

FUND BALANCE POLICY STATEMENT

In accordance with Library Resolution, fiscal year excess funds are to be deposited in the Pekin Public Library Special Reserve Fund. Excess funds are determined using the following formula:

Using figures from the audited year end balance sheet:

	CASH
Plus	Investments *
Minus	Accounts Receivable (not property taxes)
Minus	Accounts Payable
Equals	Fund Balance

If Fund Balance is greater than zero, then Excess funds are available.

Excess funds are to be deposited to the Special Reserve Fund** from the General Fund within 14 days of the receipt and acceptance of the fiscal audit, subject to cash flow requirements and approval of the Board.

* operating funds from IPTIP and Herget accounts, excluding Endowments and Special Reserves

** The Special Reserve Fund, as defined by Resolution, are funds intended for the maintenance and improvement of library services through its facilities, grounds, and technologies. According to Resolution, Special Reserve Funds can accumulate to \$4,910,000, or that amount which the Board of Trustees of the Pekin Public Library may from time to time determine to be in the best interests of the public.

Special Reserve Funds are separated into categories, by Resolution, into Capital Development and Maintenance (used to maintain existing facilities), Technology, and the 21st Century Library Fund (a fund established by merging the "Lautz Endowment" with "Expansion and Renovation and Dirksen Center Purchase" funds in 2004, and used for library services and facilities expansion and enhancement).

Accumulation goals for each category***:

Capital Development and Maintenance:	\$300,000
Technology:	\$50,000
21 st Century Library Fund:	<u>\$4,250,000</u>
Total:	\$4,600,000

*** In addition to funding Capital Development and Maintenance and Technology Funds with "excess funds" provided for above, the library transfers the annually budgeted "Capital Development" expense into these funds, with the first \$5,000 earmarked for Technology and the remainder for Capital Development and Maintenance.

Amended 12/19/06