

**Crete Public Library District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2005**

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For the Year Ended June 30, 2005**

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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, 2005, 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.

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, 2005, 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 schedules for the year ended June 30, 2005 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 schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2005 and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The "Statistical Section" listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Crete Public Library District. The information has not been audited by us and, accordingly, we express no opinion on such matters.

November 18, 2005

Knutte & Associates, P.C.

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 became 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 \$935,786 and expenses were \$781,902.
3. Property Tax collections for 2004 tax year were \$ 825,522.
4. The Library received the state Per Capita Grant of \$24,380. It was also awarded two LSTA Grants, \$3,700 for children's poetry and folklore materials and \$2,700 for adult health materials.
5. The Crete Woman's Club donated \$2,500 towards the purchase of materials for adults and children.
6. The Crete Library Foundation provided funds to increase the library's collection of books on CD (\$1,535) and purchased art for the building (\$250).
7. The Friends of the Crete Public Library donated over \$2,900 to the Library for collection development and programming for adults and children.
8. The Crete Public Library continues to run on a reduced schedule of 49 hours a week. Budgets for the purchase of books, A.V. and periodicals remain at FY 1998/99 levels. The Library continues to remain below the minimum standards for staffing, materials budgets 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 4 - 5 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, 2005

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 734,457
Property Tax Receivable	423,288
Prepaid Expenses	<u>7,094</u>
Total Current Assets	<u>1,164,839</u>
Non-Current Assets	
Capital Assets	
Capital Assets Not Being Depreciated (Land)	133,931
Other Capital Assets, Net of Depreciation	<u>2,397,316</u>
Total Non-Current Assets	<u>2,531,247</u>
TOTAL ASSETS	<u>3,696,086</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	26,711
Bonds Payable	200,000
Accrued Wages	3,637
Accrued Expenses	<u>4,659</u>
Total Current Liabilities	<u>235,007</u>
Non-Current Liabilities	
Bonds Payable	<u>1,810,000</u>
Total Non-Current Liabilities	<u>1,810,000</u>
TOTAL LIABILITIES	<u>2,045,007</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	521,247
Unrestricted	<u>1,129,832</u>
TOTAL NET ASSETS	<u>\$ 1,651,079</u>

See Accompanying Notes To The Financial Statements.

Crete Public Library District
Statement of Activities
For the Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes In Net Assets Governmental Activities
		Charges For Services	Grants and Donations	
GOVERNMENTAL ACTIVITIES				
Library Services	\$ 781,902	\$ 22,201	\$ 66,856	\$ (692,845)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 781,902</u>	<u>\$ 22,201</u>	<u>\$ 66,856</u>	<u>(692,845)</u>
GENERAL REVENUES				
Taxes				
Property taxes levied for general purposes				825,522
Replacement taxes for general purposes				2,729
Interest Income and Discounts				11,549
Other				6,929
TOTAL GENERAL REVENUES				<u>846,729</u>
CHANGE IN NET ASSETS				153,884
NET ASSETS,				
BEGINNING OF YEAR				1,502,475
PRIOR PERIOD ADJUSTMENT				(5,280)
BEGINNING OF YEAR, RESTATED				<u>1,497,195</u>
END OF YEAR				<u>\$ 1,651,079</u>

See Accompanying Notes To The Financial Statements.

Crete Public Library District
Balance Sheet
June 30, 2005

	General	Debt Service	Capital Projects	Working Cash	Other Governmental Funds		Total
					Governmental Funds	Other Funds	
ASSETS							
Cash	\$ 322,615	\$ 103,395	\$ 80,452	\$ 77,582	\$ 150,413	\$	\$ 734,457
Property Tax Receivable	243,884	132,775	0	0	46,629		423,288
Prepaid Expenditures	909	0	0	0	6,185		7,094
TOTAL ASSETS	567,408	236,170	80,452	77,582	203,227		1,164,839
LIABILITIES							
Accounts Payable	26,418	0	0	0	293		26,711
Deferred Property Taxes	473,818	257,957	0	0	90,588		822,363
Accrued Wages	3,637	0	0	0	0		3,637
Accrued Expenditures	0	0	0	0	4,659		4,659
TOTAL LIABILITIES	503,873	257,957	0	0	95,540		857,370
FUND BALANCES (DEFICITS)							
Unreserved, Undesignated	63,535	(21,787)	0	0	0		41,748
Unreserved, Capital Projects Fund	0	0	80,452	0	0		80,452
Unreserved, Permanent Fund	0	0	0	77,582	0		77,582
Unreserved, Special Revenue Funds	0	0	0	0	107,687		107,687
TOTAL FUND BALANCES (DEFICITS)	63,535	(21,787)	80,452	77,582	107,687		307,469
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 567,408	\$ 236,170	\$ 80,452	\$ 77,582	\$ 203,227		

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.

Bonds Payable are not financial resources and therefore are not reported in the fund financial statements.

Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund financial statements.

NET ASSETS OF GOVERNMENTAL FUNDS

822,363
(2,010,000)
2,531,247
\$ 1,651,079

See Accompanying Notes To The Financial Statements.

**Crete Public Library District
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
For the Year Ended June 30, 2005**

	General	Debt Service	Capital Projects	Working Cash	Other		Total
					Governmental Funds	Funds	
REVENUES							
Property Taxes	\$ 455,694	\$ 245,763	\$ 0	\$ 0	\$ 89,541	\$ 790,998	
Replacement Taxes	2,729	0	0	0	0	2,729	
State Per Capita Grant	24,380	0	0	0	0	24,380	
Other Grants	33,585	0	0	0	0	33,585	
Fines and Fees	16,334	0	0	0	0	16,334	
Copy Machine and Microform	5,867	0	0	0	0	5,867	
Interest and Discounts	9,630	0	1,919	0	0	11,549	
Developer Fees	7,200	0	0	0	0	7,200	
Donations	0	0	0	0	1,691	1,691	
Miscellaneous	6,744	0	0	0	185	6,929	
TOTAL REVENUES	562,163	245,763	1,919	0	91,417	901,262	
EXPENDITURES							
General	526,080	0	0	0	0	526,080	
Debt Service							
Principal	0	170,000	0	0	0	170,000	
Interest	0	58,755	0	0	0	58,755	
Capital Projects	0	0	16,196	0	0	16,196	
Special Revenue	0	0	0	0	87,953	87,953	
TOTAL EXPENDITURES	526,080	228,755	16,196	0	87,953	858,984	
NET CHANGE IN FUND BALANCES (DEFICITS)	36,083	17,008	(14,277)	0	3,464	42,278	
FUND BALANCES (DEFICITS), BEGINNING OF YEAR PRIOR PERIOD ADJUSTMENT BEGINNING OF YEAR, RESTATED END OF YEAR	27,452 0 27,452 \$ 63,535	(38,795) 0 (38,795) \$ (21,787)	94,729 0 94,729 \$ 80,452	77,582 0 77,582 \$ 77,582	0 (5,280) 104,223 \$ 107,687	270,471 (5,280) 265,191 \$ 307,469	

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, 2005

Net Change in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ 42,278
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.	(182,107)
Purchase of Capital Assets is considered an expenditure in the fund financial statements.	89,189
Payments of bond principal are treated as an expenditure in the fund financial statements.	170,000
Property taxes that do not provide current financial resources are not reported as property tax revenue in the fund financial statements.	<u>34,524</u>
Change in Net Assets of Governmental Activities (Statement of Activities)	<u>\$ 153,884</u>

See Accompanying Notes To The Financial Statements.

**Crete Public Library District
Notes To The Financial Statements
For The Year Ended June 30, 2005**

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.

A. Reporting Entity

The Library District follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Library District has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the Library District is not required to be included as a component unit 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, 2005**

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.

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, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (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 based 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

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.

Capital Projects Fund

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

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, 2005**

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.
- The Debt Service Fund, which accounts for the District's payments of principal and interest on all tax-supported long-term debt.
- The Capital Projects Fund, which accounts for the acquisition and construction of major capital facilities.
- The Working Cash Fund, which accounts for financial resources held by the District to be used for temporary interfund loans to certain other funds.

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
- Memorial 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, 2005

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 measurable when the entire levy has been collected. 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, 2005**

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 for the Debt Service, Capital Projects, Working Cash, Special Reserve, or Memorial Funds. 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, 2005 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, 2005**

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, 2005**

NOTE 2 - CASH

At June 30, 2005, the carrying amount of the District's deposits was \$734,165, which excludes petty cash of \$292, and the bank balance was \$753,955. 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	\$ 100,000	\$ 100,000
Category 2	231,616	251,406
Category 3	0	0
Illinois Funds	<u>402,549</u>	<u>402,549</u>
Total Cash/Deposits	<u>\$ 734,165</u>	<u>\$ 753,955</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.

NOTE 3 - DEFICIT FUND BALANCES

The Debt Service, Audit and Workers Compensation Funds had deficit fund balances of \$21,787, \$1,705, and \$1,510 respectively at June 30, 2005.

NOTE 4 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over the working budgeted amounts for the year ended June 30, 2005:

Fund	Actual	Budget	Appropriations
General	\$ 526,080	\$ 517,900	\$ 656,000
Unemployment Insurance	1,638	1,000	1,500

The Debt Service, Special Reserve, Memorial, Capital Projects, and Working Cash Funds had no legally adopted budgets for the fiscal year.

**Crete Public Library District
Notes To The Financial Statements (Continued)
For The Year Ended June 30, 2005**

NOTE 5 - PROPERTY TAX REVENUE

Property taxes for 2004 are attached as an enforceable lien on property as of January 1, 2004. The District's 2004 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 June 1, 2004 and a second installment is due on September 1, 2004. 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 6 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2005 follows. Total depreciation expense for the year was \$182,107.

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Assets Not Subject to Depreciation				
Land	\$ 133,931	\$ 0	\$ 0	\$ 133,931
Subtotal	<u>133,931</u>	<u>0</u>	<u>0</u>	<u>133,931</u>
Assets Subject to Depreciation				
Building & Improvement	3,185,390	0	0	3,185,390
Books	303,847	73,996	(61,726)	316,117
Furniture & Equipment	91,090	15,193	0	106,283
Subtotal	<u>3,580,327</u>	<u>89,189</u>	<u>(61,726)</u>	<u>3,607,790</u>
Total Capital Assets	<u>\$ 3,714,258</u>	<u>\$ 89,189</u>	<u>\$ (61,726)</u>	<u>\$ 3,741,721</u>
Less Accumulated Depreciation				
Building	(896,055)	(101,663)	0	(997,718)
Books	(151,495)	(61,997)	61,726	(151,766)
Furniture	(42,543)	(18,447)	0	(60,990)
Subtotal	<u>(1,090,093)</u>	<u>(182,107)</u>	<u>61,726</u>	<u>(1,210,474)</u>
Net Capital Assets	<u>\$ 2,624,165</u>	<u>\$ (92,918)</u>	<u>\$ 0</u>	<u>\$ 2,531,247</u>

**Crete Public Library District
Notes To The Financial Statements (Continued)
For The Year Ended June 30, 2005**

NOTE 7 - CHANGES IN LONG-TERM DEBT

General Obligation Refunding Bonds	Balance July 1, 2004	New Debt	Debt Retired	Balance June 30, 2005
October 1, 2003	\$ 2,180,000	\$ 0	\$ 170,000	\$ 2,010,000
Total General Long-Term Debt	\$ 2,180,000	\$ 0	\$ 170,000	\$ 2,010,000

General Obligation Refunding 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.

Long-term debt payments are due as follows:

Fiscal Year	Principal	Interest	Total
Current Portion			
2006	\$ 200,000	\$ 57,630	\$ 257,630
Subtotal	200,000	57,630	257,630
Non-Current Portion			
2007	190,000	54,730	244,730
2008	210,000	51,120	261,120
2009	205,000	46,185	251,185
2010	225,000	40,650	265,650
2011 Through 2015	980,000	88,643	1,068,643
Subtotal	1,810,000	281,328	2,091,328
Total	\$ 2,010,000	\$ 338,958	\$ 2,348,958

During the year ended June 30, 2004, the District defeased a bond issue by creating a separate irrevocable trust fund. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the District's financial statements. As of June 30, 2005, the amount of defeased debt outstanding amounted to \$1,975,000.

**Crete Public Library District
Notes To The Financial Statements (Continued)
For The Year Ended June 30, 2005**

NOTE 8 - 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 or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% 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 2004 was 11.77% 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, 2004 was 28 years.

For December 31, 2004, the District's annual pension cost of \$24,794 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2002 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 with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999 -2001 experience study.

B. Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/04	\$ 24,794	100%	\$ 0
12/31/03	22,397	100%	0
12/31/02	23,701	100%	0
12/31/01	23,072	100%	0
12/31/00	23,621	100%	0
12/31/99	23,573	100%	0
12/31/98	23,571	100%	0
12/31/97	22,707	100%	0
12/31/96	19,964	100%	0
12/31/95	19,659	100%	0

**Crete Public Library District
Notes To The Financial Statements (Continued)
For The Year Ended June 30, 2005**

NOTE 8 - 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)
12/31/04	\$ 418,046	\$ 616,122	\$ 198,076	67.85%	\$ 210,652	94.03%
12/31/03	648,374	772,675	124,301	83.91%	215,559	57.66%
12/31/02	597,165	732,482	135,317	81.53%	233,051	58.06%
12/31/01	593,628	673,313	79,685	88.17%	218,073	36.54%
12/31/00	556,813	626,733	69,920	88.84%	214,349	32.62%
12/31/99	468,104	566,074	97,970	82.69%	212,178	46.17%
12/31/98	378,306	501,303	122,997	75.46%	200,437	61.36%
12/31/97	309,011	427,683	118,672	72.25%	196,590	60.37%
12/31/96	250,920	381,515	130,595	65.77%	191,592	68.16%
12/31/95	217,486	339,749	122,263	64.01%	180,359	67.79%

On a market value basis, the actuarial value of assets as of December 31, 2004 is \$419,424. On a market basis, the funded ratio would be 68.07%.

D. Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on 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 9 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the Memorial Fund to remove a certificate of deposit as of June 30, 2004.

**Crete Public Library District
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 454,254	\$ 454,254	\$ 455,694	\$ 1,440
Replacement Taxes	2,500	2,500	2,729	229
State Per Capita Grant	23,900	23,900	24,380	480
Other Grants	7,500	7,500	33,585	26,085
Fines and Fees	17,000	17,000	16,334	(666)
Copy Machine and Microform	3,500	3,500	5,867	2,367
Interest and Discounts	8,000	8,000	9,630	1,630
Developer Fees	6,000	6,000	7,200	1,200
Miscellaneous	4,800	4,800	6,744	1,944
TOTAL REVENUES	527,454	527,454	562,163	34,709
EXPENDITURES				
Personnel	284,000	284,000	272,948	11,052
Operating Supplies	6,000	6,000	7,593	(1,593)
Library Materials	62,000	62,000	73,996	(11,996)
Custodial Services	20,000	20,000	21,827	(1,827)
Building & Equipment Maintenance	5,000	5,000	2,243	2,757
Professional Fees and Services	3,000	3,000	716	2,284
Building & Equipment	5,000	5,000	3,323	1,677
Educational Programs	5,500	5,500	7,839	(2,339)
Printing	3,000	3,000	3,693	(693)
Postage	3,000	3,000	3,446	(446)
Computers	38,000	38,000	46,420	(8,420)
Grant	0	0	4,920	(4,920)
Accounting	6,000	6,000	7,205	(1,205)
Contingency	2,500	2,500	1,226	1,274
Hospitalization	12,000	12,000	12,828	(828)
Utilities	58,900	58,900	53,368	5,532
Telephone	4,000	4,000	2,489	1,511
TOTAL EXPENDITURES	517,900	517,900	526,080	(8,180)
NET CHANGE IN FUND BALANCE	\$ 9,554	\$ 9,554	36,083	\$ 26,529
FUND BALANCE, BEGINNING OF YEAR			27,452	
END OF YEAR			\$ 63,535	

**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, 2005**

REVENUES	
Property Taxes	\$ 245,763
TOTAL REVENUES	<u>245,763</u>
EXPENDITURES	
Bond Principal	170,000
Bond Interest	<u>58,755</u>
TOTAL EXPENDITURES	<u>228,755</u>
NET CHANGE IN FUND BALANCE	17,008
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(38,795)</u>
END OF YEAR	<u><u>\$ (21,787)</u></u>

**Crete Public Library District
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
No Legally Adopted Budget
For the Year Ended June 30, 2005**

REVENUES	
Property Taxes	\$ 1,919
TOTAL REVENUES	<u>1,919</u>
EXPENDITURES	
Other	8,465
Furnishings & Equipment	<u>7,731</u>
TOTAL EXPENDITURES	<u>16,196</u>
NET CHANGE IN FUND BALANCE	(14,277)
FUND BALANCE, BEGINNING OF YEAR	<u>94,729</u>
END OF YEAR	<u><u>\$ 80,452</u></u>

**Crete Public Library District
Working Cash Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
No Legally Adopted Budget
For the Year Ended June 30, 2005**

REVENUES	
Property Tax	<u>\$ 0</u>
TOTAL REVENUES	<u>0</u>
EXPENDITURES	
Materials	<u>0</u>
TOTAL EXPENDITURES	<u>0</u>
NET CHANGE IN FUND BALANCE	0
FUND BALANCE, BEGINNING OF YEAR	<u>77,582</u>
END OF YEAR	<u><u>\$ 77,582</u></u>

Crete Public Library District
 Non-Major Funds
 Combining Balance Sheet
 June 30, 2005

	Special Revenue Funds										Total
	Illinois Municipal Retirement	Special Reserve	FICA	Public Liability Insurance	Audit	Building and Sites	Unemployment Compensation	Workmen's Compensation	Memorial Fund		
ASSETS											
Cash	\$ 17,498	\$ 62,379	\$ 16,326	\$ 17,540	\$ 3,666	\$ 19,175	\$ 1,175	\$ (1,524)	\$ 14,188	\$ 150,413	
Property Tax Receivable	13,174	0	13,174	1,560	2,080	14,734	520	1,387	0	46,629	
Prepaid Expenditures	0	0	0	4,864	0	0	0	1,321	0	6,185	
TOTAL ASSETS	30,672	62,379	29,500	23,964	5,736	33,909	1,695	1,184	14,188	203,227	
LIABILITIES											
Accounts Payable	0	0	0	0	0	293	0	0	0	293	
Deferred Property Taxes	25,594	0	25,594	3,031	4,041	28,624	1,010	2,694	0	90,588	
Accrued Expenditures	92	0	823	0	3,400	0	344	0	0	4,659	
TOTAL LIABILITIES	25,686	0	26,417	3,031	7,441	28,917	1,354	2,694	0	95,540	
FUND BALANCES (DEFICITS)											
Unreserved	4,986	62,379	3,083	20,933	(1,705)	4,992	341	(1,510)	14,188	107,687	
Special Revenue Funds											
TOTAL FUND BALANCES (DEFICITS)	4,986	62,379	3,083	20,933	(1,705)	4,992	341	(1,510)	14,188	107,687	
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 30,672	\$ 62,379	\$ 29,500	\$ 23,964	\$ 5,736	\$ 33,909	\$ 1,695	\$ 1,184	\$ 14,188	\$ 203,227	

Crete Public Library District
Non-Major Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
For the Year Ended June 30, 2005

	Special Revenue Funds										Total
	Illinois Municipal Retirement	Special Reserve	FICA	Public Liability Insurance	Audit	Building and Sites	Unemployment Compensation	Workmen's Compensation	Memorial Fund		
REVENUES											
Property Taxes	\$ 25,312	\$ 0	\$ 25,312	\$ 7,118	\$ 3,560	\$ 25,312	\$ 633	\$ 2,294	\$ 0	\$ 89,541	
Donations	0	0	0	0	0	0	0	0	1,691	1,691	
Miscellaneous	0	0	0	0	0	0	0	0	185	185	
TOTAL REVENUES	25,312	0	25,312	7,118	3,560	25,312	633	2,294	1,876	91,417	
EXPENDITURES											
IMRF	24,986	0	0	0	0	0	0	0	0	24,986	
FICA	0	0	20,824	0	0	0	0	0	0	20,824	
Public Liability Insurance	0	0	0	5,780	0	0	0	0	0	5,780	
Audit	0	0	0	0	3,400	0	0	0	0	3,400	
Building and Sites	0	0	0	0	0	25,543	0	0	0	25,543	
Unemployment Insurance	0	0	0	0	0	0	1,638	0	0	1,638	
Workmen's Compensation	0	0	0	0	0	0	0	1,729	0	1,729	
Materials	0	0	0	0	0	0	0	0	962	962	
Miscellaneous	0	0	0	0	0	0	0	0	3,091	3,091	
TOTAL EXPENDITURES	24,986	0	20,824	5,780	3,400	25,543	1,638	1,729	4,053	87,953	
NET CHANGE IN FUND BALANCES (DEFICITS)	326	0	4,488	1,338	160	(231)	(1,005)	565	(2,177)	3,464	
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	4,660	62,379	(1,405)	19,595	(1,865)	5,223	1,346	(2,075)	21,645	109,503	
PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	(5,280)	(5,280)	
BEGINNING OF YEAR, RESTATED	4,660	62,379	(1,405)	19,595	(1,865)	5,223	1,346	(2,075)	16,365	104,223	
END OF YEAR	\$ 4,986	\$ 62,379	\$ 3,083	\$ 20,933	\$ (1,705)	\$ 4,992	\$ 341	\$ (1,510)	\$ 14,188	\$ 107,687	

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 25,200	\$ 25,200	\$ 25,312	\$ 112
TOTAL REVENUES	<u>25,200</u>	<u>25,200</u>	<u>25,312</u>	<u>112</u>
EXPENDITURES				
IMRF	<u>26,000</u>	<u>26,000</u>	<u>24,986</u>	<u>1,014</u>
TOTAL EXPENDITURES	<u>26,000</u>	<u>26,000</u>	<u>24,986</u>	<u>1,014</u>
NET CHANGE IN FUND BALANCE	<u>\$ (800)</u>	<u>\$ (800)</u>	326	<u>\$ 1,126</u>
FUND BALANCE, BEGINNING OF YEAR			<u>4,660</u>	
END OF YEAR			<u>\$ 4,986</u>	

Crete Public Library District
Special Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
No Legally Adopted Budget
For the Year Ended June 30, 2005

TOTAL REVENUES	\$	0
TOTAL EXPENDITURES		0
NET CHANGE IN FUND BALANCE		0
FUND BALANCE, BEGINNING OF YEAR		62,379
END OF YEAR	\$	62,379

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 25,200	\$ 25,200	\$ 25,312	\$ 112
TOTAL REVENUES	<u>25,200</u>	<u>25,200</u>	<u>25,312</u>	<u>112</u>
EXPENDITURES				
FICA	26,000	26,000	20,824	5,176
TOTAL EXPENDITURES	<u>26,000</u>	<u>26,000</u>	<u>20,824</u>	<u>5,176</u>
NET CHANGE IN FUND BALANCE	<u>\$ (800)</u>	<u>\$ (800)</u>	4,488	<u>\$ 5,288</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(1,405)</u>	
END OF YEAR			<u>\$ 3,083</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 7,109	\$ 7,109	\$ 7,118	\$ 9
TOTAL REVENUES	<u>7,109</u>	<u>7,109</u>	<u>7,118</u>	<u>9</u>
EXPENDITURES				
Liability Insurance	<u>7,800</u>	<u>7,800</u>	<u>5,780</u>	<u>2,020</u>
TOTAL EXPENDITURES	<u>7,800</u>	<u>7,800</u>	<u>5,780</u>	<u>2,020</u>
NET CHANGE IN FUND BALANCE	<u>\$ (691)</u>	<u>\$ (691)</u>	<u>1,338</u>	<u>\$ 2,029</u>
FUND BALANCE, BEGINNING OF YEAR			<u>19,595</u>	
END OF YEAR			<u>\$ 20,933</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 3,554	\$ 3,554	\$ 3,560	\$ 6
TOTAL REVENUES	<u>3,554</u>	<u>3,554</u>	<u>3,560</u>	<u>6</u>
EXPENDITURES				
Audit Fees	<u>3,800</u>	<u>3,800</u>	<u>3,400</u>	<u>400</u>
TOTAL EXPENDITURES	<u>3,800</u>	<u>3,800</u>	<u>3,400</u>	<u>400</u>
NET CHANGE IN FUND BALANCE	<u>\$ (246)</u>	<u>\$ (246)</u>	160	<u>\$ 406</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(1,865)</u>	
END OF YEAR			<u>\$ (1,705)</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 25,200	\$ 25,200	\$ 25,312	\$ 112
TOTAL REVENUES	<u>25,200</u>	<u>25,200</u>	<u>25,312</u>	<u>112</u>
EXPENDITURES				
Maintenance, Repairs and Alterations	26,000	26,000	25,543	457
TOTAL EXPENDITURES	<u>26,000</u>	<u>26,000</u>	<u>25,543</u>	<u>457</u>
NET CHANGE IN FUND BALANCE	<u>\$ (800)</u>	<u>\$ (800)</u>	(231)	<u>\$ 569</u>
FUND BALANCE, BEGINNING OF YEAR			<u>5,223</u>	
END OF YEAR			<u>\$ 4,992</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 646	\$ 646	\$ 633	\$ (13)
TOTAL REVENUES	<u>646</u>	<u>646</u>	<u>633</u>	<u>(13)</u>
EXPENDITURES				
Insurance Premiums	<u>1,000</u>	<u>1,000</u>	<u>1,638</u>	<u>(638)</u>
TOTAL EXPENDITURES	<u>1,000</u>	<u>1,000</u>	<u>1,638</u>	<u>(638)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (354)</u>	<u>\$ (354)</u>	<u>(1,005)</u>	<u>\$ (651)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>1,346</u>	
END OF YEAR			<u>\$ 341</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 2,261	\$ 2,261	\$ 2,294	\$ 33
TOTAL REVENUES	<u>2,261</u>	<u>2,261</u>	<u>2,294</u>	<u>33</u>
EXPENDITURES				
Workmen's Compensation	2,000	2,000	1,729	271
TOTAL EXPENDITURES	<u>2,000</u>	<u>2,000</u>	<u>1,729</u>	<u>271</u>
NET CHANGE IN FUND BALANCE	<u>\$ 261</u>	<u>\$ 261</u>	565	<u>\$ 304</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>(2,075)</u>	
END OF YEAR			<u>\$ (1,510)</u>	

Crete Public Library District
Memorial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
No Legally Adopted Budget
For the Year Ended June 30, 2005

REVENUES	
Donations	\$ 1,691
Miscellaneous	<u>0</u>
TOTAL REVENUES	<u>1,691</u>
EXPENDITURES	
Materials	962
Miscellaneous	<u>3,091</u>
TOTAL EXPENDITURES	<u>4,053</u>
NET CHANGE IN FUND BALANCE	<u>(2,362)</u>
FUND BALANCE,	
BEGINNING OF YEAR	21,645
PRIOR PERIOD ADJUSTMENT	<u>(5,280)</u>
BEGINNING OF YEAR, RESTATED	<u>16,365</u>
END OF YEAR	<u><u>\$ 14,003</u></u>

Crete Public Library District
Assessed Valuations, Tax Rates, Allocations and Extensions (Unaudited)
Tax Years 2002 - 2004

Tax Year	2004	2003	2002
ASSESSED VALUATIONS	<u>\$ 336,757,558</u>	<u>\$ 323,082,317</u>	<u>\$ 309,340,202</u>
TAX EXTENSIONS			
General Fund	\$ 473,819	\$ 454,254	\$ 434,314
Illinois Municipal Retirement Fund	25,594	25,200	25,366
Social Security	25,594	25,200	22,272
Public Liability Insurance Fund	3,031	7,108	7,115
Audit Fund	4,041	3,554	3,712
Building and Sites Fund	28,624	25,200	25,366
Debt Service	257,956	244,896	266,961
Workmen's Compensation	2,694	2,262	1,546
Unemployment Insurance	1,010	646	0
TOTAL EXTENDED LEVY	<u>\$ 822,363</u>	<u>\$ 788,320</u>	<u>\$ 786,652</u>
TAX RATES			
General Fund	0.1407	0.1406	0.1404
Illinois Municipal Retirement Fund	0.0076	0.0078	0.0082
Social Security	0.0076	0.0078	0.0072
Public Liability Insurance Fund	0.0009	0.0022	0.0023
Audit Fund	0.0012	0.0011	0.0012
Building and Sites Fund	0.0085	0.0078	0.0082
Debt Service	0.0766	0.0758	0.0863
Workmen's Compensation	0.0008	0.0007	0.0005
Unemployment Insurance	0.0003	0.0002	0.0000
TOTAL TAX RATES	<u>0.2442</u>	<u>0.2440</u>	<u>0.2543</u>
TAX COLLECTIONS			
General Fund	\$ 229,934	\$ 453,604	\$ 434,390
Illinois Municipal Retirement Fund	12,420	25,163	25,330
Social Security	12,420	25,163	22,262
Public Liability Insurance Fund	1,471	7,098	7,080
Audit Fund	1,961	3,549	3,697
Building and Sites Fund	13,891	25,165	25,330
Debt Service	125,181	244,546	266,990
Workmen's Compensation	1,307	2,259	1,573
Unemployment	490	646	0
TOTAL TAX COLLECTIONS	<u>\$ 399,075</u>	<u>\$ 787,193</u>	<u>\$ 786,652</u>
PERCENT COLLECTED	<u>48.53 %</u>	<u>99.86 %</u>	<u>100.00 %</u>

**Crete Public Library District
 Computation of Legal Debt Margin
 For the Year Ended June 30, 2005**

		Legal Debt Margin	
		With Referendum	Without Referendum
Assessed Valuation 2004	<u>\$ 336,757,558</u>		
Debt Limit			
5.75% of Assessed Valuation		\$ 19,363,560	
2.875% of Assessed Valuation			\$ 9,681,780
Total Debt			
General Obligation Debt Payable			
Series 2003	<u>2,010,000</u>	<u>2,010,000</u>	<u>2,010,000</u>
		<u>\$ 17,353,560</u>	<u>\$ 7,671,780</u>