

**BARTLETT PUBLIC
LIBRARY DISTRICT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**



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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Bartlett Public Library District
Bartlett, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bartlett Public Library District as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bartlett 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Bartlett Public Library District as of June 30, 2009, and the respective changes in financial position – modified cash basis, thereof for the year then ended, in conformity with the basis of accounting described in Note 1.

The Management's Discussion and Analysis on pages 2 through 4 and the other required supplementary information on pages 15 and 16 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 the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying financial information listed as Additional Information in the table of contents is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied to 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 on the basis of accounting described in Note 1.

October 19, 2009

BARTLETT PUBLIC LIBRARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

As management of the Bartlett Public Library District we provide this narrative overview and analysis for the fiscal year ending June 30, 2009. We recommend that readers consider this information in conjunction with the financial statements as a whole.

Required Financial Statements

Fund and government-wide financial statements, combined on pages 5 and 6 of the Basic Financial Statements, are prepared using the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, on a modified cash basis of accounting, in a manner similar to a private-sector business.

The Statement of Net Assets – Modified Cash Basis presents information on all the District's assets and liabilities arising from cash transactions, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities – Modified Cash Basis presents information showing how the District's net assets changed during the most recent fiscal year.

Fund financial statements show amounts paid to fund library services. Funds remaining for future spending are also shown. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's three major funds and the total of all other funds.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of more detailed data on the retirement fund schedule of funding progress and on the comparison of appropriation to actual revenues and expenditures.

Financial Analysis

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$5,286,699 and \$4,937,684 for the years ended June 30, 2009 and 2008, respectively. For the years ended June 30, 2009 and 2008, the District's net assets increased by \$349,015 and \$412,963, respectively. A large portion of the District's net assets reflects its investment in capital assets. The District uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending.

Condensed Statement of Net Assets - Modified Cash Basis

	June 30,	
	2009	2008
Current and Other Assets	\$ 2,148,271	\$ 2,519,602
Capital Assets, net of accumulated depreciation	4,900,305	4,482,723
Total Assets	7,048,576	7,002,325
Current Liabilities	1,313,580	1,306,113
Non-Current Liabilities	448,297	758,528
Total Liabilities	1,761,877	2,064,641
Net Assets		
Invested in Capital Assets, net of related debt	4,457,794	3,735,768
Restricted for Debt Service	71,153	48,498
Unrestricted	757,752	1,153,418
Total Net Assets	\$ 5,286,699	\$ 4,937,684

Condensed Statement of Activities - Modified Cash Basis

	For Years Ended June 30,	
	2009	2008
Revenues		
Property and Replacement Taxes	\$ 2,893,419	\$ 2,683,801
Interest Income	26,189	94,123
Grants	2,500	43,515
Donations	21,318	9,225
Developer Donations	4,877	9,596
Fines, Fees and Other	73,970	74,706
Total Revenues	3,022,273	2,914,966
Expenses		
Library Materials	83,470	65,137
Operating	331,579	285,783
Personnel	1,400,122	1,355,439
Grants	45,997	43,975
Capital Outlay	52,577	29,738
Social Security and IMRF	208,445	202,771
Liability Insurance	6,644	1,601
Audit	8,000	7,600
Building and Equipment Maintenance	66,669	89,017
Workers' Compensation Insurance	5,345	7,780
Unemployment Compensation	3,693	4,719
Bond Interest and Amortization of Issuance Costs	16,801	25,551
Interest on Capital Leases	1,563	2,190
Loss on Disposal of Capital Assets	38,269	-
Depreciation	404,084	380,702
Total Expenses	2,673,258	2,502,003
Increase in Net Assets	349,015	412,963
Net Assets, Beginning of Year	4,937,684	4,524,721
Net Assets, End of Year	\$ 5,286,699	\$ 4,937,684

The following is a summary of changes in fund balances for the year ended June 30, 2009:

Governmental Funds	Fund Balance June 30, 2008	Increase (Decrease)	Fund Balance June 30, 2009
General	\$ 1,091,280	\$ (427,183)	\$ 664,097
Debt Service	48,498	22,655	71,153
Capital Projects - Special Reserve	10,791	26,544	37,335
Building Maintenance	17,286	1,529	18,815
FICA/IMRF	15,394	(1,949)	13,445
Workers' Compensation	1,620	2,569	4,189
Unemployment Insurance	2,238	6,468	8,706
Liability Insurance	12,936	(3,566)	9,370
Audit	1,873	(78)	1,795
	<u>\$ 1,201,916</u>	<u>\$ (373,011)</u>	<u>\$ 828,905</u>

During the year \$600,000 was transferred from the General Fund to the Special Reserve Fund.

Budgetary Highlights

The District's General Fund expended \$2,080,504, which was \$846,496 less than the appropriation of \$2,927,000. The appropriation sets the maximum spending limits for the fiscal year.

Capital Assets and Debt Administration

The following is a summary of capital assets:

	June 30,	
	2009	2008
Land	\$ 192,872	\$ 192,872
Building Construction	-	475,873
Library System Software	59,178	-
Artwork	15,750	15,750
Land Improvement	330,383	330,383
Building	5,020,297	4,331,750
Equipment	88,820	157,956
Furniture	508,417	241,595
Capital Leases for Copiers	60,390	112,886
Library Materials	<u>2,091,918</u>	<u>2,018,008</u>
Cost of Capital Assets	8,368,025	7,877,073
Less Accumulated Depreciation	<u>(3,467,720)</u>	<u>(3,394,350)</u>
Net Capital Assets	<u>\$ 4,900,305</u>	<u>\$ 4,482,723</u>

Significant capital asset additions for the year were library materials, building renovation and library system software. The District had bonds payable of \$727,525 at June 30, 2008. During the year the District reduced bonds payable by \$358,764 to \$368,761 as of June 30 2009. Capital lease obligations were \$31,003 and \$79,536 at June 30 2008 and 2009, respectively. Additional information regarding the District's capital assets can be found in Note 4 on page 11 and the District's debt can be found in Note 5 on pages 11 and 12.

Description of Current or Expected Conditions

Currently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Executive Director, Bartlett Public Library District, 800 South Bartlett Road, Bartlett, Illinois 60103.

BASIC FINANCIAL STATEMENTS

BARTLETT PUBLIC LIBRARY DISTRICT
 GOVERNMENTAL FUNDS BALANCE SHEET
 AND
 STATEMENT OF NET ASSETS -
 MODIFIED CASH BASIS

JUNE 30, 2009

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF NET ASSETS
ASSETS							
Cash and Investments	\$ 1,631,253	\$ 242,901	\$ 37,335	\$ 230,996	\$ 2,142,485	\$ -	\$ 2,142,485
Other Assets	-	-	-	-	-	5,786	5,786
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	-	4,900,305	4,900,305
Total Assets	<u>\$ 1,631,253</u>	<u>\$ 242,901</u>	<u>\$ 37,335</u>	<u>\$ 230,996</u>	<u>\$ 2,142,485</u>	<u>4,906,091</u>	<u>7,048,576</u>
LIABILITIES							
Deferred Revenues	\$ 967,156	\$ 171,748	\$ -	\$ 174,676	\$ 1,313,580	-	1,313,580
Long-Term Liabilities							
Due within one year	-	-	-	-	-	384,741	384,741
Due after one year	-	-	-	-	-	63,556	63,556
Total Liabilities	<u>967,156</u>	<u>171,748</u>	<u>-</u>	<u>174,676</u>	<u>1,313,580</u>	<u>448,297</u>	<u>1,761,877</u>
FUND BALANCES / NET ASSETS							
Fund Balances							
Unreserved, Undesignated	664,097	-	-	-	664,097	(664,097)	-
Unreserved, Reported in Capital Projects Fund	-	-	37,335	-	37,335	(37,335)	-
Unreserved, Reported in Special Revenue Funds	-	-	-	56,320	56,320	(56,320)	-
Reserved for Debt Service	-	71,153	-	-	71,153	(71,153)	-
Total Fund Balances	<u>664,097</u>	<u>71,153</u>	<u>37,335</u>	<u>56,320</u>	<u>828,905</u>	<u>(828,905)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,631,253</u>	<u>\$ 242,901</u>	<u>\$ 37,335</u>	<u>\$ 230,996</u>	<u>\$ 2,142,485</u>		
Net Assets							
Invested in Capital Assets, net of related debt						4,457,794	4,457,794
Restricted for Debt Service						71,153	71,153
Unrestricted						757,752	757,752
Total Net Assets						<u>\$ 5,286,699</u>	<u>\$ 5,286,699</u>

The accompanying notes are an integral part of these financial statements.

BARTLETT PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF ACTIVITIES
REVENUES							
Property Taxes	\$ 2,119,463	\$ 389,918	\$ -	\$ 374,208	\$ 2,883,589	\$ -	\$ 2,883,589
Replacement Taxes	9,830	-	-	-	9,830	-	9,830
Interest Income	21,363	2,515	170	2,141	26,189	-	26,189
Grants	2,500	-	-	-	2,500	-	2,500
Donations	21,318	-	-	-	21,318	-	21,318
Developer Donations	4,877	-	-	-	4,877	-	4,877
Fines, Fees and Other	73,970	-	-	-	73,970	-	73,970
Total Revenues	<u>2,253,321</u>	<u>392,433</u>	<u>170</u>	<u>376,349</u>	<u>3,022,273</u>	<u>-</u>	<u>3,022,273</u>
EXPENDITURES / EXPENSES							
Library Materials	322,575	-	-	-	322,575	(239,105)	83,470
Operating	370,970	-	-	-	370,970	(39,391)	331,579
Personnel	1,340,962	-	-	59,160	1,400,122	-	1,400,122
Grants and Gifts	45,997	-	-	-	45,997	-	45,997
Capital Outlay	-	-	573,626	-	573,626	(521,049)	52,577
FICA/IMRF	-	-	-	208,445	208,445	-	208,445
Liability Insurance	-	-	-	6,644	6,644	-	6,644
Audit	-	-	-	8,000	8,000	-	8,000
Building and Equipment Maintenance	-	-	-	80,089	80,089	(13,420)	66,669
Workers' Compensation	-	-	-	5,345	5,345	-	5,345
Unemployment Compensation	-	-	-	3,693	3,693	-	3,693
Bond Principal	-	355,000	-	-	355,000	(355,000)	-
Bond Interest and Amortization of Issuance Costs	-	14,778	-	-	14,778	2,023	16,801
Interest on Capital Leases	-	-	-	-	-	1,563	1,563
Loss on Disposal of Capital Assets	-	-	-	-	-	38,269	38,269
Depreciation	-	-	-	-	-	404,084	404,084
Total Expenditures / Expenses	<u>2,080,504</u>	<u>369,778</u>	<u>573,626</u>	<u>371,376</u>	<u>3,395,284</u>	<u>(722,026)</u>	<u>2,673,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	172,817	22,655	(573,456)	4,973	(373,011)	722,026	-
Other Financing Sources (Uses)							
Operating Transfer	(600,000)	-	600,000	-	-	-	-
Net Change in Fund Balances	(427,183)	22,655	26,544	4,973	(373,011)	373,011	
Change in Net Assets	-	-	-	-	-	349,015	349,015
FUND BALANCES / NET ASSETS							
Beginning of Year	1,091,280	48,498	10,791	51,347	1,201,916	3,735,768	4,937,684
End of Year	<u>\$ 664,097</u>	<u>\$ 71,153</u>	<u>\$ 37,335</u>	<u>\$ 56,320</u>	<u>\$ 828,905</u>	<u>\$ 4,457,794</u>	<u>\$ 5,286,699</u>

The accompanying notes are an integral part of these financial statements.

BARTLETT PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bartlett Public Library District (District) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units (except for the basis of accounting as described in Note 1C). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District's reporting entity includes all entities for which the District exercised oversight responsibility as defined by the GASB.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the District has not included in its financial statements the activities of any other entity.

B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them.

The Governmental Funds Balance Sheet and Statement of Net Assets and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the general, debt service and capital projects funds. Following is a description of major and non-major funds.

General Fund Type – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Fund Type – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds of the District are: FICA/IMRF, Audit, Liability Insurance, Building Maintenance, Unemployment Insurance and Workers' Compensation.

Capital Projects Fund Type – The Special Reserve Fund is used to account for financial resources used to fund capital projects.

Debt Service Fund Type – The Debt Service Fund is used to account for the servicing of general long-term debt incurred by the 2003 general obligation bond issue.

C. Basis of Accounting

The government-wide statements (the Statement of Net Assets and the Statement of Activities) are prepared using the economic resources measurement focus and the fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the current financial measurement focus.

These financial statements are prepared on the basis of cash receipts and disbursements, whereby certain revenues and the related assets are recognized when received rather than when earned; and certain expenditures and the related liabilities are recognized when paid rather than when the obligations are incurred. This practice differs from generally accepted accounting principles.

The property tax revenue reported for the fiscal year ended June 30, 2009 is for collections of property taxes levied for calendar year 2007 and prior. Property taxes collected for the calendar year 2008 levied during the fiscal year ended June 30, 2009 are deferred to the fiscal year beginning July 1, 2009. Receivables have not been recorded for the balance of the property taxes to be received for the calendar year 2008 levy, since the District uses the modified cash basis of accounting.

D. Budgets

Budgets are adopted on a modified cash basis. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

E. Cash and Investments

Cash includes amounts in demand deposits and petty cash. Investments include amounts on deposit with The Illinois Funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Illinois Revised Statutes authorize the District to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks, which are insured by the Federal Deposit Insurance Corporation. Investments include amounts on deposit with The Illinois Funds.

Investments are stated at cost, which approximates fair market value, and consist of The Illinois Funds (fair value equals value of pool shares). Oversight of The Illinois Funds is performed by the State of Illinois Treasurer's office.

F. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land Improvements	20 years
Building	40 years
Equipment	5-10 years
Furniture	15 years
Capital Leases	3-5 years
Books and Library Materials	7 years

The minimum capitalization threshold is any item with a total cost greater than \$3,000, except for books and library materials.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles, or other comprehensive basis of accounting, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits. At year-end, the carrying amount of the District's deposits, excluding petty cash of \$500, was \$125,389 and the bank balance was \$142,317. Deposits include two certificates of deposit (CD's) totaling \$104,129. CD terms are twelve months or less with interest rates of 3.02% and .15%. The entire bank balance was covered by federal depository insurance.

Investments. All of the District's investments are in The Illinois Funds, which is an investment pool under the oversight of the State of Illinois Treasurer's Office. The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills, and notes backed by the full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. The funds are readily available to the District on demand which thereby reduces any interest rate risk to a negligible level. The Illinois Funds is an "AAAm" rated fund. The carrying amount of deposits in The Illinois Funds at June 30, 2009 was \$2,016,596.

NOTE 3 – PROPERTY TAX REVENUE RECOGNITION

The District's 2008 property tax was levied for certain residents in DuPage and Cook Counties in September 2008 by passage of a Tax Levy ordinance. The 2008 levy is intended to fund the expenditures that occur after July 1, 2009. Tax collections from the 2008 levy as of June 30, 2009, have been recorded as deferred revenue.

Property taxes for 2008 are attached as an enforceable lien on property as of January 1, 2008. Taxes levied in one year become due and payable in two installments; the first installment is due March 1 for Cook County residents and June 1 for DuPage County residents, and the second installment is due on or about September 1 for DuPage County residents and at various dates between September 1 and November 1 for Cook County residents. On these dates, March 1, June 1, and September 1, the bill becomes delinquent and penalties and interest may be assessed. Substantially all of the collected taxes are received by the District between March 1, 2009 and January 1, 2010.

The County Assessors are responsible for assessment of all taxable real property within their County except for certain railroad property, which is assessed directly by the State. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the governmental units their respective share of the collections.

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in the fixed assets during the fiscal year:

	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009
Capital assets, not being depreciated				
Land	\$ 192,872	\$ -	\$ -	\$ 192,872
Building Construction	475,873	(475,873)	-	-
Library System Software Deposit	-	59,178	-	59,178
Artwork	15,750	-	-	15,750
Total capital assets, not being depreciated	<u>684,495</u>	<u>(416,695)</u>	<u>-</u>	<u>267,800</u>
Capital assets, being depreciated				
Land Improvements	330,383	-	-	330,383
Building	4,331,750	688,547	-	5,020,297
Equipment	157,956	3,656	(72,792)	88,820
Furniture	241,595	284,932	(18,110)	508,417
Capital Leases for Copiers	112,886	60,390	(112,886)	60,390
Library Materials	2,018,008	239,105	(165,195)	2,091,918
Total capital assets being depreciated	<u>7,192,578</u>	<u>1,276,630</u>	<u>(368,983)</u>	<u>8,100,225</u>
Less accumulated depreciation for				
Land Improvements	(123,893)	(16,520)	-	(140,413)
Building	(1,663,729)	(122,815)	-	(1,786,544)
Equipment	(100,924)	(11,264)	62,330	(49,858)
Furniture	(156,169)	(17,564)	13,585	(160,148)
Capital Leases for Copiers	(79,661)	(13,969)	89,604	(4,026)
Library Materials	(1,269,974)	(221,952)	165,195	(1,326,731)
Total accumulated depreciation	<u>(3,394,350)</u>	<u>(404,084)</u>	<u>330,714</u>	<u>(3,467,720)</u>
Total capital assets being depreciated, net	<u>3,798,228</u>	<u>872,546</u>	<u>(38,269)</u>	<u>4,632,505</u>
Capital assets, net	<u>\$ 4,482,723</u>	<u>\$ 455,851</u>	<u>\$ (38,269)</u>	<u>\$ 4,900,305</u>

Building construction was completed during the year. Of the \$475,873 construction costs accumulated as of June 30, 2008, \$461,654 was reclassified to the Building category and \$14,219 to Furniture during the year ended June 30, 2009.

NOTE 5 – LONG-TERM DEBT

General Obligation Bonds. On December 15, 2003, the District issued general obligation refunding bonds of \$2,015,000. These bonds refunded the existing 1994 bonds reducing the District's cost of debt.

NOTE 5 – LONG-TERM DEBT (Continued)

Long-term debt consists of the following:

	BALANCE JULY 1, 2008	ADDED	RETIRED	BALANCE JUNE 30, 2009	AMOUNTS DUE IN ONE YEAR
\$2,015,000 six-year refunding serial bonds dated December 15, 2003 with interest rates of 2.25 – 2.70%	\$ 720,000	\$ -	\$ 355,000	\$ 365,000	\$ 365,000
Deferred Issuance Premium	7,525	-	3,764	3,761	3,761
Capital Leases	<u>31,003</u>	<u>84,985</u>	<u>36,452</u>	<u>79,536</u>	<u>15,980</u>
	<u>\$ 758,528</u>	<u>\$ 84,985</u>	<u>\$ 395,216</u>	<u>\$ 448,297</u>	<u>\$ 384,741</u>

Annual debt service requirements to maturity are as follows:

Year Ended June 30,	General Obligation Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2010	\$ 365,000	\$ 4,928	\$ 15,980	\$ 2,500
2011	-	-	16,542	1,938
2012	-	-	17,123	1,357
2013	-	-	17,725	755
2014	<u>-</u>	<u>-</u>	<u>12,166</u>	<u>154</u>
	<u>\$ 365,000</u>	<u>\$ 4,928</u>	<u>\$ 79,536</u>	<u>\$ 6,704</u>

NOTE 6 – DEFINED BENEFIT PENSION PLAN

Plan Description: 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 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.

Funding Policy: As set by statute, the Library’s Regular plan members 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 employer contribution rate for calendar year 2008 was 12.03% of payroll. 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.

Annual Pension Cost: For 2008, the Library’s annual pension cost of \$115,554 for the Regular plan was equal to the Library’s required and actual contributions.

NOTE 6 – DEFINED BENEFIT PENSION PLAN (Continued)

THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	\$ 115,554	100%	0
12/31/07	115,316	100%	0
12/31/06	115,668	100%	0

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006, included (a) 7.5% 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 11.6% 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 Library’s Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Library’s Regular plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 valuation was 24 years.

Funded Status and Funding Progress: As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 60.87% funded. The actuarial accrued liability for benefits was \$2,191,038 and the actuarial value of assets was \$1,333,672, resulting in an underfunded actuarial accrued liability (UAAL) of \$857,366. The covered payroll (annual payroll of active employees covered by the plan) was \$960,552 and the ratio of the UAAL to the covered payroll was 89%.

The schedule of funding progress, presented as Required Supplementary Information 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 7 – DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees at their option, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation are held in trust (until paid or made available to the employee or other beneficiary). The deferred compensation is not subject to the claims of the District’s creditors.

NOTE 8 – 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.

NOTE 9 – INVESTMENT IN FOUNDATION

In 2004, the District began participating in the Illinois Library System Directors Organization (ILSDO), which is a federally tax-exempt 501(c)(3) organization established to increase library funding. As of June 30, 2009, the District’s investment balance was \$11,596. Because the District selects the board of trustees and has the ability to significantly influence operations, the balance has been included in the District’s balance sheet and the activity has been included in the statement of revenues, expenditures and changes in fund balances.

NOTE 10 – ADJUSTMENTS

Amounts reported in the statement of net assets are different from the governmental fund balance sheet because:

Bond issuance costs are capitalized and amortized in the statement of net assets.	\$ 5,786
Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	4,900,305
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	<u>(448,297)</u>
	<u>\$ 4,457,794</u>

The governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is \$395,461 (\$859,935 capital additions less \$60,390 non cash capital leases, \$779,545 net expenditures less \$404,084 depreciation). The bond principal payment of \$355,000 and capital lease payments of \$13,420 are eliminated from the statement of activities. Bond premium accretion of \$3,764 is netted against issuance cost amortization of \$5,787 and is reflected as an expense of \$2,023 in the statement of activities along with \$1,563 of lease interest expense and a \$38,269 loss on disposal of assets.

NOTE 11 – COMMITMENTS

The District has a contract commitment for library system software totaling \$66,102 as of June 30, 2009.

REQUIRED SUPPLEMENTARY INFORMATION

BARTLETT PUBLIC LIBRARY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

SCHEDULE OF FUNDING PROGRESS

ILLINOIS MUNICIPAL RETIREMENT FUND

JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued 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)
12/31/08	\$ 1,333,672	\$ 2,191,038	\$ 857,366	60.87%	\$ 960,552	89.26%
12/31/07	1,559,486	2,132,547	573,061	73.13%	949,104	60.38%
12/31/06	1,415,577	2,016,964	601,387	70.18%	954,360	63.01%

BARTLETT PUBLIC LIBRARY DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL -
MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2009

	BUDGET AND APPROPRIATION - ORIGINAL AND FINAL	ACTUAL
	<u> </u>	<u> </u>
REVENUES		
Property Taxes	\$ 2,817,000	\$ 2,119,463
Replacement Taxes	8,000	9,830
Interest Income	38,500	21,363
Grants	55,000	2,500
Donations	60,000	21,318
Developer Donations	10,000	4,877
Fines, Fees and Other	100,000	73,970
	<u>3,088,500</u>	<u>2,253,321</u>
Total Revenues		
EXPENDITURES		
Library Materials	460,000	322,575
Operating	668,000	370,970
Personnel	1,749,000	1,340,962
Grants and Gifts	50,000	45,997
	<u>2,927,000</u>	<u>2,080,504</u>
Total Expenditures		
Excess of Revenues Over Expenditures	161,500	172,817
OTHER FINANCING SOURCES (USES):		
Operating Transfer	-	(600,000)
	<u> </u>	<u> </u>
Net Change in Fund Balance	<u>\$ 161,500</u>	<u>(427,183)</u>
FUND BALANCE, Beginning of Year		<u>1,091,280</u>
FUND BALANCE, End of Year		<u>\$ 664,097</u>

ADDITIONAL INFORMATION

BARTLETT PUBLIC LIBRARY DISTRICT

GENERAL FUND

STATEMENT OF CASH DISBURSEMENTS -
BUDGET TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2009

	OPERATING BUDGET	FINAL BUDGET AND APPROPRIATION	ACTUAL	VARIANCE
LIBRARY MATERIALS				
Books	\$ 165,600	\$ 265,000	\$ 160,309	\$ 104,691
Periodicals	18,200	20,000	14,754	5,246
Audiovisual	77,100	80,000	78,797	1,203
Databases	40,000	75,000	50,573	24,427
Materials Processing Supplies	17,000	20,000	18,142	1,858
	<u>317,900</u>	<u>460,000</u>	<u>322,575</u>	<u>137,425</u>
OPERATING EXPENSES				
Trustee Expenses	5,900	10,000	4,615	5,385
Legal Services	7,500	15,000	3,213	11,787
Accounting Services	18,200	16,000	13,223	2,777
Collection Services	150	1,000	439	561
Library Programs and Promotional	12,000	20,000	13,391	6,609
Publicity	14,000	35,000	13,873	21,127
Newsletter	20,000	25,000	16,446	8,554
Office Supplies	11,500	20,000	12,649	7,351
Postage	10,000	15,000	4,894	10,106
Automation Supplies	8,000	20,000	6,819	13,181
Telephone	22,000	20,000	19,562	438
Automation	104,500	140,000	96,180	43,820
Capital Equipment	1,000	26,000	670	25,330
Other Gifts and Contributions	5,000	35,000	18,060	16,940
Utilities	109,500	150,000	84,156	65,844
Building and Contents Insurance	16,000	20,000	13,732	6,268
Building Maintenance	40,000	40,000	43,172	(3,172)
Contingency	7,530	60,000	5,876	54,124
	<u>412,780</u>	<u>668,000</u>	<u>370,970</u>	<u>297,030</u>
PERSONNEL				
Salaries	1,335,000	1,512,000	1,187,846	324,154
Group Medical Insurance	136,000	200,000	131,324	68,676
Professional Development	15,500	20,000	11,519	8,481
Employee Tuition, Travel & Professional Fees	11,800	16,000	10,040	5,960
Recruitment	500	1,000	233	767
	<u>1,498,800</u>	<u>1,749,000</u>	<u>1,340,962</u>	<u>408,038</u>
GRANTS AND GIFTS				
Per Capita and Other	46,015	50,000	45,997	4,003
	<u>46,015</u>	<u>50,000</u>	<u>45,997</u>	<u>4,003</u>
	<u>\$ 2,275,495</u>	<u>\$ 2,927,000</u>	<u>\$ 2,080,504</u>	<u>\$ 846,496</u>

BARTLETT PUBLIC LIBRARY DISTRICT

OTHER FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2009

	<u>BUILDING MAINTENANCE</u>	<u>FICA/IMRF</u>	<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT INSURANCE</u>	<u>LIABILITY INSURANCE</u>	<u>AUDIT</u>	<u>TOTAL</u>
REVENUES							
Property Taxes	\$ 139,981	\$ 205,439	\$ 7,878	\$ 10,074	\$ 2,957	\$ 7,879	\$ 374,208
Interest Income	797	1,057	36	87	121	43	2,141
Total Revenues	<u>140,778</u>	<u>206,496</u>	<u>7,914</u>	<u>10,161</u>	<u>3,078</u>	<u>7,922</u>	<u>376,349</u>
EXPENDITURES							
Building and Equipment Maintenance	80,089	-	-	-	-	-	80,089
Personnel	59,160	-	-	-	-	-	59,160
FICA/IMRF	-	208,445	-	-	-	-	208,445
Workers' Compensation	-	-	5,345	-	-	-	5,345
Unemployment	-	-	-	3,693	-	-	3,693
Liability Insurance	-	-	-	-	6,644	-	6,644
Audit	-	-	-	-	-	8,000	8,000
Total Expenditures	<u>139,249</u>	<u>208,445</u>	<u>5,345</u>	<u>3,693</u>	<u>6,644</u>	<u>8,000</u>	<u>371,376</u>
Net Change in Fund Balances	1,529	(1,949)	2,569	6,468	(3,566)	(78)	4,973
FUND BALANCES							
Beginning of Year	<u>17,286</u>	<u>15,394</u>	<u>1,620</u>	<u>2,238</u>	<u>12,936</u>	<u>1,873</u>	<u>51,347</u>
End of Year	<u>\$ 18,815</u>	<u>\$ 13,445</u>	<u>\$ 4,189</u>	<u>\$ 8,706</u>	<u>\$ 9,370</u>	<u>\$ 1,795</u>	<u>\$ 56,320</u>

BARTLETT PUBLIC LIBRARY DISTRICT
 COMBINED SCHEDULE OF CASH AND INVESTMENTS

JUNE 30, 2009 AND 2008

	TOTALS	
	<u>2009</u>	<u>2008</u>
BY LOCATION		
Cash on Hand	\$ 500	\$ 500
Bank Checking		
Associated Bank - Petty Cash	-	500
Associated Bank - NOW	-	170,530
Associated Bank - Foundation	11,596	13,067
Harris Bank – Business Interest Checking	14,009	201,863
Harris Bank – CD	99,784	-
Investment - The Illinois Funds		
Money Market Funds	1,281,861	1,047,291
Prime Fund	<u>734,735</u>	<u>1,074,278</u>
	<u>\$ 2,142,485</u>	<u>\$ 2,508,029</u>
BY FUND		
General	<u>\$ 1,631,253</u>	<u>\$ 2,052,758</u>
Special Revenue		
Building Maintenance	82,241	80,861
FICA/IMRF	112,480	108,867
Workers' Compensation	7,812	5,216
Unemployment Insurance	12,328	6,840
Liability Insurance	11,097	14,253
Audit	<u>5,038</u>	<u>5,470</u>
	<u>230,996</u>	<u>221,507</u>
Debt Service	<u>242,901</u>	<u>222,972</u>
Capital Projects	<u>37,335</u>	<u>10,792</u>
	<u>\$ 2,142,485</u>	<u>\$ 2,508,029</u>

BARTLETT PUBLIC LIBRARY DISTRICT

SCHEDULE OF INSURANCE IN FORCE

JUNE 30, 2009

DESCRIPTION OF COVERAGE	AMOUNT OF COVERAGE	EXPIRATION DATE	INSURING COMPANY	POLICY NUMBER
PROPERTY INSURANCE				
COMMERCIAL PACKAGE				
Building	\$ 6,406,400	7/01/2009	Consolidated Insurance Co.	CBP8165844
Valuable Papers (Library Collection)	2,740,861			
Contents	628,320			
Business Income/Extra Expense	500,000			
Sewer Backup	100,000			
Fine Arts	50,000			
EDP Equipment	261,000			
EDP Data/Media	18,500			
Equipment Breakdown	Included			
COMMERCIAL GENERAL LIABILITY				
General Aggregate	\$ 2,000,000	7/01/2009		
Per Occurrence	1,000,000			
Prod/Compltd Ops. Agg.	2,000,000			
Pers/Advertising Injury	1,000,000			
Damage to Rented Premises	300,000			
Med. Exp. (any 1 person)	15,000			
Employee Benefits	1,000,000			
BUSINESS AUTO	\$ 1,000,000	7/01/2009		
COMMERCIAL CRIME				
Employee Dishonesty	\$ 25,000	7/01/2009		
Forgery/Alteration	25,000			
Computer Fraud	10,000			
Money Orders/Paper/Currency	25,000			
COMMERCIAL UMBRELLA				
Liability Limit Each Occurrence	\$ 5,000,000	7/01/2009	Indiana Insurance Co.	CU8166944
Aggregate	5,000,000			

(Continued)

(Continued)

<u>DESCRIPTION OF COVERAGE</u>	<u>AMOUNT OF COVERAGE</u>	<u>EXPIRATION DATE</u>	<u>INSURING COMPANY</u>	<u>POLICY NUMBER</u>
WORKERS' COMPENSATION		7/01/2009	Consolidated Insurance Co/ Indiana	WC8166744
Employer's Liability:				
Each Accident	\$ 500,000			
Disease – Policy limit	500,000			
Disease – Each Employee	500,000			
TREASURER'S BOND	\$ 1,700,000	5/31/2009	Liberty Mutual Insurance	285015476
DIRECTORS AND OFFICERS LIABILITY –		8/05/2009	Federal Insurance Co./Chubb	68049081
Includes Directors and Officers and Employment Practices				
EPLI Maximum Aggregate Limit	\$ 2,000,000			
D & O Aggregate	3,000,000			
Per Claim Deductible:				
EPLI	3,500			
Individual Non-Indemnifiable	1,000			
Individual Indemnification	1,000			
Corporate Liability	1,000			
Defense outside the limits	1,000,000			

BARTLETT PUBLIC LIBRARY DISTRICT
 PROPERTY TAX ASSESSED VALUATIONS, RATES AND EXTENSIONS -
 LAST THREE LEVY YEARS
 JUNE 30, 2009

Tax Levy Year	2008		2007		2006	
<u>DuPage County</u>						
Assessed Valuations	<u>\$ 856,430,180</u>		<u>\$ 821,059,761</u>		<u>\$ 779,491,980</u>	
	<u>RATE</u>	<u>AMOUNT</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>RATE</u>	<u>AMOUNT</u>
TAX EXTENSIONS						
General	.1660	\$1,421,674	.1868	\$1,533,740	.1792	\$1,396,850
Building						
Maintenance	.0110	94,207	.0124	101,812	.0128	99,775
FICA	.0081	69,371	.0084	68,969	.0094	73,272
IMRF	.0104	89,069	.0106	87,032	.0119	92,760
Workers'						
Compensation	.0007	5,995	.0007	5,747	.0005	3,897
Unemployment						
Insurance	.0007	5,995	.0010	8,211	.0008	6,236
Liability Insurance	.0002	1,713	.0001	821	.0009	7,015
Audit	.0006	5,139	.0007	5,747	.0007	5,456
Bond and Interest	<u>.0301</u>	<u>257,785</u>	<u>.0331</u>	<u>271,771</u>	<u>.0351</u>	<u>273,602</u>
	<u>.2278</u>	<u>\$1,950,948</u>	<u>.2538</u>	<u>2,083,850</u>	<u>.2513</u>	<u>\$1,958,863</u>
<u>Cook County</u>						
Assessed Valuations	<u>\$ 363,204,208</u>		<u>\$ 346,107,130</u>		<u>\$ 293,881,496</u>	
	<u>RATE</u>	<u>AMOUNT</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>RATE</u>	<u>AMOUNT</u>
TAX EXTENSIONS						
General	.1789	\$ 650,582	.1787	\$ 620,030	.1881	\$ 554,090
Building						
Maintenance	.0118	42,912	.0116	40,248	.0123	36,232
FICA	.0070	25,456	.0069	23,941	.0073	21,505
IMRF	.0083	30,183	.0082	28,451	.0086	25,333
Workers'						
Compensation	.0006	2,182	.0006	2,082	.0007	2,062
Unemployment						
Insurance	.0006	2,182	.0006	2,082	.0006	1,767
Liability Insurance	.0006	2,182	.0006	2,082	.0007	2,062
Audit	.0006	2,182	.0006	2,082	.0007	2,062
Bond and Interest	<u>.0323</u>	<u>117,461</u>	<u>.0336</u>	<u>116,581</u>	<u>.0364</u>	<u>107,224</u>
	<u>.2407</u>	<u>\$ 875,322</u>	<u>.2414</u>	<u>\$ 837,579</u>	<u>.2554</u>	<u>\$ 752,337</u>

BARTLETT PUBLIC LIBRARY DISTRICT
SCHEDULE OF PROPERTY TAX COLLECTIONS -
LAST FOUR FISCAL YEARS
JUNE 30, 2009

Tax Levy Year	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
TAX COLLECTIONS				
General	\$ 967,155	\$ 2,119,463	\$ 1,913,187	\$ 1,779,555
Building Maintenance	63,425	139,981	136,652	136,508
FICA	43,917	91,645	94,410	85,480
IMRF	55,118	113,794	118,352	108,062
Unemployment Insurance	3,623	10,074	7,316	5,179
Workers' Compensation	3,623	7,878	5,643	3,062
Liability Insurance	1,727	2,957	9,488	3,052
Audit	3,244	7,878	7,420	4,735
Bond and Interest	<u>171,748</u>	<u>389,917</u>	<u>380,120</u>	<u>372,119</u>
	<u>\$ 1,313,580</u>	<u>\$ 2,883,587</u>	<u>\$ 2,672,588</u>	<u>\$ 2,497,752</u>
Levies as Extended	<u>\$ 2,826,270</u>	<u>\$ 2,921,429</u>	<u>\$ 2,711,200</u>	<u>\$ 2,519,013</u>
Percent Collected	<u>46.5%</u>	<u>98.7%</u>	<u>98.6%</u>	<u>99.2%</u>