

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

ANNUAL FINANCIAL REPORT

YEAR ENDED APRIL 30, 2010

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
---	----------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Assets	2
Statement of Activities	3

Fund Financial Statements

Balance Sheet	4
Reconciliation of Total Fund Balance to the Statement of Net Assets.....	5
Statement of Revenues, Expenditures and Changes in Fund Balance	6
Reconciliation of the Statement of Revenues, Expenditure and Changes in Fund Balance to the Statements of Activities.....	7
Schedule of Revenues, Expenditure and Changes in Fund Balance – Budget and Actual – General Fund	8
Schedule of Revenues – Budget and Actual – General Fund	9
Schedule of Expenditures – Budget and Actual – General Fund	10 - 11
Schedule of Revenues, Expenditure and Changes in Fund Balance – Budget and Actual – Building and Site – Capital Projects Fund.....	12

Notes to the Financial Statements	13 - 24
---	---------

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Basic Financial Statements

INDEPENDENT AUDITORS' REPORT

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

INDEPENDENT AUDITORS' REPORT

August 2, 2010

Members of the Board of Trustees
Woodridge Public Library
Village of Woodridge, Illinois

We have audited the accompanying basic financial statements of the governmental activities of Village of Woodridge Public Library, Illinois, a component unit of the Village of Woodridge, as of and for the year ended April 30, 2010, which collectively comprise the Village of Woodridge Public Library's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Woodridge Public Library, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Woodridge Public Library, Illinois as of April 30, 2010 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund statements and schedules, as well as the information listed as supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Woodridge, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.



LAUTERBACH & AMEN, LLP

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

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

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

Statement of Net Assets

April 30, 2010

ASSETS

Current Assets	
Cash and Investments	\$ 1,754,281
Receivables - Net of Allowances	
Property Taxes	3,621,915
Other Taxes	5,837
Prepays	10,517
Total Current Assets	<u>5,392,550</u>
Noncurrent Assets	
Capital Assets	
Land	389,420
Depreciable Capital Assets	14,016,324
Accumulated Depreciation	<u>(7,695,977)</u>
Total Noncurrent Assets	<u>6,709,767</u>
Total Assets	<u>12,102,317</u>

LIABILITIES

Current Liabilities	
Accounts Payable	37,532
Accrued Payroll	34,767
Compensated Absences Payable	8,080
Unearned/Deferred Revenues	<u>3,658,642</u>
Total Current Liabilities	<u>3,739,021</u>
Long-Term Liabilities	
Compensated Absences Payable	<u>32,321</u>
Total Liabilities	<u>3,771,342</u>

NET ASSETS

Investment in Capital Assets	6,709,767
Restricted for Special Levies	1,482,772
Unrestricted	<u>138,436</u>
Total Net Assets	<u>8,330,975</u>

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Statement of Activities

Year Ended April 30, 2010

	Expenses	Program Revenues Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Assets
Functions/Programs				
Public Library	\$ 3,811,347	58,738	40,286	(3,712,323)
General Revenues				
Taxes				
Property Taxes				3,574,166
Replacement Taxes				5,837
Interest				14,335
Miscellaneous				31,875
				<u>3,626,213</u>
Change in Net Assets				(86,110)
Net Assets - Beginning				<u>8,417,085</u>
Net Assets - Ending				<u><u>8,330,975</u></u>

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Balance Sheet
April 30, 2010

	General	Debt Service	Capital Projects Building and Site	Total
ASSETS				
Cash and Investments	\$ 862,437	-	891,844	1,754,281
Receivables - Net of Allowances				
Property Taxes	3,113,550	508,365	-	3,621,915
Other Taxes	5,837	-	-	5,837
Prepays	10,517	-	-	10,517
Total Assets	3,992,341	508,365	891,844	5,392,550
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	33,626	-	3,906	37,532
Accrued Payroll	34,767	-	-	34,767
Deferred/Unearned Revenues	3,150,277	508,365	-	3,658,642
Total Liabilities	3,218,670	508,365	3,906	3,730,941
Fund Balances				
Reserved for Prepays	10,517	-	-	10,517
Reserved for IMRF and FICA	157,134	-	-	157,134
Reserved for Working Cash	141,687	-	-	141,687
Reserved for Health Insurance	296,013	-	-	296,013
Reserved for Building and Site	-	-	887,938	887,938
Unreserved	168,320	-	-	168,320
Total Fund Balances	773,671	-	887,938	1,661,609
Total Liabilities and Fund Balances	3,992,341	508,365	891,844	5,392,550

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

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

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

April 30, 2010

Total Fund Balances	\$ 1,661,609
Amounts reported in the Statement of Net Assets are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	6,709,767
Compensated absences are not due and payable in the current period and therefore, are not reported in the funds.	<u>(40,401)</u>
Net Assets	<u>8,330,975</u>

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2010

	General	Debt Service	Capital Projects Building and Site	Total
Revenues				
Taxes	\$ 3,057,021	517,145	-	3,574,166
Intergovernmental	46,123	-	-	46,123
Charges for Services	21,249	-	-	21,249
Fines and Penalties	37,489	-	-	37,489
Interest	3,656	-	10,679	14,335
Miscellaneous	31,875	-	-	31,875
Total Revenues	3,197,413	517,145	10,679	3,725,237
Expenditures				
Public Library				
Personnel Services	1,832,821	-	-	1,832,821
Commodities	537,445	-	-	537,445
Contractual Services	499,379	-	-	499,379
Capital Outlay	32,702	-	122,968	155,670
Total Expenditures	2,902,347	-	122,968	3,025,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	295,066	517,145	(112,289)	699,922
Other Financing Sources (Uses)				
Transfers In	-	-	205,200	205,200
Transfer Out	(205,200)	-	-	(205,200)
Transfer Out - Primary Government	-	(517,145)	-	(517,145)
	(205,200)	(517,145)	205,200	(517,145)
Net Change in Fund Balances	89,866	-	92,911	182,777
Fund Balances - Beginning	683,805	-	795,027	1,478,832
Fund Balances - Ending	773,671	-	887,938	1,661,609

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

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

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

Year Ended April 30, 2010

Net Change in Fund Balances	\$ 182,777
------------------------------------	-------------------

Amounts reported in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	48,351
Depreciation Expense	(310,687)

The increases to long-term liabilities provides current financial resources to
governmental funds, while the reduction of the balances
consumes the current financial resources of the governmental funds.

Additions to Compensated Absences Payable	<u>(6,551)</u>
---	----------------

Changes in Net Assets	<u>(86,110)</u>
------------------------------	------------------------

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

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

General Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 3,034,000	3,034,000	3,057,021
Intergovernmental	45,800	45,800	46,123
Charges for Services	19,000	19,000	21,249
Fines and Penalties	30,000	30,000	37,489
Interest	30,000	30,000	3,656
Miscellaneous	34,000	34,000	31,875
Total Revenues	3,192,800	3,192,800	3,197,413
Expenditures			
Public Library			
Personnel Services	1,897,500	1,897,500	1,832,821
Commodities	603,900	603,900	537,445
Contractual Services	777,900	777,900	499,379
Capital Outlay	60,000	60,000	32,702
Total Expenditures	3,339,300	3,339,300	2,902,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	(146,500)	(146,500)	295,066
Other Financing (Uses)			
Transfers Out	-	-	(205,200)
Net Change in Fund Balance	(146,500)	(146,500)	89,866
Fund Balance - Beginning			683,805
Fund Balance - Ending			773,671

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

General Fund

**Schedule of Revenues - Budget and Actual
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,034,000	3,034,000	3,057,021
Intergovernmental			
Illinois State Replacement Tax	5,500	5,500	5,837
Grants	40,300	40,300	40,286
	45,800	45,800	46,123
Charges for Services			
Fees - Non-Resident	7,500	7,500	7,568
Fees - Interlibrary Loan	1,500	1,500	272
Fees - Public Computers	7,500	7,500	7,711
Fees - MLS	500	500	40
Photocopier	2,000	2,000	5,658
	19,000	19,000	21,249
Fines and Forfeitures			
Fines and Penalties	30,000	30,000	37,489
Interest			
Investment Income	30,000	30,000	3,656
Miscellaneous			
Contributions	32,000	32,000	5,695
Other	2,000	2,000	26,180
	34,000	34,000	31,875
Total Revenues	3,192,800	3,192,800	3,197,413

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Public Library			
Personnel Services			
Professional Managerial	\$ 958,000	958,000	976,765
Support Staff	571,000	571,000	532,651
Pages	70,000	70,000	63,242
IMRF	171,500	171,500	143,131
FICA	127,000	127,000	117,032
	<u>1,897,500</u>	<u>1,897,500</u>	<u>1,832,821</u>
Commodities			
Books - AD and YA	144,000	144,000	132,125
Books - Reference	60,000	60,000	35,401
Books - CD	63,000	63,000	62,007
Electronic Reference	118,000	118,000	102,853
Audio Visual - AD and YA	42,000	42,000	34,244
Audio Visual - CD	16,000	16,000	16,111
Programs - AD and YA	13,000	13,000	12,259
Programs - CD	7,000	7,000	6,083
Periodicals	26,800	26,800	30,389
Special Events	1,500	1,500	1,607
Spanish Materials	2,000	2,000	1,623
Per Capita Materials	40,300	40,300	41,099
Professional Materials	600	600	561
Paperbacks	8,000	8,000	6,545
Supplies - Office and Cataloging	35,000	35,000	30,676
Automation	16,700	16,700	13,457
Supplies - Custodial	10,000	10,000	10,405
	<u>603,900</u>	<u>603,900</u>	<u>537,445</u>
Contractual Services			
MLS Computer Fund	50,000	50,000	47,424
MLS Fees	6,200	6,200	2,192
Email Service	1,500	1,500	1,020
ICN Line	5,200	5,200	2,818
Bank Charges	750	750	1,680
Audit Fees	800	800	500
Telephone	11,500	11,500	9,212
Postage	15,000	15,000	10,432

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2010

	Budget		Actual
	Original	Final	
Public Library - Continued			
Contractual Services - Continued			
Photocopier	\$ 17,250	17,250	16,144
Custodial Services	46,000	46,000	38,008
Data Processing	9,400	9,400	10,055
Water	2,100	2,100	1,454
Sewer	1,200	1,200	832
Printing	15,000	15,000	9,900
Postage Meter	2,000	2,000	1,710
LAN Maintenance	30,000	30,000	25,682
Web Host	2,500	2,500	100
Maintenance/Building	33,000	33,000	71,743
Maintenance and Contracts/Office	4,200	4,200	2,378
Landscaping Services	7,000	7,000	8,819
Health Insurance	273,000	273,000	173,315
Insurance/Building	37,000	37,000	17,454
Workers Compensations	11,000	11,000	5,869
Unemployment Compensation	1,300	1,300	821
Surety Bonds	1,600	1,600	1,275
Officer's Liability	2,800	2,800	2,500
Conference and Training	29,000	29,000	25,121
Local Transportation	800	800	771
Board Expenses	3,800	3,800	1,758
Staff Supplies	3,500	3,500	3,269
Legal Notice	1,500	1,500	2,877
Recruitment	500	500	-
Public Information	2,000	2,000	779
Interlibrary Loan	1,500	1,500	373
Contingency	148,000	148,000	1,094
	<u>777,900</u>	<u>777,900</u>	<u>499,379</u>
Capital Outlay			
Furniture	2,500	2,500	1,699
Equipment	2,500	2,500	-
Capital Asset Replacement	55,000	55,000	31,003
	<u>60,000</u>	<u>60,000</u>	<u>32,702</u>
Total Expenditures	<u>3,339,300</u>	<u>3,339,300</u>	<u>2,902,347</u>

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

Building and Site - Capital Projects Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	10,679
Expenditures			
Capital Outlay			
Maintenance/Building	40,000	40,000	64,594
Automation	25,000	25,000	27,463
Light Repair	15,000	15,000	15,139
Furnishings	15,000	15,000	4,359
Contingency	20,000	20,000	11,413
Total Expenditures	115,000	115,000	122,968
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115,000)	(115,000)	(112,289)
Other Financing Sources			
Transfers In	-	-	205,200
Net Change in Fund Balance	(115,000)	(115,000)	92,911
Fund Balance - Beginning			795,027
Fund Balance - Ending			887,938

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The Library is a legally separate entity whose Board is elected by the voters of the Village. The Library may not issue bonded debt without the Village's approval, and its property tax levy is subject to the Village Board's acceptance. The Library is reported as a discretely presented component unit of the Village of Woodridge, Illinois. This report represents the financial activity of the Library for the year ended April 30, 2010.

BASIS OF PRESENTATION

Government–Wide and Fund Financial Statements

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements. The Library reports only governmental activities, which include the provision of library services and general administrative services.

The government-wide Statement of Net Assets is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net assets are reported in three parts: invested in capital assets, net of related debt, restricted net assets, and unrestricted net assets. The Library first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of the Library's functions. The Library's activities are supported by taxes and intergovernmental revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The net costs are then normally covered by general revenues.

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government–Wide and Fund Financial Statements – Continued

The government-wide focus is more on the sustainability of the Library as an entity and the change in the Library's net assets resulting from the current year's activities.

The financial transactions of the Library are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures.

The following governmental funds are used by the Library:

General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund and is accounted for as a major fund.

Debt Service Fund is used to record the Library's long-term debt activity. The Debt Service Fund is reported as a major fund.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and assets. The Library maintains one major capital projects fund, the Building and Site Fund, which is used to account for the acquisition of Library assets and construction of Library improvements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

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

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

Capital Assets

Capital assets purchases or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

Buildings and Improvements	20 – 50 Years
Furniture and Fixtures	5 – 15 Years
Library Materials	5 – 10 Years

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Receivables

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

Compensated Absences

The Library accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amount is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

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

Unearned/Deferred Revenue

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

Fund Equity

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

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

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Fund Equity – Continued

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

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested budgets for the next fiscal year. The proposed budget is presented to the Library Board of Trustees for review. The governing body holds public meetings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget. Any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The Building and Site Fund had an excess of actual expenditures over budget for the fiscal year of \$7,968.

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments". In addition, investments are separately held by several of the Library's funds.

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

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

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

Deposits. At year-end the carrying amount of the Library's deposits totaled \$534,270 and the bank balances totaled \$563,854. The Library also had funds invested at the Illinois Funds with a fair value of \$1,220,011 at year-end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy states that maturities of investment of the various funds of the Library shall be determined to enable the Library to have available sufficient cash for all operating purposes. The Library shall not generally invest in securities maturing greater than one (1) year. The Library's investment in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Library's investment policy further states that safety of principal is the foremost objective of the Library. As stated above, the Library's investment policy states that generally security maturities shall not be greater than one (1) year. At year-end, the Library's investment in the Illinois Funds is rated AAAm by Standard & Poor's.

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires that collateral be provided at a fair market value of not less than 100% of the net amount of public funds secured. The Library will accept the following assets as collateral:

- a. U.S. Government Securities
- b. Obligations of Federal Agencies
- c. Obligations of Federal Instrumentalities
- d. General Obligation Bonds of Illinois issuers rated "A" or better
- e. Any other collateral identified in Illinois Revised Statutes as acceptable for use by the Treasurer of the State of Illinois.

Furthermore, pledged collateral will be held by the Library or in safekeeping and evidenced by a safekeeping agreement. If collateral is held in safekeeping, it may be held by a third party or by an escrow agent of the pledging institution.

At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Library's investment in the Illinois Fund is noncategorizable.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy states that funds shall be reasonably diversified to avoid incurring unreasonable risks from concentrating investments in specific security types and/or particular financial institutions. At year-end, the Library's investment in the Illinois Funds represents more than 5 percent of the total cash and investments portfolio.

PROPERTY TAXES

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Notes to the Financial Statements
April 30, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2010 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 389,420	-	-	389,420
Depreciable Capital Assets				
Buildings and Improvements	6,755,215	-	-	6,755,215
Furniture and Fixtures	1,281,639	45,033	-	1,326,672
Library Materials	5,931,119	3,318	-	5,934,437
	13,967,973	48,351	-	14,016,324
Less Accumulated Depreciation				
Buildings and Improvements	1,751,351	-	-	1,751,351
Furniture and Fixtures	1,479,707	132,666	-	1,612,373
Library Materials	4,154,232	178,021	-	4,332,253
	7,385,290	310,687	-	7,695,977
Total Net Depreciable Capital Assets	6,582,683	(262,336)	-	6,320,347
Total Net Capital Assets	6,972,103	(262,336)	-	6,709,767

Depreciation expense of \$310,687 was charged to governmental activities.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Building and Site	General	\$ 205,200

Transfers are used to move unrestricted revenues collected in the General Fund to finance various capital improvements and asset acquisitions in the Building and Site Fund in accordance with budgetary authorizations.

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 33,850	13,102	6,551	40,401	8,080

Compensated absences are generally liquidated by the General Fund.

The Village is reporting General Obligation Refunding Bonds of 2009 in the amount of \$2,296,700 in its financial statements which were issued to refund the outstanding principal on the General Obligation Refunding Bonds of 2002A. The original bonds were issued to fund Library capital improvements and are reported on the Village's financial statements as a long-term liability.

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND EQUITY

The following is a schedule of fund balance reservations for special or restricted revenues as of the date of this report:

	Beginning Balance	Increases	Decreases	Ending Balance
General Fund				
IMRF and FICA	\$ 122,823	294,474	260,163	157,134
Working Cash	141,687	-	-	141,687
Health Insurance	216,200	253,128	173,315	296,013
	<u>480,710</u>	<u>547,602</u>	<u>433,478</u>	<u>594,834</u>

NOTE 4 – OTHER INFORMATION

Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Library's employees. These risks are provided for through insurance from private insurance companies. The Library currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

POST-EMPLOYMENT BENEFITS

In addition to providing benefits described, the Library allows retirees to continue health insurance. The retirees pay the entire cost of their health insurance premiums.

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
April 30, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

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

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees (other than those covered by the Police plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in the IMRF are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2009 was 9.95 percent for IMRF.

The employees of the Library are pooled with the employees of the Village of Woodridge for purposes of actuarial valuation. Therefore, the amount of accumulated retirement liability and normal costs related specifically to Library personnel is not available.