

NEW LENOX PUBLIC LIBRARY DISTRICT
New Lenox, Illinois
Annual Financial Report
For the Year Ended

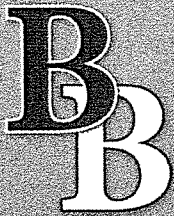
JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
New Lenox Public Library District
New Lenox, Illinois

We have audited the accompanying financial statements of the governmental activities and major funds of New Lenox Public Library District (District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities and major funds of the New Lenox Public Library District as of June 30, 2016 and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise New Lenox Public Library District's basic financial statements. The combining and individual fund financial schedules for the for the year ended June 30, 2016 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

NEW LENOX PUBLIC LIBRARY DISTRICT
Management Discussion and Analysis
June 30, 2016

General Information

The New Lenox Library District (Library District) was formed in 1987 for the purpose of providing access to a universe of information and making it available to the community in order to promote the communication of ideas, to enlighten citizens, and to enrich the personal lives of all district residents.

The Management discussion and analysis (MD&A) is a required element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their statement number 34. Its purpose is to provide an overview of the financial activities of the Library District.

Financial Highlights

The assets and deferred outflows of resources of the Library District exceeded its deferred inflows by \$3,223,136 (total net position) for the fiscal year ended June 30, 2016 showing an increase of \$951,593 for the current year.

Library District had capital assets of \$5,077,623 as of June 30, 2016 which includes land, a 58,000 square foot building, library materials, and furniture and equipment, net of depreciation.

The Library District's governmental funds reported total ending fund balance of \$2,492,154 showing an increase of \$247,726 during the current year.

At the end of the fiscal year, the unreserved fund balance for the General Fund was \$1,274,009 or 85% of total General Fund expenditures and transfers.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Report Components

This annual report consists of four parts as follows:

Government-wide financial statements: The Statement of Net Position and Statement of Activities (on pages 8 and 9) provide information about activities of the Library's government-wide and present a longer-term view of the Library's finances.

Fund Financial Statements: Fund financial statements (starting on page 10) focus on the individual parts of the Library's government. Fund financial statements also report the Library's operations in more detail than the government-wide statements. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

NEW LENOX PUBLIC LIBRARY DISTRICT
Management Discussion and Analysis
June 30, 2016

The governmental fund presentation is presented on a sources and uses of liquid resources (cash and cash equivalents) basis. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of the Library. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Required Supplementary Information: This Management's Discussion and Analysis, the Fund Budgetary comparison schedules and Pension related information represent the information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

Capital Asset and Debt Administration

At June 30, 2016, the Library had 1,273,835 invested in capital assets, net of depreciation and related debt. The Library had \$139,022 of additions to capital assets for the fiscal year ended June 30, 2016. The Library had \$3,803,788 of outstanding debt (net of bond premiums, discounts) as of June 30, 2016.

Financial Analysis of the New Lenox Public Library District

The Library District implemented the new financial reporting model used in this report beginning with the calendar year-end June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Library District as a whole. The Library District's net position at calendar year-end is \$ 3,223,136. The following table provides a summary of the Library District's net position:

NEW LENOX PUBLIC LIBRARY DISTRICT
Management Discussion and Analysis
June 30, 2016

Summary of Net Position

	Governmental <u>Activities</u> 2015	Governmental <u>Activities</u> 2016
Assets:		
Current Assets	\$ 3,537,973	\$ 3,802,326
Capital Assets	<u>5,320,302</u>	<u>5,077,623</u>
Total Assets	<u>8,858,275</u>	<u>8,879,949</u>
Deferred Outflows of Resources	<u>424,765</u>	<u>578,608</u>
Total Assets and Deferred Outflows of Resources	<u>9,283,040</u>	<u>9,458,557</u>
Liabilities:		
Current liabilities	1,941,064	2,074,310
Long-term liabilities	<u>3,829,156</u>	<u>2,898,788</u>
Total liabilities	<u>5,770,220</u>	<u>4,973,098</u>
Deferred Inflows of Resources		
Deferred Inflow of Resources Related to Pension	-	-
Deferred Revenue	<u>1,241,277</u>	<u>1,262,323</u>
Total Deferred Inflows of Resources	<u>1,241,277</u>	<u>1,262,323</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,011,497</u>	<u>6,235,421</u>
Invested in capital assets, net of related debt	606,146	1,273,835
Restricted for Capital Projects	428,987	402,673
Restricted for Debt Service	576,516	585,571
Restricted for Bldg Construction & Maint.	9,596	27,653
Restricted for Special Revenue	8,782	192
Unrestricted	<u>641,516</u>	<u>933,212</u>
Total Net Position	<u>\$ 2,271,543</u>	<u>\$ 3,223,136</u>

NEW LENOX PUBLIC LIBRARY DISTRICT
Management Discussion and Analysis
June 30, 2016

The following data is reported on the accrual basis of accounting which means that all costs are presented, however, the increase in capital assets (\$139,022) and retirement of debt service (\$885,000) are not included, but depreciation on the capital assets is included. The following table provides a summary of the Library District's changes in net assets:

	2015		2016	
	Governmental	Percentage	Governmental	Percentage
	Activities	of Total	Activities	of Total
Revenues:				
General Revenues				
Taxes	\$ 2,745,272	94%	\$2,824,424	91%
Impact Fees	55,889	2%	54,111	2%
Investment Earnings	3,028	0%	2,859	0%
Program Revenue				
Grants and Donations	46,059	2%	112,122	4%
Charges for Services	47,762	2%	101,899	3%
Total Revenue	<u>2,898,010</u>	<u>100%</u>	<u>3,095,415</u>	<u>100%</u>
Expenses:				
General Government	1,860,566	93%	2,028,168	94%
Interest on debt service	<u>138,394</u>	7%	<u>115,654</u>	6%
Total expenses	<u>1,998,960</u>	<u>100%</u>	<u>2,143,822</u>	<u>100%</u>
Change in Net Position	899,050		951,593	
Beginning Net Position	<u>1,372,493</u>		<u>2,271,543</u>	
Ending Net Position	<u>\$ 2,271,543</u>		<u>\$ 3,223,136</u>	

NEW LENOX PUBLIC LIBRARY DISTRICT
Management Discussion and Analysis
June 30, 2016

Revenues

The Library District is heavily reliant on taxes to support its operations. Taxes provided 91% of the Library Districts total revenue. Other sources of revenue are fines, state grants, donations, library fees and services, and interest income.

Expenses

The personnel services are the largest portion of the expenses of total expenses. Personnel services include employee's salaries, health insurance benefits, training and development, and employee retirement and social security benefits. Interest on debt service relates to the repayment of General Obligation Bonds issued to construct and furnish the new library facility.

Variations Between Original and Final Budgets

There were no budget amendments for the fiscal year ended June 30, 2016.

Economic Conditions

The New Lenox Public Library District primarily operates on property taxes that are not affected by short-term economic conditions. However, the library's property tax income is limited by a tax cap, which may affect income in the long-term.

The tax rate for 2014 was .2427 and .2415 for 2015. This represents a .5% decrease from 2014 and the year the property tax levied increased around 2.0%.

Conclusion

In looking at the overall financial position of the Library District it appears that the Library District has sufficient funds, but a lot of the funds in the library district are restricted for special purposes. The unrestricted net assets at the end of the year were \$933,212.

Contacting the New Lenox Public Library District

The financial report is designed to provide a general overview of the New Lenox Public Library District's finances for those with an interest in the library's financial position and operations. Questions about this report or requests for additional information may be sent to New Lenox Public Library District, 120 Veterans Parkway, New Lenox, Illinois 60451.

NEW LENOX PUBLIC LIBRARY DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities
<u>Assets</u>	
Current Assets:	
Cash	\$ 2,279,373
Investments	141,875
Receivable net allowance for uncollectible amounts:	
Property taxes	1,381,078
Miscellaneous	-
Total Current Assets	<u>3,802,326</u>
Capital Assets, Net of Depreciation	
Land	582,664
Land Improvements	162,871
Buildings	3,990,098
Library Books and Materials	310,757
Office Furniture and Equipment	31,233
Total Capital Assets	<u>5,077,623</u>
Total Assets	<u>8,879,949</u>
<u>Deferred Outflow of Resources</u>	
Deferred Bond Refunding Costs	104,203
Pension Related	474,405
Total of Deferred Outflow of Resources	<u>578,608</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,458,557</u>
<u>Liabilities</u>	
Accounts payable	\$ 18,205
Bonds payable - current	905,000
Accrued payroll	29,644
Net Pension Liability	1,121,461
Bonds Payable - long-term, net	2,898,788
Total Liabilities	<u>4,973,098</u>
<u>Deferred Inflow of Resources</u>	
Deferred tax revenue	1,262,323
Total Deferred Inflow of Resources	<u>1,262,323</u>
Total liabilities and Deferred Inflow of Resources	<u>\$ 6,235,421</u>
<u>Net Position</u>	
Invested in Capital assets, net of related debt	1,273,835
Restricted for Capital Projects	402,673
Restricted for Building Construction & Maintenance	27,653
Restricted for Debt Service	585,571
Restricted Special Revenue	192
Unrestricted	933,212
Total Net Position	<u>3,223,136</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 9,458,557</u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements.

NEW LENOX PUBLIC LIBRARY DISTRICT
Statement of Activities
For the Year Ended June 30, 2016

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense)
		<u>Charges for</u>	<u>Operating</u>	Revenue and
		<u>Services</u>	<u>Grants and</u>	Changes in
			<u>Contributions</u>	Net Assets
				<u>Governmental</u>
				<u>Activities</u>
General government	\$ 2,028,168	101,899	112,122	\$ (1,814,147)
Interest	115,654		-	(115,654)
Total Government Activities	\$ 2,143,822	\$ 101,899	\$ 112,122	\$ (1,929,801)
 <u>General Revenues</u>				
Property taxes				\$ 2,809,346
Personal Property Taxes				15,078
Investment Earnings				2,859
Impact Fees				54,111
Total General Revenues				\$ 2,881,394
Change in Net Position				\$ 951,593
 <u>Net Position</u>				
Net Position July 1, 2015				2,271,543
Net Position June 30, 2016				\$ 3,223,136

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements.

NEW LENOX PUBLIC LIBRARY DISTRICT
Balance Sheet - Governmental Funds
June 30, 2016

<u>Assets</u>	<u>General</u>	<u>Building and Grounds Improvements</u>	<u>Construction and Building Maintenance</u>	<u>Debt Service</u>	<u>Non Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash	\$ 976,644	\$ 300,628	\$ 30,821	\$ 724,943	\$ 246,337	\$ 2,279,373
Investments	-	141,875	-	-	-	141,875
Receivable net allowance for uncollectible amounts:						
Property taxes	794,315	-	93,786	490,669	2,308	1,381,078
Due from other funds	275,578	-	-	-	-	275,578
Total assets	\$ 2,046,537	\$ 442,503	\$ 124,607	\$ 1,215,612	\$ 248,645	\$ 4,077,904

<u>Liabilities</u>						
<u>Current Liabilities:</u>						
Accounts payable	\$ 16,875	\$ 1,330	\$ -	\$ -	\$ -	\$ 18,205
Bonds payable - current	-	-	-	-	-	-
Accrued payroll	29,644	-	-	-	-	29,644
Deferred tax revenue	726,009	-	85,721	448,477	2,116	1,262,323
Due to other funds	-	38,500	11,233	181,564	44,281	275,578
Total liabilities	\$ 772,528	\$ 39,830	\$ 96,954	\$ 630,041	\$ 46,397	\$ 1,585,750

<u>Fund equity</u>						
Unassigned Fund Balance	1,274,009					1,274,009
Restricted Fund balance	-	402,673	27,653	585,571	202,248	1,218,145
Total fund equity	1,274,009	402,673	27,653	585,571	202,248	2,492,154
Total liabilities and fund equity	\$ 2,046,537	\$ 442,503	\$ 124,607	\$ 1,215,612	\$ 248,645	\$ 4,077,904

Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Assets

Total Fund Balances - Governmental Funds

Amounts reported for governmental activities in the Statement of Assets are different because:

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

Deferred Outflows of Resources Related to Pension are not included in the fund financial statements

Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.

Net Assets of Governmental Activities

	\$ 2,492,154
	5,077,623
	474,405
	(4,821,046)
	\$ 3,223,136

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements.

NEW LENOX PUBLIC LIBRARY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2016

	General	Building and Grounds Improvements	Construction and Building Maintenance	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 1,512,606	\$ -	\$ 190,869	\$ 1,005,094	\$ 100,777	\$ 2,809,346
State grant	-	-	-	-	-	-
Personal property replacement tax	15,078	-	-	-	-	15,078
Interest	274	2,019	13	211	342	2,859
Rental Income	4,075	-	-	-	-	4,075
Fines	23,286	-	-	-	-	23,286
Copy Machine	2,670	-	-	-	-	2,670
Impact Fees	-	54,111	-	-	-	54,111
Donations	112,122	-	-	-	-	112,122
Library fees, services, & other	71,868	-	-	-	-	71,868
Total Revenue	\$ 1,741,979	\$ 56,130	\$ 190,882	\$ 1,005,305	\$ 101,119	\$ 3,095,415
Expenditures						
Personnel Services	\$ 1,051,165	\$ -	\$ -	\$ -	\$ 204,808	\$ 1,255,973
Material and supplies	203,933	18,736	-	-	-	222,669
Operating and contractual services	61,547	-	-	-	51,728	113,275
Building and maintenance expenditures	-	-	172,824	-	-	172,824
Capital expenditures and reserves	3,066	63,709	-	-	-	66,775
Debt Service	-	-	-	996,250	-	996,250
Contingencies	19,923	-	-	-	-	19,923
Total expenditures	\$ 1,339,634	\$ 82,445	\$ 172,824	\$ 996,250	\$ 256,536	\$ 2,847,689
Excess of revenue over (under) expenditures	402,345	(26,315)	18,058	9,055	(155,417)	247,726
Other Financing Sources						
Proceeds from Bond Issuance	-	-	-	-	-	-
Operating Transfers In	354	-	-	-	147,155	147,509
Total Other Financing Sources	354	-	-	-	147,155	147,509
Other Financing Uses						
Payment to refunded bond escrow agent	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Operating Transfers Out	(147,155)	-	-	-	(354)	(147,509)
Total Other Financing Uses	(147,155)	-	-	-	(354)	(147,509)
Net Changes in Fund Balances	255,544	(26,315)	18,058	9,055	(8,616)	247,726
Fund Balance						
July 1, 2015	1,018,465	428,988	9,595	576,516	210,864	2,244,428
Fund Balance June 30, 2016	\$ 1,274,009	\$ 402,673	\$ 27,653	\$ 585,571	\$ 202,248	\$ 2,492,154

NEW LENOX 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, 2016

Net Changes in Fund Balances - Total Governmental Funds	\$ 247,726
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the useful life of the assets. This is the amount by which depreciation exceeded capital outlays in the year (\$381,701 depreciation less \$139,022 current additions).	(242,679)
Repayment of principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Assets.	885,000
Deferred loss on refunding is recorded as an expenditure in the fund statements but are amortized as an expense in the statement of activities	(29,772)
Bond issue premiums are reported as other financing sources in the fund statements but are deferred and amortized in the statement of activities.	25,368
Pension Deferred Outflows are not reported in fund financial statements	183,616
Net Pension Liability is not reported in the fund financial statements	<u>(117,666)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 951,593</u></u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements.

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES

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

REPORTING ENTITY

The New Lenox Public Library District is governed by the New Lenox Public Library District Board of Trustees. The Library District Board of Trustees selects management staff and directs the affairs of the District. As required by generally accepted accounting principles, the financial statements include all accounts of the District. Management has considered all potential component units. Criteria for including a component unit in the District's reporting entity principally consist of the potential component unit's financial interdependency and accountability to the District. Based on those criteria, there are no potential component units to be included in the reporting entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities report the overall financial position and activity of the Library District. Eliminations have been made to minimize the double-counting of internal activities. The financial activities of the District consist of governmental activities, which are primarily supported by taxes and charges for services.

The Statement of Net Position presents the difference between the sum of assets and deferred outflows of resources and the sum of deferred inflows of resources and liabilities as Net position. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Library District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The Statement of Activities demonstrates the degree in which the direct expense of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues included charges paid by recipients of goods or services, grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Fiduciary Funds are not presented in the government-wide financial statements.

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. The fund financial statements provide information about the Library District's funds. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. The Library District has the following major governmental funds: General Fund, Debt Service Fund, Construction and Building Maintenance Fund, and Building and Grounds Improvements Fund.

Major Funds

General Fund is the general operating fund of the Library District and is used to account for transactions not required to be accounted for in other funds.

Debt service fund is used to account for the revenues and expenditures for the repayment of debt service.

Construction and building maintenance fund is used to account for the revenues and expenditures to maintain, repair or alter the physical facilities or equipment, to purchase buildings, sites, furniture or equipment, and to construct or rent buildings required for library purposes.

Building and grounds improvements fund is used to account for the revenue generated from fees collected from the Village and County and expenditures for Board approved improvements and major repairs to the building and grounds.

Non Major Governmental Funds

Insurance Funds are used to account for the revenue and expenditures paid for insurance coverage.

Audit Fund is used to account for revenue and expenditures related to the annual audit.

IMRF Fund accounts for revenues received and expenditures paid for the employer contributions for retirement.

Social Security fund accounts for revenues received and expenditures paid for the employer contributions for social security taxes.

Working Cash fund accounts for transfers for cash management purposes.

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

The Library District implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints place on government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Non-Spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for a specific purpose because of constraints placed on net assets use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be used only for specific purposes determined by formal action of the Library District Board. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.

Unassigned – all other spendable amounts; positive amounts that are reported only in the general fund.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements capital assets are reported as non-current assets and depreciated in each fund.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. All major revenues are susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Expenditures for capital assets and principal payments on debt are recorded as current expenditures, and capital assets are not depreciated.

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term inter-fund loans are reported as “inter-fund receivables and payables.” Long-term inter-fund loans (noncurrent portion) are reported as “advances from and to other funds.” Inter-fund receivables and payables between funds are eliminated in the Statement of Net Position.

Inter-fund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as inter-fund transfers. For the purpose of the statement of activities, all inter-fund transfers between individual governmental funds have been eliminated.

Budgets

The Library District adopted its budget on September 21, 2015. There was no legally adopted budget for the debt service fund. Budgetary integration is used as a management control device.

Capital Assets

Capital assets which include land, land improvements, books, and furniture and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined as assets with an estimated useful life of greater than one year. The Library District has established a minimum threshold for capitalization of \$1,000. Additions and improvements that extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

The cost of normal maintenance and repairs that do not add to the value of the capital asset or extend the useful life of the asset are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the estimated useful life of the asset. The estimated useful lives of the capital assets by class are as follows: Books and materials – 7 years, Building – 30 years, Furniture and equipment – 3 to 7 years, and Land Improvements – 20 years.

**NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

OTHER ACCOUNTING POLICIES AND REPORTING PRACTICES

Cash and cash equivalents consist of interest-bearing money market accounts, certificates of deposits purchase with a maturity less than three months, and repurchase agreements, all of which are authorized by state statutes. All accounts are accounted for at cost, which approximates market value.

Investments are carried at fair value. Fair value is based on quoted market prices at the close of the day on June 30, 2016.

The budget presented in the financial statements represents the estimated revenues and appropriations as set forth in the Library District's annual appropriation ordinance adopted for the fiscal year ended June 30, 2016. Unexpended budget amounts lapse at the end of the budget year. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personnel, contractual services, materials and supplies, capital outlay, debt service and other expenditures. This constitutes the legal level of control.

Long-term debt is reported as a liability in the government-wide financial statements under the appropriate governmental activity. The difference between the reacquisition price of refunding and the net carrying value of refunded debt is amortized over the shorter of the lives of the refunding debt or the remaining life of the refunded debt. Amortization of deferred amounts on refunding is included in interest expense. Long-term debt is recognized in a governmental fund when due, or when the resources have been accumulated for payment early in the following year. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures under the appropriate governmental fund.

NOTE 2 – CASH AND INVESTMENTS

All deposits were covered by federal depository insurance, a Federal Home Loan Bank letter of credit, or by collateral held by the Library District or its agent, in the Library District's name, therefore the Library has no custodial credit risk as of June 30, 2016. Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does have a policy regarding custodial credit risk.

NOTE 3 – PROPERTY TAX REVENUES

Property tax revenues are recorded on the "deferred method". Because of the extraordinary long period of time between the levy date and the receipt of tax distributions from the County Collector, some of the property taxes are not available to finance current year expenditures. For those funds on the modified accrual basis, the current year's tax levy (2015) is recorded as deferred revenue and property tax receivable, except for tax collections received within 60 days after the year-end have been classified as current revenue in accordance with Statement 1 of the Governmental Accounting and Financial Reporting Principles (GAFRP),

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

because they are budgeted and used in the current fiscal year. Property taxes for the 2014 tax levy were due June 3, 2015 and September 3, 2015, and for the 2015 tax levy were due June 1, 2016 and September 1, 2016. The levy date is January 1 for all taxpayers.

NOTE 4 – INSURANCE

The Library is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Library District's maintains insurance coverage that has not incurred any losses exceeding their insurance coverage and they have not reduced their coverage from previous years. The following is the Library's existing insurance coverage:

Commercial general liability	\$ 1,000,000
Automobile Liability	\$ 1,000,000
Workers Compensation and Employer's Liability	\$ 500,000
Building	\$13,191,346
Business Personal Property	\$ 2,550,000
Valuable Papers	\$ 3,000,000
Director & Officer Liability	\$ 1,000,000
Umbrella	\$ 3,000,000

NOTE 5 – GENERAL LONG-TERM DEBT

On May 30, 2000, the District issued \$5,850,000 in General Obligation Bonds with rates ranging from 5.60% to 6.40%. Net proceeds including a premium on the bonds were \$5,854,903. Principal and interest payments are payable on June 30 and December 30.

On March 1, 2005, \$4,575,000 of those securities was placed in an irrevocable trust with an escrow agent to make all future debt service payments. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$439,665. The difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the fiscal year ended June 30, 2020 using the straight-line method. The Library completed the advance refunding to reduce its total debt service payments over the next

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

15 years by \$564,476 and to obtain economic gain (difference between present values of the old and new debt service payments) of \$435,532. .

On October 2, 2013, \$4,720,000 of those securities was placed in an irrevocable trust with an escrow agent to make all future debt service payments. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$186,077. The difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the fiscal year ended June 30, 2020 using the straight-line method. The Library completed the advance refunding to reduce its total debt service payments over the next 6 years by \$248,998 and to obtain economic gain (difference between present values of the old and new debt service payments) of \$232,898. The amount paid for interest on the general long-term debt for the year ended June 30, 2016 was \$111,250.

The following is a schedule of General Obligation Bond principal maturities and interest requirements:

Year Ending <u>June 30,</u>	General Obligation <u>Bonds</u>
2017	998,350
2018	995,425
2019	997,225
2020	<u>943,950</u>
Total	3,934,950
Less Interest	<u>219,950</u>
Outstanding Principal	\$ 3,715,000
Plus Bond Premium	<u>88,788</u>
Balance as of June 30, 2016	<u>\$ 3,803,708</u>

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 – PENSION AND RETIREMENT FUND COMMITMENTS

Implementation of GASB 68. As of July 1, 2014, the District has implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" which is an amendment of GASB Statement No. 27. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

Plan Description

The EMPLOYER's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. Your plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org.

Benefits

Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48.

Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement. Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

**NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

3% of the original pension amount, or
1/2 of the increase in the Consumer Price Index of the original pension amount

Contributions

As set by state statute, your employer Regular plan members are required to contribute 4.5 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2015 was 14.88 percent of annual covered payroll. Your employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contributions rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For calendar year ending December 31, 2015, the employer's required contribution was \$121,995.

Three-Year Trend Information for the Regular Plan

Actuarial		Percentage	
Valuation	Annual Pension	of APC	Net Pension
Date	Cost (APC)	Contributed	Obligation
12/31/15	121,995	100%	\$0
12/31/14	124,012	100%	\$ 0
12/31/13	123,749	100%	\$ 0

Covered Employees

As of December 31, 2015, the following employees were covered by benefit terms:

Retirees and Beneficiaries	24
Inactive, Non retired members	25
Active Members	24
Total	<u>73</u>

Net Pension Liability

The Library's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Actuarial Assumptions

The following are the methods and assumptions used in the calculation of the 2015 contribution rate.

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed.
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year smoothed market: 20% corridor
Wage Growth	4.00%
Inflation Rate	3.00%
Projected Salary Increases	4.40% to 16.00%
Investment Rate of Return	7.50%
Projected Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated in 2011 for the period from 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

**NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

The following are methods and assumptions used to determine the pension liability.

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%

Actuarial Assumptions

Projected Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.46%

Projected Retirement Age Experienced-based table of rates that are specific to the type of eligibility condition. Last updated in 2014 for the period from 2011 to 2013.

Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014.	
	Retirees	The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
	Disabled Retirees	The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied to non-disabled lives
	Active Members	The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Single Discount Rate

Single Discount Rate 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed the plan members' contributions will be made at the current contribution rate, and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.46%.

Changes in the Net Pension Liability

Changes in the Net Pension Liability are derived from the changes in the total pension liability and changes in the plan net position. The Schedule of Changes in Net Pension Liability and Related Ratios, presented as required supplemental information (RSI) following the Notes to the Financial Statements, presents current period changes in the total pension liability and plan net position.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or higher.

	1% Decrease	Current	1% Increase
Total Pension Liability	5,006,786	4,427,292	3,953,989
Plan Fiduciary Net Position	<u>3,305,831</u>	<u>3,305,831</u>	<u>3,305,831</u>
Net Pension Liability	<u>1,700,955</u>	<u>1,121,461</u>	<u>648,158</u>

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the calendar year ended December 31, 2015, the Library recognized pension expense of \$67,972. At June 30, 2016, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 119,652
Assumption Changes	83,711
Net difference between projected and actual Earnings on pension plan investments	206,728
Pension Contributions made Subsequent to Measurement Date	<u>64,314</u>
Total	<u>\$ 474,405</u>

Deferred Outflows and Deferred Inflows of Resources by Year to be recognized in Future Pension Expense

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ 155,424
2016	136,470
2017	72,885
2018	<u>45,312</u>
Total	<u>\$ 410,091</u>

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 - CHANGES IN PROPERTY, PLANT AND EQUIPMENT

During the year ended June 30, 2016, property, plant and equipment additions and disposals were as follows:

	Balance June 30, 2015	Additions	Disposals	Balance June 30, 2013
Capital Assets:				
Land	\$582,664			\$582,664
Land Improvements	346,992			346,992
Buildings	7,927,578	23,415		7,950,993
Books	2,222,679	99,482		2,322,161
Office Furniture and Equipment	1,926,717	16,125		1,942,842
Total Capital Assets	<u>12,413,619</u>	<u>139,022</u>	<u>0</u>	<u>13,145,652</u>
Less Accumulated Depreciation for:				
Land	\$0			\$0
Land Improvements	166,472	17,648		184,120
Buildings	3,696,059	264,838		3,960,897
Books	1,930,320	81,083		2,011,403
Office Furniture and Equipment	1,893,477	18,132		1,911,609
Total Accumulated Depreciation	<u>\$7,686,328</u>	<u>\$381,701</u>	<u>\$0</u>	<u>\$8,068,029</u>
Total Capital Assets Net of Depreciation	<u><u>\$6,380,016</u></u>	<u><u>-\$242,679</u></u>	<u><u>\$0</u></u>	<u><u>\$5,077,623</u></u>

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 – INTERFUND RECEIVABLES/ PAYABLES

<u>Major Funds:</u>	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
General	\$ 275,578	\$ -
Building Grounds and Improvements	-	38,500
Debt Service		181,564
Construction and Building Maintenance	-	11,233
<u>Non Major Funds</u>		
IMRF	\$ -	\$ 1,046
Social Security	-	1,171
Audit	-	1,592
Insurance	-	40,472
Total	<u>\$ 275,578</u>	<u>\$ 275,578</u>

Funds borrowed expect to be paid back in the next fiscal year.

<u>Major Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 354	\$ 147,155
Construction and Building Maintenance	-	-
<u>Non Major Funds</u>		
IMRF	\$ 76,778	\$ -
Working Cash	-	354
Social Security	36,474	-
Audit	9,525	-
Insurance	24,378	-
Total	<u>\$ 147,509</u>	<u>\$ 147,509</u>

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 17, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

NEW LENOX PUBLIC LIBRARY DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Actual</u>	<u>Budget</u>
<u>Personnel Services</u>		
Salaries	\$ 947,065	\$ 1,600,000
Staff development	-	20,000
Health insurance and benefits	104,100	175,000
	<hr/>	<hr/>
Total personnel services	\$ 1,051,165	\$ 1,795,000
	<hr/>	<hr/>
<u>Operating and Contractual Services</u>		
Continuing Education	\$ 6,116	\$ -
Software Licenses	8,873	15,000
Travel & seminars	5,553	-
Dues and membership	1,981	-
POS Fees	542	-
Telephone	6,730	7,700
Consortium	29,313	30,000
Legal services	2,439	9,000
	<hr/>	<hr/>
Total operating and contractual services	\$ 61,547	\$ 61,700
	<hr/>	<hr/>
<u>Materials and Supplies</u>		
Computer line	\$ 1,625	\$ 2,000
Adult materials	127,347	147,000
Juvenile materials	25,088	50,000
Tech. processing supplies	6,469	16,000
Programs and supplies	11,744	30,000
Circulation expenses	738	-
Office supplies	2,875	8,000
Computer supplies	226	4,000
Copy machine supplies	21,120	18,700
Postage	775	1,500
Publicity & pub. Releases	5,147	13,000
Legal notices	779	2,000
Miscellaneous	-	-
	<hr/>	<hr/>
Total materials and supplies	\$ 203,933	\$ 292,200
	<hr/>	<hr/>
<u>Contingencies</u>	\$ 19,923	\$ 90,000
	<hr/>	<hr/>
<u>Capital Expenditures and Reserves</u>		
Library and office equipment	\$ 3,066	\$ 10,000
Computers	-	40,000
	<hr/>	<hr/>
Total capital expenditures and reserves	\$ 3,066	\$ 50,000
	<hr/>	<hr/>
Total General Fund	<u>\$ 1,339,634</u>	<u>\$ 2,288,900</u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to financial statements.

**NEW LENOX PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

New Lenox Public Library District
Employer Number 05776R
ILLINOIS MUNICIPAL RETIREMENT FUND

**REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress
June 30, 2016**

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 ©	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2015	248,942	1,273,939	1,024,997	19.54%	819,858	125.02%
12/31/2014	476,766	1,567,226	1,090,460	30.42%	794,442	137.26%
12/31/2013	738,522	1,690,173	951,651	43.70%	787,209	120.89%

On a market value basis, the actuarial value of assets as of December 31, 2015 is \$ 211,202.
On a market basis the funded ratio would be 16.58%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the New Lenox Public Library District. They do not include amounts for retirees.
The actuarial accrued liability for retirees is 100% funded.

In accordance with GASB Statement No. 68 the financial statements of employers also include required supplementary information showing the 10-year fiscal history of:

Sources of Changes in the net pension liability

Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll, and

Comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

Schedule of Contributions

Plan Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	116,960	119,087	-2,127	780,252	15.26%
2015	121,995	130,166	-8,171	819,858	15.88%

See accompanying notes to required supplementary information

**NEW LENOX PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

New Lenox Public Library District
Employer Number 05776R
ILLINOIS MUNICIPAL RETIREMENT FUND

Total Pension Liability	December 31, 2015
Service Cost	\$ 86,609
Interest on the Total Pension Liability	305,322
Benefit Changes	-
Difference between Expected and Actual Experience	108,728
Assumption Changes	-
Benefit Payments and Refunds	<u>(245,689)</u>
Net Change in Total Pension Liability	254,970
Total Pension Liability - Beginning	<u>4,172,322</u>
Total Pension Liability - Ending	<u>\$ 4,427,292</u>
Plan Fiduciary Net Position	
Employer Contributions	\$ 130,166
Employee Contributions	36,891
Pension Plan Net Investment Income	15,646
Benefit Payments and Refunds	(245,689)
Other	<u>200,290</u>
Net Change in Plan Fiduciary Net Position	137,304
Plan Fiduciary Net Position- Beginning	<u>3,168,527</u>
Plan Fiduciary Net Position- Ending	<u>\$ 3,305,831</u>
Net Pension Liability	<u>\$ 1,121,461</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	74.67%
Covered Valuation Payroll	\$ 819,858
Net Pension Liability as a percentage of Covered Valuation Payroll	136.79%

See accompanying notes to required supplementary information

NEW LENOX PUBLIC LIBRARY DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Fund Types
For the Year Ended June 30, 2016

	General		Building and Grounds Improvements		Construction & Bldg. Maintenance		Debt Service		Non Major Governmental Funds		Total Governmental Funds	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Revenues												
Property taxes	\$ 1,512,606	\$ 1,780,741	\$ -	\$ -	\$ 190,869	\$ 200,000	\$ 1,005,094	\$ -	\$ 100,777	\$ 4,000	\$ 2,809,346	\$ 1,984,741
Grants	-	46,000	-	-	-	-	-	-	-	-	-	46,000
Personal property replacement tax	15,078	20,000	-	-	-	-	-	-	-	-	15,078	20,000
Interest	274	6,000	2,019	-	13	-	211	-	342	-	2,859	6,000
Rental Income	4,075	-	-	-	-	-	-	-	-	-	4,075	-
Fines	23,286	30,000	-	-	-	-	-	-	-	-	23,286	30,000
Copy Machine	2,670	3,000	-	-	-	-	-	-	-	-	2,670	3,000
Impact Fees	-	-	54,111	-	-	-	-	-	-	-	54,111	-
Donations	112,122	10,000	-	-	-	-	-	-	-	-	112,122	10,000
Library fees, services, & other	71,868	66,500	-	-	-	-	-	-	-	-	71,868	66,500
Total revenue	\$ 1,741,979	\$ 1,962,241	\$ 56,130	\$ -	\$ 190,882	\$ 200,000	\$ 1,005,305	\$ -	\$ 101,119	\$ 4,000	\$ 3,095,415	\$ 2,166,241
Expenditures												
Personnel Services	\$ 1,051,165	\$ 1,795,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,808	\$ 217,400	1,255,973	2,012,400
Material and supplies	203,933	-	18,736	-	-	-	-	-	-	-	222,669	-
Operating and contractual services	61,547	61,700	-	-	-	-	-	-	51,728	72,900	113,275	134,600
Building and maintenance expenditures	-	-	-	-	172,824	233,250	-	-	-	-	172,824	233,250
Capital expenditures and reserves	3,066	-	63,709	-	-	75,000	-	-	-	-	66,775	75,000
Debt Service	-	-	-	-	-	-	996,250	996,250	-	-	996,250	996,250
Contingencies	19,923	-	-	-	-	-	-	-	-	202,033	19,923	202,033
Total expenditures	\$ 1,339,634	\$ 1,856,700	\$ 82,445	\$ -	\$ 172,824	\$ 308,250	\$ 996,250	\$ 996,250	\$ 256,536	\$ 492,333	2,847,689	3,653,533
Excess (deficiency) of revenue over (under) expenditures	402,345	105,541	(26,315)	-	18,058	(108,250)	9,055	(996,250)	(155,417)	(488,333)	247,726	(1,487,292)
Other Financing Sources												
Proceeds from Bond Issuance	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	354	-	-	-	-	-	-	-	147,155	-	147,509	-
Total Other Financing Sources	354	-	-	-	-	-	-	-	147,155	-	147,509	-
Other Financing Uses												
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	(147,155)	-	-	-	-	-	-	-	(354)	-	(147,509)	-
Total Other Financing Uses	(147,155)	-	-	-	-	-	-	-	(354)	-	(147,509)	-
Net Changes in Fund Balances	255,544	105,541	(26,315)	-	18,058	(108,250)	9,055	(996,250)	(8,616)	(488,333)	247,726	(1,487,292)
Fund Balance, July 1, 2015	1,018,465	-	428,988	-	9,595	-	576,516	-	210,864	-	2,244,428	-
Fund balance June 30, 2016	\$ 1,274,009	\$ 105,541	\$ 402,673	\$ -	\$ 27,653	\$ (108,250)	\$ 585,571	\$ (996,250)	\$ 202,248	\$ (488,333)	\$ 2,492,154	\$ (1,487,292)

These financial statements should be read only in connection with the accompanying auditor's report and notes to financial statements

NEW LENOX PUBLIC LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary information includes financial information and disclosures that are required by GASB but are not considered part of the basic financial statements. Such information includes:

- Schedule of Funding Progress – IMRF and Changes in Net Pension Liability
- Budget Comparison Schedule – General Fund
- Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Notes to the Required Supplementary Information

- The Library District adopted a budget for the fiscal year ended June 30, 2016 on September 21, 2015. Budgetary integration is used as a management control device.

SUPPLEMENTARY INFORMATION

NEW LENOX PUBLIC LIBRARY DISTRICT
CONSTRUCTION & BUILDING MAINTENANCE FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Actual</u>	<u>Budget</u>
<u>Building and maintenance services</u>		
Utilities	\$ 69,300	\$ 90,000
Trash disposal	540	\$ 550
Consumables	2,141	2,800
Tools & equipment	210	900
Building and grounds maintenance	61,363	70,000
Janitorial service	31,795	40,000
HVAC	3,599	25,000
Elevator	2,121	2,200
Sewer and water	<u>1,755</u>	<u>1,800</u>
Total Building and maintenance services	<u>\$ 172,824</u>	<u>\$ 233,250</u>
<u>Capital Expenditures and Reserves</u>		
Computers	\$ -	\$ -
Legal fees	-	-
Library and office equipment	<u>-</u>	<u>75,000</u>
Total capital outlay	<u>-</u>	<u>75,000</u>
Total Construction & Building Maintenance Fund	<u><u>\$ 172,824</u></u>	<u><u>\$ 308,250</u></u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to financial statements

NEW LENOX PUBLIC LIBRARY DISTRICT
BUILDING AND GROUNDS IMPROVEMENTS FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	Actual	Budget
<u>Operating and Contractual Services</u>		
Software Licenses	\$ -	\$ -
Legal Fees	-	-
Consultant Fees	-	-
	-	-
Total operating and contractual services	\$ -	\$ -
<u>Materials and Supplies</u>		
Adult materials	\$ -	\$ -
Juvenile materials	18,736	-
Tech. processing supplies	-	-
	-	-
Total materials and supplies	\$ 18,736	\$ -
<u>Contingencies</u>	\$ -	\$ -
<u>Capital Expenditures and Reserves</u>		
Library and office equipment	\$ 37,425	\$ -
Computers	26,284	-
	-	-
Total capital expenditures and reserves	\$ 63,709	\$ -
Total Building and Grounds Improvements Fund	\$ 82,445	\$ -

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements

NEW LENOX PUBLIC LIBRARY DISTRICT
DEBT SERVICE FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Actual</u>	<u>Budget</u>
<u>Debt Service Expenditures</u>		
Principal	\$ 885,000	\$ 945,050
Interest	<u>\$ 111,250</u>	<u>\$ 51,200</u>
Total debt service expenditures	<u>996,250</u>	<u>996,250</u>
Total Debt Service Fund	<u><u>\$ 996,250</u></u>	<u><u>\$ 996,250</u></u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to financial statements

NEW LENOX PUBLIC LIBRARY DISTRICT
INSURANCE FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Actual</u>	<u>Budget</u>
<u>Operating and Contractual services</u>		
Building contents insurance	\$ 21,970	\$ 30,000
Risk management / safety program	3,093	5,900
Workers' compensation	5,282	5,000
Unemployment compensation	2,517	1,500
Liability insurance	2,097	5,000
Contingencies	<u>-</u>	<u>9,500</u>
 Total operating and contractual services	 <u>34,959</u>	 <u>56,900</u>
 Total Insurance Fund	 <u><u>\$ 34,959</u></u>	 <u><u>\$ 56,900</u></u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to financial statements

NEW LENOX PUBLIC LIBRARY DISTRICT
SOCIAL SECURITY FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Actual</u>	<u>Budget</u>
<u>Personnel Services</u>		
Social Security	<u>\$ 70,883</u>	<u>\$ 81,000</u>
Total personnel services	<u>70,883</u>	<u>81,000</u>
Total Social Security Fund	<u><u>\$ 70,883</u></u>	<u><u>\$ 81,000</u></u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to financial statements

NEW LENOX PUBLIC LIBRARY DISTRICT
AUDIT FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Actual</u>	<u>Budget</u>
<u>Operating and Contractual services</u>		
Audit & accounting fees	<u>\$ 16,769</u>	<u>\$ 16,000</u>
Total operating and contractual services	<u>16,769</u>	<u>16,000</u>
Total Audit Fund	<u><u>\$ 16,769</u></u>	<u><u>\$ 16,000</u></u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to financial statements

NEW LENOX PUBLIC LIBRARY DISTRICT
IMRF FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	<u>Actual</u>	<u>Budget</u>
<u>Personnel Services</u>		
IMRF	<u>\$ 133,925</u>	<u>\$ 136,400</u>
Total personnel services	<u>133,925</u>	<u>136,400</u>
Total IMRF Fund	<u><u>\$ 133,925</u></u>	<u><u>\$ 136,400</u></u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to financial statements

NEW LENOX PUBLIC LIBRARY DISTRICT
Combining Balance Sheet - Non Major Governmental Funds
June 30, 2016

	IMRF Fund	Social Security Fund	Audit Fund	Insurance Fund	Working Cash Fund	Total Other Governmental Funds
<u>Assets</u>						
Cash and interest bearing accounts	\$ 1,046	\$ 1,171	\$ 1,592	\$ 40,472	\$ 202,056	\$ 246,337
Investments	-	-	-	-	-	-
Receivable net allowance for uncollectible amounts:						
Property taxes	577	577	577	577	-	2,308
Interest	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 1,623</u>	<u>\$ 1,748</u>	<u>\$ 2,169</u>	<u>\$ 41,049</u>	<u>\$ 202,056</u>	<u>\$ 248,645</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable - current	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-
Deferred tax revenue	529	529	529	529	-	2,116
Due to other funds	1,046	1,171	1,592	40,472	-	44,281
Bonds payable - long-term	-	-	-	-	-	-
Total liabilities	<u>\$ 1,575</u>	<u>\$ 1,700</u>	<u>\$ 2,121</u>	<u>\$ 41,001</u>	<u>\$ -</u>	<u>\$ 46,397</u>
<u>Fund equity</u>						
Fund balance unrestricted	48	48	48	48	202,056	202,248
Total fund equity	<u>48</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>202,056</u>	<u>202,248</u>
Total liabilities and fund equity	<u>\$ 1,623</u>	<u>\$ 1,748</u>	<u>\$ 2,169</u>	<u>\$ 41,049</u>	<u>\$ 202,056</u>	<u>\$ 248,645</u>

NEW LENOX PUBLIC LIBRARY DISTRICT
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Non Major Governmental Funds
For the Year Ended June 30, 2016

	IMRF Fund		Social Security Fund		Audit Fund		Insurance Fund		Working Cash Fund		Total	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Revenues												
Property taxes	\$ 52,546	\$ 1,000	\$ 31,677	\$ 1,000	\$ 6,746	\$ 1,000	\$ 9,808	\$ 1,000	\$ -	\$ -	\$ 100,777	\$ 4,000
State Grant	-	-	-	-	-	-	-	-	-	-	-	-
Personal property replacement tax	7	-	4	-	1	-	1	-	329	-	342	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Copy Machine	-	-	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-	-	-	-	-
Library fees, services & other	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	52,553	1,000	31,681	1,000	6,747	1,000	9,809	1,000	329	-	101,119	4,000
Expenditures												
Personnel services	133,925	136,400	70,883	81,000	-	-	-	-	\$ -	\$ -	\$ 204,808	\$ 217,400
Material and supplies	-	-	-	-	-	-	-	-	-	-	-	-
Operating and contractual services	-	-	-	-	16,769	16,000	34,959	56,900	-	-	51,728	72,900
Building and maintenance expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditures and reserves	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-	-	202,033	-	-	202,033
Total expenditures	133,925	136,400	70,883	81,000	16,769	16,000	34,959	56,900	-	202,033	256,536	492,333
Excess (deficiency) of revenue over (under) expenditures	(81,372)	(135,400)	(39,202)	(80,000)	(10,022)	(15,000)	(25,150)	(55,900)	329	(202,033)	(155,417)	(488,333)
Other Financing Sources												
Proceeds from Bond Issuance	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	76,778	-	36,474	-	9,525	-	24,378	-	-	-	147,155	-
Total Other Financing Sources	76,778	-	36,474	-	9,525	-	24,378	-	-	-	147,155	-
Other Financing Uses												
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	(354)	-	(354)	-
Total Other Financing Sources	-	-	-	-	-	-	-	-	(354)	-	(354)	-
Net Changes in Fund Balances	(4,594)	-	(2,728)	-	(497)	-	(772)	-	(25)	-	(8,616)	(488,333)
Fund Balance July 1, 2015	4,642		2,776		545		820		202,081		210,864	
Fund balance June 30, 2016	\$ 48		\$ 48		\$ 48		\$ 48		\$202,056		\$ 202,248	

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements

NEW LENOX PUBLIC LIBRARY DISTRICT
Schedule of Assessed Valuations, Tax Rates,
Extensions and Collections
June 30, 2016

	<u>2013</u>	<u>2014</u>
<u>Assessed Valuations</u>		
Railroads	\$ 1,516,446	\$ 1,652,946
Farms	6,345,276	6,237,237
Non-farms	1,134,597,657	1,140,234,420
Total	<u>\$1,142,459,379</u>	<u>\$1,148,124,603</u>
<u>Property tax rates</u>		
Social Security and IMRF	0.0163	0.0163
Building construction and maintenance	0.0160	0.0165
General	0.1152	0.1193
Debt Service	0.0841	0.0876
Audit	0.0011	0.0012
Insurance	<u>0.0017</u>	<u>0.0018</u>
Total	<u>0.2344</u>	<u>0.2427</u>
<u>Extended tax levies</u>		
Social Security and IMRF	\$ 186,221	\$ 187,145
Building construction and maintenance	182,794	189,440
General	1,316,113	1,369,713
Debt Service	960,808	1,005,757
Audit	12,567	13,777
Insurance	<u>19,422</u>	<u>20,666</u>
Total	<u>\$ 2,677,925</u>	<u>\$ 2,786,498</u>
<u>Collections</u>		
Social Security and IMRF	\$ 185,792	\$ 186,710
Building construction and maintenance	182,372	188,989
General	1,313,077	1,366,573
Debt Service	958,564	1,003,440
Audit	12,557	13,734
Insurance	<u>19,370</u>	<u>20,628</u>
Total	<u>\$ 2,671,732</u>	<u>\$ 2,780,074</u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to financial statements