

**LEMONT PUBLIC LIBRARY
LEMONT , ILLINOIS**

Financial Report
June 30, 2007

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KENNETH S. JASZCZAK
Certified Public Accountant

Independent Auditor's Report

To the Members of the Library Board of Trustees
Lemont Public Library
Lemont, Illinois

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lemont Public Library, as of and for the year ended June 30, 2007, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Lemont Public Library. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

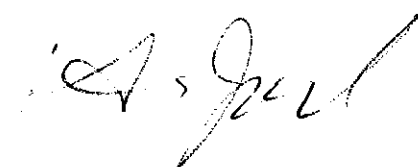
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Lemont Public Library, as of June 30, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, in fiscal year 2004 the Library adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and *GASB Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement*.

The required supplementary information which includes management's discussion and analysis, pension related schedules and budgetary schedules is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I 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, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Lemont Public Library. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary data are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical section listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on it.

Shorewood, Illinois
8/15/2007



LEMONT PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION and ANALYSIS YEAR ENDED JUNE 30, 2007

At management of the Lemont Public Library, Lemont, Illinois, we offer readers of the Library's financial statements this narrative overview and analysis of the Library for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented in conjunction with additional information that we have furnished.

Financial Highlights

- The assets of the library exceeded its liabilities at the close of the recent year by \$734,067.
- The District purchased a new security system at a cost of \$ 11,994.
- The District retired a total of \$150,00 of bond principal on both bond issues.

Overview of the Basic Financial Statement

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements.

The Library's basic financial statements comprise:

- Government-wide financial statements.
- Fund financial statements.
- Notes to the basic financial statements.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements distinguish functions of the Library that are principally supported by taxes. The Library does not operate any business-type activities.

Fund Financial Statements

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

LEMONT PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION and ANALYSIS
YEAR ENDED JUNE 30, 2007

Governmental Funds

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

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the four funds, all of which are considered major funds. The funds are the Library's general fund, bond fund, capital projects fund, and nonmajor governmental fund.

The Library adopts an annual appropriated budget for its four funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Library's programs.

Notes to the basic financial statements

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

LEMONT PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION and ANALYSIS
YEAR ENDED JUNE 30, 2007

Government-wide Financial Analysis

This is the third year of implementation of the new financial statement format. As a consequence, all discussion of net assets and changes in net assets that immediately follow will contain prior year data comparisons of the current year to prior years.

Net assets may serve, over time, as a useful indicator of a district's financial position. In the case of the Library, assets exceeded liabilities by \$906,937 at the close of the most recent fiscal year.

The largest portion of the Library's net assets (64%) reflects its investment in capital assets (building and equipment). The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that these assets reflect outlays made during the current fiscal year and previous years.

Financial Analysis of the Governmental Funds

As the Library completed the year, its governmental fund reported combined fund balances of \$734,067. Revenues for the Library's governmental activities were \$1.2 million, while total expenditures were \$1.3 million.

The general fund experienced a current year operating deficit of \$59,512. This excess resulted in a year-end fund balance of \$229,629.

General Fund Budgetary Highlights

While the Library's budget for the general fund anticipated that revenues would equal expenditures, the actual result was an decrease of \$59,512.

Capital Asset Administration

By the end of fiscal year 2007 the library had invested \$3.8 million in a broad range of capital assets, including buildings and improvements and equipment and furniture (computer, audio-visual, and furniture) and land.

Depreciation expense for the year was \$135,409. Prior accumulated depreciation (Note 4) was calculated from historical records of asset purchases.

Request for Information

This financial report is designed to provide the Library's citizens, taxpayers and creditors with a general overview of the library's accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact Lemont Public Library, 50 E. Wend St., Lemont, IL 60439.

Lemont Public Library

Comparative Statement of Net Assets
 Years Ended June 30, 2007 & 2006

	2007	2006
	Governmental Activities	Comparative Total For
Assets		
Cash	\$ 538,799	\$ 699,627
Property taxes receivable	742,174	575,845
Claim receivable (Note 8)	-	8,088
Refunding bonds escrow account	200,000	200,000
Capital assets being depreciated, net	<u>2,707,870</u>	<u>2,791,975</u>
Total assets	<u><u>\$ 4,188,843</u></u>	<u><u>\$ 4,275,535</u></u>
Liabilities		
Liabilities		
Accounts payable	\$ 4,732	\$ 4,133
General obligation bonds payable	2,535,000	2,685,000
Deferred revenue, property taxes	<u>742,174</u>	<u>575,845</u>
Total liabilities	<u>3,281,906</u>	<u>3,264,978</u>
Net Assets		
Invested in capital assets net of related debt	\$ 172,870	\$ 106,975
Restricted for:		
Capital projects	235,020	261,471
Refunding bond debt	200,000	200,000
Other purposes	69,418	152,970
Unrestricted	<u>229,629</u>	<u>289,141</u>
Total net assets	<u><u>\$ 906,937</u></u>	<u><u>\$ 1,010,557</u></u>

Lemont Public Library

Statement of Activities
Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		Governmental Activities	Net (Expense), Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Library services:					
General library	\$ 1,051,054	\$ 47,898	\$ 21,747	\$ 25,252	(956,157)
Interest expense	127,509	-	-	-	(127,509)
Adult services	80,390	-	-	-	(80,390)
Youth services	38,480	-	-	-	(38,480)
Total governmental activities	\$ 1,297,433	\$ 47,898	\$ 21,747	\$ 25,252	(1,202,536)
General revenues:					
Taxes:					
Real estate taxes, levied for general purposes					1,021,153
Grants and contributions not restricted to specific programs					26,938
Interest					33,903
Miscellaneous					16,922
Total general revenues					1,098,916
					Change in net assets (103,620)
Net assets:					
July 1, 2006					1,010,557
June 30, 2007					\$ 906,937

Lemont Public Library

Balance Sheet
 Governmental Funds
 Year Ended June 30, 2007

	General Fund	Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 188,514	\$ 108,621	\$ 235,020	\$ 6,644	\$ 538,799
Refunding bonds escrow account	-	200,000	-	-	200,000
Due from other funds	45,847	-	-	-	45,847
Property taxes receivable	428,806	180,181	-	133,187	742,174
Total assets	\$ 663,167	\$ 488,802	\$ 235,020	\$ 139,831	\$ 1,526,820
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 4,732	\$ -	\$ -	\$ -	\$ 4,732
Due to General fund	-	-	-	45,847	40,627
Deferred revenue, property taxes	428,806	180,181	-	133,187	742,174
Total liabilities	433,538	180,181	-	179,034	792,753
Fund balances:					
Restricted for bonded debt	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
Unreserved, reported in:					
General fund	229,629	-	-	-	229,629
Bond fund	-	108,621	-	-	108,621
Special revenue fund	-	-	-	(39,203)	(39,203)
Capital projects fund	-	-	235,020	-	235,020
Total fund balances	229,629	308,621	235,020	(39,203)	734,067
Total liabilities and fund balances	\$ 663,167	\$ 488,802	\$ 235,020	\$ 139,831	\$ 1,526,820

See notes to Basic Financial Statements

Lemont Public Library

Reconciliation of the Governmental Funds Statement of Assets, Liabilities and
Fund Balances to the Statement of Net Assets
Year Ended June 30, 2007

Total fund balances - governmental funds	<u>\$ 734,067</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds-net of related debt	<u>172,870</u>
Net assets of governmental activities	<u><u>\$ 906,937</u></u>

See notes to Basic Financial Statements

Lemont Public Library

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2007

	General Fund	Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 626,124	\$ 205,963	\$ -	\$ 189,066	\$ 1,021,153
Intergovernmental grant	26,938	-	-	-	26,938
Land Cash Donations	-	-	25,252	-	25,252
Fines and fees	25,728	-	-	-	25,728
Charges for services	22,170	-	-	-	22,170
Donations	21,747	-	-	-	21,747
Interest	25,299	3,940	-	4,664	33,903
Other	13,435	1,174	-	2,313	16,922
Total revenues	761,441	211,077	25,252	196,043	1,193,813
Expenditures:					
Current:					
General library	702,083	-	51,703	212,188	965,974
Adult services	80,390	-	-	-	80,390
Youth services	38,480	-	-	-	38,480
Debt retirement	-	278,484	-	-	278,484
Total expenditures	820,953	278,484	51,703	212,188	1,363,328
Revenues over (under) expenditures	(59,512)	(67,407)	(26,451)	(16,145)	(169,515)
Change in fund balance	(59,512)	(67,407)	(26,451)	(16,145)	(169,515)
Fund balances:					
July 1, 2006	289,141	376,028	261,471	(23,058)	903,582
June 30, 2007	\$ 229,629	\$ 308,621	\$ 235,020	\$ (39,203)	\$ 734,067

Lemont Public Library

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2007

Net change in fund balances - total governmental funds \$ (169,515)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation expense and loss on disposal of assets exceeds capital outlay in the current period.

Capital outlays	\$ 56,756	-
Asset retirements	(5,452)	
Depreciation expense	<u>135,409</u>	<u>65,895</u>

Change in net assets of governmental activities \$ (103,620)

See Notes to Basic Financial Statements.

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Significant Accounting Policies

The Lemont Public Library provides library services to the residents of Lemont, Illinois. The Library is governed by a 7-member board which is elected by the public. The Library has the power to levy taxes, which are included as part of the city's total tax levy.

Financial Reporting Entity: Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement No. 14 have been considered and there are no agencies or entities which should be presented with the Library.

Measurement Focus, Basis of Accounting and Basis of Presentation: The Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, in June 1999. The Statement, commonly referred to as the new reporting model, retained as much of the old reporting under the present reporting model with modifications and added new information. In addition, GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, which amended parts of GASB Statement No. 34 and Statement No. 38, *Certain Financial Statement Note Disclosures*, which modified certain financial statement disclosure requirements. The two most significant additions are the Management's Discussion and Analysis (which follows the independent auditors' report) and the Government-wide Financial Statements (GWFS). The GWFS are prepared on an economic resources measurement focus and a full accrual basis of accounting. The most apparent change to the old reporting model will be the display of major funds in the Fund Financial Statements (FFS) rather than the traditional fund-type display.

Additional information regarding the new model is included in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements. Also, accounting differences between the GWFS and the FFS are described in the reconciliation schedules located in the FFS section of the basic financial statements of the report.

The accounts of the Library are organized and operated on a basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the Library are classified as governmental. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for the Library's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of long-term debt. Governmental funds include:

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

Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specified purposes. The Library's special revenue fund includes the audit, IMRF, social security and maintenance funds.

Lemont Public Library

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Significant Accounting Policies (continued)

The **Capital Projects Fund** consists of the capital improvements fund and special reserve fund which are used to account for the resources to be used for the acquisition, construction, and major maintenance of capital facilities.

The **Bond Fund** is the Library's debt retirement fund.

Government-Wide Financial Statements (GWFS)

The Government-Wide Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. The effect of material interfund activity has been eliminated from these statements.

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. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses not allocated to functions are reported separately. Interest on long-term debt is considered such an indirect expense. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items which are not program revenues are reported as general revenues.

Fund Financial Statements (FFS)

Governmental Funds

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are normally expected to be liquidated with expendable available financial resources.

Non-exchange transactions, in which the Library receives value without directly giving equal value in return, includes property taxes; federal, State and local grants; State appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, State appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Library must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis.

Lemont Public Library

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Significant Accounting Policies (continued)

The Library reports the following major governmental funds:

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

The **capital projects fund** accounts for the resources to be used for the acquisition, construction, and major maintenance of capital facilities.

The **bond fund** accounts for the debt retirement of the outstanding bond issue.

Comparative Totals for Prior Years

Comparative totals of prior years have been presented on the statement of net assets. This presentation is not a complete presentation of prior year's financial statements and is presented for comparative purposes only.

The significant accounting policies followed by the Library include the following:

Property taxes

Property taxes receivable represent the 2006 property tax levy and were recognized as a receivable at the time they were levied. The 2006 tax levy was passed by the Board on November 15, 2006, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible on March 1 and September 1, 2007 in Cook County and June 1 and September 1, 2007 in DuPage County and are collected by the County Collectors, who in turn remit to the Library its respective share.

The Library's 2006 corporate property tax rate per \$100 of assessed valuation was 0.1308.

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	20 - 40 years
Equipment and furniture	3 - 20 years

The Library capitalizes all assets with a cost over \$500 and a useful life greater than 1 year.

Deferred Revenues

The Library reports deferred revenues on its statement of net assets (GWFS) and governmental funds balance sheet (FFS). Deferred revenues arise when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures or when resources are received by the Library before its use is budgeted for, as with property taxes. In subsequent periods, when the Library has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and their revenue is recognized.

New Accounting Pronouncements

Effective July 1, 2004, the Library adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government: Omnibus*. These Statements establish new financial reporting requirements and significantly change the format and content of the Library's financial statements. They require new information and restructure much of the information that the Library has presented in the past.

Lemont Public Library

Notes to Basic Financial Statements

Note 1. Nature of Operations, Financial Reporting Entity, Measurement Focus, Basis of Accounting and Basis of Presentation and Significant Accounting Policies (continued)

Effective July 1, 2004, the Library adopted the provisions of Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds financial statement note disclosures.

Effective July 1, 2004, the Library adopted the provisions of Governmental Accounting Standards Board Statement No. 41, *Budgetary Comparison Schedule - Perspective Differences*.

Effective July 1, 2004, the Library adopted the provisions of Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Note 2. Budgets and Budgetary Information

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Library Director submits to the Library Board of Trustees a proposed operating budget resolution, which serves as a budget, for the fiscal year commencing the following July 1. The operating budget resolution includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Library to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general, special revenue and capital projects funds.
- e) Budgets for the general, special revenue and the capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f) Budgetary authority lapses at year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget". As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Library Board approval. Legal budgetary control is maintained at fund level.
- h) Budgeted amounts are as originally adopted.

Note 3. Cash

State statutes authorize the Library to invest in securities which are guaranteed by the full faith and credit of the U.S. government, direct obligations of qualified financial institutions, short-term obligations of U.S. corporations meeting certain requirements, registered money market mutual funds meeting certain requirements and the Illinois Funds.

Lemont Public Library

Notes to Basic Financial Statements

Note 3. Cash (continued)

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

As of June 30, 2007, the carrying amount of the deposits with financial institutions was \$344,764. These deposits were entirely covered by federal depository insurance.

The Library's deposit in the Illinois Funds of \$194,035 as of June 30, 2007, is not subject to categorization. The monies invested are pooled together and invested in U.S. Treasury Bills and Notes backed by full faith and credit of the U.S Treasury.

The above cash deposits of \$538,799 are reported together in the financial statements as cash.

Note 4. Capital Assets

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

	Balance July 1, 2006	Additions	Retirements	Balance June 30, 2007
Governmental activities:				
Building and improvements	\$ 3,177,989	\$ 25,158		\$ 3,203,147
Equipment and furniture	598,953	31,598	26,145	604,406
Total capital assets	3,776,942	56,756	26,145	3,807,553
Less accumulated depreciation:				
Building and improvements	(746,914)	(81,127)		(828,041)
Equipment and furniture	(238,053)	(54,282)	(20,693)	(271,642)
Total accumulated depreciation	(984,967)	(135,409)	(20,693)	(1,099,683)
Governmental activities				
Capital assets, net	\$ 2,791,975	\$ (78,653)	\$ (5,452)	\$ 2,707,870

The entire balance of depreciation expense was charged to general library.

Lemont Public Library

Notes to Basic Financial Statements

Note 5. Defined Benefit Pension Plan

The Library participates in the Illinois Municipal Retirement Fund.

The Library's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_hompag.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. Lemont Public Library is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 11.15 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period of December 31, 2006, was 26 years.

For December 31, 2006, the annual pension cost for the Library as a whole of \$45,686 was equal to the Library's required and actual contributions. The required contribution was determined as part of the December 31, 2004, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 2006 actuarial valuation and schedule of funding progress were based on the 2002-2004 experience study.

Trend Information

Fiscal Year Ending June,	Annual Pension Cost (APC)	Percentage of APC Contributed
2007	\$ 45,686	100%
2006	43,884	100%
2005	42,378	100%
2004	30,691	100%
2003	26,836	100%

The actuarial assumptions used to determine the pension benefit obligation for 2006 were changed due to the 2002 - 2004 experience study. The principal changes were:

- The 1994 Group Annuity Mortality implemented
- For regular members, fewer normal and early retirements are expected to occur.

Lemont Public Library

Notes to Basic Financial Statements

Note 6. Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters.

All full-time employees are entitled to the Library's approved health/life insurance coverage. The Library may pay all or part of approved health/life insurance for full-time employees. Part-time Library employees are entitled to the health/life insurance coverage under the Library's plan but must pay the entire cost of such coverage. Employees who desire dependent insurance coverage under the Library plan must pay the entire cost of such coverage by means of payroll deduction. Any covered employee who enters into a leave without pay status shall have their insurance coverage terminated on the last day of the month in which the leave without pay commences except a Reservist who is called to service. The employee may continue coverage under terms of the policy by making the full premium payment to the Library monthly in advance.

The Library carries commercial insurance for its workers compensation, general liability and property coverages. Settled claims have not exceeded insurance coverage during any of the past three years.

Note 7. Long Term Debt

During the last fiscal year the District issued Series 2005 G.O Refunding Bonds. This bond issue refunds the callable Library Bonds, Series 1996. The callable bond amount was \$1,880,000, which was callable on December 1, 2009. The Series 1996 bonds remaining, the amount \$615,000 will be retired over December 1, 2005 through December 1, 2015. The following tables reflect the debt service required to maturity of each issue:

Series 1996 Library Bonds dated July 1, 1996 - Interest Rates 5.80%-8.25%

Fiscal Year	Principal	Interest	Total
2008	140,000	35,440	175,440
2009	165,000	22,894	187,894
2010	195,000	8,044	203,044
Totals	\$ 500,000	\$ 66,378	\$ 566,378

Series 2005 G.O. Refunding Bonds - Interest Rates 3.50% - 4.00%

Fiscal Year	Principal	Interest	Total
2008	35,000	80,324	115,324
2009	40,000	78,917	118,917
2010	40,000	77,417	117,417
2011	265,000	71,434	336,434
2012	285,000	60,500	345,500
2013	305,000	48,700	353,700
2014	330,000	36,000	366,000
2015	355,000	22,300	377,300
2016	380,000	7,600	387,600
Totals	\$ 2,035,000	\$ 483,192	\$ 2,518,192

Lemont Public Library

Notes to Basic Financial Statements

Note 7. Long Term Debt (continued)

Proceeds received from the sale of the bonds, \$2,080,000, was deposited in an Escrow Account to be held by the Bank of New York Trust Company, N.A. Chicago, Illinois. The amount received in excess of previous bond issue, \$200,000, is shown as an asset on the comparative statement of net assets.

Note 8. Claim receivable

The payroll service provider for the District did not remit federal and state payroll taxes for the first quarter of 2006. These taxes were automatically debited from the District checking account. The payroll service was under investigation by the New Jersey District Attorney's Office as well as various local and state agencies and the FBI. As a result the District was required to remit the taxes again, without penalty and interest, in the amount of \$8,088. This claim was deemed worthless and written off during the current fiscal year.

Lemont Public Library

Required Supplementary Information
 Illinois Municipal Retirement Fund
 Schedule of Funding Progress
 Year Ended June 30, 2007

Schedule of Funding Progress: The Library participates in the Illinois Municipal Retirement Fund.
 The data below represents the Library's funding progress.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll ©	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	\$ 985,518	\$ 1,101,937	\$ 116,419	89.44 %	\$ 409,743	28.41 %
12/31/05	876,164	1,017,165	141,001	86.14	418,745	33.67
12/31/04	760,565	929,847	169,282	81.79	416,700	40.62
12/31/03	685,812	809,520	123,708	84.72	341,771	36.2
12/31/02	635,693	718,649	82,956	88.46	313,507	26.46
12/31/01	612,857	633,806	20,949	96.69	284,182	7.37
12/31/00	546,385	545,873	(512)	100.09	262,301	0
12/31/99	458,012	469,964	11,952	97.46	261,421	4.57

Lemont Public Library

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Fund
 Year Ended June 30, 2007

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 684,500	\$ 626,124	\$ (58,376)
Intergovernmental grant	27,100	26,938	(162)
Fines and fees	27,800	25,728	(2,072)
Charges for services	24,600	22,170	(2,430)
Donations	7,000	21,747	14,747
Interest	19,500	25,299	5,799
Other	12,800	13,435	635
Total revenues	<u>\$ 803,300</u>	<u>\$ 761,441</u>	<u>\$ (41,859)</u>
Expenditures:			
Current:			
General library	690,300	702,083	(11,783)
Adult services	79,500	80,390	(890)
Youth services	33,500	38,480	(4,980)
Total expenditures	<u>803,300</u>	<u>820,953</u>	<u>(17,653)</u>
Revenues over (under) expenditures	<u>0</u>	<u>(59,512)</u>	<u>(59,512)</u>
Change in fund balance	<u>\$ 0</u>	<u>(59,512)</u>	<u>\$ (59,512)</u>
Fund balance:			
July 1, 2006		<u>289,141</u>	
June 30, 2007		<u>\$ 229,629</u>	

Lemont Public Library

Balance Sheet
 General Fund
 Year Ended June 30, 2007
 With Comparative Amounts for 2006

	2007	2006
Assets		
Cash	\$ 188,514	\$ 244,559
Claim receivable	-	8,088
Due from other funds	45,847	40,627
Property taxes receivable	428,806	373,248
Total assets	\$ 663,167	\$ 666,522
Liabilities and Fund Balance		
Liabilities		
Account payable	\$ 4,732	\$ 4,133
Deferred revenue, property taxes	428,806	373,248
Total liabilities	433,538	377,381
Fund Balance		
Unreserved	229,629	289,141
Total fund balance	229,629	289,141
Total liabilities and fund balance	\$ 663,167	\$ 666,522

Lemont Public Library

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Fund
 Year Ended June 30, 2007

	2007	
	Original and Final Budget	Actual
Revenues:		
Property taxes	\$ 684,500	\$ 626,124
Intergovernmental grant	27,100	26,938
Fines and fees	27,800	25,728
Charges for services	24,600	22,170
Donations	7,000	21,747
Interest	19,500	25,299
Other	12,800	13,435
Total revenues	\$ 803,300	\$ 761,441
Expenditures:		
Current:		
General library	690,300	702,083
Adult services	79,500	80,390
Youth services	33,500	38,480
Total expenditures	803,300	820,953
Revenues over (under) expenditures	0	(59,512)
Change in fund balance	\$ 0	(59,512)
Fund balance:		
July 1, 2006		289,141
June 30, 2007		<u>\$ 229,629</u>

Lemont Public Library

Schedule of Expenditures - Budget and Actual
 General Fund
 Year Ended June 30, 2007

	2007	
	Original and Final Budget	Actual
Current:		
General library:		
Administrative		
Salaries	\$ 491,500	\$ 487,607
Health insurance	67,000	66,834
Unemployment insurance	2,900	2,888
Building and contents insurance	8,500	7,552
Dues	2,000	2,260
Payroll services	2,200	10,286
Telephone	7,000	7,898
Business expense	5,500	6,450
Postage	4,300	4,421
Printing	2,900	3,797
Legal fees	6,400	9,400
Conferences	4,500	4,987
Publication of legal notices	2,200	1,630
Public information	1,000	1,568
Periodicals	11,000	11,283
OCLC	1,050	399
On-line services	10,500	12,512
Videos/DVD	5,800	5,789
Audio books	12,500	11,252
Staff training and education	2,500	1,669
Administrative supplies	10,500	11,008
Operating supplies	6,000	7,298
Audiovisual equipment	4,000	3,555
Newsletter	4,800	5,475
Miscellaneous	13,750	14,265
Total General Library	\$ 690,300	\$ 702,083

(continued)

Lemont Public Library

Schedule of Expenditures - Budget and Actual
 General Fund
 Year Ended June 30, 2007

	2007	
	Original and Final Budget	Actual
General library: (continued)	\$ 690,300	\$ 702,083
Adult Services:		
Programs	1,500	2,921
Books	78,000	77,469
Total adult services	79,500	80,390
Youth Services:		
Programs	6,000	5,871
Books	27,500	32,609
Total youth services	33,500	38,480
Total	\$ 803,300	\$ 820,953

Leamont Public Library

Combining Balance Sheet - By Fund Type
 Nonmajor Governmental Funds
 Year Ended June 30, 2007

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Audit Fund	IMRF Fund	Social Security Fund	Maintenance Fund	
Assets					
Cash	\$ 404	\$ -	\$ -	6,240	\$ 6,644
Property tax receivable	2,393	28,981	24,167	77,646	133,187
Total assets	\$ 2,797	\$ 28,981	\$ 24,167	\$ 83,886	\$ 139,831
Liabilities and Fund Balances					
Liabilities					
Due to General fund	\$ -	\$ 23,367	\$ 22,480	\$ -	45,847
Deferred revenue property tax	2,393	28,981	24,167	77,646	133,187
Total liabilities	\$ 2,393	\$ 52,348	\$ 46,647	\$ 77,646	\$ 179,034
Fund Balances					
Unreserved, reported in special revenue fund	404	(23,367)	(22,480)	6,240	(39,203)
Total liabilities and fund balances	\$ 2,797	\$ 28,981	\$ 24,167	\$ 83,886	\$ 139,831

Lemont Public Library

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
 By Fund Type
 Nonmajor Governmental Funds
 Year Ended June 30, 2007

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Audit Fund	IMRF Fund	Social Security Fund	Maintenance Fund	
Revenues					
Taxes	\$ 3,687	\$ 41,083	\$ 34,245	\$ 110,051	\$ 189,066
Interest	93	1,016	846	2,709	4,664
Other	-	-	-	2,313	2,313
	<u>3,780</u>	<u>42,099</u>	<u>35,091</u>	<u>115,073</u>	<u>196,043</u>
Expenditures					
General expenses	4,000	45,106	37,304	125,778	212,188
Change in fund balance	(220)	(3,007)	(2,213)	(10,705)	(16,145)
Fund balances:					
July 1, 2006	<u>624</u>	<u>(20,360)</u>	<u>(20,267)</u>	<u>16,945</u>	<u>(23,058)</u>
June 30, 2007	<u>\$ 404</u>	<u>\$ (23,367)</u>	<u>\$ (22,480)</u>	<u>\$ 6,240</u>	<u>\$ (39,203)</u>

Lemont Public Library

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Bond Fund
 Year Ended June 30, 2007

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 280,000	\$ 205,963	\$ (74,037)
Payment in lieu	2,000	1,174	(826)
Interest	6,500	3,940	(2,560)
	<u>288,500</u>	<u>211,077</u>	<u>(77,423)</u>
Expenditures:			
Debt retirement	<u>260,000</u>	<u>278,484</u>	<u>(18,484)</u>
Revenues over (under) expenditures	28,500	(67,407)	(95,907)
Other financing sources (uses),			
Transfers out	(5,500)	-	(5,500)
	<u>\$ 23,000</u>	<u>(67,407)</u>	<u>\$ 90,407</u>
Fund balance:			
July 1, 2006		<u>376,028</u>	
June 30, 2007		<u>\$ 308,621</u>	

Lemont Public Library

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Capital Projects Fund
 Year Ended June 30, 2007

	Original and Final Budget	Actual	Variance
Revenues:			
Land Cash Donations	\$ 63,000	\$ 25,252	\$ (37,748)
Interest	-	-	-
	<u>63,000</u>	<u>25,252</u>	<u>(37,748)</u>
Expenditures,			
Current expenditures	<u>54,000</u>	<u>51,703</u>	<u>2,297</u>
Revenues over (under) expenditures	<u>9,000</u>	<u>(26,451)</u>	<u>(35,451)</u>
Change in fund balance	<u>\$ 9,000</u>	<u>(26,451)</u>	<u>\$ (35,451)</u>
Fund balance:			
July 1, 2006		<u>261,471</u>	
June 30, 2007		<u>\$ 235,020</u>	

Lemont Public Library

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Nonmajor Governmental Funds
 Year Ended June 30, 2007

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes	\$ 207,950	\$ 189,066	\$ (18,884)
Interest	5,650	4,664	(986)
Other	-	2,313	2,313
	<u>213,600</u>	<u>196,043</u>	<u>(17,557)</u>
Expenditures, current, general library, expenses	<u>213,600</u>	<u>212,188</u>	<u>1,412</u>
Revenues over (under) expenditures	<u>0</u>	<u>(16,145)</u>	<u>(16,145)</u>
Change in fund balance	<u>\$ 0</u>	<u>(16,145)</u>	<u>\$ (16,145)</u>
Fund balance:			
July 1, 2006		<u>(23,058)</u>	
June 30, 2007		<u>\$ (39,203)</u>	

Lemont Public Library

Schedule of Assessed Valuations and Tax Rates
 Last Five Tax Levy Years
 Year Ended June 30, 2007

Tax Levy Year	Assessed Valuation	Total Tax Rate	General	Illinois Municipal Retirement	Audit	Social Security	Bond	Maintenance
2006	807,172,047	0.131	0.0886	0.006	0.0005	0.005	0.0146	0.0161
2005	805,300,477	0.132	0.0848	0.0054	0.0005	0.0045	0.0216	0.0144
2004	638,083,827	0.174	0.1021	0.0051	0.0003	0.0052	0.0436	0.0172
2003	587,420,938	0.179	0.1050	0.0054	0.0003	0.0054	0.0449	0.0173
2002	578,958,854	0.173	0.1071	0.0047	0.0005	0.0032	0.0438	0.0136
2001	454,152,235	0.213	0.1318	0.0057	0.0007	0.0039	0.0532	0.0168

Lemont Public Library

Schedule of Extensions and Collections
Last Five Tax Levy Years
Year Ended June 30, 2007

Tax Levy Year	Fiscal Year Collected	Extensions	Collections	Percent Collected
2006	2007	\$ 1,239,361	\$ 497,187	40.12%
2005	2006	1,106,994	531,149	47.98%
2004	2005	1,107,335	1,105,989	99.87%
2003	2004	1,047,565	1,019,583	97.32%
2002	2003	998,216	989,116	99.08%
2001	2002	963,135	961,519	99.83%