

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

ANNUAL FINANCIAL REPORT

**For the Year Ended
June 30, 2011**

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

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INDEPENDENT AUDITOR'S REPORT

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**



Brian Zabel & ASSOCIATES P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Library Insurance Management and
Risk Control Combination
Orland Park, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate fund information of the Library Insurance Management and Risk Control Combination, as of and for the year ended June 30, 2011, which collectively comprise the Library's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Library Insurance Management and Risk Control Combination's management. Our responsibility is to express opinions 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the Library Insurance Management and Risk Control Combination, as of June 30, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's financial statements. The combining and individual fund financial statements and schedules in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Library Insurance Management and Risk Control Combination. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The required supplementary information listed in the table of contents is not a required part of the basic 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 measurements and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
September 8, 2011

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

STATEMENT OF NET ASSETS

June 30, 2011

	Business-Type Activities
ASSETS	
Cash and Cash Equivalents	\$ 4,231,707
Accounts Receivable	106,585
Prepaid Expenses	21,868
	<hr/>
TOTAL ASSETS	\$ 4,360,160
	<hr/> <hr/>
LIABILITIES	
Accounts Payable	\$ 7,452
Deferred Membership Dues	29,000
	<hr/>
TOTAL LIABILITIES	36,452
	<hr/>
NET ASSETS	
Unrestricted	4,323,708
	<hr/>
TOTAL NET ASSETS	4,323,708
	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 4,360,160
	<hr/> <hr/>

See accompanying notes to financial statements.

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS

For the Year Ended June 30, 2011

	<u>Business -Type Activities</u>
OPERATING REVENUES	
Membership dues	\$ 614,762
Members' insurance premiums	4,429,013
Miscellaneous income	98,801
	<hr/>
Total Operating Revenues	5,142,576
	<hr/>
OPERATING EXPENSES	
Insurance premiums	4,427,998
Claims	580,299
Salaries	50,687
Professional services	47,167
Contractual agreements with system's member libraries and other cooperatives	86,352
Dividends	20,310
Miscellaneous	3,445
	<hr/>
Total Operating Expenses	5,216,258
	<hr/>
OPERATING INCOME (LOSS)	(73,682)
	<hr/>
NONOPERATING REVENUES	
Investment income	19,669
	<hr/>
CHANGE IN NET ASSETS	(54,013)
	<hr/>
NET ASSETS, JULY 1	4,377,721
	<hr/>
NET ASSETS, JUNE 30	\$ 4,323,708
	<hr/> <hr/>

See accompanying notes to financial statements.

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2011

	Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from members and users	\$ 5,145,219
Payments to employees	(50,687)
Payments to suppliers	(4,581,007)
Payments made to members	(20,310)
Claims paid	(580,299)
	(87,084)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
	-
CASH FLOWS FROM CAPITAL AND RELATED FIANCING ACTIVITIES	
None	-
	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	19,669
	19,669
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(67,415)
CASH AND CASH EQUIVALENTS, JULY 1	4,299,122
	4,299,122
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 4,231,707
	4,231,707
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (73,682)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Changes in assets and liabilities	
Accounts receivable	46,218
Prepaid expenses	(21,868)
Accounts payable	5,823
Deferred revenue	(43,575)
	(43,575)
NET CASH FROM OPERATING ACTIVITIES	\$ (87,084)
	(87,084)

See accompanying notes to financial statements.

LIBRARY INSURANCE MANAGEMENT AND RISK CONTROL COMBINATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Library Insurance Management and Risk Control Combination (LIMRiCC) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting policies of LIMRiCC conform to GAAP as applicable to governmental units. The more significant of LIMRiCC's accounting policies are described below.

a. Reporting Entity

LIMRiCC, formerly a component unit of Metropolitan Library System (MLS), formerly the Library Insurance Management and Risk Control Cooperative, is an intergovernmental entity and was established by contracting library systems, municipal libraries, and library districts on April 17, 1989. The purpose of LIMRiCC is to provide conventional insurance coverage and/or self-insurance for claims against or by its participants. LIMRiCC is governed by a Board of Directors (the Board). The Board of Directors of Metropolitan Library System acted as the Board of LIMRiCC through March 31, 2010. Effective April 1, 2011, a new separately elected board was put in place. Since the point LIMRiCC is no longer a component unit of MLS.

On April 17, 1989, the Board approved the first insurance program offered by LIMRiCC, titled System Libraries Insurance Cooperative (SLIC). SLIC provides for the group purchase of property, casualty, and liability insurance. Participation in SLIC is voluntary and is established by the execution of an intergovernmental agreement between the participants and LIMRiCC. Membership begins after the Board approves the participant's application and the participant accepts insurance coverage and continues until the participant elects to discontinue membership. Participants pay membership dues of \$100 each year. Participants pay premiums directly to the insurance agent and not to SLIC. As of June 30, 2010, this program is no longer available.

Effective May 31, 1993, LIMRiCC began to administer two additional programs - an unemployment compensation program and a joint self-insurance program. The assets, liabilities, and net assets of these programs are accounted for separately by LIMRiCC and are not commingled with the assets, liabilities, and net assets of SLIC.

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

The Unemployment Compensation Group Account (UCGA) was established as part of the Suburban Library System (now the Metropolitan Library System) on October 16, 1978 on behalf of participating libraries and systems to administer a joint unemployment compensation pool. Participation by the libraries or systems is voluntary and is established by the execution of a contract between the library or system and UCGA. Under the agreement, the participating libraries and systems contribute an average of the rate of the entire pool's experience in each of the first three years. Thereafter, the participating libraries and systems contribute to UCGA based upon the percentage of actual claims paid as compared to taxable payroll, with the Contribution being not less than .2% or greater than 5% of taxable payroll. At June 30, 2011, there were 106 participating libraries and systems.

UCGA recognizes as an expense claims paid by the State of Illinois through June 30, 2011.

The Joint Self-Insurance Pool (JSIP) was organized under the laws of the State of Illinois on April 20, 1987. JSIP was established as an intergovernmental agency. The purpose of JSIP is to seek the reduction of losses by reason of liability claims and to reduce the cost of insuring against such claims for any public libraries and library systems in the State of Illinois whose applications have been accepted by JSIP. JSIP was governed by a Board of Directors prior to its transfer to LIMRiCC.

Participation in JSIP is voluntary and is established by the execution of an intergovernmental agreement (the Agreement) between the public library or library system and JSIP. Participants join JSIP for one-year terms. Their membership starts the first day of the month after the Board approves their application. Under the Agreement, liability for claims is limited to \$1,000,000 per occurrence.

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

The Purchase of Health Insurance Program (PHIP) provides for the purchase of health insurance coverage for employees, spouses, and dependents of members of PHIP including, but not limited to, the following insurance coverages:

- Comprehensive Health Insurance
- Life Insurance Benefits
- Accidental Death and Dismemberment Benefit
- Dental Insurance
- Vision Insurance
- Prescription Drug Coverage

The Business Services Fund (BS) is the administration fund for LIMRiCC. This fund pays salaries and miscellaneous administrative items.

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary unit; or
- 2) Fiscal dependency on the primary government.

b. Fund Accounting

LIMRiCC uses a fund to report on its financial position and the changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

**LIBRARY INSURANCE MANAGEMENT
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NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of revenues, expenses, and changes in net assets) report information on all of the non-fiduciary activities of LIMRiCC. The effect of material interfund activity has been eliminated from these statements.

Major individual enterprise fund is reported as separate columns in the fund financial statements.

LIMRiCC reports the following programs of the enterprise fund:

BS is the administration fund for LIMRiCC. This fund pays salaries and miscellaneous administrative items.

JSIP accounts for the activities of participating libraries seeking to reduce losses attributed to liability claims and to reduce the cost of insuring against such claims.

UCGA accounts for the activities of participating libraries seeking to reduce unemployment compensation costs by paying to the pool instead of paying directly to the state at a higher rate.

PHIP accounts for the activities of participating libraries seeking to reduce the premium costs for life, health, dental, and vision insurance.

**LIBRARY INSURANCE MANAGEMENT
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NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

LIMRiCC reports deferred revenue on its statement of net assets. Deferred revenues arise when resources are received by LIMRiCC before it has a legal claim to them. In subsequent periods, when LIMRiCC has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, LIMRiCC's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value.

f. Net Assets

On the statement of net assets, restricted net assets are legally restricted by outside parties for a specific purpose. None of the restricted net assets resulted from enabling legislation adopted by LIMRiCC.

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. GASB Pronouncements

LIMRiCC has elected, under the provisions of GASB Statement No. 20, titled *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

2. DEPOSITS AND INVESTMENTS

Investments are separately held by several of LIMRiCC's funds.

Permitted Deposits and Investments – Statutes and LIMRiCC's investment policy authorize LIMRiCC to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

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

a. Deposits

To guard against credit risk for deposits with financial institutions, LIMRiCC's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount equal to the uninsured deposits with the collateral held by a third party acting as the agent of LIMRiCC.

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

At June 30, 2011, LIMRiCC had invested \$680,351, which is the fair value, in Illinois Funds. These investments have an underlying maturity of 90 days.

GASB 40 – Operating Funds

In accordance with its investment policy, LIMRiCC limits its exposure to interest rate risk to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The portfolio that is invested with Illinois Funds, which is completely liquid, is not subject to interest rate risk.

LIMRiCC is not exposed to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing only in Illinois Funds.

Illinois Funds is “AAA” rated.

3. CLAIMS PAYABLE – JOINT SELF-INSURANCE POOL

The liability for all self-insured general liability claims, including all known claims plus claims incurred but not reported, has been estimated to be zero at both June 30, 2011 and 2010. Additionally, there were \$74,800 of self-insured claims paid for the year ended June 30, 2011. There have been no changes made in the coverage or payments in excess of coverage for the last three years.

	2011	2010
CLAIMS PAYABLE - BEGINNING OF YEAR	\$ -	\$ -
Current year provisions for insured events	74,800	30,350
Payments of Claims		
Events of the Current Year	(74,800)	(30,350)
Events of the Prior Year	-	-
CLAIMS PAYABLE - END OF YEAR	\$ -	\$ -

REQUIRED SUPPLEMENTARY INFORMATION

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**
REQUIRED SUPPLEMENTARY INFORMATION
CLAIMS DEVELOPMENT INFORMATION
JOINT SELF-INSURANCE POOL

Last Ten Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues	\$ 103,575	\$ 157,500	\$ 160,333	\$ 159,125	\$ 160,000	\$ 155,083	\$ 172,500	\$ (25,000)	\$ 204,601	\$ 230,717
Unallocated expenses	71,910	113,329	71,017	300,654	104,379	36,346	118,770	45,940	32,047	29,081
Net incurred expenses	74,800	30,350	-	-	-	-	46,500	-	-	-
Paid claims										
End of policy year	74,800	30,350	-	-	-	-	46,500	-	-	-
One year later	-	-	-	-	-	-	-	-	-	-
Two years later	-	-	-	-	-	-	-	-	-	-
Three years later	-	-	-	-	-	-	-	-	-	-
Four years later	-	-	-	-	-	-	-	-	-	-
Five years later	-	-	-	-	-	-	-	-	-	-
Six years later	-	-	-	-	-	-	-	-	-	-
Seven years later	-	-	-	-	-	-	-	-	-	-
Eight years later	-	-	-	-	-	-	-	-	-	-
Nine years later	-	-	-	-	-	-	-	-	-	-
Reestimated incurred claims and expense										
End of policy year	74,800	30,350	-	-	-	-	46,500	-	-	-
One year later	-	-	-	-	-	-	-	-	-	446
Two years later	-	-	-	-	-	-	-	-	-	-
Three years later	-	-	-	-	-	-	-	-	-	-
Four years later	-	-	-	-	-	-	-	-	-	-
Five years later	-	-	-	-	-	-	-	-	-	-
Six years later	-	-	-	-	-	-	-	-	-	-
Seven years later	-	-	-	-	-	-	-	-	-	-
Eight years later	-	-	-	-	-	-	-	-	-	-
Nine years later	-	-	-	-	-	-	-	-	-	-

(See independent auditor's report.)

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2011

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

The Combination follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Executive Director prepares and submits to the Board a proposed operating budget for the fiscal year. The operating budget includes proposed expenses and the means of financing them. Annual budgets are adopted on a basis consistent with GAAP.
2. The proposed operating budget is adopted by the Board at a public meeting.
3. Any amendments to the budget must be adopted by the Board at a public meeting.
4. Budgeted amounts presented in the financial statements are those as originally adopted by the Board. There were no amendments during the year.

SUPPLEMENTARY INFORMATION

ENTERPRISE FUND

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**
COMBINING STATEMENT OF NET ASSETS
ENTERRISE FUND - BY PROGRAM

June 30, 2011

	Business Services	Joint Self- Insurance Pool	Unemployment Compensation Group Account	Purchase of Health Insurance Program	Totals
CURRENT ASSETS					
Cash and cash equivalents	\$ 5,755	\$ 3,360,413	\$ 777,924	\$ 87,615	\$ 4,231,707
Accounts receivable	-	9,000	-	97,585	106,585
Prepaid expenses	-	-	-	21,868	21,868
Total Assets	\$ 5,755	\$ 3,369,413	\$ 777,924	\$ 207,068	\$ 4,360,160
CURRENT LIABILITIES					
Accounts payable	\$ -	\$ 7,362	\$ -	\$ 90	\$ 7,452
Deferred membership dues	-	29,000	-	-	29,000
Total current liabilities	-	36,362	-	90	36,452
NET ASSETS					
Unrestricted	5,755	3,333,051	777,924	206,978	4,323,708
Total Liabilities and Net Assets	\$ 5,755	\$ 3,369,413	\$ 777,924	\$ 207,068	\$ 4,360,160

(See independent auditor's report.)

LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION

COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL
ENTERPRISE FUND - BY PROGRAM

For the Year Ended June 30, 2011

	Business Services			Joint Self-Insurance Pool		
	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
REVENUES						
Membership dues	\$ -	\$ -	\$ -	\$ 64,200	\$ 103,575	\$ 39,375
Members' insurance premiums	-	-	-	-	-	-
Miscellaneous income	<u>57,250</u>	<u>63,842</u>	<u>6,592</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>57,250</u>	<u>63,842</u>	<u>6,592</u>	<u>64,200</u>	<u>103,575</u>	<u>39,375</u>
EXPENSES						
Insurance premiums	-	-	-	-	-	-
Claims	-	-	-	50,000	74,800	(24,800)
Salaries	50,057	50,687	(630)	-	-	-
Professional services						
Legal	-	649	(649)	50,000	37,440	12,560
Audit/accounting services	554	578	(24)	1,725	1,725	-
Consulting	200	95	105	-	-	-
Contractual agreements with system's member libraries, member libraries, and other cooperatives	2,796	2,700	96	12,436	12,435	1
Dividends	-	-	-	20,900	20,310	590
Miscellaneous						
Office supplies	2,188	1,950	238	-	-	-
Travel and registration	563	971	(408)	-	-	-
Miscellaneous	<u>457</u>	<u>457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>56,815</u>	<u>58,087</u>	<u>(1,272)</u>	<u>135,061</u>	<u>146,710</u>	<u>(11,649)</u>
OPERATING INCOME (LOSS)	435	5,755	7,864	(70,861)	(43,135)	51,024
NONOPERATING REVENUES						
Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>17,968</u>	<u>2,968</u>
CHANGES IN NET ASSETS	<u>\$ 435</u>	<u>5,755</u>	<u>\$ 7,864</u>	<u>\$ (55,861)</u>	<u>(25,167)</u>	<u>\$ 53,992</u>
NET ASSETS, JULY 1		<u>-</u>			<u>3,358,218</u>	
NET ASSETS, JUNE 30		<u>\$ 5,755</u>			<u>\$ 3,333,051</u>	

(See independent auditor's report.)

LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION

COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL
ENTERPRISE FUND - BY PROGRAM

For the Year Ended June 30, 2011

Unemployment Compensation Goup Account			Purchase of Health Insurance Program			Total		
Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
\$ 200,000	\$ 511,187	\$ 311,187	\$ -	\$ -	\$ -	\$ 264,200	\$ 614,762	\$ 350,562
-	-	-	4,290,595	4,429,013	138,418	4,290,595	4,429,013	138,418
-	-	-	33,000	34,959	1,959	90,250	98,801	8,551
<u>200,000</u>	<u>511,187</u>	<u>311,187</u>	<u>4,323,595</u>	<u>4,463,972</u>	<u>140,377</u>	<u>4,645,045</u>	<u>5,142,576</u>	<u>497,531</u>
-	-	-	4,290,595	4,427,998	(137,403)	4,290,595	4,427,998	(137,403)
300,000	505,499	(205,499)	-	-	-	350,000	580,299	(230,299)
-	-	-	-	-	-	50,057	50,687	(630)
920	450	470	500	165	335	51,420	38,704	12,716
1,725	1,724	1	1,725	1,724	1	5,729	5,751	(22)
3,000	2,617	383	-	-	-	3,200	2,712	488
30,436	35,823	(5,387)	34,306	35,394	(1,088)	79,974	86,352	(6,378)
-	-	-	-	-	-	20,900	20,310	590
-	-	-	-	-	-	2,188	1,950	238
-	-	-	500	-	500	1,063	971	92
-	-	-	300	67	233	757	524	233
<u>336,081</u>	<u>546,113</u>	<u>(210,032)</u>	<u>4,327,926</u>	<u>4,465,348</u>	<u>(137,422)</u>	<u>4,855,883</u>	<u>5,216,258</u>	<u>(360,375)</u>
(136,081)	(34,926)	521,219	(4,331)	(1,376)	277,799	(210,838)	(73,682)	857,906
3,000	1,668	(1,332)	125	33	(92)	18,125	19,669	1,544
<u>\$ (133,081)</u>	<u>(33,258)</u>	<u>\$ 99,823</u>	<u>(4,206)</u>	<u>(1,343)</u>	<u>2,863</u>	<u>(192,713)</u>	<u>(54,013)</u>	<u>859,450</u>
	<u>811,182</u>			<u>208,321</u>			<u>4,377,721</u>	
	<u>\$ 777,924</u>			<u>206,978</u>			<u>4,323,708</u>	

(See independent auditor's report.)

**LIBRARY INSURANCE MANAGEMENT
AND RISK CONTROL COMBINATION**
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND - BY PROGRAM

For the Year Ended June 30, 2011

	Business Services	Joint Self- Insurance Pool	Unemployment Compensation Group Account	Purchase of Health Insurance Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from members and users	\$ 63,842	\$ 66,700	\$ 511,187	\$ 4,503,490	\$ 5,145,219
Payments to employees	(50,687)	-	-	-	(50,687)
Payments to suppliers	(7,400)	(45,601)	(40,861)	(4,487,145)	(4,581,007)
Payments made to members	-	(20,310)	-	-	(20,310)
Claims paid	-	(74,800)	(505,499)	-	(580,299)
Net cash from operating activities	<u>5,755</u>	<u>(74,011)</u>	<u>(35,173)</u>	<u>16,345</u>	<u>(87,084)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
None	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
None	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	-	17,968	1,668	33	19,669
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,755	(56,043)	(33,505)	16,378	(67,415)
CASH AND CASH EQUIVALENTS, JULY 1	-	3,416,456	811,429	71,237	4,299,122
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 5,755</u>	<u>\$ 3,360,413</u>	<u>\$ 777,924</u>	<u>\$ 87,615</u>	<u>\$ 4,231,707</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 5,755	\$ (43,135)	\$ (34,926)	\$ (1,376)	\$ (73,682)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Changes in assets and liabilities					
Accounts receivable	-	6,700	-	39,518	46,218
Prepaid expenses	-	-	-	(21,868)	(21,868)
Accounts payable	-	5,999	(247)	71	5,823
Unearned revenues	-	(43,575)	-	-	(43,575)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 5,755</u>	<u>\$ (74,011)</u>	<u>\$ (35,173)</u>	<u>\$ 16,345</u>	<u>\$ (87,084)</u>

See accompanying notes to financial statements.