Major Funds

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

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

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2013**

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 to 25 of this report.

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

**The District as a Whole**

The District's total net position deteriorated from a year ago, decreasing from 50.4 million to 48.5 million. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities.

Table 1  
Statement of Net Position Fiscal Years ended June 30, 2013 and 2012  
(in Millions)

	<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>
Current and other assets	19.0	19.3	Net position:		
Long term receivables	18.6	20.5	Invested in capital		
Capital assets	32.3	33.8	assets	31.9	33.3
Total assets	<u>69.9</u>	<u>73.6</u>	Restricted	1.2	1.4
			Unrestricted	15.3	15.7
Other liabilities	2.5	2.3	Total net position	<u>48.4</u>	<u>50.4</u>
Long-term obligations	19.0	20.9			
Total liabilities	<u>21.5</u>	<u>23.2</u>			

Net position of the District's activities decreased 3.7 percent or \$1,884,491 due to lower revenues and a decrease in capital assets. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased \$494,828 during the year.



**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2013**

Table 2 compares the 2013 change in net position to the 2012 change in net position.

Table 2  
Changes in Net Position for 2013  
Compared with 2012 activity  
(in thousands)

	2013	2012	Change
Program Revenues:			
Charges for services	\$ 297.6	\$ 288.5	\$ 9.1
Capital grants	328.7	261.0	67.7
General Revenues:			
General revenues	12,039.7	15,005.1	(2,965.4)
Total Revenues	<u>\$ 12,666.0</u>	<u>\$ 15,554.6</u>	<u>\$ (2,888.6)</u>
Program Expenses			
General government	\$ 13,715.8	\$ 12,946.3	\$ (769.5)
Interest of long-term debt	834.7	911.1	76.4
Total Expenses	<u>14,550.5</u>	<u>13,857.4</u>	<u>(693.1)</u>
Increase (decrease) in net position	<u>\$ (1,884.5)</u>	<u>\$ 1,697.2</u>	<u>\$ (2,195.5)</u>

**The District's Funds**

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

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

	2013	2012	Change
General	\$ 9,007.1	\$ 8,309.9	\$ 697.2
Bond and interest	905.8	827.6	78.2
Building and equipment fund	110.8	209.9	(99.1)
Working cash	1,361.3	1,361.3	-
Social security	153.8	146.8	7.0
Illinois Municipal Retirement Fund	162.1	43.8	118.3
Nonmajor funds	468.3	383.9	84.4
Total Governmental Balances	<u>\$ 12,169.2</u>	<u>\$ 11,283.2</u>	<u>\$ 886.0</u>

The increase in the General Fund resulted from collection of revenues of \$9,546,333 to pay expenditures of \$8,777,115 due to more property taxes levied and cost containment.

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2013**

Table 4  
Total Governmental Fund Revenues  
(in thousands)

Revenue Source	2012	2013	Percent of total	Increase (decrease) over 2012	Percentage Change from 2012
Intergovernmental	\$ 13,548.9	\$ 13,444.3	95.2%	(104.6)	-0.8
Charges for services	305.3	321.4	2.3%	16.1	5.3
Investment earnings	5.1	7.0	0.0%	1.9	37.3
Grants and donations	261.0	328.7	2.3%	67.7	25.9
Other	21.9	27.4	0.2%	5.5	25.1
Total	<u>\$ 14,142.2</u>	<u>\$ 14,128.8</u>	<u>100.0%</u>	<u>(13.4)</u>	

### Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$32,343,078 (net of accumulated depreciation). The investment in capital assets includes land, buildings, equipment, computers, and book and library materials. The total decrease in District's investment in capital assets for the current fiscal year was 4.28%. The decrease was due to disposals and depreciation expense being larger than additions during the year.

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

### Long-Term Debt

The District has several general obligation bond due dates ranging from 2012 through 2021. The District made principal payments of \$1,615,000 on current portions of bonds due during the year. Interest expense was \$835,413 for the year ended June 30, 2013. For more detail on long term debt please refer to the notes to the financial statements.

**Gail Borden Public Library District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2013**

**Budgetary Highlights**

The increase in earnings resulted from an increase in grants received for the year ended June 30, 2013. The variance in expenditures resulted from the containment of costs.

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

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

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 8,912.5	\$ 9,017.2	\$ 104.7
Charges for services	280.0	321.4	41.4
Investment earnings	4.0	6.7	2.7
Grants and donations	348.0	173.6	(174.4)
All other	19.0	27.4	8.4
<b>Expenditures:</b>			
Total general government	11,813.0	8,777.1	3,035.9

Actual expenses were down in comparison to the budget. This was due to cost containment at all levels. Intergovernmental revenues increased due to an increase in property taxes received due to a small economic rebound.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to Gail Borden Public Library District, 270 North Grove, Elgin, Illinois 60120.

**Gail Borden Public Library District**  
**Statement of Net Position**  
**June 30, 2013**

<b>Assets</b>	<u>Governmental Activities</u>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 10,082,527
Property tax receivable	6,971,761
Other receivables	181,859
Current portion of long-term receivables	1,745,000
<b>Total Current Assets</b>	<u>18,981,147</u>
<b>Non-Current Assets:</b>	
Long-term receivables-amount to be provided for payment of general obligation bonds	18,581,446
Accrued bond discount and costs	75,579
Land, buildings and equipment net of accumulated depreciation of \$9,558,038	32,343,078
<b>Total Non-Current Assets</b>	<u>51,000,103</u>
<b>Total Assets</b>	<u>\$ 69,981,250</u>
 <b>Liabilities and Net Position</b>  	
<b>Current Liabilities:</b>	
Accounts payable	\$ 243,974
Accrued expenses, including accrued interest of \$33,280	357,747
Current portion of long-term debt	1,745,000
Current portion of equipment loan	139,033
<b>Total Current Liabilities</b>	<u>2,485,754</u>
<b>Non-Current Liabilities:</b>	
Long-term portion of equipment loan	309,822
General obligation bonds payable, net of current portion of long-term debt, including bond premium of \$62,025	18,657,025
<b>Total Liabilities</b>	<u>21,452,601</u>
<b>Net Position:</b>	
Invested in capital assets, net of related debt	31,894,223
Restricted for:	
Debt service	905,837
District's audit cost	9,057
Insurance premium	132,591
Equipment repairs and acquisition	110,756
Other purpose	71,804
Social security tax obligations	153,797
Unrestricted	15,250,584
<b>Total Net Position</b>	<u>\$ 48,528,649</u>

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

**Gail Borden Public Library District**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue and Changes in Net Position
<b>Primary Governments:</b>					
General Government Activities	\$ 13,715,771	\$ 297,573	\$ 328,740	\$ -	\$ (13,089,458)
Interest on Long-Term Debt	834,713	-	-	-	(834,713)
<b>Total Primary Government</b>	<b>\$ 14,550,484</b>	<b>\$ 297,573</b>	<b>\$ 328,740</b>	<b>\$ -</b>	<b>(13,924,171)</b>
<b>General Revenues:</b>					
Property Taxes					11,825,384
Replacement Taxes					156,077
Interest Income					7,013
Developer Fees					23,810
Miscellaneous					27,396
<b>Total General Revenues</b>					<b>12,039,680</b>
<b>Change in Net Position</b>					<b>(1,884,491)</b>
<b>Net Position-Beginning</b>					48,233,568
Prior period adjustment					2,179,572
<b>Net Position-Beginning Restated</b>					50,413,140
<b>Net Position-Ending</b>					<b>\$ 48,528,649</b>

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

**Gail Borden Public Library District**  
**Balance Sheets - Governmental Funds**  
**June 30, 2013**

	General Fund	Bond and Interest Fund	Building and Equipment Fund	Working Cash Fund	IMRF Fund	Social Security Fund	Other Government Funds	Total Government Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 7,698,326	\$ 423,544	\$ 59,824	\$ 1,361,346	\$ 11,794	\$ 99,955	\$ 427,738	\$ 10,082,527
Property tax receivable	4,608,206	1,341,988	271,941	-	423,762	217,027	108,837	6,971,761
Other receivable	180,825	-	-	-	1,034	-	-	181,859
Total Assets	\$ 12,487,357	\$ 1,765,532	\$ 331,765	\$ 1,361,346	\$ 436,590	\$ 316,982	\$ 536,575	\$ 17,236,147
<b>Liabilities</b>								
Accounts payable	193,146	350	42,522	-	-	-	7,956	243,974
Accrued expenses	301,731	-	-	-	-	22,736	-	324,467
Deferred revenue	2,985,418	859,345	178,487	-	274,528	140,449	60,286	4,498,513
Total Liabilities	3,480,295	859,695	221,009	-	274,528	163,185	68,242	5,066,954
<b>Fund Balances</b>								
Nonspendable:	17,597	-	-	-	-	-	-	17,597
Restricted for:								
Debt service	-	905,837	-	-	-	-	-	905,837
District's audit cost	-	-	-	-	-	-	9,057	9,057
Insurance premium	-	-	-	-	-	-	132,591	132,591
Equipment repairs and acquisition	-	-	110,756	-	-	-	-	110,756
Other purpose	-	-	-	-	-	-	54,207	54,207
Social security tax obligations	-	-	-	-	-	153,797	-	153,797
Committed for:								
Assigned to:								
Capital projects	-	-	-	1,361,346	-	-	-	1,361,346
Physical plant expansion	-	-	-	-	-	-	179,247	179,247
Unassigned	8,989,465	-	-	-	162,062	-	93,231	9,244,758
Total Fund Balances	9,007,062	905,837	110,756	1,361,346	162,062	153,797	468,333	12,169,193
Total Liabilities and Fund Balances	\$ 12,487,357	\$ 1,765,532	\$ 331,765	\$ 1,361,346	\$ 436,590	\$ 316,982	\$ 536,575	\$ 17,236,147

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

**Gail Borden Public Library District  
 Reconciliation of Total Governmental Fund Balance  
 To Net Position of Governmental Activities  
 For the Year Ended June 30, 2013**

Total Governmental Fund Balance \$ 12,169,193

Amounts reported in governmental activities in the Statement  
 of Net Position are different because:

Capital assets at historical cost, net accumulated depreciation,  
 used in governmental activities are not financial resources and  
 therefore are not reported in the governmental funds statement. 32,343,078

Long term receivables are not available to pay for current  
 period expenditures and therefore are deferred in the  
 governmental funds statement. 18,581,446

Deferred revenue is not reflected in Statement of Position. 4,498,513

Interest payable used in governmental activities are not payable  
 from current resources and therefore are not accrued in  
 the governmental funds statement. (33,280)

Long-term liabilities including bonds payable are not due  
 and payable in the current period and therefore are not  
 reported in the governmental funds statement. (18,657,025)

Bond costs and bond discounts are reported in governmental  
 funds as expenditures. However, in the Statement of Net  
 Position, the costs are accrued. 75,579

Long-term liabilities including notes payable are not due  
 and payable in the current period and therefore are not  
 reported in the governmental funds statement. (448,855)

Net Position \$ 48,528,649

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

**Gail Borden Public Library District**  
**Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Activities**  
**For the Year Ended June 30, 2013**

	General Fund	Bond & Interest Fund	Building & Equipment Fund	Working Cash Fund	IMRF Fund	Social Security Fund	Other Government Funds	Total Government Funds
<b>Revenues:</b>								
Property taxes	\$ 8,868,217	\$ 2,530,581	\$ 546,547	\$ -	\$ 762,760	\$ 413,096	\$ 166,984	\$ 13,288,185
Replacement taxes	148,998	-	-	-	7,079	-	-	156,077
Charge for services	321,383	-	-	-	-	-	-	321,383
Interest income	6,744	-	-	-	-	-	269	7,013
Grants and donations	173,595	-	5,750	-	-	-	149,395	328,740
Other	27,396	-	-	-	-	-	-	27,396
Total Revenue	<u>9,546,333</u>	<u>2,530,581</u>	<u>552,297</u>	<u>-</u>	<u>769,839</u>	<u>413,096</u>	<u>316,648</u>	<u>14,128,794</u>
<b>Expenditures:</b>								
Current:								
General Government	8,486,227	1,871	590,552	-	723,537	406,134	231,908	10,440,229
Capital Outlay	290,888	-	60,875	-	-	-	-	351,763
Debt Service:								
Principal	-	1,615,000	-	-	-	-	-	1,615,000
Interest	-	835,413	-	-	-	-	-	835,413
Total Expenditures	<u>8,777,115</u>	<u>2,452,284</u>	<u>651,427</u>	<u>-</u>	<u>723,537</u>	<u>406,134</u>	<u>231,908</u>	<u>13,242,405</u>
Excess (deficiency) of revenues over (under) expenditures:	769,218	78,297	(99,130)	-	46,302	6,962	84,740	886,389
<b>Other Financing Sources (Uses):</b>								
Transfers in	-	-	-	-	72,000	-	-	72,000
Transfers out	(72,000)	-	-	-	-	-	-	(72,000)
Total Other Financing Sources (Uses)	<u>(72,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	697,218	78,297	(99,130)	-	118,302	6,962	84,740	886,389
<b>Fund Balances-Beginning, Restated</b>	8,309,844	827,540	209,886	1,361,346	43,760	146,835	383,593	11,282,804
<b>Fund Balances-Ending</b>	<u>\$ 9,007,062</u>	<u>\$ 905,837</u>	<u>\$ 110,756</u>	<u>\$ 1,361,346</u>	<u>\$ 162,062</u>	<u>\$ 153,797</u>	<u>\$ 468,333</u>	<u>\$ 12,169,193</u>

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



**Gail Borden Public Library District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2013**

Net Change in Governmental Fund Balance \$ 886,389

Amounts reported in governmental activities in the Statement  
of Net Position are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation expense (1,099,042) did not exceed capitalized fixed assets and disposals (345,574) in the period. (1,444,616)

Property tax revenue on a full accrual basis that is deferred on the modified accrual basis in the Statement of Revenues and Expenditures. (1,462,801)

Loan expenses that on a full accrual basis is a liability on the modified accrual basis in the Statement of Revenues and Expenditures. 133,480

Interest accrued on general obligation bonds is not an expenditure in the governmental funds statement. 3,057

Transfer of long-term receivables related to payment on bonds is not an expenditure in the government fund report. (1,612,643)

Amortization of bond premiums is not revenue in the governmental funds statement. (2,357)

Principal payments on bonds is an expenditure in the government fund report. 1,615,000

Change in Net Position of Governmental Activities \$ (1,884,491)

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

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2013**

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

Gail Borden Public Library District is located in Elgin, Illinois. The District was incorporated under the provisions of the constitution and general statute of the State of Illinois. The District was organized to provide cultural services to its local residents.

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

Principles determining scope of reporting entity:

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

Fund accounting:

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

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

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

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

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

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

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

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2013**

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

Fund accounting (continued):

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

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

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

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

Government-wide fund financial statements:

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

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

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

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

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2013**

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

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

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

*Fund Accounting*

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

*Governmental Funds*

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

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2013**

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

Revenue recognition – property taxes:

Property taxes are levied by the District in both Kane and Cook Counties and become a lien on January 1. These levies are made in the fall of the year (2012) and the taxes are payable as follows:

Kane County:

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

Cook County:

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

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

Compensated absence:

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

Use of estimates:

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

Cash and cash equivalents:

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

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2013**

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

Investments:

The Library's investment policy does not contain guidance on credit risks. The Library limits the exposure to credit risk by primarily investing in U.S. agency obligations and the money market funds. Investments in the governmental funds are stated at cost or amortized cost, which approximate market.

Inventories and Prepaid items:

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

Capital Assets:

Capital assets, which include land, buildings, improvements, vehicles and equipment, are reported in the government-wide fund statements. Capital assets are defined by the District as assets with an individual cost of more than \$5,000. These assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated using the straight-line method with useful lives of 7-40 years. Fixed asset disposals net of acquisitions were (\$345,574) for the year ended June 30, 2013 these are reflected as expenditures in the Governmental Funds. Depreciation expenses as reflect in the statement of activities for the year ended June 30, 2013 was \$1,099,042.

Fund Balance:

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

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2013**

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

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

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

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

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

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

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

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

**New Pronouncements:**

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

**Gail Borden Public Library District  
Notes to the Financial Statements  
June 30, 2013**

**Note 2 – Pension Plan**

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

*Funding Policy:* As set by statute, the employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 15.03 percent. The employer also contributes for the disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost:* The required contribution for calendar year 2012 was \$692,445.

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

<u>Year Ending</u>	<u>Pension Cost (APC)</u>	<u>of APC Contributed</u>	<u>Pension Obligation</u>
12/31/2012	\$ 692,445	100%	\$ 0
12/31/2011	\$ 639,282	100%	\$ 0
12/31/2010	\$ 649,087	96%	\$ 27,843

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of the employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The employer Regular plan’s unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.



**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2013**

**Note 2 – Pension Plan (continued)**

*Funding Status and Funding Progress:* As of December 31, 2012 the most recent actuarial valuation date, the Regular plan was 59.47 percent funded. The actuarial accrued liability for benefits was \$11,700,290 and the actuarial value of assets was \$6,957,969, resulting in an underfunded actuarial accrued liability (UAAL) of \$4,742,321. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$4,607,087 and the ratio of the UAAL to the covered payroll was 103 percent.

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

**Note 3 – Deposits**

Deposits of the governmental funds of the District at June 30, 2013 consist of the following, less petty cash amount of \$2,676:

	<u>Bank Balances</u>	<u>Carrying Amount</u>
Checking accounts	\$ 836,187	\$ 806,697
Savings accounts	5	5
State Treasurer's investment pool	9,273,149	9,273,149
	\$ 10,109,341	\$ 10,079,851

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

**Gail Borden Public Library District  
Notes to the Financial Statements  
June 30, 2013**

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

The following summarizes fixed asset purchases and disposals for the year ended June 30, 2013:

	Governmental Activities			Balance June 30, 2013
	Balance July 1 2012	Additions	Deletions/	
Non-depreciable:				
Land	\$ 1,767,516	\$ -	\$ -	\$ 1,767,516
Depreciable:				
Buildings and improvements	35,445,097	-	-	35,445,097
Equipment	1,084,930	79,591	(30,000)	1,134,521
Computer	1,645,949	-	-	1,645,949
Books and library materials	2,342,728	285,084	(710,247)	1,917,565
Accumulated depreciation	(8,498,527)	(1,099,042)	30,000	(9,567,569)
Total Fixed Assets	<u>\$ 33,787,693</u>	<u>\$ (734,368)</u>	<u>\$ (710,247)</u>	<u>\$ 32,343,078</u>

Depreciation expense for the year ended June 30, 2013 totaled \$1,099,042.

**Note 5 – Bonds Payable**

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

Four separate series of bonds were issued:

Series 2005A	\$ 10,000,000
Series 2005B	10,000,000
Series 2002	4,000,000
Series 2012	2,755,000
	<u>\$ 26,755,000</u>

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

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

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2013**

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

A summary of the bonds outstanding at June 30, 2013 are as follows:

Year	Series 2012		Series 2005		Series 2005A		Series 2002	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
12/15/13	190,000	25,628	1,270,000	321,499	285,000	52,238	-	-
06/15/14	-	25,010		289,749		46,538	-	-
12/15/14	180,000	25,010	1,475,000	289,749	290,000	46,538	-	-
06/15/15	-	24,245		257,299		40,375	-	-
12/15/15	225,000	24,245	1,615,000	257,299	300,000	40,375	-	-
06/15/16	-	22,951		216,924		34,000	-	-
12/15/16	270,000	22,951	1,820,000	216,924	310,000	34,000	-	-
06/15/17	-	21,264		182,344		27,413	-	-
12/15/17	215,000	21,264	1,900,000	182,344	315,000	27,413	-	-
6/15/18	-	19,705	-	145,294	-	20,719	-	-
12/15/18-12/15/21	1,595,000	117,013	7,110,000	451,869	975,000	62,581	-	-
							-	-
Total	\$ 2,675,000	349,285	15,190,000	2,811,291	2,475,000	432,188	-	-

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

The total principal bond liability at June 30, 2012 was \$21,995,000. Principal payments of \$1,615,000 were made throughout the June 30, 2013 fiscal year. The total principal bond liability at June 30, 2013 is \$20,380,000.

**Note 6 – Legal Compliance and Accountability**

Illinois Library Districts have no debt limit for bonds. The debt limit obligations, other than bonds is 2.875% of the District's equalized assessed valuation.

Legal Debt Margin

Assessed Valuation – 2012 Tax Levy	<u>\$ 3,246,462,602</u>
Statutory Limit – 2.875% of Assessed Valuation (70 ILCS 705/12)	\$ 93,335,800
Equipment Loan	<u>(448,855)</u>
Legal Debt Margin	<u>\$ 92,886,945</u>

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

**Gail Borden Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2013**

**Note 7 – Risk Management**

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

**Note 8 – Long-term Liabilities**

The District entered into a loan for \$700,000 at 4.25% interest during the current year to purchase an electronic book sorter. The District made \$133,480 in principle payments and \$22,413 in interest payments. Monthly payments of \$12,991 are made. The loan comes due in 2016. The balance at June 30, 2013 is \$448,855 with \$139,033 due for fiscal the year ended June 30, 2014.

**Note 9 – Interfund Balance Transfers**

A transfer was made in 2013 from the General Fund to the IMRF Fund for \$72,000 to cover the Illinois Municipal Retirement Fund expenses.

**Note 10 – Expenditures Over Budget**

For the year ending June 30, 2013, the District’s general fund had individual line expenditures over budget. The total expenditures were under budget.

**Note 11 – Prior Period Adjustment**

An adjustment was made to net position to recognize revenue in the proper period.

	Fund Balance As previously Reported	Recognize Revenue In the Proper Period	Fund Balance As Restated
General	\$ 6,848,754	\$ 1,461,090	\$ 8,309,844
Bond & Interest	397,553	429,987	827,540
Building & Equipment	117,503	92,383	209,886
Working Cash	1,361,346	-	1,361,346
IMRF	(64,103)	107,863	43,760
Social Security	80,738	66,097	146,835
Audit	6,105	2,580	8,685
Insurance	115,993	19,572	135,565
Reserve	179,068	-	179,068
Gift	60,275	-	60,275
	<u>\$ 9,103,232</u>	<u>\$ 2,179,572</u>	<u>\$ 11,282,804</u>

**Note 12 – Date of Managements Review**

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

**Required Supplementary Information**

**Gail Borden Public Library District**  
**Budgetary Comparison Schedule of Revenues,**  
**Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2013**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Positive/ (Negative)</u>
<b>Revenue:</b>			
Property taxes	\$ 8,868,217	\$ 8,788,500	\$ 79,717
Replacement taxes	148,998	124,000	24,998
Charges for services	321,383	280,000	41,383
Investment earnings	6,744	4,000	2,744
Grants and donations	173,595	348,000	(174,405)
Other	27,396	19,000	8,396
Total Revenue	<u>9,546,333</u>	<u>9,563,500</u>	<u>(17,167)</u>
<b>Expenditures:</b>			
Current:			
General government			
Personnel services	6,148,677	7,949,000	1,800,323
Contractual services	1,168,525	1,669,000	500,475
Supplies	140,951	185,500	44,549
Materials	872,182	1,236,000	363,818
Capital outlay	290,888	586,000	295,112
Loan expenses	155,892	187,500	31,608
Total Expenditures	<u>8,777,115</u>	<u>11,813,000</u>	<u>3,035,885</u>
<b>Other Financing Activities</b>			
Transfers out	<u>(72,000)</u>	<u>(72,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 697,218</u>	<u>\$ (2,321,500)</u>	<u>\$ 3,018,718</u>

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

**Gail Borden Public Library District**  
**Schedule of Funding Progress - Illinois Municipal Retirement Fund**  
**For the Year Ended June 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012	6,957,969	11,700,290	4,742,321	59.47	4,607,087	102.94%
12/31/2011	5,893,546	10,807,568	4,914,022	54.53	4,476,763	109.77%
12/31/2010	6,771,627	11,099,447	4,327,820	61.01	4,350,448	99.48%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$7,257,920.  
On a market basis, the funded ratio would be 62.03%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Gail Borden Public Library District. They do not include amounts for retirees.  
The actuarial accrued liability for retirees is 100% funded.

**Gail Borden Public Library District**  
**Note to Required Supplementary Information**  
**June 30, 2013**

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

Budgetary Process:

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

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

Budgeted figures are computed on the modified accrual basis of accounting.

There were no revisions to the original budget.



## **Supplementary Information**

**Gail Borden Public Library District**  
**Balance Sheets - Other Governmental Funds**  
**June 30, 2013**

	Special Revenue Funds				Total
	Audit Fund	Liability and Risk Fund	Building Reserve Fund	Gift Fund	Other Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 6,461	\$ 110,592	\$ 179,247	\$ 131,438	\$ 427,738
Property tax receivable	7,726	85,111	-	16,000	108,837
<b>Total Assets</b>	<b>\$ 14,187</b>	<b>\$ 195,703</b>	<b>\$ 179,247</b>	<b>\$ 147,438</b>	<b>\$ 536,575</b>
<b>Liabilities</b>					
Liabilities:					
Accounts payable	-	7,956	-	-	7,956
Deferred revenue	5,130	55,156	-	-	60,286
<b>Total Liabilities</b>	<b>5,130</b>	<b>63,112</b>	-	-	<b>68,242</b>
<b>Fund Balances</b>					
Nonspendable:	-	-	-	-	-
Restricted for:					
District's audit cost	9,057	-	-	-	9,057
Insurance premiums	-	132,591	-	-	132,591
Other purpose	-	-	-	54,207	54,207
Committed for:	-	-	-	-	-
Assigned to:					
Physical plant expansion	-	-	179,247	-	179,247
Unassigned	-	-	-	93,231	93,231
<b>Total Fund Balance</b>	<b>9,057</b>	<b>132,591</b>	<b>179,247</b>	<b>147,438</b>	<b>468,333</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 14,187</b>	<b>\$ 195,703</b>	<b>\$ 179,247</b>	<b>\$ 147,438</b>	<b>\$ 536,575</b>

**Gail Borden Public Library District**  
**Statements of Revenues, Expenditures and Changes**  
**in Fund Balances - Other Governmental Funds**  
**For the Year Ended June 30, 2013**

	Special Revenue Funds				Total Other Governmental Funds
	Audit Fund	Liability Insurance Fund	Building Reserve Fund	Gift Fund	
<b>Revenues:</b>					
Property taxes	\$ 14,871	\$ 152,113	-	-	\$ 166,984
Interest income	-	-	179	90	269
Grants and donations	-	-	-	149,395	149,395
<b>Total Revenue</b>	<u>14,871</u>	<u>152,113</u>	<u>179</u>	<u>149,485</u>	<u>316,648</u>
<b>Expenditures:</b>					
Current:					
General government	14,500	155,086	-	62,322	231,908
<b>Total Expenditures</b>	<u>14,500</u>	<u>155,086</u>	<u>-</u>	<u>62,322</u>	<u>231,908</u>
<b>Net Change in Fund Balance</b>	<u>371</u>	<u>(2,973)</u>	<u>179</u>	<u>87,163</u>	<u>84,740</u>
<b>Fund Balance-Beginning</b>	<u>6,105</u>	<u>115,993</u>	<u>179,068</u>	<u>60,275</u>	<u>361,441</u>
<b>Prior period adjustment</b>	<u>2,580</u>	<u>19,572</u>	<u>-</u>	<u>-</u>	<u>22,152</u>
<b>Fund Balance-Restated</b>	<u>8,685</u>	<u>135,565</u>	<u>179,068</u>	<u>60,275</u>	<u>383,593</u>
<b>Fund Balance-Ending</b>	<u>\$ 9,056.00</u>	<u>\$ 132,592</u>	<u>\$ 179,247</u>	<u>\$ 147,438</u>	<u>\$ 468,333</u>

**Gail Borden Public Library District  
General Fund  
Statement of Revenue, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the Year Ended June 30, 2013**

	Actual	Original and Final Budget	Variance to Final Budget
<b>Revenues:</b>			
Property taxes, 2012 levy less provision for uncollectible of \$46,700	\$ 8,868,217	\$ 8,788,500	\$ 79,717
State income taxes (personal property replacement taxes)	148,998	124,000	24,998
Fines, gifts, grants, interest and other income	529,118	651,000	(121,882)
<b>Total Revenue</b>	<u>9,546,333</u>	<u>9,563,500</u>	<u>(17,167)</u>
<b>Expenditures:</b>			
Personnel services	6,148,677	7,949,000	1,800,323
Contractual services	1,168,525	1,669,000	500,475
Supplies	140,951	185,500	44,549
Material	872,182	1,236,000	363,818
Capital improvements	290,888	586,000	295,112
Loan expenses	155,892	187,500	31,608
<b>Total Expenditures</b>	<u>8,777,115</u>	<u>11,813,000</u>	<u>3,035,885</u>
<b>Other Financing Activities:</b>			
Transfers out	(72,000)	(72,000)	-
<b>Net Change in Fund Balance</b>	697,218	<u><u>\$ (2,321,500)</u></u>	<u><u>\$ 3,018,718</u></u>
Fund balance, July 1, 2012	6,848,754		
Prior period adjustment	<u>1,461,090</u>		
Fund balance July 1, 2012, restated	<u>8,309,844</u>		
Fund balance, June 30, 2013	<u><u>\$ 9,007,062</u></u>		

**Gail Borden Public Library District**  
**General Fund**  
**Statement of Expenditures**  
**(and Comparison with Budget)**  
**For the Year Ended June 30, 2013**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Personnel services:</b>			
Salaries	\$ 5,450,033	\$ 6,708,500	\$ 1,258,467
Employee insurance	698,644	865,500	166,856
Contingency	-	375,000	375,000
	<u>6,148,677</u>	<u>7,949,000</u>	<u>1,800,323</u>
<b>Contractual services:</b>			
Utilities	307,026	442,500	135,474
Communications	46,136	59,000	12,864
Collection agency	18,339	16,500	(1,839)
Newspaper publications/Public relations	18,997	5,500	(13,497)
Public Relations	73,304	116,000	42,696
Consultant services	80,696	134,000	53,304
Programming	36,990	48,500	11,510
Printing	2,488	12,000	9,512
Copier lease maintenance	32,180	44,500	12,320
Binding	5,228	10,000	4,772
Material processing services	111,057	234,000	122,943
Computer maintenance	271,907	252,000	(19,907)
Small equipment maintenance	9,362	19,500	10,138
Vehicle maintenance	4,424	5,500	1,076
Payroll processing	8,125	10,500	2,375
Continuing education	58,552	91,000	32,448
Contingency	8,221	70,000	61,779
Dues and membership	14,393	20,500	6,107
Computer on-line services	61,100	77,500	16,400
	<u>1,168,525</u>	<u>1,669,000</u>	<u>500,475</u>
<b>Supplies:</b>			
Office supplies	47,587	56,000	8,413
Library supplies	37,135	51,000	13,865
Consumable supplies	52,239	71,000	18,761
Miscellaneous supplies	3,990	7,500	3,510
	<u>140,951</u>	<u>185,500</u>	<u>44,549</u>
<b>Materials:</b>			
Books	338,546	478,500	139,954
Periodicals	45,717	45,000	(717)
Audio visual materials	265,205	352,000	86,795
Microfilm	1,792	4,000	2,208
Electronic media	220,922	296,500	75,578
Contingency	-	60,000	-
	<u>872,182</u>	<u>1,236,000</u>	<u>363,818</u>
Loan expenditures	<u>155,892</u>	<u>187,500</u>	<u>31,608</u>
Capital improvements	<u>290,888</u>	<u>586,000</u>	<u>295,112</u>
Total Expenditures	<u>\$ 8,777,115</u>	<u>\$ 11,813,000</u>	<u>\$ 3,035,885</u>

**Gail Borden Public Library District  
 Illinois Municipal Retirement Fund  
 Statement of Revenues, Expenditures (and Comparison  
 with Budget), and Changes in Fund Balance  
 For the Year Ended June 30, 2013**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Revenues:</b>			
Property taxes, 2012 levy less provision for uncollectible of \$3,600	\$ 762,760	\$ 872,500	\$ (109,740)
State income taxes (personal property replacement taxes)	7,079	5,000	2,079
 Total Revenue	769,839	877,500	(107,661)
 <b>Expenditures:</b>			
District's contribution to retirement fund	723,537	876,000	152,463
	723,537	876,000	152,463
 <b>Other Financing Sources:</b>			
Transfers in	72,000	72,000	-
 Net Change in Fund Balance	118,302	\$ 73,500	\$ 44,802
 Fund balance, July 1, 2012	(64,103)		
 Prior period adjustment	107,863		
 Fund balance, July 1, 2012, restated	43,760		
 Fund balance, June 30, 2013	\$ 162,062		

**Gail Borden Public Library District  
Social Security Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the Year Ended June 30, 2013**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Positive/ (Negative)</u>
<b>Revenues:</b>			
Property taxes, 2012 levy less provision for uncollectible of \$2,500	\$ 413,096	\$ 416,000	\$ (2,904)
<b>Expenditures:</b>			
District's contribution to social security fund	<u>406,134</u>	<u>513,000</u>	<u>106,866</u>
Net Change in Fund Balance	6,962	<u><u>\$ (97,000)</u></u>	<u><u>\$ 103,962</u></u>
Fund balance, July 1, 2012	80,738		
Prior period adjustment	<u>66,097</u>		
Fund balance, July 1, 2012, restated	<u>146,835</u>		
Fund balance, June 30, 2013	<u><u>\$ 153,797</u></u>		

**Gail Borden Public Library District  
Working Cash Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the Year Ended June 30, 2013**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Positive/ (Negative)</u>
<b>Revenue:</b>			
Interest income	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
General Government	-	1,350,000	1,350,000
Net Change in Fund Balance	-	\$ <u>(1,350,000)</u>	\$ <u>(1,350,000)</u>
Fund balance, July 1, 2012	<u>1,361,346</u>		
Fund balance, June 30, 2013	\$ <u><u>1,361,346</u></u>		



**Gail Borden Public Library District  
Liability Insurance Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the Year Ended June 30, 2013**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Revenues:</b>			
Property taxes, 2012 levy less provision for uncollectible of \$900	\$ 152,113	\$ 118,500	\$ 33,613
<b>Expenditures:</b>			
Liability insurance:			
General insurance	66,823	86,500	19,677
Employer insurance	41,429	58,000	16,571
Risk management	46,834	56,500	9,666
	155,086	201,000	45,914
Net Change in Fund Balance	(2,973)	\$ (82,500)	\$ 79,527
Fund balance, July 1, 2012	115,993		
Prior period adjustment	19,572		
Fund balance July 1, 2012, restated	135,565		
Fund balance, June 30, 2013	\$ 132,592		

**Gail Borden Public Library District**  
**Audit Fund**  
**Statement of Revenues, Expenditures (and Comparison**  
**with Budget), and Changes in Fund Balance**  
**For the Year Ended June 30, 2013**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Revenues:</b>			
Property taxes, 2012 levy less provision for uncollectible of \$100	\$ 14,871	\$ 15,500	\$ (629)
<b>Expenditures:</b>			
Audit fees	14,500	18,500	4,000
Net Change in Fund Balance	371	\$ (3,000)	\$ 3,371
Fund balance, July 1, 2012	6,105		
Prior period adjustment	2,580		
Fun balance, July 1, 2012, restated	8,685		
Fund balance, June 30, 2013	\$ 9,056		

**Gail Borden Public Library District**  
**Building and Equipment Fund**  
**Statement of Revenues, Expenditures (and Comparison**  
**with Budget), and Changes in Fund Balance**  
**For the Year Ended June 30, 2013**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Positive/ Negative</u>
<b>Revenues:</b>			
Property taxes, 2012 levy less provision for uncollectible of \$3,300	\$ 546,547	\$ 647,500	\$ (100,953)
Grants and donations	5,750	10,000	(4,250)
Total Revenue	<u>552,297</u>	<u>647,500</u>	<u>(95,203)</u>
<b>Expenditures:</b>			
Repairs and maintenance	584,436	738,500	154,064
Equipment	60,875	58,500	(2,375)
Contingency	6,116	26,000	19,884
Total Expenditures	<u>651,427</u>	<u>823,000</u>	<u>171,573</u>
Net Change in Fund Balance	(99,130)	<u><u>\$ (175,500)</u></u>	<u><u>\$ 76,370</u></u>
Fund balance, July 1, 2012	117,503		
Prior period adjustment	<u>92,383</u>		
Fund balance, July 1, 2012, restated	<u>209,886</u>		
Fund balance, June 30, 2013	<u><u>\$ 110,756</u></u>		

**Gail Borden Public Library District  
 Building Reserve Fund  
 Statement of Revenues, Expenditures (and Comparison  
 with Budget), and Changes in Fund Balance  
 For the Year Ended June 30, 2013**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Revenues:</b>			
Interest income	\$ 179	\$ 170	\$ 9
<b>Expenditures:</b>			
Repairs and Maintenance	-	178,000	178,000
Excess (deficiency) of revenues over (under) expenditures:	179	(177,830)	178,009
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	179	\$ (177,830)	\$ 178,009
Fund balance, July 1, 2012	179,068		
Fund balance, June 30, 2013	\$ 179,247		

**Gail Borden Public Library District  
Gift Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the Year Ended June 30, 2013**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Positive/ (Negative)</u>
<b>Revenues:</b>			
Gifts received	\$ 149,395	\$ 310,000	\$ (160,605)
Interest Income	90	-	90
Total Revenues	<u>149,485</u>	<u>310,000</u>	<u>(160,515)</u>
<b>Expenditures:</b>			
Gift fund expenditures	<u>62,322</u>	<u>316,000</u>	<u>253,678</u>
Total Expenditures	<u>62,322</u>	<u>316,000</u>	<u>253,678</u>
Net Change in Fund Balance	87,163	\$ <u><u>(6,000)</u></u>	\$ <u><u>93,163</u></u>
Fund balance, July 1, 2012	<u>60,275</u>		
Fund balance, June 30, 2013	\$ <u><u>147,438</u></u>		

**Gail Borden Public Library District  
Bond and Interest Fund  
Statement of Revenues, Expenditures (and Comparison  
with Budget), and Changes in Fund Balance  
For the Year Ended June 30, 2013**

	Actual	Original and Final Budget	Positive/ (Negative)
<b>Revenue:</b>			
Property taxes, 2012 levy less provision for uncollectible of \$13,200	\$ 2,530,581	\$ 2,531,000	\$ (419)
Interest income	-	-	-
Total Revenues	2,530,581	2,531,000	(419)
<b>Expenditures:</b>			
Bond principal paid and bond interest	2,450,413	2,900,000	449,587
Bank charges	1,871	-	(1,871)
Total Expenditures	2,452,284	2,900,000	447,716
Excess (deficiency) of revenues over (under) expenditures:	78,297	\$ (369,000)	\$ 447,297
<b>Other Financing Sources (Uses):</b>			
Transfers out	-	-	-
Payment to refunded bonds escrows agent	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	78,297	(369,000)	447,297
Fund balance, July 1, 2012	397,553		
Prior period adjustment	429,987		
Fund balance July 1, 2012, restated	827,540		
Fund balance, June 30, 2013	\$ 905,837		

**Statistical Section**

**Gail Borden Public Library District  
Assessed Valuation and Tax Rates  
June 30, 2013**

<b>Tax Year Levy</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Assessed Valuation</b>	2,981,916,111	3,246,462,602	3,581,824,783	3,640,709,406	3,575,105,931
<b>Tax Rates by Fund</b>	<b>Combined (Blended) Cook and Kane County Tax Rates</b>				
Corporate (General)	0.2748	0.2661	0.2346	0.2399	0.2342
Illinois Municipal Retirement	0.0236	0.0194	0.0184	0.0155	0.0147
Social Security	0.0128	0.0120	0.0103	0.0099	0.0094
Audit	0.0005	0.0004	0.0004	0.0003	0.0003
Building and Equipment	0.0167	0.0174	0.0150	0.0139	0.0106
Liability Insurance	0.0046	0.0038	0.0034	0.0031	0.0032
Bond and Interest	0.0795	0.0767	0.0656	0.0578	0.0534
	<u>0.4124</u>	<u>0.3958</u>	<u>0.3477</u>	<u>0.3404</u>	<u>0.3258</u>
<b>Tax Year Levy</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003*</b>
<b>Assessed Valuation</b>	3,279,827,876	3,102,029,435	2,663,449,581	2,386,280,401	2,245,667,452

<b>Tax Rates by Fund</b>	<b>Combined (Blended) Cook and Kane County Tax Rates</b>				
Corporate (General)	0.2486	0.2341	0.2300	0.2552	0.2600
Illinois Municipal Retirement	0.0149	0.0140	0.0154	0.0151	0.0150
Social Security	0.0094	0.0100	0.0109	0.0121	0.0126
Audit	0.0004	0.0004	0.0005	0.0006	0.0005
Building and Equipment	0.0107	0.0128	0.0155	0.0176	0.0154
Liability Insurance	0.0037	0.0043	0.0051	0.0056	0.0044
Bond and Interest	0.0552	0.0602	0.0555	0.0571	0.0674
	<u>0.3429</u>	<u>0.3358</u>	<u>0.3329</u>	<u>0.3633</u>	<u>0.3753</u>

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



**Gail Borden Public Library District  
Property Tax Collections by Year  
June 30, 2013**

	2012	2011	2010	2009	2008
	Combined (Blended) Cook and Kane				
Total Extensions	\$ 13,738,430	\$ 12,948,712	\$ 12,727,123	\$ 12,342,295	\$ 11,747,672
Collected through June 30, 2013	\$ 9,303,618	\$ 12,874,686	\$ 12,650,844	\$ 12,257,384	\$ 11,640,070
Percentage collected	67.72%	99.43%	99.40%	99.31%	99.08%
	Combined (Blended) Cook and Kane				
	2007	2006	2005	2004	2003*
Total Extensions	\$ 11,013,072	\$ 10,564,884	\$ 8,867,556	\$ 9,111,976	\$ 2,224,963
Collected through June 30, 2013	\$ 10,885,090	\$ 10,493,316	\$ 8,750,948	\$ 8,960,874	\$ 2,187,903
Percentage collected	98.84%	99.32%	98.69%	98.34%	98.33%

\* This year includes only Cook County information as Kane County records do not go back ten years.