

***ROLLING PRAIRIE LIBRARY SYSTEM***

***ANNUAL FINANCIAL REPORT***

***For the fiscal year ended June 30, 2010***

**May, Cocagne & King, P.C.**

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Certified Public Accountants and Consultants

**ROLLING PRAIRIE LIBRARY SYSTEM**

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**June 30, 2010**

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**ROLLING PRAIRIE LIBRARY SYSTEM**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Rolling Prairie Library System

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Rolling Prairie Library System as of and for the year ended June 30, 2010, which collectively comprise the System's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Rolling Prairie Library System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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. We believe that our audit provides a reasonable basis for our opinion.

The System has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

In our opinion, except for the effects of the omission described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of Rolling Prairie Library System as of June 30, 2010, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 22, 2010, on our consideration of Rolling Prairie Library System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis and budgetary comparison information on pages 5-10 and 31-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rolling Prairie Library System's basic financial statements. The supplementary information as listed in the table of contents and presented on pages 35 and 36 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 in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*May. Cozagne & King, P.C.*

September 22, 2010



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Directors  
Rolling Prairie Library System**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Rolling Prairie Library System as of and for the year ended June 30, 2010, which collectively comprise the System's basic financial statements, as listed in the table of contents, and have issued our report thereon dated September 22, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Rolling Prairie Library System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the System's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rolling Prairie Library System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management and the Illinois State Library and is not intended to be and should not be used by anyone other than these specified parties.

*May. Coagne & King, P.C.*

September 22, 2010

**ROLLING PRAIRIE LIBRARY SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2010**

The following discussion and analysis of the Rolling Prairie Library System's financial performance provides an overview of the System's financial activities for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the System's basic financial statements which follow this section.

**Financial Highlights**

- The assets of the Rolling Prairie Library System exceeded its liabilities at the close of the most recent fiscal year by \$ 2,150,342 (*net assets*). Of this amount, \$ 994,720 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Rolling Prairie Library System's governmental funds reported combined ending fund balances of \$ 735,069. Approximately 22% of this fund balance, or \$ 163,893, is *available for spending* in the General Fund at the Government's discretion (*unrestricted fund balance*).
- At the end of the current fiscal year, the total fund balance for the general fund was \$ 163,893 or 22% percent of total general fund expenditures.

**Overview of the Financial Statements**

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

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

The *statement of net assets* presents information on all of the Rolling Prairie Library System'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 System is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the System that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the System include general, special revenue (grant), and capital projects funds. The business-type activities of the System consist of the Computer Development Fund.

The government-wide financial statements can be found on pages 11 and 12 of this report.

**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 Rolling Prairie Library System, like other state and local governmental units and agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the System can be divided into two categories: governmental funds and proprietary funds.

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

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

The Rolling Prairie Library System currently 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 general fund, and three special revenue funds.

The System adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

**Proprietary funds.** The Rolling Prairie Library System maintains one proprietary fund type. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The System uses enterprise funds to account for its Computer Development Fund which provides data base access to member libraries on a user-fee basis.

The basic proprietary fund financial statements can be found on pages 17 through 19 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 30 of this report.

**Government-wide Financial Analysis**

The following table reflects the condensed Statement of Net Assets:

|                                  | Governmental<br>Activities |                  | Business-type<br>Activities |                | Total Primary<br>Government |                  |
|----------------------------------|----------------------------|------------------|-----------------------------|----------------|-----------------------------|------------------|
|                                  | 2010                       | 2009             | 2010                        | 2009           | 2010                        | 2009             |
| Current and<br>other assets      | \$ 818,038                 | 885,473          | 844,468                     | 711,199        | 1,662,506                   | 1,596,672        |
| Capital assets                   | 584,446                    | 635,493          |                             |                | 584,446                     | 635,493          |
| <b>TOTAL ASSETS</b>              | <b>1,402,484</b>           | <b>1,520,966</b> | <b>844,468</b>              | <b>711,199</b> | <b>2,246,952</b>            | <b>2,232,165</b> |
| Current and<br>other liabilities | 82,969                     | 81,285           | 13,641                      | 12,618         | 96,610                      | 93,903           |
| <b>TOTAL<br/>LIABILITIES</b>     | <b>82,969</b>              | <b>81,285</b>    | <b>13,641</b>               | <b>12,618</b>  | <b>96,610</b>               | <b>93,903</b>    |
| Net Assets:                      |                            |                  |                             |                |                             |                  |
| Invested in<br>capital assets    | 584,446                    | 635,493          |                             |                | 584,446                     | 635,493          |
| Restricted                       | 571,176                    | 607,895          |                             |                | 571,176                     | 607,895          |
| Unrestricted                     | 163,893                    | 196,293          | 830,827                     | 698,581        | 994,720                     | 894,874          |
| <b>TOTAL NET<br/>ASSETS</b>      | <b>\$ 1,319,515</b>        | <b>1,439,681</b> | <b>830,827</b>              | <b>698,581</b> | <b>2,150,342</b>            | <b>2,138,262</b> |

Changes in net assets may serve over time as a useful indicator of a government's financial position. The System's governmental net assets decreased by \$ 120,166, and business-type net assets increased by \$ 132,246 during the fiscal year ending June 30, 2010. The decrease in the governmental net assets was primarily due to decreased operating grant. The increase in the business-type net assets was due primarily to increased user fees and decreased costs relating to the operation of the LLSAP data base, supplies expense and depreciation on capital assets.

The following table summarizes the revenues and expenses of the System's activities:

|                             | Governmental<br>Activities |                | Business-type<br>Activities |                | Total Primary<br>Government |                  |
|-----------------------------|----------------------------|----------------|-----------------------------|----------------|-----------------------------|------------------|
|                             | 2010                       | 2009           | 2010                        | 2009           | 2010                        | 2009             |
| <b>REVENUES</b>             |                            |                |                             |                |                             |                  |
| Program revenues:           |                            |                |                             |                |                             |                  |
| Charges for service         | \$ 30,493                  | 37,380         | 329,344                     | 324,302        | 359,837                     | 361,682          |
| Operating grants            | 670,756                    | 811,860        |                             |                | 670,756                     | 811,860          |
| General revenues:           |                            |                |                             |                |                             |                  |
| Investment income           | 3,503                      | 6,695          | 1,005                       | 5,162          | 4,508                       | 11,857           |
| Miscellaneous               | 340                        | 396            |                             |                | 340                         | 396              |
| <b>TOTAL REVENUES</b>       | <b>705,092</b>             | <b>856,331</b> | <b>330,349</b>              | <b>329,464</b> | <b>1,035,441</b>            | <b>1,185,795</b> |
| <b>EXPENSES</b>             |                            |                |                             |                |                             |                  |
| Governmental activities:    |                            |                |                             |                |                             |                  |
| Culture and recreation      | 825,258                    | 815,056        |                             |                | 825,258                     | 815,056          |
| Business-type activities:   |                            |                |                             |                |                             |                  |
| Computer development        |                            |                | 198,103                     | 268,461        | 198,103                     | 268,461          |
| <b>TOTAL EXPENSES</b>       | <b>825,258</b>             | <b>815,056</b> | <b>198,103</b>              | <b>268,461</b> | <b>1,023,361</b>            | <b>1,083,517</b> |
| <b>CHANGE IN NET ASSETS</b> | <b>(120,166)</b>           | <b>41,275</b>  | <b>132,246</b>              | <b>61,003</b>  | <b>12,080</b>               | <b>102,278</b>   |
| Net Assets, July 1          | 1,439,681                  | 1,398,406      | 698,581                     | 637,578        | 2,138,262                   | 2,035,984        |
| Net Assets, June 30         | \$ 1,319,515               | 1,439,681      | 830,827                     | 698,581        | 2,150,342                   | 2,138,262        |

**Governmental activities.** Revenue for the System's General Fund via the principal funding source, the State of Illinois area and per capita grant decreased by approximately 17% in the fiscal year ending June 30, 2010 compared to 2009. As has been the case for a number of years, state funding for the System, and for other state-funded entities as well, continues to be a concern due to decreases in revenues at the state level and budget deficits.

The System's governmental expenses totaled \$ 825,258 in fiscal 2010. As the primary focus of the System is to provide services to its members, the majority of the culture and recreation expense is dedicated to personnel dedicated to this task.

**Business-type activities.** Charges for services as reported in the business-type activities come primarily from the user fees for the charges to member libraries for access to the system-wide automation network, commonly known as LLSAP. These user fees totaled \$ 329,344 in fiscal 2010 compared with \$ 324,302 in fiscal year 2009. Annual charges for these user fees are recomputed annually based on projected budgeted expenses and the number of members participating.

#### Financial Analysis of the Government's Funds

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

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

At June 30, 2010, the System's governmental funds reported combined ending fund balances of \$ 735,069, a decrease of \$ 69,119 in comparison with the prior year. A total of \$ 545,637 of fund balance is reserved in the Capital Projects Fund to indicate that it is not available for new spending because it has been committed to the purchase of future capital assets. A total of \$ 25,539 of fund balance is reserved in the Special Revenue Fund to indicate it has been committed to expenditures related to the Plink It project.

A summary of the General Fund budget and actual figures follows:

| <b>Fiscal year ending June 30, 2010</b>                      | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>   |
|--|----------------------------|-------------------------|-----------------|
| Revenues:  |                            |                         |                 |
| State grants   | \$ 785,200                 | 655,600                 | 655,615         |
| Federal grants   | 4,600                      | 4,600                   | 3,641           |
| Fees for services and materials                              | 6,000                      | 6,000                   | 9,118           |
| Other  | 4,500                      | 4,500                   | 512             |
|  | <u>800,300</u>             | <u>670,700</u>          | <u>668,886</u>  |
| <b>TOTALS</b>  |                            |                         |                 |
| Expenditures:  |                            |                         |                 |
| Expenditures - current                                       | 798,400                    | 747,700                 | 740,500         |
| Excess (deficiency) of revenues over<br>(under) expenditures | 1,900                      | (77,000)                | (71,614)        |
| Other financing sources (uses):                              |                            |                         |                 |
| Transfers (in) out   |                            | 77,000                  | (39,214)        |
| <b>Change in Fund Balance</b>                                | <u>\$ 1,900</u>            | <u>-</u>                | <u>(32,400)</u> |

**Economic Factors.** The Rolling Prairie Library System serves over 400,000 people in all or parts of 12 counties in central and southern Illinois, and is one of nine multi-type library systems operating in the state. All Illinois library systems are funded primarily through what is commonly known as the area and per capita grant from the Illinois Secretary of State through the State Library. This grant was created by the state legislature as part of the Illinois Library Systems Act and is statutorily determined by a formula based on the (1) population served within the System and (2) geographic area served by the System. The area and per capita grant funds over 90% of the System's General Fund activities.

The economic crisis afflicting the United States and the state of Illinois continued in 2010 and only a minimal improvement is expected in 2011. Despite these economic conditions, the aforementioned area and per capita grant has been approved for fiscal year ending June 30, 2011, and has been funded at the same level as the previous fiscal year. In 2010, the System experienced a \$ 130,000 reduction in the aforementioned area and per capita grant from the levels of the preceding year, and the System was forced to cut personnel and operating costs of approximately \$ 50,000 for fiscal year ending June 30, 2010, and used reserves to cover the shortfall.

Due to the economic and cash-flow crisis in the state, there has been a significant delay in the receipt of the area and per capita grant. This has been a common experience of any state agency that has its operations funded by the state of Illinois. As a result, System reserves have been used to shore up the cash flow position as much as possible. However, in recognition of the continuing cash flow problems, the System has adopted a four-day work week for the fiscal year ending June 30, 2011, and will continue to do so, at least until cash payments from the state become current. The adoption of the four-day work week has resulted in the cutback of some System services, but the core services of delivery and the LLSAP experienced minimal changes. As of June 30, 2010, the System had not yet received approximately 43%, or \$ 281,100, of its area and per capita grant for that year. (See Reorganization Factors below.)

The Computer Development Fund revenues are primarily generated from user fees to members for access to the local library system automation program (LLSAP). Therefore, the effect of the aforementioned adverse economic and cash flow conditions has a minimal effect on its operations. The membership and related user base continues to be relatively stable; however, the economic climate relating to governmental funding directly impacts these revenues as well, since the majority of users are also funded by the state of Illinois or local property taxes. (See Political Factors below.)

**Political Factors.** The Illinois Legislature continues to grapple with the effects of the recession on state finances, and the governor and legislature are currently considering a number of initiatives for raising various taxes in Illinois, cutting government expenses, or both. While it is not known what effect, if any, such initiatives might have upon System operations, it is hoped that any tax increases combined with a general improvement in the economic outlook would have a positive impact on the level of the System's area and per capita grant funding in the future. The Illinois State Library continues to confirm that all area and per capita grant payments will be paid, but that such payments are contingent upon the availability of funds for payment.

**Reorganization Factors.** Due to the economic and political factors discussed above, Rolling Prairie Library System and the other library systems in the state have entered into discussions to merge operations. The anticipated result will be the creation of two library systems in the state (from the current nine), consisting of a northern system and a southern system. Rolling Prairie Library System would be part of the proposed southern system along with three other library systems, Lewis & Clark Library System, Shawnee Library System and Lincoln Trail Libraries System. The major effect of such a merger would ostensibly be to eliminate duplicate services, thereby saving operating costs in the area of payroll and administrative overhead. It is also anticipated that the two merged entities will be better able to survive the current economic climate involving problems with funding and delayed payments. Since such merger discussions are still in the preliminary phase, it is unknown what effect said merger will ultimately have on the operations of Rolling Prairie Library System. The resulting mergers are anticipated to occur July 1, 2011.

### **Requests for Information**

This financial report is designed to provide our members, citizens, customers and creditors with a general overview of the System's finances and to demonstrate the System's accountability for the funds it receives. Questions concerning this report or requests for additional financial information should be directed to Michael J. Szymkoski, Chief Fiscal Officer, Business Department, Rolling Prairie Library System, 345 W. Eldorado St., Decatur, Illinois, 62522-2114.

**ROLLING PRAIRIE LIBRARY SYSTEM**

**STATEMENT OF NET ASSETS**

**June 30, 2010**

|   | Governmental<br>Activities | Business-type<br>Activities | Total     |
|---|----------------------------|-----------------------------|-----------|
| <b><u>ASSETS</u></b>                      |                            |                             |           |
| Current Assets:                           |                            |                             |           |
| Cash and cash equivalents                 | \$ 518,085                 | 780,703                     | 1,298,788 |
| Accounts receivable                       | 3,389                      |                             | 3,389     |
| Grant receivable                          | 282,922                    |                             | 282,922   |
| Interest receivable                       | 158                        |                             | 158       |
| Internal balances                         | 2,878                      | (2,878)                     |           |
| Prepaid expenditures                      | 10,606                     | 66,643                      | 77,249    |
| Capital assets:                           |                            |                             |           |
| Land                                      | 20,000                     |                             | 20,000    |
| Other capital assets, net of depreciation | 564,446                    |                             | 564,446   |
| TOTAL ASSETS                              | 1,402,484                  | 844,468                     | 2,246,952 |
| <b><u>LIABILITIES</u></b>                 |                            |                             |           |
| Accounts payable                          | 31,735                     | 2,171                       | 33,906    |
| Accrued payroll and vacation              | 51,234                     | 11,470                      | 62,704    |
| Total current liabilities                 | 82,969                     | 13,641                      | 96,610    |
| <b><u>NET ASSETS</u></b>                  |                            |                             |           |
| Invested in capital assets                | 584,446                    |                             | 584,446   |
| Restricted for:                           |                            |                             |           |
| Capital projects                          | 545,637                    |                             | 545,637   |
| Plink It project                          | 25,539                     |                             | 25,539    |
| Unrestricted                              | 163,893                    | 830,827                     | 994,720   |
| TOTAL NET ASSETS                          | \$ 1,319,515               | 830,827                     | 2,150,342 |

See Notes to Financial Statements.

ROLLING PRAIRIE LIBRARY SYSTEM

STATEMENT OF ACTIVITIES

Year ended June 30, 2010

|                           | Program Revenues |                         |  | Net (Expense) Revenue and<br>Changes in Net Assets |                             | Total     |
|---------------------------|------------------|-------------------------|--|--|-----------------------------|-----------|
|                           | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities                         | Business-type<br>Activities |           |
| Governmental activities:  |                  |                         |  |  |                             |           |
| Culture and<br>recreation | \$ 825,258       | 30,493                  | 670,756                                  | (124,009)  |                             | (124,009) |
| Business-type activities: |                  |                         |  |  |                             |           |
| Computer<br>development   | 198,103          | 329,344                 |  |  | 131,241                     | 131,241   |
| Total                     | \$ 1,023,361     | 359,837                 | 670,756                                  | (124,009)  | 131,241                     | 7,232     |
| General revenues:         |                  |                         |  |  |                             |           |
| Investment income         |                  |                         |  | 3,503  | 1,005                       | 4,508     |
| Other income              |                  |                         |  | 340  |                             | 340       |
| Total general revenues    |                  |                         |  | 3,843  | 1,005                       | 4,848     |
| Change in net assets      |                  |                         |  | (120,166)  | 132,246                     | 12,080    |
| Net assets, beginning     |                  |                         |  | 1,439,681  | 698,581                     | 2,138,262 |
| Net assets, ending        |                  |                         |  | \$ 1,319,515                                       | 830,827                     | 2,150,342 |

See Notes to Financial Statements.

**ROLLING PRAIRIE LIBRARY SYSTEM**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2010**

|  | General<br>Fund   | Capital<br>Projects<br>Fund | Special<br>Revenue<br>Fund | Total<br>Governmental<br>Funds |
|--|-------------------|-----------------------------|----------------------------|--------------------------------|
| <b><u>ASSETS</u></b>                           |                   |                             |                            |                                |
| Cash and cash equivalents                      | \$ 37,293         | 471,092                     | 9,700                      | 518,085                        |
| Accounts receivable                            | 3,389             |                             |                            | 3,389                          |
| Grant receivable                               | 281,122           |                             | 1,800                      | 282,922                        |
| Interest receivable                            |                   | 158                         |                            | 158                            |
| Due from other funds                           |                   | 74,387                      | 20,910                     | 95,297                         |
| Prepaid expenditures                           | 10,606            |                             |                            | 10,606                         |
| <b>TOTAL ASSETS</b>                            | <b>332,410</b>    | <b>545,637</b>              | <b>32,410</b>              | <b>910,457</b>                 |
| <b><u>LIABILITIES AND FUND BALANCES</u></b>    |                   |                             |                            |                                |
| Accounts payable                               | 24,935            |                             | 6,800                      | 31,735                         |
| Accrued payroll and vacation                   | 51,163            |                             | 71                         | 51,234                         |
| Due to other funds                             | 92,419            |                             |                            | 92,419                         |
| <b>Total liabilities</b>                       | <b>168,517</b>    | <b>-</b>                    | <b>6,871</b>               | <b>175,388</b>                 |
| <b>Fund Balances:</b>                          |                   |                             |                            |                                |
| Reserved for capital projects                  |                   | 545,637                     |                            | 545,637                        |
| Reserved for Plink It project                  |                   |                             | 25,539                     | 25,539                         |
| Unreserved                                     | 163,893           |                             |                            | 163,893                        |
| <b>Total fund balances</b>                     | <b>163,893</b>    | <b>545,637</b>              | <b>25,539</b>              | <b>735,069</b>                 |
| <b>TOTAL LIABILITIES<br/>AND FUND BALANCES</b> | <b>\$ 332,410</b> | <b>545,637</b>              | <b>32,410</b>              |                                |

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

584,446

Net assets of governmental activities

\$ 1,319,515

See Notes to Financial Statements.

**ROLLING PRAIRIE LIBRARY SYSTEM**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year ended June 30, 2010**

|  | General<br>Fund | Capital<br>Projects<br>Fund | Special<br>Revenue<br>Fund | Total<br>Governmental<br>Funds |
|--|-----------------|-----------------------------|----------------------------|--------------------------------|
| <b>Revenues:</b>                               |                 |                             |                            |                                |
| State grants:                                  |                 |                             |                            |                                |
| Area and per capita grant                      | \$ 655,615      |                             |                            | 655,615                        |
| Federal grants                                 | 3,641           |                             | 11,500                     | 15,141                         |
| Fee for services and materials                 | 9,118           |                             | 21,375                     | 30,493                         |
| Interest income                                | 172             | 3,331                       |                            | 3,503                          |
| Other income                                   | 340             |                             |                            | 340                            |
|  | <hr/>           |                             |                            |                                |
| Total revenues                                 | 668,886         | 3,331                       | 32,875                     | 705,092                        |
| <hr/>  |                 |                             |                            |                                |
| <b>Expenditures:</b>                           |                 |                             |                            |                                |
| Salaries and wages:                            |                 |                             |                            |                                |
| Library professionals                          | 191,238         |                             | 707                        | 191,945                        |
| Other professionals                            | 39,722          |                             | 846                        | 40,568                         |
| Support services                               | 202,815         |                             |                            | 202,815                        |
| Payroll taxes and fringe benefits:             |                 |                             |                            |                                |
| Social security/Medicare                       | 31,649          |                             | 113                        | 31,762                         |
| IMRF   | 20,098          |                             | 133                        | 20,231                         |
| Unemployment taxes                             | 14,380          |                             | 10                         | 14,390                         |
| Workers' compensation insurance                | 16,997          |                             |                            | 16,997                         |
| Health, life and dental insurance              | 87,415          |                             |                            | 87,415                         |
| Other  | 373             |                             |                            | 373                            |
| Library materials:                             |                 |                             |                            |                                |
| Printed materials                              | 5,383           |                             |                            | 5,383                          |
| Building and grounds:                          |                 |                             |                            |                                |
| Insurance - building                           | 1,603           |                             |                            | 1,603                          |
| Repair and maintenance - building              | 5,475           |                             |                            | 5,475                          |
| Janitorial supplies                            | 610             |                             |                            | 610                            |
| Utilities                                      | 19,283          |                             |                            | 19,283                         |
| Other  | 2,085           |                             |                            | 2,085                          |
| Delivery:                                      |                 |                             |                            |                                |
| Gas and oil                                    | 27,709          |                             |                            | 27,709                         |
| Repair and maintenance - vehicles              | 5,622           |                             |                            | 5,622                          |
| Insurance - vehicles                           | 7,410           |                             |                            | 7,410                          |
| Other  | 75              |                             |                            | 75                             |
| Travel and continuing education - staff/board: |                 |                             |                            |                                |
| In-state travel                                | 1,558           |                             | 6                          | 1,564                          |
| Out-of-state travel                            | (420)           |                             |                            | (420)                          |
| Registration                                   | 1,207           |                             |                            | 1,207                          |
| Continuing education and meetings - other:     |                 |                             |                            |                                |
| Honoraria                                      | 195             |                             |                            | 195                            |
| Materials and supplies                         | 139             |                             |                            | 139                            |
| Speaker travel                                 | 582             |                             |                            | 582                            |
| Meeting expenses                               | 4,562           |                             |                            | 4,562                          |

(Continued)

**ROLLING PRAIRIE LIBRARY SYSTEM**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (Continued)  
Year ended June 30, 2010**

|  | General<br>Fund | Capital<br>Projects<br>Fund | Special<br>Revenue<br>Fund | Total<br>Governmental<br>Funds |
|--|-----------------|-----------------------------|----------------------------|--------------------------------|
| Expenditures, continued:                                     |                 |                             |                            |                                |
| Insurance - liability  | 9,114           |                             |                            | 9,114                          |
| Supplies, postage, printing:                                 |                 |                             |                            |                                |
| Computer supplies  | 4,357           |                             |                            | 4,357                          |
| Office supplies  | 3,418           |                             | 5,284                      | 8,702                          |
| Postage  | 1,089           |                             |                            | 1,089                          |
| Other  | 18              |                             |                            | 18                             |
| Telephone:   |                 |                             |                            |                                |
| Local and long distance                                      | 5,939           |                             |                            | 5,939                          |
| Equipment rental, repair and maintenance:                    |                 |                             |                            |                                |
| Equipment repair and maintenance                             | 190             |                             |                            | 190                            |
| Maintenance agreements                                       | 4,138           |                             |                            | 4,138                          |
| Insurance - equipment and EDP                                | 1,232           |                             |                            | 1,232                          |
| Professional services:                                       |                 |                             |                            |                                |
| Accounting   | 6,443           |                             |                            | 6,443                          |
| Legal  | 75              |                             |                            | 75                             |
| Contractual staff  | 2,314           |                             |                            | 2,314                          |
| Contractual services:  |                 |                             |                            |                                |
| Agreements with libraries/other co-ops                       | 8,130           |                             | 3,357                      | 11,487                         |
| Other  |                 |                             | 23,255                     | 23,255                         |
| Dues and subscriptions                                       | 3,414           |                             |                            | 3,414                          |
| Miscellaneous  | 1,474           |                             |                            | 1,474                          |
| Capital outlays:   |                 |                             |                            |                                |
| Computer equipment   | 1,390           |                             |                            | 1,390                          |
| Total expenditures   | 740,500         | -                           | 33,711                     | 774,211                        |
| Excess (deficiency) of revenues<br>over (under) expenditures | (71,614)        | 3,331                       | (836)                      | (69,119)                       |
| Other financing sources (uses):                              |                 |                             |                            |                                |
| Transfers in   | 39,214          |                             |                            | 39,214                         |
| Transfers out  |                 | (39,214)                    |                            | (39,214)                       |
| Total other financing sources (uses)                         | 39,214          | (39,214)                    | -                          | -                              |
| Net change in fund balances                                  | (32,400)        | (35,883)                    | (836)                      | (69,119)                       |
| Fund balances, beginning of year                             | 196,293         | 581,520                     | 26,375                     | 804,188                        |
| Fund balances, end of year                                   | \$ 163,893      | 545,637                     | 25,539                     | 735,069                        |

See Notes to Financial Statements.

**ROLLING PRAIRIE LIBRARY SYSTEM**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT  
OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES  
Year ended June 30, 2010**

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|  |                            |
|--|----------------------------|
| Net change in fund balances - total governmental funds   | \$ (69,119)                |
| Amounts reported for governmental activities in<br>the statement of net assets are different because:  |                            |
| Governmental funds report capital outlays as expenditures.<br>However, in the statement of activities, the cost of those<br>assets is allocated over their estimated useful lives and<br>reported as depreciation expense. |                            |
| Depreciation expense   | <u>(51,047)</u>            |
| Change in net assets of governmental activities  | <u><u>\$ (120,166)</u></u> |

See Notes to Financial Statements.

**ROLLING PRAIRIE LIBRARY SYSTEM**

**STATEMENT OF NET ASSETS - PROPRIETARY FUND**

**June 30, 2010**

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|  | <u>Computer<br/>Development<br/>Fund</u> |
|--|--|
| <b><u>ASSETS</u></b>                     |  |
| Cash and cash equivalents                | \$ 780,703                               |
| Prepaid expenses                         | <u>66,643</u>                            |
| TOTAL ASSETS                             | <u><u>847,346</u></u>                    |
| <b><u>LIABILITIES AND NET ASSETS</u></b> |  |
| Liabilities:                             |  |
| Accounts payable                         | 2,171                                    |
| Accrued payroll and vacation             | 11,470                                   |
| Due to other funds                       | <u>2,878</u>                             |
| Total liabilities                        | <u>16,519</u>                            |
| Net Assets:                              |  |
| Unrestricted                             | <u>830,827</u>                           |
| Total net assets                         | <u>830,827</u>                           |
| TOTAL LIABILITIES AND NET ASSETS         | <u><u>\$ 847,346</u></u>                 |

See Notes to Financial Statements.

## ROLLING PRAIRIE LIBRARY SYSTEM

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUND Year ended June 30, 2010

|  | Computer<br>Development<br>Fund |
|--|---------------------------------|
| Operating revenues:                        |                                 |
| Contributed income from member libraries   | \$ 325,686                      |
| Reimbursed expenses from member libraries  | 3,658                           |
|  | <hr/>                           |
| Total operating revenues                   | 329,344                         |
|  | <hr/>                           |
| Operating expenses:                        |                                 |
| Salaries:                                  |                                 |
| Library professionals                      | 43,649                          |
| Support services                           | 38,338                          |
| Payroll taxes and fringe benefits:         |                                 |
| Social Security/Medicare                   | 6,272                           |
| IMRF                                       | 3,828                           |
| Unemployment taxes                         | 62                              |
| Workers' compensation insurance            | 367                             |
| Health, life and dental insurance          | 12,639                          |
| Continuing education and meetings - other: |                                 |
| Meeting expense                            | 39                              |
| Supplies, postage, printing:               |                                 |
| Computer supplies                          | 4,224                           |
| Office supplies                            | 115                             |
| Telephone:                                 |                                 |
| Telecommunications                         | 4,776                           |
| Contractual services:                      |                                 |
| Other                                      | 83,694                          |
| Dues and subscriptions                     | 100                             |
|  | <hr/>                           |
| Total operating expenses                   | 198,103                         |
|  | <hr/>                           |
| Net operating income                       | 131,241                         |
| Non operating revenue:                     |                                 |
| Interest income                            | 1,005                           |
|  | <hr/>                           |
| Change in net assets                       | 132,246                         |
| Net assets, beginning of year              | 698,581                         |
|  | <hr/>                           |
| Net assets, end of year                    | \$ 830,827                      |
|  | <hr/> <hr/>                     |

See Notes to Financial Statements.

ROLLING PRAIRIE LIBRARY SYSTEM

STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
Year ended June 30, 2010

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|   | Computer<br>Development<br>Fund |
|---|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES  |                                 |
| Receipts from customers and users   | \$ 329,344                      |
| Payments to suppliers   | (123,123)                       |
| Payments to employees   | (80,740)                        |
|   | <hr/>                           |
| <b>Net cash flows from operating activities</b>   | <b>125,481</b>                  |
|   | <hr/>                           |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES   |                                 |
| Interfund loans   | (18,125)                        |
|   | <hr/>                           |
| CASH FLOWS FROM INVESTING ACTIVITIES  |                                 |
| Interest received on investments  | 1,005                           |
|   | <hr/>                           |
| Net increase in cash and cash equivalents   | 108,361                         |
| Cash and cash equivalents, beginning of year  | 672,342                         |
|   | <hr/>                           |
| Cash and cash equivalents, end of year  | <u>780,703</u>                  |
|   | <hr/>                           |
| RECONCILIATION OF OPERATING INCOME TO NET<br>CASH FLOWS FROM OPERATING ACTIVITIES             |                                 |
| Net operating income  | 131,241                         |
| Adjustments to reconcile net operating income to net<br>cash flows from operating activities: |                                 |
| (Increase) decrease in assets:  |                                 |
| Prepaid expenses  | (6,782)                         |
| Increase (decrease) in liabilities:   |                                 |
| Accrued expenses  | 1,247                           |
| Accounts payable  | (225)                           |
|   | <hr/>                           |
| <b>Net cash flows from operating activities</b>   | <b>\$ 125,481</b>               |
|   | <hr/>                           |

See Notes to Financial Statements.

## ROLLING PRAIRIE LIBRARY SYSTEM

### NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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#### Note 1 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Reporting Entity:** The Rolling Prairie Library System (the System) was created by the Illinois Library System Act, approved August 17, 1965. The purpose of the Act is to provide a program of state grants designed to establish, develop and operate a network of public library systems covering the entire state. The System is one of nine library systems in the State of Illinois. The System is governed by a Board of Directors which, along with other duties, has the exclusive control of the expenditures of all moneys and funds held in the name of the System.

The System's financial statements include all funds of the System's operations. The criteria for including other organizations within the System's reporting entity, as set forth in Statement No. 14 of the Governmental Accounting Standards Board, consists of a determination of organizations for which the System is financially accountable or for which their nature and relationship are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A primary government is financially accountable if it appoints a voting majority of the other organization's governing body and it is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The System has determined that there are no other organizations which meet the above criteria for inclusion in the financial statements. Also, the financial statements of the System do not meet the criteria for inclusion in the financial statements of any other organization.

**Basis of Presentation:** The System's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements: The statement of net assets and the statement of activities display information about the System as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the System that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the System at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the System's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the System, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the System.

## ROLLING PRAIRIE LIBRARY SYSTEM

### NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

---

#### Note 1 - Summary of Significant Accounting Policies, continued

##### **Basis of Presentation, continued:**

Fund Financial Statements: During the year, the System segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. For fiscal year 2010, all of the System's funds are reported as major funds.

**Fund Accounting:** The System uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and proprietary.

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

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

Special Revenue Fund - The Special Revenue Fund accounts for the award, receipt and expenditure of revenues that have been restricted by the System for specific projects or programs.

Capital Projects Fund - The Capital Projects Fund is used to account for various sources of revenue and expenditures which are specifically related to capital projects.

Proprietary Funds: Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net assets and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The Computer Development Fund is the System's only proprietary fund. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the System has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board, in accounting for enterprise funds and business-type activities.

## ROLLING PRAIRIE LIBRARY SYSTEM

### NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

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#### Note 1 - Summary of Significant Accounting Policies, continued

##### Measurement Focus:

Government-wide Financial Statements: The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the System are included on the statement of net assets.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

**Basis of Accounting:** Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the System considers revenue available if they are collected within 60 days of the end of the current fiscal year.

Nonexchange transactions, in which the System receives value without directly giving equal value in return, include grants, entitlements, and donations. On the accrual basis, revenue from grants, entitlements, and donations 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 year when use is first permitted; and expenditure requirements, in which the resources are provided to the System on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Expenses/Expenditures: On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

## ROLLING PRAIRIE LIBRARY SYSTEM

### NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

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#### Note 1 - Summary of Significant Accounting Policies, continued

**Compensated Absences:** All full-time employees of the System are permitted to accumulate a maximum of ten to twenty-five days of accrued vacation depending upon length of service and an unlimited amount of accrued sick leave. At no time may any employee accumulate more than twice the number of vacation days earned in a single year. Any accrued vacation will be paid to an employee upon termination of employment. Sick leave is not paid upon termination of employment. However, retiring IMRF members may qualify for a maximum of one year of additional pension service credit for unpaid, unused sick leave.

**Accounts Receivable:** The System carries its accounts receivable at cost with no allowance for doubtful accounts. No service charges are added to past due accounts. The majority of receivables balances are primarily local public and school member libraries.

**Budgets and Budgetary Accounting:** The System follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

In May, the System's Director and the Finance Committee deliver to the Board of Directors a proposed budget for the general fund and the capital projects fund for the fiscal year commencing on July 1. These budgets include proposed expenditures and the means of financing them for the upcoming year.

These proposed budgets are discussed at regular meetings of the Board of Directors.

Prior to July 1, the budgets are formally adopted by the Board through the passage of a resolution.

The System Director is required by the by-laws to present a monthly report to the Board of Directors explaining significant variances from the approved budget.

Formal budgetary integration is employed as a management control device during the year for each fund.

Budgets are adopted on a basis consistent with generally accepted accounting principles.

The System's by-laws require that all funds be budgeted.

The System's Director is authorized to transfer budgeted amounts within departments in any fund; however, any revisions that alter the total expenditures of any department must be approved by the Board of Directors.

No revisions of any kind to the annual budget may be made after May 31.

## ROLLING PRAIRIE LIBRARY SYSTEM

### NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

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#### Note 1 - Summary of Significant Accounting Policies, continued

**Risk Management:** The System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The System maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the System. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**Cash and Cash Equivalents:** For purposes of the statement of cash flows, the System considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Fund Balances:** In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for special purpose.

**Net Assets:** In the fund financial statements of proprietary funds and the government-wide financial statements, equity is displayed in three components as follows:

***Invested in Capital Assets, Net of Related Debt*** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of capital lease obligations, notes payable, and other liabilities that are attributable to the acquisition, construction, or improvement of those assets.

***Restricted*** - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the System's policy to use restricted resources first, and then unrestricted resources when they are needed.

***Unrestricted*** - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

## ROLLING PRAIRIE LIBRARY SYSTEM

### NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

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#### Note 1 - Summary of Significant Accounting Policies, continued

**Capital Assets:** General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets purchased or acquired with an original cost of \$ 5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their 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.

All capital assets are depreciated, except for land. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u>         | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| Buildings and improvements | 5-40 years             |
| Vehicles                   | 5 years                |
| Office equipment           | 5-7 years              |
| Computer equipment         | 5 years                |

**Fair Value of Financial Instruments:** Generally accepted accounting principles requires disclosure of an estimate of fair value of certain financial instruments. The System's significant financial instruments are cash and short-term assets and liabilities. The carrying values of cash and short-term assets and liabilities approximate fair value.

#### Note 2 - Cash and Cash Equivalents

Statutes authorize the System to make deposits/invest in obligations of the United States of America; direct obligations of any bank as defined by the Illinois Banking Act; short-term obligations of United States corporations, subject to certain limitations; money market mutual funds registered under the Investment Company Act of 1940, as amended; repurchase agreements subject to certain requirements; and the Illinois Funds of the Illinois State Treasurer.

## ROLLING PRAIRIE LIBRARY SYSTEM

### NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

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#### Note 2 - Cash and Cash Equivalents, continued

**Deposits:** At June 30, 2010, the carrying amount of the System's deposits, including Illinois Funds Money Market accounts and a certificate of deposit, was \$ 1,298,788 which includes a \$ 100 petty cash fund. Bank balances were \$ 1,313,217. The System invests in the Illinois Funds Money Market Fund external investment pool which consists of monies invested by individual participants 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 time deposits are collateralized 105% over FDIC or FSLIC \$ 250,000 insurance with U.S. Treasury obligations and marked to market on a daily basis to maintain sufficiency. The repurchase agreements are collateralized at 102% with U.S. Treasury obligations, and the collateral is checked daily to determine sufficiency. The individual participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral; therefore, no collateral is identified with each individual participant's account. All other deposits held by the System were covered by the Federal Deposit Corporation (FDIC) at June 30, 2010.

#### Note 3 - Pension Plan

*Plan Description.* The System'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 System'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](http://www.imrf.org).

*Funding Policy.* As set by statute, the System's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 1.02 percent of annual covered payroll. The System 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.

## ROLLING PRAIRIE LIBRARY SYSTEM

### NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2010

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#### Note 3 - Pension Plan, continued

*Annual Pension Cost.* For 2009, the System's annual pension cost of \$ 5,329 for the Regular plan was equal to the System's required and actual contributions.

| Three-Year Trend Information for the Regular Plan |                              |                                     |                           |
|---|------------------------------|-------------------------------------|---------------------------|
| Fiscal<br>Year Ending                             | Annual Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net Pension<br>Obligation |
| 12/31/09  | \$ 5,329                     | 100%                                | \$ -0-                    |
| 12/31/08  | 5,151                        | 100%                                | -0-                       |
| 12/31/07  | 10,728                       | 100%                                | -0-                       |

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the System'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 15% corridor between the actuarial and market value of assets. The System'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, 2007, valuation was five years.

*Funded Status and Funding Progress.* As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 79.25 percent funded. The actuarial accrued liability for benefits was \$ 1,757,695, and the actuarial value of assets was \$ 1,392,931, resulting in an underfunded actuarial accrued liability (UAAL) of \$ 364,764. The covered payroll (annual payroll of active employees covered by the plan) was \$ 522,485, and the ratio of the UAAL to the covered payroll was 70 percent. In conjunction with the December 2009 actuarial valuation, the market value of investments was determined using techniques that spread the effect 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. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 10 year basis.

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

**ROLLING PRAIRIE LIBRARY SYSTEM**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2010**

**Note 4 - Capital Assets**

Capital asset activities for the year ended June 30, 2010, were as follows;

|   | Beginning<br>Balance | Additions | Deletions | Ending<br>Balance |
|---|----------------------|-----------|-----------|-------------------|
| Governmental activities:                              |                      |           |           |                   |
| Nondepreciable assets:                                |                      |           |           |                   |
| Land  | \$ 20,000            |           |           | 20,000            |
| Depreciable assets:                                   |                      |           |           |                   |
| Buildings and improvements                            | 1,101,149            |           |           | 1,101,149         |
| Office equipment                                      | 307,405              |           |           | 307,405           |
| Vehicles  | 149,723              |           |           | 149,723           |
| Total   | 1,558,277            | -         | -         | 1,558,277         |
| Total capital assets                                  | 1,578,277            | -         | -         | 1,578,277         |
| Less accumulated depreciation for:                    |                      |           |           |                   |
| Buildings and improvements                            | (552,646)            | (27,991)  |           | (580,637)         |
| Office equipment                                      | (287,975)            | (7,671)   |           | (295,646)         |
| Vehicles  | (102,163)            | (15,385)  |           | (117,548)         |
| Total accumulated depreciation                        | (942,784)            | (51,047)  | -         | (993,831)         |
| Total governmental activities<br>capital assets, net  | 635,493              | (51,047)  | -         | 584,446           |
| Business-type activities:                             |                      |           |           |                   |
| Depreciable assets:                                   |                      |           |           |                   |
| Computer equipment                                    | 463,373              |           |           | 463,373           |
| Less accumulated depreciation for:                    |                      |           |           |                   |
| Computer equipment                                    | (463,373)            |           |           | (463,373)         |
| Total business-type activities<br>capital assets, net | \$ -                 | -         | -         | -                 |

Depreciation expense was charged to the System's functions as follows:

|  |                  |
|--|------------------|
| Governmental activities - culture and recreation | <u>\$ 51,047</u> |
| Business type activities - computer developments | <u>\$ -</u>      |

**ROLLING PRAIRIE LIBRARY SYSTEM**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2010**

**Note 5 - Interfund Transactions**

During the course of normal operations, the System has many transactions between funds including expenses and transfers of resources primarily to provide services. Individual fund interfund receivable and payable balances at June 30, 2010, arising from these transactions follow:

|                           | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|---------------------------|----------------------------------|-------------------------------|
| Governmental Funds:       |                                  |                               |
| General Fund              | \$                               | 92,419                        |
| Special Revenue Fund:     |                                  |                               |
| Plink It Project          | 25,539                           |                               |
| Tri-City Grant            |                                  | 4,629                         |
| Capital Projects Fund     | 74,387                           |                               |
| Proprietary Fund:         |                                  |                               |
| Computer Development Fund |                                  | 2,878                         |
|                           | <u>\$ 99,926</u>                 | <u>99,926</u>                 |

The following interfund transfers are reflected in the fund financial statements at June 30, 2010:

|                  | <u>Transfer In</u> | <u>Transfer Out</u> |
|------------------|--------------------|---------------------|
| General Fund     | \$ 39,214          |                     |
| Capital Projects |                    | 39,214              |
|                  | <u>\$ 39,214</u>   | <u>39,214</u>       |

**Note 6 - Deferred Compensation Plan**

The System has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by an independent plan administrator through an administrative service agreement. The plan is available to all System employees. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement or death. Plan assets and all income attributable to those amounts are held for the benefit of participants and their beneficiaries.

## **ROLLING PRAIRIE LIBRARY SYSTEM**

### **NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2010**

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#### **Note 7 - Going Concern**

Due to the economic conditions in the state of Illinois, many state-funded grants were decreased significantly in 2010, and the reduced funding is expected to be continued in 2011. For the fiscal year ending June 30, 2010, Rolling Prairie Library System experienced a 17% reduction in the Area and Per Capita Grant, which funds over 90% of the System's General Fund activities. This funding is expected to be the same for 2011. There has also been a significant delay in the receipt of these funds from the state. As shown in the accompanying financial statements, the System shows a receivable from the state of \$ 281,100, which is approximately 43% of the Area and Per Capita grant for fiscal year 2010. None of this amount, or any fiscal year 2011 funding, has been received through September 22, 2010. These factors create an uncertainty about the System's ability to continue as a going concern. As a result of the cash-flow crisis in the state, management of the System has developed plans to reduce operating expenses and utilize the System's reserves to alleviate cash flow problems. Library systems across the state have also entered into discussions to merge operations into two library systems from the current nine systems. The ability of the System to continue as a going concern is dependent on receiving state funds from the Area and Per Capita grant and reducing expenses. The financial statements do not include any adjustments that might be necessary if the System is unable to continue as a going concern.

#### **Note 8 - Subsequent Events**

The System has evaluated events and transactions for potential recognition or disclosure through September 22, 2010, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ROLLING PRAIRIE LIBRARY SYSTEM**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND  
Year ended June 30, 2010**

|  | Original<br>Budget | Final<br>Budget | Actual         | Variance -<br>Favorable<br>(Unfavorable) |
|--|--------------------|-----------------|----------------|--|
| <b>Revenues:</b>                               |                    |                 |                |  |
| State grants:                                  |                    |                 |                |  |
| Area and per capita grant                      | \$ 785,200         | 655,600         | 655,615        | 15                                       |
| Federal grants                                 | 4,600              | 4,600           | 3,641          | (959)                                    |
| Fees for services and materials                | 6,000              | 6,000           | 9,118          | 3,118                                    |
| Interest income                                | 4,000              | 4,000           | 172            | (3,828)                                  |
| Other income                                   | 500                | 500             | 340            | (160)                                    |
| <b>Total revenues</b>                          | <b>800,300</b>     | <b>670,700</b>  | <b>668,886</b> | <b>(1,814)</b>                           |
| <b>Expenditures:</b>                           |                    |                 |                |  |
| Salaries and wages:                            |                    |                 |                |  |
| Library professionals                          | 204,100            | 192,400         | 191,238        | 1,162                                    |
| Other professionals                            | 43,100             | 40,600          | 39,722         | 878                                      |
| Support services                               | 207,100            | 197,100         | 202,815        | (5,715)                                  |
| Payroll taxes and fringe benefits:             |                    |                 |                |  |
| Social Security/Medicare                       | 34,800             | 32,600          | 31,649         | 951                                      |
| IMRF   | 21,500             | 21,500          | 20,098         | 1,402                                    |
| Unemployment taxes                             | 500                | 500             | 14,380         | (13,880)                                 |
| Workers' compensation insurance                | 18,000             | 18,000          | 16,997         | 1,003                                    |
| Health, life and dental insurance              | 85,100             | 85,100          | 87,415         | (2,315)                                  |
| Other  |                    |                 | 373            | (373)                                    |
| Library materials:                             |                    |                 |                |  |
| Printed materials                              | 5,500              | 500             | 5,383          | (4,883)                                  |
| Building and grounds:                          |                    |                 |                |  |
| Insurance - building                           | 1,600              | 1,600           | 1,603          | (3)                                      |
| Repair and maintenance - building              | 7,000              | 3,800           | 5,475          | (1,675)                                  |
| Janitorial supplies                            | 800                | 800             | 610            | 190                                      |
| Utilities                                      | 20,000             | 20,000          | 19,283         | 717                                      |
| Other  | 2,000              | 2,000           | 2,085          | (85)                                     |
| Delivery:                                      |                    |                 |                |  |
| Gas and oil                                    | 41,000             | 35,800          | 27,709         | 8,091                                    |
| Repair and maintenance - vehicles              | 6,000              | 6,000           | 5,622          | 378                                      |
| Insurance - vehicles                           | 6,500              | 6,500           | 7,410          | (910)                                    |
| Other  | 1,000              | 1,000           | 75             | 925                                      |
| Travel and continuing education - staff/board: |                    |                 |                |  |
| In-state travel                                | 3,500              | 500             | 1,558          | (1,058)                                  |
| Out-of-state travel                            | 7,000              | 1,200           | (420)          | 1,620                                    |
| Registration                                   | 1,800              | 700             | 1,207          | (507)                                    |
| Continuing education and meetings - other:     |                    |                 |                |  |
| Honoraria                                      | 1,000              |                 | 195            | (195)                                    |
| Materials and supplies                         | 500                |                 | 139            | (139)                                    |
| Speaker travel                                 | 500                |                 | 582            | (582)                                    |
| Meeting expenses                               | 2,000              | 5,000           | 4,562          | 438                                      |
| Other  | 1,000              |                 |                |  |
| Public relations                               | 1,000              |                 |                |  |

(Continued)

**ROLLING PRAIRIE LIBRARY SYSTEM**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND (Continued)  
Year ended June 30, 2010**

|  | Original<br>Budget | Final<br>Budget | Actual           | Variance -<br>Favorable<br>(Unfavorable) |
|--|--------------------|-----------------|------------------|--|
| Expenditures, continued:                                     |                    |                 |                  |  |
| Insurance - liability  | 7,000              | 7,000           | 9,114            | (2,114)                                  |
| Supplies, postage, printing:                                 |                    |                 |                  |  |
| Computer supplies  | 12,000             | 12,000          | 4,357            | 7,643                                    |
| Office supplies  | 8,000              | 8,000           | 3,418            | 4,582                                    |
| Postage  | 1,500              | 1,500           | 1,089            | 411                                      |
| Other  | 1,000              | 1,000           | 18               | 982                                      |
| Telephone:   |                    |                 |                  |  |
| Local and long distance                                      | 6,000              | 6,000           | 5,939            | 61                                       |
| Equipment rental, repair and maintenance:                    |                    |                 |                  |  |
| Equipment repair and maintenance                             |                    |                 | 190              | (190)                                    |
| Maintenance agreements                                       | 6,000              | 6,000           | 4,138            | 1,862                                    |
| Insurance - equipment and EDP                                | 1,500              | 1,500           | 1,232            | 268                                      |
| Professional services:                                       |                    |                 |                  |  |
| Accounting   | 6,400              | 6,400           | 6,443            | (43)                                     |
| Legal  | 1,000              | 1,000           | 75               | 925                                      |
| Contractual staff  | 3,000              | 11,000          | 2,314            | 8,686                                    |
| Contractual services:  |                    |                 |                  |  |
| Agreements with libraries/other cooperatives                 | 6,100              | 6,100           | 8,130            | (2,030)                                  |
| Other  | 8,000              |                 |                  |  |
| Dues and subscriptions                                       | 4,500              | 4,500           | 3,414            | 1,086                                    |
| Miscellaneous  | 2,500              | 2,500           | 1,474            | 1,026                                    |
| Capital outlays:   |                    |                 |                  |  |
| Computer equipment   |                    |                 | 1,390            | (1,390)                                  |
| Total expenditures paid                                      | <u>798,400</u>     | <u>747,700</u>  | <u>740,500</u>   | <u>7,200</u>                             |
| Excess (deficiency) of revenues over<br>(under) expenditures | 1,900              | (77,000)        | (71,614)         | 5,386                                    |
| Other financing sources (uses):                              |                    |                 |                  |  |
| Transfers in (out)   |                    | 77,000          | 39,214           | (37,786)                                 |
| Net change in fund balance                                   | <u>\$ 1,900</u>    | <u>-</u>        | <u>(32,400)</u>  | <u>(32,400)</u>                          |
| Fund balance, beginning of year                              |                    |                 | <u>196,293</u>   |  |
| Fund balance, end of year                                    |                    |                 | <u>\$163,893</u> |  |

**ROLLING PRAIRIE LIBRARY SYSTEM**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**

**Year ended June 30, 2010**

|  | Original<br>Budget | Final<br>Budget  | Actual            | Variance -<br>Favorable<br>(Unfavorable) |
|--|--------------------|------------------|-------------------|--|
| Revenues:  |                    |                  |                   |  |
| Interest income  | \$ 8,000           | 8,000            | 3,331             | (4,669)                                  |
| Expenditures:  |                    |                  |                   |  |
| Capital outlays:   |                    |                  |                   |  |
| Building improvements  | 20,000             | 20,000           |                   | 20,000                                   |
| Computer equipment   | 10,000             | 10,000           |                   | 10,000                                   |
| Vehicles   | 32,000             | 32,000           |                   | 32,000                                   |
| Total expenditures paid                                      | 62,000             | 62,000           | -                 | 62,000                                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | (54,000)           | (54,000)         | 3,331             | 57,331                                   |
| Other financing sources (uses):                              |                    |                  |                   |  |
| Transfers in (out)   |                    | (77,000)         | (39,214)          | 37,786                                   |
| Net change in fund balance                                   | <u>\$ (54,000)</u> | <u>(131,000)</u> | <u>(35,883)</u>   | <u>95,117</u>                            |
| Fund balance, beginning of year                              |                    |                  | <u>581,520</u>    |  |
| Fund balance, end of year                                    |                    |                  | <u>\$ 545,637</u> |  |

**ROLLING PRAIRIE LIBRARY SYSTEM**

**SCHEDULE OF FUNDING PROGRESS - ILLINOIS MUNICIPAL RETIREMENT PROGRAM  
June 30, 2010**

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability<br>(AAL)<br>- Entry Age<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a) / c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 12/31/09                       | \$ 1,392,931                           | 1,757,695   | 364,764                            | 79.25%                   | 522,485                   | 69.81%  |
| 12/31/08                       | 1,359,574                              | 1,743,178   | 383,604                            | 77.99%                   | 520,296                   | 73.73%  |
| 12/31/07                       | 2,174,263                              | 1,778,569   | (395,694)                          | 122.25%                  | 485,445                   | 0.00%   |

On a market value basis, the actuarial value of assets as of December 31, 2009, is \$ 1,310,912. On a market basis, the funded ratio would be 74.58%.

## **SUPPLEMENTARY INFORMATION**

**ROLLING PRAIRIE LIBRARY SYSTEM**

**COMBINING BALANCE SHEET -  
SPECIAL REVENUE FUNDS**

**June 30, 2010**

|   | Plink It<br>Project | Tri-City<br>Grant | Totals |
|---|---------------------|-------------------|--------|
| <b><u>ASSETS</u></b>                        |                     |                   |        |
| Cash and cash equivalents                   | \$                  | 9,700             | 9,700  |
| Grant receivable                            |                     | 1,800             | 1,800  |
| Due from (to) other funds                   | 25,539              | (4,629)           | 20,910 |
| TOTAL ASSETS                                | 25,539              | 6,871             | 32,410 |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |                     |                   |        |
| Accounts payable                            |                     | 6,800             | 6,800  |
| Accrued payroll and vacation                |                     | 71                | 71     |
| Total liabilities                           | -                   | 6,871             | 6,871  |
| Fund Balances:                              |                     |                   |        |
| Restricted                                  | 25,539              |                   | 25,539 |
| Total fund balances                         | 25,539              | -                 | 25,539 |
| TOTAL LIABILITIES<br>AND FUND BALANCES      | \$ 25,539           | 6,871             | 32,410 |

**ROLLING PRAIRIE LIBRARY SYSTEM**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES FOR SPECIAL REVENUE FUNDS  
Year ended June 30, 2010**

|  | Plink It<br>Project | Tri-City<br>Grant | Totals        |
|--|---------------------|-------------------|---------------|
| <b>Revenues:</b>   |                     |                   |               |
| Federal grants:  | \$                  | 11,500            | 11,500        |
| Fees for services and materials                              | 21,375              |                   | 21,375        |
| <b>Total revenues</b>  | <b>21,375</b>       | <b>11,500</b>     | <b>32,875</b> |
| <b>Expenditures:</b>   |                     |                   |               |
| Salaries and wages:  |                     |                   |               |
| Library professionals  |                     | 707               | 707           |
| Other professionals  |                     | 846               | 846           |
| Payroll taxes and fringe benefits:                           |                     |                   |               |
| Social security/Medicare                                     |                     | 113               | 113           |
| IMRF   |                     | 133               | 133           |
| Unemployment   |                     | 10                | 10            |
| Travel   | 6                   |                   | 6             |
| Supplies   |                     | 5,284             | 5,284         |
| Contractual services:  |                     |                   |               |
| Agreements with libraries/other co-ops                       |                     | 3,357             | 3,357         |
| Other  | 22,205              | 1,050             | 23,255        |
| <b>Total expenditures</b>                                    | <b>22,211</b>       | <b>11,500</b>     | <b>33,711</b> |
| Excess (deficiency) of revenues over<br>(under) expenditures | (836)               | -                 | (836)         |
| Fund balances, beginning of year                             | 26,375              |                   | 26,375        |
| Fund balances, end of year                                   | \$ 25,539           | -                 | 25,539        |