

**NEW LENOX PUBLIC LIBRARY DISTRICT**

**New Lenox, Illinois  
Annual Financial Report  
For the Year Ended**

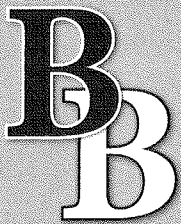
**JUNE 30, 2017**

**NEW LENOX PUBLIC LIBRARY DISTRICT, ILLINOIS**  
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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, 2017, 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**

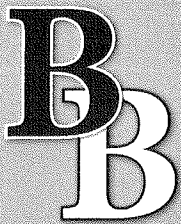
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2017 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, 2017 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, Illinois  
December 29, 2017

Bruns & Bruns, Ltd,  
Certified Public Accountants

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**Management Discussion and Analysis**  
**June 30, 2017**

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, 2017, the Library had 1,934,931 invested in capital assets, net of depreciation and related debt. The Library had \$133,384 of additions to capital assets for the fiscal year ended June 30, 2017. The Library had \$2,873,420 of outstanding debt (net of bond premiums, discounts) as of June 30, 2017.

**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 \$ 3,929,167. The following table provides a summary of the Library District's net position:

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**Management Discussion and Analysis**  
**June 30, 2017**

**Summary of Net Position**

	Governmental <u>Activities</u> <b>2017</b>	Governmental <u>Activities</u> <b>2016</b>
<b>Assets:</b>		
Current Assets	\$ 4,030,263	\$ 3,802,326
Capital Assets	<u>4,828,351</u>	<u>5,077,623</u>
Total Assets	<u>8,858,614</u>	<u>8,879,949</u>
Deferred Outflows of Resources	<u>396,994</u>	<u>578,608</u>
Total Assets and Deferred Outflows of Resources	<u>9,255,608</u>	<u>9,458,557</u>
<b>Liabilities:</b>		
Current liabilities	2,098,925	2,074,310
Long-term liabilities	<u>1,948,420</u>	<u>2,898,788</u>
Total liabilities	<u>4,047,345</u>	<u>4,973,098</u>
Deferred Inflows of Resources		
Deferred Inflow of Resources Related to Pension	-	-
Deferred Revenue	<u>1,279,096</u>	<u>1,262,323</u>
Total Deferred Inflows of Resources	<u>1,279,096</u>	<u>1,262,323</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,326,441</u>	<u>6,235,421</u>
Invested in capital assets, net of related debt	1,954,931	1,273,835
Restricted for Capital Projects	422,148	402,673
Restricted for Debt Service	596,397	585,571
Restricted for Bldg Construction & Maint.	2,012	27,653
Restricted for Special Revenue	6,615	192
Unrestricted	<u>947,064</u>	<u>933,212</u>
Total Net Position	<u>\$ 3,929,167</u>	<u>\$ 3,223,136</u>

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**Management Discussion and Analysis**  
**June 30, 2017**

The following data is reported on the accrual basis of accounting which means that all costs are presented, however, the increase in capital assets (\$133,384) and retirement of debt service (\$905,000) 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:

	2017		2016	
	Governmental	Percentage	Governmental	Percentage
	Activities	of Total	Activities	of Total
Revenues:				
General Revenues				
Taxes	\$ 2,881,433	95%	\$2,824,424	91%
Impact Fees	71,109	2%	54,111	2%
Investment Earnings	3,085	0%	2,859	0%
Program Revenue				
Grants and Donations	28,403	1%	112,122	4%
Charges for Services	39,369	2%	101,899	3%
Total Revenue	<u>3,023,399</u>	<u>100%</u>	<u>3,095,415</u>	<u>100%</u>
Expenses:				
General Government	2,219,614	96%	2,028,168	94%
Interest on debt service	97,754	4%	115,654	6%
Total expenses	<u>2,317,368</u>	<u>100%</u>	<u>2,143,822</u>	<u>100%</u>
Change in Net Position	706,031		951,593	
Beginning Net Position	<u>3,223,136</u>		<u>2,271,543</u>	
Ending Net Position	<u>\$ 3,929,167</u>		<u>\$ 3,223,136</u>	



**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**Management Discussion and Analysis**  
**June 30, 2017**

**Revenues**

The Library District is heavily reliant on taxes to support its operations. Taxes provided 95% of the Library District's 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, 2017.

**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 2016 was .2349 and .2415 for 2015. This represents a 3% decrease from 2015 and the year the property tax levied increased around 2%.

**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 \$947,064.

**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, 2017**

	Governmental Activities
<b><u>Assets</u></b>	
Current Assets:	
Cash	\$ 2,428,719
Investments	143,791
Receivable net allowance for uncollectible amounts:	
Property taxes	1,457,753
Miscellaneous	-
Total Current Assets	<u>4,030,263</u>
Capital Assets, Net of Depreciation	
Land	582,664
Land Improvements	145,222
Buildings	3,742,126
Library Books and Materials	329,180
Office Furniture and Equipment	29,159
Total Capital Assets	<u>4,828,351</u>
Total Assets	<u>8,858,614</u>
<b><u>Deferred Outflow of Resources</u></b>	
Deferred Bond Refunding Costs	74,431
Pension Related	322,563
Total of Deferred Outflow of Resources	<u>396,994</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,255,608</u>
<b><u>Liabilities</u></b>	
Accounts payable	\$ 40,937
Bonds payable - current	925,000
Accrued payroll	35,215
Net Pension Liability	1,097,773
Bonds Payable - long-term, net	1,948,420
Total Liabilities	<u>4,047,345</u>
<b><u>Deferred Inflow of Resources</u></b>	
Deferred tax revenue	1,279,096
Total Deferred Inflow of Resources	<u>1,279,096</u>
Total liabilities and Deferred Inflow of Resources	<u>\$ 5,326,441</u>
<b><u>Net Position</u></b>	
Invested in Capital assets, net of related debt	1,954,931
Restricted for Capital Projects	422,148
Restricted for Building Construction & Maintenance	2,012
Restricted for Debt Service	596,397
Restricted Special Revenue	6,615
Unrestricted	947,064
Total Net Position	<u>3,929,167</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 9,255,608</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, 2017**

<b><u>Functions / Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenues</u></b>		<b><u>Net (Expense) Revenue and Changes in Net Assets</u></b>
		<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	
General government	\$ 2,219,614	39,369	28,403	\$ (2,151,842)
Interest	97,754		-	(97,754)
Total Government Activities	\$ 2,317,368	\$ 39,369	\$ 28,403	\$ (2,249,596)
<b><u>General Revenues</u></b>				
Property taxes				\$ 2,864,683
Personal Property Taxes				16,750
Investment Earnings				3,085
Impact Fees				71,109
Total General Revenues				\$ 2,955,627
Change in Net Position				\$ 706,031
<b><u>Net Position</u></b>				
Net Position July 1, 2016				\$ 3,223,136
Net Position June 30, 2017				\$ 3,929,167

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, 2017**

<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	\$ 1,146,366	\$ 294,699	\$ 17,546	\$ 725,095	\$ 245,013	\$ 2,428,719
Investments	-	143,791	-	-	-	143,791
Receivable net allowance for uncollectible amounts:						
Property taxes	800,555	-	93,083	510,130	53,985	1,457,753
Due from other funds	273,310	-	-	-	-	273,310
Total assets	<u>\$ 2,220,231</u>	<u>\$ 438,490</u>	<u>\$ 110,629</u>	<u>\$ 1,235,225</u>	<u>\$ 298,998</u>	<u>\$ 4,303,573</u>

**Liabilities**

Current Liabilities:						
Accounts payable	\$ 36,765	\$ 3,237	\$ -	\$ -	935	\$ 40,937
Bonds payable - current	-	-	-	-	-	-
Accrued payroll	35,215	-	-	-	-	35,215
Deferred tax revenue	702,441	-	81,674	447,611	47,370	1,279,096
Due to other funds	-	13,105	26,943	191,217	42,045	273,310
Total liabilities	<u>\$ 774,421</u>	<u>\$ 16,342</u>	<u>\$ 108,617</u>	<u>\$ 638,828</u>	<u>\$ 90,350</u>	<u>\$ 1,628,558</u>

**Fund equity**

Unassigned Fund Balance	1,445,810	422,148	2,012	596,397	208,648	1,445,810
Restricted Fund balance	-	422,148	2,012	596,397	208,648	1,229,205
Total fund equity	<u>1,445,810</u>	<u>422,148</u>	<u>2,012</u>	<u>596,397</u>	<u>208,648</u>	<u>2,675,015</u>
Total liabilities and fund equity	<u>\$ 2,220,231</u>	<u>\$ 438,490</u>	<u>\$ 110,629</u>	<u>\$ 1,235,225</u>	<u>\$ 298,998</u>	<u>\$ 4,303,573</u>

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

Total Fund Balances - Governmental Funds \$ 2,675,015

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 4,828,351

Deferred Outflows of Resources Related to Pension are not included in the fund financial statements 322,563

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. (3,896,762)

Net Assets of Governmental Activities \$ 3,929,167

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, 2017**

	General	Building and Grounds Improvements	Construction and Building Maintenance	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	1,605,940	\$ -	\$ 188,038	\$ 1,009,176	\$ 61,529	\$ 2,864,683
State grant	28,403	-	-	-	-	28,403
Personal property replacement tax	16,750	-	-	-	-	16,750
Interest	4	2,663	-	-	418	3,085
Rental Income	4,717	-	-	-	-	4,717
Fines	24,389	-	-	-	-	24,389
Copy Machine	3,347	-	-	-	-	3,347
Impact Fees	-	71,109	-	-	-	71,109
Donations	-	-	-	-	-	-
Library fees, services, & other	6,916	-	-	-	-	6,916
<b>Total Revenue</b>	<b>\$ 1,690,466</b>	<b>\$ 73,772</b>	<b>\$ 188,038</b>	<b>\$ 1,009,176</b>	<b>\$ 61,947</b>	<b>\$ 3,023,399</b>
<b>Expenditures</b>						
Personnel Services	\$ 1,041,399	\$ -	\$ -	\$ -	\$ 195,709	\$ 1,237,108
Material and supplies	214,167	8,163	-	-	-	222,330
Operating and contractual services	62,172	-	-	-	53,048	115,220
Building and maintenance expenditures	-	-	213,679	-	-	213,679
Capital expenditures and reserves	-	46,134	-	-	-	46,134
Debt Service	-	-	-	998,350	-	998,350
Contingencies	7,717	-	-	-	-	7,717
<b>Total expenditures</b>	<b>\$ 1,325,455</b>	<b>\$ 54,297</b>	<b>\$ 213,679</b>	<b>\$ 998,350</b>	<b>\$ 248,757</b>	<b>\$ 2,840,538</b>
Excess of revenue over (under) expenditures	365,011	19,475	(25,641)	10,826	(186,810)	182,861
<b>Other Financing Sources</b>						
Proceeds from Bond Issuance	-	-	-	-	-	-
Operating Transfers In	441	-	-	-	193,651	194,092
Total Other Financing Sources	441	-	-	-	193,651	194,092
<b>Other Financing Uses</b>						
Payment to refunded bond escrow agent	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Operating Transfers Out	(193,651)	-	-	-	(441)	(194,092)
Total Other Financing Uses	(193,651)	-	-	-	(441)	(194,092)
Net Changes in Fund Balances	171,801	19,475	(25,641)	10,826	6,400	182,861
<b>Fund Balance</b>						
July 1, 2016	1,274,009	402,673	27,653	585,571	202,248	2,492,154
Fund Balance June 30, 2017	<u>\$ 1,445,810</u>	<u>\$ 422,148</u>	<u>\$ 2,012</u>	<u>\$ 596,397</u>	<u>\$ 208,648</u>	<u>\$ 2,675,015</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**  
**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, 2017**

Net Changes in Fund Balances - Total Governmental Funds	\$ 182,861
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 ( \$382,656 depreciation less \$133,384 current additions).	(249,272)
Repayment of principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Assets.	905,000
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	(151,842)
Net Pension Liability is not reported in the fund financial statements	<u>23,688</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 706,031</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, 2017**

**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, 2017**

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, 2017**

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, 2017**

**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 August 8, 2016. 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, 2017**

**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, 2017.

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, 2017. 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, except for funds held at one bank, in which the amount held exceeded federal depository insurance by \$88,098, therefore the Library has some custodial credit risk as of June 30, 2017. 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 (2016) 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

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

Statement 1 of the Governmental Accounting and Financial Reporting Principles (GAFRP), because they are budgeted and used in the current fiscal year. Property taxes for the 2015 tax levy were due June 1, 2016 and September 1, 2016, and for the 2016 tax levy were due June 1, 2017 and September 1, 2017. 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, 2017**

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, 2017 was \$93,350.

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>
2018	995,425
2019	997,225
2020	<u>943,950</u>
Total	2,936,600
Less Interest	<u>126,600</u>
Outstanding Principal	\$ 2,810,000
Plus Bond Premium	<u>63,420</u>
Balance as of June 30, 2017	<u>\$ 2,873,420</u>

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**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](http://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, 2017**

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 2016 was 15.72 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, 2016, the employer's required contribution was \$127,754.

**Three-Year Trend Information for the Regular Plan**

<b>Actuarial</b>		<b>Percentage</b>	
<b>Valuation</b>	<b>Annual Pension</b>	<b>of APC</b>	<b>Net Pension</b>
<b>Date</b>	<b>Cost (APC)</b>	<b>Contributed</b>	<b>Obligation</b>
12/31/16	127,574	100%	\$0
12/31/15	121,995	100%	\$0
12/31/14	124,012	100%	\$ 0

Covered Employees

As of December 31, 2016, the following employees were covered by benefit terms:

Retirees and Beneficiaries	26
Inactive, Non retired members	25
Active Members	<u>23</u>
Total	<u><u>74</u></u>

Net Pension Liability

The Library's net pension liability was measured as of December 31, 2016. 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, 2017**

Actuarial Assumptions

**The following are the methods and assumptions used in the calculation of the 2016 contribution rate.**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed.
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year smoothed market: 20% corridor
Wage Growth	3.50%
Inflation Rate	2.75%
Projected Salary Increases	3.75% to 14.5%
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 2014 for the period from 2011 to 2013.
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014(base year 2012).

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

Actuarial Cost Method	Aggregate 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	7.50%



**NEW LENOX PUBLIC LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017**

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:

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 3.78%; and the resulting single discount rate is 7.50%.

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

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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	5,150,557	4,558,739	4,076,267
Plan Fiduciary Net Position	<u>3,460,966</u>	<u>3,460,966</u>	<u>3,460,966</u>
Net Pension Liability	<u>1,689,591</u>	<u>1,097,773</u>	<u>615,301</u>

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

For the calendar year ended December 31, 2016, the Library recognized pension expense of \$253,189. As of June 30, 2017, 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	\$ 74,768
Assumption Changes	19,803
Net difference between projected and actual Earnings on pension plan investments	166,217
Pension Contributions made Subsequent to Measurement Date	<u>61,775</u>
Total	<u>\$ 322,563</u>

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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>
2017	\$ 136,980
2018	73,395
2019	47,091
2020	<u>3,322</u>
Total	<u>\$ 260,788</u>

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 - CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

During the year ended June 30, 2017, property, plant and equipment additions and disposals were as follows:

	Balance June 30, 2016	Additions	Disposals	Balance June 30, 2017
Capital Assets:				
Land	\$582,664			\$582,664
Land Improvements	346,992			346,992
Buildings	7,950,993	17,350		7,968,343
Books	2,322,161	104,669		2,426,830
Office Furniture and Equipment	1,942,842	11,365		1,954,207
Total Capital Assets	<u>13,145,652</u>	<u>133,384</u>	<u>0</u>	<u>13,279,036</u>
Less Accumulated Depreciation for:				
Land	\$0			\$0
Land Improvements	184,120	17,649		201,769
Buildings	3,960,897	265,322		4,226,219
Books	2,011,403	86,246		2,097,649
Office Furniture and Equipment	1,911,609	13,439		1,925,048
Total Accumulated Depreciation	<u>\$8,068,029</u>	<u>\$382,656</u>	<u>\$0</u>	<u>\$8,450,685</u>
Total Capital Assets Net of Depreciation	<u><u>\$5,077,623</u></u>	<u><u>-\$249,272</u></u>	<u><u>\$0</u></u>	<u><u>\$4,828,351</u></u>

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 8 – INTERFUND RECEIVABLES/ PAYABLES**

<b><u>Major Funds:</u></b>	<b><u>Inter-fund Receivables</u></b>	<b><u>Inter-fund Payables</u></b>
General	\$ 273,310	\$ -
Building Grounds and Improvements	-	13,105
Debt Service		191,217
Construction and Building Maintenance	-	26,943
<b><u>Non Major Funds</u></b>		
IMRF	\$ -	\$ 221
Social Security	-	346
Audit	-	766
Insurance	-	40,712
Total	<u>\$ 273,310</u>	<u>\$ 273,310</u>

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

<b><u>Major Funds:</u></b>	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
General	\$ 441	\$ 193,651
Construction and Building Maintenance	-	-
<b><u>Non Major Funds</u></b>		
IMRF	\$ 73,466	\$ -
Working Cash	-	441
Social Security	69,495	-
Audit	14,069	-
Insurance	36,621	-
Total	<u>\$ 194,902</u>	<u>\$ 194,902</u>

**NEW LENOX PUBLIC LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 29, 2017, 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, 2017

	<u>Actual</u>	<u>Budget</u>
<b><u>Personnel Services</u></b>		
Salaries	\$ 939,132	\$ 1,500,000
Staff development	-	20,000
Health insurance and benefits	102,267	200,000
Total personnel services	<u>\$ 1,041,399</u>	<u>\$ 1,720,000</u>
<b><u>Operating and Contractual Services</u></b>		
Continuing Education	\$ 3,350	\$ -
Software Licenses	13,035	15,000
Travel & seminars	4,987	-
Dues and membership	3,931	-
POS Fees	504	-
Telephone	7,979	10,000
Consortium	26,804	30,000
Legal services	1,582	15,000
Total operating and contractual services	<u>\$ 62,172</u>	<u>\$ 70,000</u>
<b><u>Materials and Supplies</u></b>		
Computer line	\$ 1,748	\$ 25,000
Adult materials	143,841	150,000
Juvenile materials	23,046	75,000
Tech. processing supplies	138	16,000
Programs and supplies	12,270	30,000
Circulation expenses	-	-
Office supplies	3,453	8,000
Computer supplies	210	5,000
Copy machine supplies	24,336	25,000
Postage	680	1,500
Publicity & pub. Releases	3,598	13,000
Legal notices	847	2,000
Miscellaneous	-	-
Total materials and supplies	<u>\$ 214,167</u>	<u>\$ 350,500</u>
<b><u>Contingencies</u></b>	<u>\$ 7,717</u>	<u>\$ 150,000</u>
<b><u>Capital Expenditures and Reserves</u></b>		
Library and office equipment	\$ -	\$ 10,000
Computers	-	40,000
Total capital expenditures and reserves	<u>\$ -</u>	<u>\$ 50,000</u>
Total General Fund	<u><u>\$ 1,325,455</u></u>	<u><u>\$ 2,340,500</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  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

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

**REQUIRED SUPPLEMENTARY INFORMATION**  
Schedule of Funding Progress  
June 30, 2017

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)
12/31/2016	364,708	1,408,924	1,044,216	25.89%	811,538	128.67%
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%

On a market value basis, the actuarial value of assets as of December 31, 2016 is \$ 333,444.  
On a market basis the funded ratio would be 23.67%.

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%
2016	127,754	127,574	0	811,538	15.72%

See accompanying notes to required supplementary information

**NEW LENOX PUBLIC LIBRARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

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

<b>Total Pension Liability</b>	December 31, 2016
Service Cost	\$ 84,949
Interest on the Total Pension Liability	323,485
Benefit Changes	-
Difference between Expected and Actual Experience	11,847
Assumption Changes	(21,834)
Benefit Payments and Refunds	<u>(267,000)</u>
Net Change in Total Pension Liability	131,447
Total Pension Liability - Beginning	<u>4,427,292</u>
Total Pension Liability - Ending	<u>\$ 4,558,739</u>
<b>Plan Fiduciary Net Position</b>	
Employer Contributions	\$ 127,574
Employee Contributions	36,520
Pension Plan Net Investment Income	228,566
Benefit Payments and Refunds	(267,000)
Other	<u>29,475</u>
Net Change in Plan Fiduciary Net Position	155,135
Plan Fiduciary Net Position- Beginning	<u>3,305,831</u>
Plan Fiduciary Net Position- Ending	<u>\$ 3,460,966</u>
Net Pension Liability	<u>\$ 1,097,773</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	75.92%
Covered Valuation Payroll	\$ 811,538
Net Pension Liability as a percentage of Covered Valuation Payroll	135.27%

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, 2017**

	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
<b>Revenues</b>												
Property taxes	\$ 1,605,940	\$ 1,624,954	\$ -	\$ -	\$ 188,038	\$ 200,000	\$ 1,009,176	\$ 998,350	\$ 61,529	\$ 4,000	\$ 2,864,683	\$ 2,827,304
Grants	28,403	28,404	-	-	-	-	-	-	-	-	28,403	28,404
Personal property replacement tax	16,750	13,500	-	-	-	-	-	-	-	-	16,750	13,500
Interest	4	1,000	2,663	-	-	-	-	-	418	-	3,085	1,000
Rental Income	4,717	4,000	-	-	-	-	-	-	-	-	4,717	4,000
Fines	24,389	23,000	-	-	-	-	-	-	-	-	24,389	23,000
Copy Machine	3,347	3,000	-	-	-	-	-	-	-	-	3,347	3,000
Impact Fees	-	-	71,109	-	-	-	-	-	-	-	71,109	83,000
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Library fees, services, & other	6,916	13,502	-	-	-	-	-	-	-	-	6,916	13,502
Total revenue	\$ 1,690,466	\$ 1,711,360	\$ 73,772	\$ 83,000	\$ 188,038	\$ 200,000	\$ 1,009,176	\$ 998,350	\$ 61,947	\$ 4,000	\$ 3,023,399	\$ 2,996,710
<b>Expenditures</b>												
Personnel Services	\$ 1,041,399	\$ 1,720,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,709	\$ 240,000	\$ 1,237,108	\$ 1,960,000
Material and supplies	214,167	350,500	8,163	-	-	-	-	-	-	-	222,330	350,500
Operating and contractual services	62,172	70,000	-	-	-	-	-	-	53,048	73,000	115,220	143,000
Building and maintenance expenditures	-	-	-	-	213,679	279,950	-	-	-	-	213,679	279,950
Capital expenditures and reserves	-	50,000	46,134	-	-	75,000	-	-	-	-	46,134	125,000
Debt Service	-	-	-	-	-	-	998,350	998,350	-	-	998,350	998,350
Contingencies	7,717	150,000	-	-	-	-	-	-	-	202,033	7,717	352,033
Total expenditures	\$ 1,325,455	\$ 2,340,500	\$ 54,297	\$ -	\$ 213,679	\$ 354,950	\$ 998,350	\$ 998,350	\$ 248,757	\$ 515,033	\$ 2,840,538	\$ 4,208,833
Excess (deficiency) of revenue over (under) expenditures	365,011	(629,140)	19,475	83,000	(25,641)	(154,950)	10,826	-	(186,810)	(511,033)	182,861	(1,212,123)
<b>Other Financing Sources</b>												
Proceeds from Bond Issuance	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	441	-	-	-	-	-	-	-	193,651	-	194,092	-
Total Other Financing Sources	441	-	-	-	-	-	-	-	193,651	-	194,092	-
<b>Other Financing Uses</b>												
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	(193,651)	-	-	-	-	-	-	-	(441)	-	(194,092)	-
Total Other Financing Uses	(193,651)	-	-	-	-	-	-	-	(441)	-	(194,092)	-
Net Changes in Fund Balances	171,801	(629,140)	19,475	83,000	(25,641)	(154,950)	10,826	-	6,400	(511,033)	182,861	(1,212,123)
<b>Fund Balance, July 1, 2016</b>	1,274,009	-	402,673	-	27,653	-	585,571	-	202,248	-	2,492,154	-
Fund balance June 30, 2017	\$ 1,445,810	\$ (629,140)	\$ 422,148	\$ 83,000	\$ 2,012	\$ (154,950)	\$ 596,397	\$ -	\$ 208,648	\$ (511,033)	\$ 2,675,015	\$ (1,212,123)

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, 2017**

**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, 2017 on August 8, 2016. 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, 2017**

	<u>Actual</u>	<u>Budget</u>
<b><u>Building and maintenance services</u></b>		
Utilities	\$ 90,952	\$ 125,000
Trash disposal	597	\$ 750
Consumables	2,113	2,800
Tools & equipment	293	900
Building and grounds maintenance	60,107	80,000
Janitorial service	30,168	40,000
HVAC	25,000	25,000
Elevator	2,180	3,000
Sewer and water	<u>2,269</u>	<u>2,500</u>
Total Building and maintenance services	<u>\$ 213,679</u>	<u>\$ 279,950</u>
<b><u>Capital Expenditures and Reserves</u></b>		
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>\$ 213,679</u></u>	<u><u>\$ 354,950</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, 2017**

	<u>Actual</u>	<u>Budget</u>
<b><u>Operating and Contractual Services</u></b>		
Software Licenses	\$ -	\$ -
Legal Fees	-	-
Consultant Fees	-	-
	<u>-</u>	<u>-</u>
Total operating and contractual services	<u>\$ -</u>	<u>\$ -</u>
 <b><u>Materials and Supplies</u></b>		
Adult materials	\$ -	\$ -
Juvenile materials	-	-
Processing supplies	8,163	-
	<u>8,163</u>	<u>-</u>
Total materials and supplies	<u>\$ 8,163</u>	<u>\$ -</u>
 <b><u>Contingencies</u></b>	<u>\$ -</u>	<u>\$ -</u>
 <b><u>Capital Expenditures and Reserves</u></b>		
Library and office equipment	\$ 3,771	\$ -
Building Improvements	22,451	-
Computers	19,912	-
	<u>46,134</u>	<u>-</u>
Total capital expenditures and reserves	<u>\$ 46,134</u>	<u>\$ -</u>
 Total Building and Grounds Improvements Fund	<u><u>\$ 54,297</u></u>	<u><u>\$ -</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**  
**DEBT SERVICE FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2017**

	<u>Actual</u>	<u>Budget</u>
<b><u>Debt Service Expenditures</u></b>		
Principal	\$ 905,000	\$ 905,000
Interest	<u>\$ 93,350</u>	<u>\$ 93,350</u>
Total debt service expenditures	<u>998,350</u>	<u>998,350</u>
Total Debt Service Fund	<u><u>\$ 998,350</u></u>	<u><u>\$ 998,350</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, 2017**

	<u>Actual</u>	<u>Budget</u>
<b><u>Operating and Contractual services</u></b>		
Building contents insurance	\$ 21,605	\$ 30,000
Risk management / safety program	3,988	6,500
Workers' compensation	6,177	10,000
Unemployment compensation	3,933	1,500
Liability insurance	2,097	5,000
Contingencies	-	28,500
	<u>37,800</u>	<u>81,500</u>
Total operating and contractual services	<u>37,800</u>	<u>81,500</u>
Total Insurance Fund	<u><u>\$ 37,800</u></u>	<u><u>\$ 81,500</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, 2017**

	<u>Actual</u>	<u>Budget</u>
<b><u>Personnel Services</u></b>		
Social Security	<u>\$ 70,674</u>	<u>\$ 90,000</u>
Total personnel services	<u>70,674</u>	<u>90,000</u>
Total Social Security Fund	<u><u>\$ 70,674</u></u>	<u><u>\$ 90,000</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, 2017**

	<u>Actual</u>	<u>Budget</u>
<b><u>Operating and Contractual services</u></b>		
Audit & accounting fees	<u>\$ 15,248</u>	<u>\$ 20,000</u>
Total operating and contractual services	<u>15,248</u>	<u>20,000</u>
Total Audit Fund	<u><u>\$ 15,248</u></u>	<u><u>\$ 20,000</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, 2017**

	<u>Actual</u>	<u>Budget</u>
<b><u>Personnel Services</u></b>		
IMRF	<u>\$ 125,035</u>	<u>\$ 150,000</u>
Total personnel services	<u>125,035</u>	<u>150,000</u>
Total IMRF Fund	<u><u>\$ 125,035</u></u>	<u><u>\$ 150,000</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**  
**Combining Balance Sheet - Non Major Governmental Funds**  
**June 30, 2017**

	IMRF Fund	Social Security Fund	Audit Fund	Insurance Fund	Working Cash Fund	Total Other Governmental Funds
<b><u>Assets</u></b>						
Cash and interest bearing accounts	\$ 221	\$ 346	\$ 766	\$ 41,647	\$ 202,033	\$ 245,013
Investments	-	-	-	-	-	-
Receivable net allowance for uncollectible amounts:						
Property taxes	52,143	614	614	614	-	53,985
Interest	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 52,364</u>	<u>\$ 960</u>	<u>\$ 1,380</u>	<u>\$ 42,261</u>	<u>\$ 202,033</u>	<u>\$ 298,998</u>
<b><u>Liabilities</u></b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 935	\$ -	\$ 935
Bonds payable - current	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-
Deferred tax revenue	45,756	538	538	538	-	47,370
Due to other funds	221	346	766	40,712	-	42,045
Bonds payable - long-term	-	-	-	-	-	-
Total liabilities	<u>\$ 45,977</u>	<u>\$ 884</u>	<u>\$ 1,304</u>	<u>\$ 42,185</u>	<u>\$ -</u>	<u>\$ 90,350</u>
<b><u>Fund equity</u></b>						
Fund balance unrestricted	6,387	76	76	76	202,033	208,648
Total fund equity	<u>6,387</u>	<u>76</u>	<u>76</u>	<u>76</u>	<u>202,033</u>	<u>208,648</u>
Total liabilities and fund equity	<u>\$ 52,364</u>	<u>\$ 960</u>	<u>\$ 1,380</u>	<u>\$ 42,261</u>	<u>\$ 202,033</u>	<u>\$ 298,998</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, 2017**

	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
<b>Revenues</b>												
Property taxes	\$ 57,908	\$ 1,000	\$ 1,207	\$ 1,000	\$ 1,207	\$ 1,000	\$ 1,207	\$ 1,000	\$ -	\$ -	\$ 61,529	\$ 4,000
State Grant	-	-	-	-	-	-	-	-	-	-	-	-
Personal property replacement tax	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	418	-	418	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Copy Machine	-	-	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-	-	-	-	-
Library fees, services & other	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	57,908	1,000	1,207	1,000	1,207	1,000	1,207	1,000	418	-	61,947	4,000
<b>Expenditures</b>												
Personnel services	125,035	150,000	70,674	90,000	-	-	-	-	\$ -	\$ -	\$ 195,709	\$ 240,000
Material and supplies	-	-	-	-	-	-	-	-	-	-	-	-
Operating and contractual services	-	-	-	-	15,248	20,000	37,800	53,000	-	-	53,048	73,000
Building and maintenance expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditures and reserves	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-	-	-	202,033	-	202,033
Total expenditures	125,035	150,000	70,674	90,000	15,248	20,000	37,800	53,000	-	202,033	248,757	515,033
Excess (deficiency) of revenue over (under) expenditures	(67,127)	(149,000)	(69,467)	(89,000)	(14,041)	(19,000)	(36,593)	(52,000)	418	(202,033)	(186,810)	(511,033)
<b>Other Financing Sources</b>												
Proceeds from Bond Issuance	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers In	73,466	-	69,495	-	14,069	-	36,621	-	-	-	193,651	-
Total Other Financing Sources	73,466	-	69,495	-	14,069	-	36,621	-	-	-	193,651	-
<b>Other Financing Uses</b>												
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	(441)	-	(441)	-
Total Other Financing Uses	-	-	-	-	-	-	-	-	(441)	-	(441)	-
Net Changes in Fund Balances	6,339	-	28	-	28	-	28	-	(23)	-	6,400	(511,033)
<b>Fund Balance July 1, 2016</b>	48		48		48		48		202,056		202,248	
Fund balance June 30, 2017	\$ 6,387		\$ 76		\$ 76		\$ 76		\$202,033		\$ 208,648	

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, 2017**

	<u>2015</u>	<u>2014</u>
<u>Assessed Valuations</u>		
Railroads	\$ 1,883,559	\$ 1,652,946
Farms	6,498,187	6,237,237
Non-farms	1,166,283,710	1,140,234,420
Total	<u>\$1,174,665,456</u>	<u>\$1,148,124,603</u>
<u>Property tax rates</u>		
Social Security and IMRF	0.0002	0.0163
Building construction and maintenance	0.0164	0.0165
General	0.1389	0.1193
Debt Service	0.0858	0.0876
Audit	0.0001	0.0012
Insurance	<u>0.0001</u>	<u>0.0018</u>
Total	<u>0.2415</u>	<u>0.2427</u>
<u>Extended tax levies</u>		
Social Security and IMRF	\$ 2,349	\$ 187,145
Building construction and maintenance	192,645	189,440
General	1,631,610	1,369,713
Debt Service	1,007,863	1,005,757
Audit	1,175	13,777
Insurance	<u>1,175</u>	<u>20,666</u>
Total	<u>\$ 2,836,817</u>	<u>\$ 2,786,498</u>
<u>Collections</u>		
Social Security and IMRF	\$ 2,324	\$ 186,710
Building construction and maintenance	192,446	188,989
General	1,629,941	1,366,573
Debt Service	1,006,807	1,003,440
Audit	1,162	13,734
Insurance	<u>1,162</u>	<u>20,628</u>
Total	<u>\$ 2,833,842</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