

**Crete Public Library District  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2004**

**Crete Public Library District  
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For the Year Ended June 30, 2004**

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## INDEPENDENT AUDITORS' REPORT

To The Board of Trustees  
Crete Public Library District  
Crete, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crete Public Library District as of and for the year ended June 30, 2004, which collectively comprise the District's financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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.

As described in Note 1, the District adopted the provisions of the Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of July 1, 2003.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Crete Public Library District, as of June 30, 2004, and the respective changes in financial position thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Crete Public Library District's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2004 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2004 and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Knuttle & Associates, P.C.*

November 17, 2004



# CRETE PUBLIC LIBRARY DISTRICT

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## Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

The Crete Public Library District has been in existence since 1985, previously it was a village library established in 1963. The form of governance of the Library and its pertinent legal basis are recited in the Illinois Public Library Act as amended. This is currently Chapter 75 of the Illinois Compiled Statutes.

## Financial Highlights

1. According to the Illinois Public Library Act, all revenues not expended during a fiscal year become part of the Special Reserve Fund of the Library to be used for Capital Purposes.
2. Overall, revenues for all funds this past year were \$741,427 and expenses were \$884,319.
3. Property Tax collections for 2003 tax year were \$644,250 for Will County.
4. The Library received the state Per Capita Grant of \$23,943.
5. The Library continues to have the ability to devote resources toward maintaining, improving and expanding its facilities. In 2004, \$77,268 was added to capital outlay for the District bringing the total capital assets to 2,624,165. Depreciation expense for 2004 was \$171,437.
6. In May 2003, the library reduced its hours of service from 54 hours six days a week to 49 hours five days a week. (This followed a cut in June 2002 from 64 hours a week to 54 hours a week.) The 2003 cuts resulted in a 3% staff hour/salary cut that was needed to balance the budget for the 2003/04 fiscal year. Budgets for the purchase of books, A.V. and magazines have remained at FY1998/99 levels. Crete Public Library District continues to remain below the minimum standards for staffing, collection and service hours as recommended by the Illinois Library Association.

## **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Crete Public Library District finances in a manner similar to a private-sector business. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

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

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

The government-wide financial statements can be found on pages 5 - 6 of this report.

## **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Library uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Library's most significant funds rather than the Library as a whole, and therefore provide additional information that won't be found in the statement of net assets or the statement of activities. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with the fund statements providing a distinctive view of the Library's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Because the focus of fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented with similar information 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 include a reconciliation to facilitate this comparison.

This financial report is designed to provide a general overview of the District's finances. If you have any questions about this report or require additional information, please contact Jane R. Schulten, Administrative Librarian, at Crete Public Library District, 1177 N. Main St., Crete, Illinois 60417.

**Crete Public Library District**  
**Statement of Net Assets**  
**June 30, 2004**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 695,134
Property Tax Receivable	404,631
Prepaid Expenses	<u>8,414</u>
<b>Total Current Assets</b>	<u>1,108,179</u>
<b>Non-Current Assets</b>	
Capital Assets	
Capital Assets Not Being Depreciated (Land)	133,931
Other Capital Assets, Net of Depreciation	<u>2,490,234</u>
<b>Total Non-Current Assets</b>	<u>2,624,165</u>
<b>TOTAL ASSETS</b>	<u>3,732,344</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	31,925
Bonds Payable	170,000
Accrued Wages	13,281
Accrued Expenses	<u>4,662</u>
<b>Total Current Liabilities</b>	<u>219,868</u>
<b>Non-Current Liabilities</b>	
Bonds Payable	<u>2,010,000</u>
<b>Total Non-Current Liabilities</b>	<u>2,010,000</u>
<b>TOTAL LIABILITIES</b>	<u>2,229,868</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	444,165
Unrestricted	<u>1,058,311</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 1,502,476</u>

See Accompanying Notes To The Financial Statements.



**Crete Public Library District**  
**Balance Sheet**  
**June 30, 2004**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 285,833	\$ 85,566	\$ 323,735	\$ 695,134
Property Tax Receivable	233,160	125,701	45,770	404,631
Prepaid Expenditures	2,472	0	5,942	8,414
<b>TOTAL ASSETS</b>	<u>521,465</u>	<u>211,267</u>	<u>375,447</u>	<u>1,108,179</u>
<b>LIABILITIES</b>				
Accounts Payable	26,958	0	4,967	31,925
Deferred Property Taxes	453,774	244,896	89,169	787,839
Accrued Wages	13,281	0	0	13,281
Accrued Expenses	0	0	4,662	4,662
<b>TOTAL LIABILITIES</b>	<u>494,013</u>	<u>244,896</u>	<u>98,798</u>	<u>837,707</u>
<b>FUND EQUITY</b>				
Fund Balances (Deficits),				
Unreserved, Undesignated	27,452	(33,629)	99,227	93,050
Unreserved, Special Revenue	0	0	87,859	87,859
Unreserved, Capital Projects	0	0	89,563	89,563
<b>TOTAL FUND EQUITY</b>	<u>27,452</u>	<u>(33,629)</u>	<u>276,649</u>	<u>270,472</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 521,465</u>	<u>\$ 211,267</u>	<u>\$ 375,447</u>	

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

Deferred Property Taxes are not reported in the government-wide statements.	787,839
Bonds Payable are not financial resources and therefore are not reported in the fund financial statements.	(2,180,000)
Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund financial statements.	<u>2,624,165</u>
<b>NET ASSETS OF GOVERNMENTAL FUNDS</b>	<u>\$ 1,502,476</u>

See Accompanying Notes To The Financial Statements.

**Crete Public Library District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	General	Debt Service	Other Governmental Funds	Total
<b>REVENUES</b>				
Property Taxes	\$ 436,746	\$ 268,439	\$ 85,736	\$ 790,921
Replacement Taxes	2,567	0	0	2,567
Intergovernmental				
State Per Capita Grant	23,943	0	0	23,943
Other Grants	21,000	0	0	21,000
Fines and Fees	17,470	0	0	17,470
Copy Machine and Microform	4,008	0	0	4,008
Interest and Discounts	5,481	0	950	6,431
Developer Fees	6,800	0	0	6,800
Meeting Room	810	0	0	810
Sale of Cookbooks	0	0	2,058	2,058
Donations	0	0	8,482	8,482
Miscellaneous	3,608	0	0	3,608
<b>TOTAL REVENUES</b>	<u>522,433</u>	<u>268,439</u>	<u>97,226</u>	<u>888,098</u>
<b>EXPENDITURES</b>				
Operating	<u>540,249</u>	<u>307,504</u>	<u>92,397</u>	<u>940,150</u>
<b>TOTAL EXPENDITURES</b>	<u>540,249</u>	<u>307,504</u>	<u>92,397</u>	<u>940,150</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(17,816)	(39,065)	4,829	(52,052)
<b>OTHER FINANCING SOURCES (USES)</b>				
Payment to Refunded Bond Escrow Agent	0	(2,120,411)	0	(2,120,411)
Proceeds from Refunding Bonds	0	2,180,000	0	2,180,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>0</u>	<u>59,589</u>	<u>0</u>	<u>59,589</u>
<b>NET CHANGE IN FUND BALANCES</b>	(17,816)	20,524	4,829	7,537
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<u>45,268</u>	<u>(54,153)</u>	<u>271,820</u>	<u>262,935</u>
<b>END OF YEAR</b>	<u>\$ 27,452</u>	<u>\$ (33,629)</u>	<u>\$ 276,649</u>	<u>\$ 270,472</u>

See Accompanying Notes To The Financial Statements.

**Crete Public Library District**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2004**

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Net Change in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ 7,537
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation of Capital Assets is not considered an expenditure in the fund financial statements	(171,437)
Purchase of Capital Assets is considered an expenditure in the fund financial statements	77,268
Payments of bond principal are treated as an expenditures in the fund financial statements	150,000
Proceeds from Refunding Bonds are considered Other Financing Sources in the fund financial statements	(2,180,000)
Payments to Refunding Bond Escrow Agent are considered Other Financing Uses in the fund financial statements	2,120,411
Property taxes that do not provide current financial resources are not reported as property tax revenue in the fund financial statements.	<u>(146,671)</u>
Change in Net Assets of Governmental Activities (Statement of Activities)	<u>\$ (142,892)</u>

See Accompanying Notes To The Financial Statements.

**Crete Public Library District  
Notes To The Financial Statements  
For The Year Ended June 30, 2004**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The District's reporting entity includes all entities for which the District exercises oversight responsibility as defined by the Governmental Accounting Standards Board (GASB).

**A. Reporting Entity**

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

**B. Changes in Accounting Method**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB 34). The Crete Public Library District has implemented GASB 34 effective July 1, 2003.

The implementation of GASB 34 adds two "Government-Wide" financial statements as basic financial statements required for all governmental units. They are the Statement of Net Assets, which presents the financial condition of the governmental activities of the District at fiscal year end, and the Statement of Activities, which presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities.

The reporting model for GASB 34 classifies funds as governmental activities. Further, funds are classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

Both new statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the District used the modified accrual basis accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

Amounts reported as program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Likewise, general revenues include all taxes.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or non-major funds with emphasis placed on major funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Governmental Funds

Governmental fund types are those through which most governmental functions of the District are financed. The District's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position rather than upon net income determination. A brief explanation of the District's governmental funds follows:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required legally or by sound financial management to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes.

Funds included in this fund category are:

- Illinois Municipal Retirement Fund
- Special Reserve Fund
- FICA Fund
- Public Liability Insurance Fund
- Audit Fund
- Building and Sites Fund
- Unemployment Compensation Fund
- Workmen's Compensation Fund
- Memorial Fund

Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

Permanent Fund

The Working Cash Fund is used to account for financial resources held by the District to be used for temporary interfund loans to certain other funds.

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

MAJOR FUNDS

The District reports the following major governmental funds:

- The General Fund, which accounts for the District's primary operating activities.
- Debt Service Fund, which accounts for the District's payments of principal and interest on all tax-supported long-term debt.

NON-MAJOR FUNDS

The District reports the following non-major funds:

- Illinois Municipal Retirement Fund
- Special Reserve Fund
- FICA Fund
- Public Liability Insurance Fund
- Audit Fund
- Building and Sites Fund
- Unemployment Compensation Fund
- Workman's Compensation Fund
- Capital Projects Fund
- Memorial Fund
- Working Cash Fund

D. Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the District's operations. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting (Continued)**

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. The District considers property taxes available if they are due and collected within 60 days after year end. Class registration fees received by the District are recognized as revenue when the class starts. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

The District reports deferred revenues on its Governmental Funds Balance Sheet. For governmental fund financial statements, deferred revenues occur when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

**E. Measurement Focus**

On the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the flow of economic resources measurement focus, which means all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets and the operating statements present increases and decreases in net total assets.

The measurement focus of all funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements, are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are included as liabilities in the government-wide financial statements, but are excluded from the fund financial statements. The related expenditures are recognized in the fund financial statements when the liabilities are liquidated. Historically, the expenditures have been recorded to the general fund.

**F. Cash, Cash Equivalents and Investments**

The District considers all highly liquid investments with an initial maturity date within three months of the date acquired by the District and investment pools to be cash equivalents.

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

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

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Budgets and Budgetary Information

Budgets are adopted on a cash basis. Annual appropriated budgets are adopted for the Corporate, IMRF, FICA, Unemployment Compensation Insurance, Public Liability Insurance, Worker's Compensation, Audit Expense and Building Funds, but not the Debt Service Fund. All annual appropriations lapse at fiscal year end. Differences from budgeting on a cash basis to accrual basis are immaterial.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004 are recorded as prepaid items.

I. Capital Assets

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, the District has adopted a capitalization threshold of \$500 for capital asset additions. All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

Prior to July 1, 2003, capital assets of governmental funds were accounted for in the general fixed assets account group and were not recorded directly as a part of any individual fund's financial statements. Infrastructure of governmental funds was not previously capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government wide financial statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is currently encouraged, but not required.

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

Buildings	45 years
Improvements	10 to 20 years
Machinery and Equipment	5 to 15 years
Vehicles	5 to 10 years

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

FUND FINANCIAL STATEMENTS

In the fund financial statements, assets used in governmental fund operations are accounted for as capital outlays in the fund from which the expenditure was made. Public domain (infrastructure) assets consisting of roads, curbs and gutters, sidewalks, drainage systems, and lighting systems are not capitalized in the fund financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

J. Use of Estimates

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

K. Equity Classifications

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Equity is classified as net assets and displayed in three components:

- Invested in capital assets – consists of capital assets, net of accumulated depreciation and net of related debt, where applicable.
- Restricted net assets – consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net assets – consists of all other net assets that do not meet the definition of restricted or invested in capital assets.

FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. Fund balance may further be classified as reserved and unreserved.

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

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NOTE 2 - CASH

At June 30, 2004, the carrying amount of the District's deposits was \$694,966, which excludes petty cash of \$168, and the bank balance was \$700,046. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

Also at June 30, 2004, the District maintained a balance in the Illinois Funds. This pooled investment with other districts is similar in nature to a money market fund and consists primarily of certificates of deposit, U.S. Government securities, commercial paper, and corporate bonds. Because individual securities are not owned by the District, amounts invested in the Illinois Fund are not categorized.

	Carrying Amount	Bank Balance
Category 1	\$ 283,892	\$ 288,972
Category 2	0	0
Category 3	0	0
Illinois Funds	411,074	411,074
Total Cash/Deposits	<u>\$ 694,966</u>	<u>\$ 700,046</u>

Category 1 includes deposits covered by depository insurance or collateral held by the District in the District's name.

Category 2 includes deposits covered by collateral held by the financial institution's trust department in the District's name.

Category 3 includes deposits that are uncollateralized or the collateral is held by the financial institution's trust department but not in the District's name.

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

**NOTE 3 - PROPERTY TAX REVENUE**

Property taxes for 2003 are attached as an enforceable lien on property as of January 1, 2003. The District's 2003 property tax was levied for certain residents in Will County as of December 31, 2003 by passage of a tax levy ordinance. Taxes levied in one year become due and payable in two installments; the first installment is due March 1, 2003 and a second installment is due on September 1, 2003. On these dates, the bill becomes delinquent and penalties and interest may be assessed.

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

**NOTE 4 - CAPITAL ASSETS**

Capital assets have been restated to properly record the assets directly into the individual funds.

	Balance July 1, 2003	Restatements	Balance June 30, 2004
Assets Not Subject to Depreciation			
Land	\$ 133,931	\$ 0	\$ 133,931
Subtotal	<u>133,931</u>	<u>0</u>	<u>133,931</u>
Assets Subject to Depreciation			
Building & Improvement	3,185,390	0	3,185,390
Books	0	240,887	240,887
Furniture & Equipment	620,695	(543,913)	76,782
Subtotal	<u>3,806,085</u>	<u>(303,026)</u>	<u>3,503,059</u>
Total Capital Assets	<u>\$ 3,940,016</u>	<u>\$ (303,026)</u>	<u>\$ 3,636,990</u>
Less Accumulated Depreciation			
Building	0	(790,590)	(790,590)
Books	0	(97,022)	(97,022)
Furniture	0	(31,045)	(31,045)
Subtotal	<u>0</u>	<u>(918,657)</u>	<u>(918,657)</u>
Net Capital Assets	<u>\$ 3,940,016</u>	<u>\$ (1,221,683)</u>	<u>\$ 2,718,333</u>

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

A summary of changes in capital assets for the year ended June 30, 2004 follows. Total depreciation expense for the year was \$171,436.

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
<b>Assets Not Subject to Depreciation</b>				
Land	\$ 133,931	\$ 0	\$ 0	\$ 133,931
Subtotal	<u>133,931</u>	<u>0</u>	<u>0</u>	<u>133,931</u>
<b>Assets Subject to Depreciation</b>				
Building & Improvement	3,185,390	0	0	3,185,390
Books	240,887	62,960	0	303,847
Furniture & Equipment	76,782	14,308	0	91,090
Subtotal	<u>3,503,059</u>	<u>77,268</u>	<u>0</u>	<u>3,580,327</u>
<b>Total Capital Assets</b>	<u>\$ 3,636,990</u>	<u>\$ 77,268</u>	<u>\$ 0</u>	<u>\$ 3,714,258</u>
<b>Less Accumulated Depreciation</b>				
Building	(790,590)	(105,465)	0	(896,055)
Books	(97,022)	(54,473)	0	(151,495)
Furniture	(31,045)	(11,498)	0	(42,543)
Subtotal	<u>(918,657)</u>	<u>(171,436)</u>	<u>0</u>	<u>(1,090,093)</u>
<b>Net Capital Assets</b>	<u>\$ 2,718,333</u>	<u>\$ (94,168)</u>	<u>\$ 0</u>	<u>\$ 2,624,165</u>

**NOTE 5 - CHANGES IN LONG-TERM DEBT**

	Balance July 1, 2003	New Debt	Debt Retired	Balance June 30, 2004
<b>General Obligation Park Bonds</b>				
December 30, 1993	\$ 2,275,000	\$ 0	\$ 2,275,000	\$ 0
December 30, 2003	<u>0</u>	<u>2,180,000</u>	<u>0</u>	<u>2,180,000</u>
<b>Total General Long-Term Debt</b>	<u>\$ 2,275,000</u>	<u>\$ 2,180,000</u>	<u>\$ 2,275,000</u>	<u>\$ 2,180,000</u>

General Obligation Bonds, Series 1993, Dated December 30, 1993, Principal Balance of \$2,975,000. Interest is payable on December 1 and June 1 of each year at rates of 4.2% to 7.2%. The bond was been paid in full for the year ending June 30, 2004.

General Obligation Bonds, Series 2003, Dated October 1, 2003, Principal Balance of \$2,180,000. Interest is payable on December 1 and June 1 of each year at rates of 1.3 to 3.65%. The final principal payment is due on December 20, 2013.

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

**NOTE 5 - CHANGES IN LONG-TERM DEBT (CONTINUED)**

Long-term debt payments are due as follows:

Fiscal Year	Principal	Interest	Total
Current Portion			
2005	170,000	2,210	172,210
Subtotal	170,000	2,210	172,210
Non-Current Portion			
2006	200,000	2,900	202,900
2007	190,000	3,610	193,610
2008	210,000	4,935	214,935
2009	205,000	5,535	210,535
2011 Through 2015	1,205,000	40,650	1,245,650
Subtotal	2,010,000	57,630	2,067,630
Total	<u>\$ 2,180,000</u>	<u>\$ 59,840</u>	<u>\$ 2,239,840</u>

On October 1, 2003, the District issued \$2,180,000 in general obligation refunding bonds to be used for debt service with annual interest rates ranging from 1.4% to 3.65%. The proceeds were used to advance refund bonds with annual interest rates ranging from 4.375% to 7.2%. The new debt was \$2,180,000, less issuance costs of \$47,598, less discount of \$35,607 for net proceeds of \$2,168,009. The net proceeds from the issuance of the bonds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds have been paid in full in December 2013. The advance refunding met the requirement of an in-substance debt defeasance and the old bonds were removed from the District's financial statements.

As a result of the advance refunding, the District reduced its total debt service requirements by \$413,331, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$102,284.

**NOTE 6 - DEFINED BENEFIT PENSION PLAN**

**A. Plan Description**

Crete Public Library District's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for the calendar year 2003 was 8.92% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2003 was 29 years.

For December 31, 2003, the District's annual pension cost of \$21,902 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2001 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 2003 actuarial valuation were based on the 1999 -2001 experience study.

**B. Trend Information (continued)**

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/03	\$ 147,355	100%	\$ 0
12/31/02	138,998	100%	0
12/31/01	149,230	100%	0
12/31/00	156,795	100%	0
12/31/99	150,973	100%	0
12/31/98	148,065	100%	0
12/31/97	144,254	100%	0
12/31/96	124,661	100%	0
12/31/95	110,025	100%	0
12/31/94	97,064	100%	0

**Crete Public Library District  
Notes To The Financial Statements (Continued)  
For The Year Ended June 30, 2004**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**C. Required Supplementary Information - Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/03	\$ 4,144,885	\$ 4,778,341	\$ 633,456	86.74%	\$ 1,651,961	38.35%
12/31/02	3,834,489	4,282,318	447,829	89.54%	1,583,121	28.29%
12/31/01	3,785,990	3,883,320	97,330	97.49%	1,501,306	6.48%
12/31/00	3,383,480	3,471,492	88,012	97.46%	1,484,799	5.93%
12/31/99	2,853,045	3,312,622	459,577	86.13%	1,409,648	32.60%
12/31/98	2,377,885	3,061,149	683,264	77.68%	1,385,079	49.33%
12/31/97	2,142,205	2,853,818	711,613	75.06%	1,367,616	52.03%
12/31/96	1,711,170	2,313,000	601,830	73.98%	1,267,378	47.49%
12/31/95	1,465,224	2,028,746	563,522	72.22%	1,112,844	50.64%
12/31/94	1,130,439	1,481,050	350,611	76.33%	973,560	36.01%

On a market value basis, the actuarial value of assets as of December 31, 2003 is \$3,842,977. On a market basis, the funded ratio would be 80.42%.

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**D. Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2002 were changed due to the 1999 - 2001 Experience Study. The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For Regular members, fewer normal and early retirements are expected to occur.

**NOTE 7 - DEFICIT FUND BALANCES**

The Debt Service, FICA, Audit and Workers Compensation Funds had deficit fund balances of \$33,629, \$1,405, \$1,864 and \$2,075 respectively at June 30, 2004.

**NOTE 8 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following funds had an excess of actual expenditures over legally enacted budgeted amounts for the year ended June 30, 2004:

Fund	Excess
Debt Service	\$ 307,504
Memorial	4,448
Capital Projects	10,015

The Debt Service, Memorial and Capital Projects Funds had no legally adopted budget for the fiscal year.

**Crete Public Library District  
 General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 434,314	\$ 434,314	\$ 436,746	\$ 2,432
Replacement Taxes	3,000	3,000	2,567	(433)
Intergovernmental				
State Per Capita Grant	23,900	23,900	23,943	43
Other Grants	7,500	7,500	21,000	13,500
Fines and Fees	19,000	19,000	17,470	(1,530)
Copy Machine and Microform	3,600	3,600	4,008	408
Interest and Discounts	10,000	10,000	5,481	(4,519)
Developer Fees	6,000	6,000	6,800	800
Meeting Room	800	800	810	10
Miscellaneous	4,000	4,000	3,608	(392)
<b>TOTAL REVENUES</b>	<u>512,114</u>	<u>512,114</u>	<u>522,433</u>	<u>10,319</u>
<b>EXPENDITURES</b>				
Operating	<u>640,500</u>	<u>640,500</u>	<u>540,249</u>	<u>100,251</u>
<b>TOTAL EXPENDITURES</b>	<u>640,500</u>	<u>640,500</u>	<u>540,249</u>	<u>100,251</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (128,386)</u>	<u>\$ (128,386)</u>	<u>(17,816)</u>	<u>\$ 110,570</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>45,268</u>	
<b>END OF YEAR</b>			<u>\$ 27,452</u>	

See Accompanying Notes To The Financial Statements.

**Crete Public Library District  
 General Fund  
 Schedule of Expenditures  
 Budget and Actual  
 For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
Personnel	300,000	300,000	274,583	25,417
Operating Supplies	8,000	8,000	9,429	(1,429)
Library Materials	86,000	86,000	63,317	22,683
Custodial Services	26,000	26,000	20,361	5,639
Building & Equipment Maintenance	8,000	8,000	850	7,150
Professional Fees and Services	7,000	7,000	725	6,275
Building & Equipment	13,500	13,500	13,104	396
Educational Programs	11,000	11,000	5,539	5,461
Printing	4,000	4,000	2,691	1,309
Postage	5,000	5,000	3,260	1,740
Computers	55,000	55,000	37,766	17,234
Grant Expense	0	0	39,475	(39,475)
Accounting	6,500	6,500	5,562	938
Contingency	4,000	4,000	1,486	2,514
Hospitalization	20,000	20,000	8,206	11,794
Utilities	77,500	77,500	51,036	26,464
Telephone	9,000	9,000	2,859	6,141
<b>TOTAL EXPENDITURES</b>	<b>640,500</b>	<b>640,500</b>	<b>540,249</b>	<b>100,251</b>

See Accompanying Notes To The Financial Statements.

**Crete Public Library District  
Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)  
No Legally Adopted Budget  
For the Year Ended June 30, 2004**

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<b>REVENUES</b>	
Property Taxes	\$ 268,439
<b>TOTAL REVENUES</b>	<u>268,439</u>
<b>EXPENDITURES</b>	
Bond Principle	150,000
Bond Interest	103,081
Bond Issuance Costs	54,423
<b>TOTAL EXPENDITURES</b>	<u>307,504</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(39,065)
<b>OTHER FINANCING SOURCES (USES)</b>	
Payment to Refunded Bond Escrow Agent	(2,120,411)
Proceeds from Refunding Bonds	2,180,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>59,589</u>
<b>NET CHANGE IN FUND BALANCE</b>	20,524
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>	<u>(54,153)</u>
<b>END OF YEAR</b>	<u><u>\$ (33,629)</u></u>

See Accompanying Notes To The Financial Statements.

**Crete Public Library District  
Non-Major Funds  
Combining Balance Sheet  
June 30, 2004**

	Special Revenue Funds					
	Illinois Municipal Retirement	Special Reserve	FICA	Public Liability Insurance	Audit	Building and Sites
<b>ASSETS</b>						
Cash	\$ 17,018	\$ 62,379	\$ 11,684	\$ 18,376	\$ 3,266	\$ 22,455
Prepaid Expenditures	0	0	0	4,678	0	0
Property Tax Receivable	12,935	0	12,935	3,648	1,824	12,935
<b>TOTAL ASSETS</b>	<u>29,953</u>	<u>62,379</u>	<u>24,619</u>	<u>26,702</u>	<u>5,090</u>	<u>35,390</u>
<b>LIABILITIES</b>						
Deferred Property Taxes	25,200	0	25,200	7,107	3,554	25,200
Accrued Expenses	93	0	824	0	3,400	0
Accounts Payable	0	0	0	0	0	4,967
<b>TOTAL LIABILITIES</b>	<u>25,293</u>	<u>0</u>	<u>26,024</u>	<u>7,107</u>	<u>6,954</u>	<u>30,167</u>
<b>FUND EQUITY</b>						
Fund Balances (Deficits),						
Unreserved, Special Revenue	4,660	62,379	(1,405)	19,595	(1,864)	5,223
Unreserved, Capital Projects	0	0	0	0	0	0
Unreserved, Permanent	0	0	0	0	0	0
<b>TOTAL FUND EQUITY</b>	<u>4,660</u>	<u>62,379</u>	<u>(1,405)</u>	<u>19,595</u>	<u>(1,864)</u>	<u>5,223</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 29,953</u>	<u>\$ 62,379</u>	<u>\$ 24,619</u>	<u>\$ 26,702</u>	<u>\$ 5,090</u>	<u>\$ 35,390</u>

See Accompanying Notes To The Financial Statements.

Special Revenue Funds				Permanent Fund	
Unemployment Compensation	Workmen's Compensation	Memorial Fund	Capital Projects	Working Cash	Total
\$ 2,005	\$ (2,238)	\$ 21,645	\$ 89,563	\$ 77,582	\$ 323,735
0	1,264	0	0	0	5,942
332	1,161	0	0	0	45,770
<u>2,337</u>	<u>187</u>	<u>21,645</u>	<u>89,563</u>	<u>77,582</u>	<u>375,447</u>
646	2,262	0	0	0	89,169
345	0	0	0	0	4,662
0	0	0	0	0	4,967
<u>991</u>	<u>2,262</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>98,798</u>
1,346	(2,075)	21,645	0	0	109,504
0	0	0	89,563	0	89,563
0	0	0	0	77,582	77,582
<u>1,346</u>	<u>(2,075)</u>	<u>21,645</u>	<u>89,563</u>	<u>77,582</u>	<u>276,649</u>
<u>\$ 2,337</u>	<u>\$ 187</u>	<u>\$ 21,645</u>	<u>\$ 89,563</u>	<u>\$ 77,582</u>	<u>\$ 375,447</u>

**Crete Public Library District**

**Non-Major Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)  
For the Year Ended June 30, 2004**

	Special Revenue Funds					
	Illinois Municipal Retirement	Special Reserve	FICA	Public Liability Insurance	Audit	Building and Sites
<b>REVENUES</b>						
Property Taxes	\$ 25,468	\$ 0	\$ 22,383	\$ 7,118	\$ 3,717	\$ 25,468
Interest Income	0	0	0	0	0	0
Donations	0	0	0	0	0	0
Sale of Cookbooks	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>25,468</b>	<b>0</b>	<b>22,383</b>	<b>7,118</b>	<b>3,717</b>	<b>25,468</b>
<b>EXPENDITURES</b>						
IMRF	21,902	0	0	0	0	0
FICA	0	0	17,624	0	0	0
Public Liability Insurance	0	0	0	6,080	0	0
Audit	0	0	0	0	3,400	0
Building and Sites	0	0	0	0	0	26,207
Unemployment Insurance	0	0	0	0	0	0
Workmen's Compensation	0	0	0	0	0	0
Furnishing & Equipment	0	0	0	0	0	0
Bond Issuance Costs	0	0	0	0	0	0
Materials	0	0	0	0	0	0
Cookbook Expense	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>21,902</b>	<b>0</b>	<b>17,624</b>	<b>6,080</b>	<b>3,400</b>	<b>26,207</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,566</b>	<b>0</b>	<b>4,759</b>	<b>1,038</b>	<b>317</b>	<b>(739)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0
Bond Proceeds	0	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,566</b>	<b>0</b>	<b>4,759</b>	<b>1,038</b>	<b>317</b>	<b>(739)</b>
<b>FUND BALANCES (DEFICITS), BEGINNING OF YEAR</b>	<b>1,094</b>	<b>62,379</b>	<b>(6,164)</b>	<b>18,557</b>	<b>(2,181)</b>	<b>5,962</b>
<b>END OF YEAR</b>	<b>\$ 4,660</b>	<b>\$ 62,379</b>	<b>\$ (1,405)</b>	<b>\$ 19,595</b>	<b>\$ (1,864)</b>	<b>\$ 5,223</b>

See Accompanying Notes To The Financial Statements.

Special Revenue Funds				Permanent Fund	
Unemployment Compensation	Workmen's Compensation	Memorial Fund	Capital Projects	Working Cash	Total
\$ 0	\$ 1,582	\$ 0	\$ 0	\$ 0	\$ 85,736
0	0	0	950	0	950
0	0	8,482	0	0	8,482
0	0	2,058	0	0	2,058
0	1,582	10,540	950	0	97,226
0	0	0	0	0	21,902
0	0	0	0	0	17,624
0	0	0	0	0	6,080
0	0	0	0	0	3,400
0	0	0	0	0	26,207
1,190	0	0	0	0	1,190
0	1,531	0	0	0	1,531
0	0	0	10,015	0	10,015
0	0	0	0	0	0
0	0	2,586	0	0	2,586
0	0	1,115	0	0	1,115
0	0	747	0	0	747
1,190	1,531	4,448	10,015	0	92,397
(1,190)	51	6,092	(9,065)	0	4,829
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(1,190)	51	6,092	(9,065)	0	4,829
2,536	(2,126)	15,553	98,628	77,582	271,820
\$ 1,346	\$ (2,075)	\$ 21,645	\$ 89,563	\$ 77,582	\$ 276,649

**Crete Public Library District**  
**Illinois Municipal Retirement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 25,366	\$ 25,366	\$ 25,468	\$ 102
<b>TOTAL REVENUES</b>	<u>25,366</u>	<u>25,366</u>	<u>25,468</u>	<u>102</u>
<b>EXPENDITURES</b>				
IMRF	28,000	28,000	21,902	6,098
<b>TOTAL EXPENDITURES</b>	<u>28,000</u>	<u>28,000</u>	<u>21,902</u>	<u>6,098</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,634)</u>	<u>\$ (2,634)</u>	3,566	<u>\$ 6,200</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>1,094</u>	
<b>END OF YEAR</b>			<u>\$ 4,660</u>	

**Crete Public Library District**  
**Special Reserve Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL REVENUES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Special Reserve	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>62,379</u>	
<b>END OF YEAR</b>			<u>\$ 62,379</u>	

Crete Public Library District  
 FICA Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)  
 Budget and Actual  
 For the Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 22,272	\$ 22,272	\$ 22,383	\$ 111
<b>TOTAL REVENUES</b>	<u>22,272</u>	<u>22,272</u>	<u>22,383</u>	<u>111</u>
<b>EXPENDITURES</b>				
FICA	28,000	28,000	17,624	10,376
<b>TOTAL EXPENDITURES</b>	<u>28,000</u>	<u>28,000</u>	<u>17,624</u>	<u>10,376</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (5,728)</u>	<u>\$ (5,728)</u>	4,759	<u>\$ 10,487</u>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			(6,164)	
<b>END OF YEAR</b>			<u>\$ (1,405)</u>	

Crete Public Library District  
Public Liability Insurance Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 7,115	\$ 7,115	\$ 7,118	\$ 3
<b>TOTAL REVENUES</b>	<u>7,115</u>	<u>7,115</u>	<u>7,118</u>	<u>3</u>
<b>EXPENDITURES</b>				
Liability Insurance	13,000	13,000	6,080	6,920
<b>TOTAL EXPENDITURES</b>	<u>13,000</u>	<u>13,000</u>	<u>6,080</u>	<u>6,920</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (5,885)</u>	<u>\$ (5,885)</u>	1,038	<u>\$ 6,923</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>18,557</u>	
<b>END OF YEAR</b>			<u>\$ 19,595</u>	

Crete Public Library District  
 Audit Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)  
 Budget and Actual  
 For the Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 3,712	\$ 3,712	\$ 3,717	\$ 5
<b>TOTAL REVENUES</b>	<u>3,712</u>	<u>3,712</u>	<u>3,717</u>	<u>5</u>
<b>EXPENDITURES</b>				
Audit Fees	4,000	4,000	3,400	600
<b>TOTAL EXPENDITURES</b>	<u>4,000</u>	<u>4,000</u>	<u>3,400</u>	<u>600</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (288)</u>	<u>\$ (288)</u>	317	<u>\$ 605</u>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<u>(2,181)</u>	
<b>END OF YEAR</b>			<u>\$ (1,864)</u>	

**Crete Public Library District**  
**Building and Sites Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 25,366	\$ 25,366	\$ 25,468	\$ 102
<b>TOTAL REVENUES</b>	<u>25,366</u>	<u>25,366</u>	<u>25,468</u>	<u>102</u>
<b>EXPENDITURES</b>				
Maintenance, Repairs and Alterations	40,000	40,000	26,207	13,793
<b>TOTAL EXPENDITURES</b>	<u>40,000</u>	<u>40,000</u>	<u>26,207</u>	<u>13,793</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (14,634)</u>	<u>\$ (14,634)</u>	(739)	<u>\$ 13,895</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>5,962</u>	
<b>END OF YEAR</b>			<u>\$ 5,223</u>	

**Crete Public Library District**  
**Unemployment Insurance Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL REVENUES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES</b>				
Insurance Premiums	1,500	1,500	1,190	310
<b>TOTAL EXPENDITURES</b>	<u>1,500</u>	<u>1,500</u>	<u>1,190</u>	<u>310</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>	(1,190)	<u>\$ 310</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>2,536</u>	
<b>END OF YEAR</b>			<u>\$ 1,346</u>	

**Crete Public Library District**  
**Workmen's Compensation Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)**  
**Budget and Actual**  
**For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,547	\$ 1,547	\$ 1,582	\$ 35
<b>TOTAL REVENUES</b>	<u>1,547</u>	<u>1,547</u>	<u>1,582</u>	<u>35</u>
<b>EXPENDITURES</b>				
Workmen's Compensation	<u>2,500</u>	<u>2,500</u>	<u>1,531</u>	<u>969</u>
<b>TOTAL EXPENDITURES</b>	<u>2,500</u>	<u>2,500</u>	<u>1,531</u>	<u>969</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (953)</u>	<u>\$ (953)</u>	51	<u>\$ 1,004</u>
<b>FUND BALANCE (DEFICIT), BEGINNING OF YEAR</b>			<u>(2,126)</u>	
<b>END OF YEAR</b>			<u>\$ (2,075)</u>	

**Crete Public Library District  
 Memorial Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Donations	\$ 0	\$ 0	\$ 8,482	\$ 8,482
Sale of Cookbooks	0	0	2,058	2,058
<b>TOTAL REVENUES</b>	<u>0</u>	<u>0</u>	<u>10,540</u>	<u>10,540</u>
<b>EXPENDITURES</b>				
Materials	0	0	2,586	(2,586)
Cookbook Expense	0	0	1,115	(1,115)
Miscellaneous	0	0	747	(747)
<b>TOTAL EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>4,448</u>	<u>(4,448)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>6,092</u>	<u>\$ 6,092</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>15,553</u>	
<b>END OF YEAR</b>			<u>\$ 21,645</u>	

**Crete Public Library District**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Interest Income	0	0	950	950
<b>TOTAL REVENUES</b>	0	0	950	950
<b>EXPENDITURES</b>				
Furnishings & Equipment	0	0	10,015	(10,015)
<b>TOTAL EXPENDITURES</b>	0	0	10,015	(10,015)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 0</u>	<u>\$ 0</u>	(9,065)	<u>\$ (9,065)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			98,628	
<b>END OF YEAR</b>			<u>\$ 89,563</u>	

**Crete Public Library District**  
**Working Cash Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL REVENUES</b>	0	0	0	0
<b>EXPENDITURES</b>				
Materials	0	0	0	0
<b>TOTAL EXPENDITURES</b>	0	0	0	0
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 0</u>	<u>\$ 0</u>	0	<u>\$ 0</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>77,582</u>	
<b>END OF YEAR</b>			<u>\$ 77,582</u>	

**Crete Public Library District  
Assessed Valuations, Tax Rates, Allocations and Extensions (Unaudited)  
Tax Years 2002 - 2003**

Tax Year	2003	2002
<b>ASSESSED VALUATIONS</b>	<u>\$ 323,082,317</u>	<u>\$ 309,340,202</u>
<b>TAX EXTENSIONS</b>		
General Fund	\$ 454,254	\$ 434,314
Illinois Municipal Retirement Fund	25,200	25,366
Social Security	25,200	22,272
Public Liability Insurance Fund	7,108	7,115
Audit Fund	3,554	3,712
Building and Sites Fund	25,200	25,366
Debt Service	244,896	266,961
Workmen's Compensation	2,262	1,546
Unemployment Insurance	646	0
<b>TOTAL EXTENDED LEVY</b>	<u>\$ 788,320</u>	<u>\$ 786,652</u>
<b>TAX RATES</b>		
General Fund	0.1406	0.1404
Illinois Municipal Retirement Fund	0.0078	0.0082
Social Security	0.0078	0.0072
Public Liability Insurance Fund	0.0022	0.0023
Audit Fund	0.0011	0.0012
Building and Sites Fund	0.0078	0.0082
Debt Service	0.0758	0.0863
Workmen's Compensation	0.0007	0.0005
Unemployment Insurance	0.0002	0.0000
<b>TOTAL TAX RATES</b>	<u>0.2440</u>	<u>0.2543</u>
<b>TAX COLLECTIONS</b>		
General Fund	\$ 221,094	\$ 434,390
Illinois Municipal Retirement Fund	12,264	25,330
Social Security	12,264	22,262
Public Liability Insurance Fund	3,460	7,080
Audit Fund	1,730	3,697
Building and Sites Fund	12,266	25,330
Debt Service	119,196	266,990
Workmen's Compensation	1,101	1,573
Unemployment	315	0
<b>TOTAL TAX COLLECTIONS</b>	<u>\$ 383,690</u>	<u>\$ 786,652</u>
<b>PERCENT COLLECTED</b>	<u>48.67 %</u>	<u>100.00 %</u>