

Indian Trails Public Library District, Illinois

Annual Financial Report

June 30, 2017

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Table of Contents

	<u>PAGE</u>
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-11
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary Basis – General Fund	18
Notes to the Financial Statements	19-35
REQUIRED SUPPLEMENTARY INFORMATION	
Pension Information	
Schedule of Changes in the District's Net Pension Liability and Related Ratios	36
Schedule of District Contributions	37
OTHER INFORMATION	
Nonmajor Governmental Funds	
Combining Balance Sheet	38
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	39
General Fund	
Schedule of Expenditures – Budget and Actual (Budgetary Basis)	40-41

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

Members of the Board of Trustees
Indian Trails Public Library District, Illinois
Wheeling, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Indian Trails Public Library District, Illinois 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 from 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 policies 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Indian Trails Public Library District, Illinois as of June 30, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the District's 2017 financial statements have been prepared under accounting principles generally accepted in the United States of America (US GAAP). Prior year financial statements were prepared under a modified cash basis, which is a special purpose framework other than US GAAP. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and pension 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 the methods of preparing the information and comparing the information for consistency with management's responses 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 the Indian Trails Public Library District, Illinois' basis financial statements. The other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

Members of the Board of Trustees
Indian Trails Public Library District, Illinois
Page 3

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 other information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BKD, LLP

Oakbrook Terrace, Illinois
November 20, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

INDIAN TRAILS PUBLIC LIBRARY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL INFORMATION

The Indian Trails Public Library was established as a Library District in 1958. The purpose of the Library District is to provide library services to the residents of the District. The Library serves most of the Village of Wheeling, half of the Village of Buffalo Grove, one third of the City of Prospect Heights, and a small portion of unincorporated Cook County. This is done through the main library building at 355 Schoenbeck Road, Wheeling, Illinois and a branch location at 99 East Palatine Road, Suite A, Prospect Heights, Illinois.

The Management Discussion and Analysis is a required supplementary element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34. The purpose is to provide an overview of the financial activities of the Indian Trails Public Library District for the fiscal year ended June 30, 2017. Please read it in conjunction with the Library's financial statements, which begin on page 12.

Please note if the audited financial reports are being reviewed in comparison to prior years' audited financial reports: the Indian Trails Public Library District moved from modified-cash basis of accounting, a special purpose framework other than US GAAP, to US GAAP as of and for the year ended June 30, 2017. This was to ensure compliance with Illinois Comptroller requirements.

FINANCIAL HIGHLIGHTS

- The Indian Trails Public Library District's assets exceed its liabilities by \$15,853,645 for the fiscal year ending June 30, 2017.
- Capital Assets of \$16,730,589 include land, buildings, vehicle, furniture and equipment, net of accumulated depreciation.
- Unrestricted net position of \$2,795,746 is available to maintain the continuing operation of the Library.
- As a result of the current year operations, there was a decrease in net position of \$9,452. This was due in part to the use of reserves and the issuance of debt certificates for the 355 Schoenbeck construction project which was completed in fiscal year 2016-2017. The change to accrual basis accounting reporting from modified cash basis also acknowledges a greater amount of the Library's long term financial responsibilities.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 and 13) provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.

Fund financial statements begin on page 14. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide statements by providing information about the Library's most significant funds.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS (CONT).

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 12 and 13 of this report.

The Statement of Net Position reports information on all of the Library's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Library's property tax base, is needed to assess the overall health of the Library.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (*e.g.*, uncollected taxes).

Both the government-wide financial statements report functions of the Library that are principally supported by taxes and charges for services revenues (governmental activities). The governmental activities of the Library include culture and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library only maintains governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Library's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

**INDIAN TRAILS PUBLIC LIBRARY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (CONT).**

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General and Working Cash funds, which are considered to be major funds. Data from the remaining governmental funds – Building Maintenance, Audit, FICA and IMRF – are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

The District adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 14-18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's I.M.R.F. employee pension obligations. Required supplementary information can be found on pages 36 and 37 of this report. Combining and individual fund statements and schedules can be found on pages 38-41 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Financial Analysis of the Indian Trails Public Library District as a Whole

The Library has \$15,853,645 in total net position. Of this net position, \$11,226,827 (71%) reflects its investment in capital assets (for example, land, building, equipment and materials), net of related debt. Of the remaining net position, \$1,831,072 is restricted for specific purposes, and \$2,795,746 is unrestricted. The District maintains the majority of its cash available in Buffalo Grove Bank and Trust, and in the Illinois Funds, which is a highly liquid investment pool managed by the Illinois Office of the Treasurer. The Library currently has one debt certificate issuance outstanding. The debt certificates were issued in 2016 with an end date 2027. Total remaining principal due as of June 30, 2017, was \$5,370,000 with total remaining interest due of \$724,781.

**INDIAN TRAILS PUBLIC LIBRARY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (CONT).**

Summary of Net Position

Net Position may serve over time as a useful indicator of a government's financial position. The following table shows that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by \$15,853,645. Please note: June 30, 2017 numbers utilize accrual accounting method reporting. June 30, 2016 numbers utilize modified-cash accounting method reporting.

	June 30, 2017 Balances	June 30, 2016 Balances
Assets		
Cash and Investments	\$ 5,496,427	11,343,300
Property Tax and Intergovernmental Receivable	3,747,186	
Prepaid Expenses	169,346	
Capital Assets (Net of Accumulated Depreciation)	16,730,589	4,977,728
Total Assets	<u>26,143,548</u>	<u>16,321,028</u>
Deferred Outflows		
Pensions	1,123,823	-
Liabilities		
Accounts Payable	97,718	-
Accrued Expenses and Interest Payable	69,698	-
Noncurrent Liabilities and Due Within One Year	7,524,096	-
Total Liabilities	<u>7,691,512</u>	<u>-</u>
Deferred Inflows		
Pensions	27,057	-
Property Taxes Levied for Future Period	3,695,157	-
Total Deferred Inflows	<u>3,722,214</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	11,226,827	4,977,728
Restricted	1,831,072	1,001,286
Unrestricted	2,795,746	10,342,014
Total Net Position	<u>\$ 15,853,645</u>	<u>16,321,028</u>

**INDIAN TRAILS PUBLIC LIBRARY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (CONT).**

The following table summarizes the changes in the Indian Trails Public Library District's revenues and expenses/expenditures for the fiscal year ending June 30, 2017. Please note: June 30, 2017 numbers utilize accrual accounting method reporting. June 30, 2016 numbers utilize modified-cash accounting method reporting.

	2016-2017 Activities	Percent of Total	2015-2016 Activities
Revenues			
Taxes (Property and Replacement) and TIF	\$ 6,983,498	97.10%	\$ 7,439,399
Interest	44,273	0.60%	23,074
Grants, Donations and Contributions	47,627	0.76%	87,004
Donations and Contributions	1,067	0.19%	100,182
Fines, Fees and Others	118,661	1.60%	81,396
Total Revenues	7,195,126	100.90%	7,731,055
Expenses/Expenditures			
Library Materials	671,242	3.70%	728,694
Operating	946,956	5.20%	607,954
Personnel	3,262,536	17.90%	3,283,456
Capital Outlay	11,733,572	64.30%	2,213,889
Insurance	79,787	0.40%	81,453
Building and Equipment Maintenance	266,080	1.50%	337,095
IMRF	307,711	1.70%	318,325
FICA	219,279	1.20%	220,652
Audit	11,650	0.10%	11,300
Debt Service Principal	555,000	3.00%	-
Debt Service Interest	127,803	0.70%	-
Cost of Issuance	63,433	0.30%	-
Total Expenses/Expenditures	18,245,049	100.00%	7,802,818
Increase (Decrease) in Fund Balances	(11,049,923)		(71,763)
Loss on Sale of Capital Assets	(10,448)		(516,079)
Depreciation, Net of Capital Expenditures	10,925,045		1,606,453
Unavailable Revenue	52,029		-
Debt Certificate Principal	555,000		-
Premium Amortization	5,802		-
Change in Pension Related Items	(469,263)		-
Change in Interest Payable	(5,906)		-
Change in Compensated Absences	(11,788)		-
Change in Net Position of Governmental Activities	\$ (9,452)		14,018,611

**INDIAN TRAILS PUBLIC LIBRARY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (CONT).**

OVERVIEW OF THE STATEMENT OF ACTIVITIES

Revenue

The Library received 97.1% of its operating revenue from property taxes and contributions from local governments in lieu of property taxes in Fiscal Year 2016-2017. Grants, fines and fees, copy machines and miscellaneous income made up the remaining 2.9% of the Library's total revenue.

Expenses/Expenditures

Capital Outlay constituted 64.3% of the Library's expenditures in 2016-2017. This is directly related to the 355 Schoenbeck Road construction project. Due to the large expense of the construction project, the expense percentages are skewed for the 2016-2017 fiscal year. The percentages should return to historically normal levels in the 2017-2018 fiscal year. Personnel Services accounted for 20.8% of the total expenditures in 2016-2017. Personnel services include salaries, health insurance benefits, employee retirement, and social security benefits. Historically, Personnel costs have constituted the largest portion of expenditures (49% in 2015-2016), and are expected to return to such percentages in the coming years. Approximately 4% of the expenditures tie to the Debt Service which relate to the repayment for the Debt Certificates issued in 2016 to pay for part of the 355 Schoenbeck construction project. The Debt Certificate category is new in the 2016-2017 fiscal year, but will continue to appear through 2027 when the debt certificates will be retired.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, there were no supplemental amendments made to the budget for the General Fund.

The General Fund actual revenues were less than budgeted revenues. Actual revenues for fiscal year 2016-2017 were \$6,396,080, compared to budgeted revenues of \$6,399,533, not including the issuance of Debt Certificates. This resulted primarily from property taxes budgeted at \$6,054,771 for the year with an actual collection of \$5,988,910. Intergovernmental also was below budget with a budget of \$195,155 and an actual collection of \$169,702.

The General Fund actual expenditures were less than budgeted expenditures. Actual expenditures totaled \$17,454,047, while the budgeted expenditures totaled \$18,423,477. This was due primarily to cost savings that occurred in Capital Outlay (\$402,979 below budget), Operating (\$310,751 below budget) and Personnel (\$216,944 below budget). Materials costs were also held below budget.

CAPITAL ASSETS

At the end of fiscal year 2016-2017, the Indian Trails Library District had total capital assets (net of accumulated depreciation) of \$16,730,589. This includes the land and building that houses the library operations (355 Schoenbeck Road, Wheeling, Illinois), a large collection of library materials (books, DVDs, etc.), as well as computers and other electronic devices.

**INDIAN TRAILS PUBLIC LIBRARY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (CONT).**

The Library completed construction to fully renovate the existing space and add an additional 15,000 square feet to the 355 Schoenbeck Road facility. The renovation included remodeled public spaces, new HVAC systems including a geothermal system, new roof, and addresses safety and mechanical issues. The cost of the construction project is reflected in the addition of \$14,429,553 in Buildings and Improvements, and \$66,003 in Furniture and Equipment Assets. Retirements of \$18,745 and \$45,434 in Build and Improvements and Furniture and Equipment, respective, also occurred this year as outdated building equipment and furnishings were disposed of during restart of services at the 355 Schoenbeck location. More detailed information about the District’s capital assets is presented in Note 4 to the financial statements. Please note: both the 2017 and 2016 numbers are shown utilizing accrual accounting method reporting.

	<u>Capital Assets - Net of Depreciation</u>	
	2017	2016 (Restated)
Land and Construction in Progress	\$ 136,734	3,052,576
Buildings and Improvements	16,197,040	2,234,244
Furniture and Equipment	311,704	331,876
Books and Library Materials	<u>85,111</u>	<u>197,296</u>
Total	<u>\$ 16,730,589</u>	<u>5,815,992</u>

LONG-TERM DEBT

At year-end, the District had total outstanding debt of \$5,370,000 as compared to \$0 the previous year. This debt is directly associated with the Library renovation. Further details on the District’s long-term debt can be found in Note 5 to the financial statements.

Economic Conditions

The Indian Trails Public Library District operates primarily on property taxes collected by the Cook and Lake County Clerk, which was responsible for 97.1% of revenue in 2016-2017. Property tax income is subject to state statutes regarding property tax levies such as tax caps and limitations as well as Equalized and Assessed Property Values (EAVs). The Library is subject to the PTELL tax extension limitations. This limits the amount of property tax that the Library can raise to 5% or the increase in the national Consumer Price Index (CPI) for the year preceding the levy year. For the 2015 levy year, for which the Library received the taxes in 2016, the CPI was 0.8%. The PTELL Use percent for the 2016 levy year was .7% to be received in the 2017 tax year. The 2017 Levy Year percent has been announced at 2.1%. This will used to calculate the taxes receivable in 2018.

The Library is also monitoring Illinois state budget discussions and legislation regarding property tax with attention paid to any possible effects on the Library’s income. With these limitations in mind, the Library monitors spending to minimize the risk of cash shortfalls in future budget year.

On April 10, 2017, the 355 Schoenbeck Road facility reopened to the public. This was the culmination of several years of planning, and a year’s worth of construction work. The renovation and addition addressed not only the space needed to serve the Library’s taxpayers’ ever-changing needs and interests, but also addressed mechanical issues that had become increasingly apparent. The construction was financed through general operating funds, special reserve that had been put aside in preceding years for

**INDIAN TRAILS PUBLIC LIBRARY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (CONT).**

the project, and the issuance of debt certificates. The District was issued an Aa2 credit rating from Moody's on July 1, 2016, \$5,925,000 in debt certificates were issued August 10, 2016, with final payment due June 1, 2027. The Debt Certificates have a 10-year payment schedule. The Board of Trustees specifically chose the 10-year repayment period so as to have the Debt Certificate repayment end at approximately the same time as the useful life of some of the improvements (*e.g.*, carpeting and/or furnishings).

CONTACTING THE INDIAN TRAILS PUBLIC LIBRARY DISTRICT'S ADMINISTRATION

This financial report is designed to provide a general overview of the Indian Trails Public Library District's finances, comply with finance-related laws and regulations, and demonstrate the Library's commitment to public accountability. Questions about this report or the request for additional information should be sent to: Brian Shepard, Library Director, Indian Trails Public Library District, 355 Schoenbeck Road, Wheeling, Illinois 60090.

BASIC FINANCIAL STATEMENTS

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Net Position

June 30, 2017

Assets	
Cash and Investments	\$ 5,496,427
Property Tax Receivable	3,695,157
Intergovernmental Receivable	52,029
Prepaid Expenses	169,346
Noncurrent Assets	
Capital Assets, Net of Accumulated Depreciation	<u>16,730,589</u>
Total Assets	<u>26,143,548</u>
Deferred Outflows of Resources	
Deferred Outflows of Resources - Pensions	<u>1,123,823</u>
Liabilities	
Accounts Payable	97,718
Accrued Interest Payable	11,788
Accrued Expenses	57,910
Noncurrent Liabilities	
Due Within One Year	738,154
Noncurrent Liabilities	<u>6,785,942</u>
Total Liabilities	<u>7,691,512</u>
Deferred Inflows of Resources	
Deferred Inflows of Resources - Pensions	27,057
Property Taxes Levied for Future Period	<u>3,695,157</u>
Total Deferred Inflows of Resources	<u>3,722,214</u>
Net Position	
Net Investment in Capital Assets	11,226,827
Restricted for	
Working Cash - Permanent (Nonexpendable)	1,004,589
Retirement Benefits	252,707
Employer Taxes	181,931
Audit	11,290
Liability Insurance	157,256
Unemployment Insurance	17,388
Workers' Compensation	14,021
Building Maintenance	191,890
Unrestricted	<u>2,795,746</u>
Total Net Position	<u>\$ 15,853,645</u>

See Notes to Financial Statements

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Activities

For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Library Services	\$ 7,256,607	118,661	100,723	(7,037,223)
General Revenues				
Taxes				
Property Taxes				6,783,204
Replacement Taxes				78,219
Intergovernmental				122,075
Investment Income				44,273
Total General Revenues				7,027,771
Change in Net Position				(9,452)
Net Position				
Beginning, as Previously Reported				16,321,028
Restatement for Change in Financial Reporting Framework (see Note 13)				(457,931)
Beginning, as Adjusted				15,863,097
Ending				\$ 15,853,645

See Notes to Financial Statements

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

June 30, 2017

	General Fund	Working Cash Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and Investments	\$ 3,854,020	1,004,589	637,818	5,496,427
Property Tax Receivable	3,241,593		453,564	3,695,157
Intergovernmental Receivable	52,029			52,029
Prepaid Expenses	169,346			169,346
Total Assets	\$ 7,316,988	1,004,589	1,091,382	9,412,959
Liabilities				
Accounts Payable	\$ 97,718			97,718
Accrued Expenses	57,910			57,910
Total Liabilities	155,628			155,628
Deferred Inflows of Resources				
Property Tax Levied for Future Periods	3,241,593		453,564	3,695,157
Unavailable Intergovernmental Revenues	52,029			52,029
Total Deferred Inflows of Resources	3,293,622		453,564	3,747,186
Fund Balances				
Nonspendable				
Working Cash - Permanent		1,004,589		1,004,589
Prepaid Items	169,346			169,346
Restricted for				
Retirement Benefits			252,707	252,707
Employer Taxes			181,931	181,931
Audit			11,290	11,290
Liability Insurance	157,256			157,256
Unemployment Insurance	17,388			17,388
Workers' Compensation	14,021			14,021
Building Maintenance			191,890	191,890
Unassigned	3,509,727			3,509,727
Total Fund Balances	3,867,738	1,004,589	637,818	5,510,145
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,316,988	1,004,589	1,091,382	9,412,959

See Notes to Financial Statements

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

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

June 30, 2017

Total Fund Balances - Governmental Funds	\$ 5,510,145
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	16,730,589
Bond payable is not due and payable in the current period and, therefore, is not reported in the government funds.	(5,370,000)
Compensated absences payable are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	(196,330)
Unamortized premium is reported as a liability on the Statement of Net Position	(133,762)
Accrued interest on long-term liabilities is reported as a liability on the Statement of Net Position.	(11,788)
Some of the intergovernmental revenue will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore are deferred in the funds.	52,029
Deferred outflows of resources related to IMRF pensions do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet.	1,123,823
Deferred inflows of resources related to IMRF pensions do not relate to current financial resources and are not reported in the Governmental Funds Balance Sheet.	(27,057)
The IMRF net pension liability is not due and payable in the current period and, accordingly, is not reported as a fund liability.	<u>(1,824,004)</u>
Net Position of Governmental Activities	<u>\$ 15,853,645</u>

See Notes to Financial Statements

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds

Year Ended June 30, 2017

	General Fund	Working Cash Fund	Nonmajor Funds	Total Governmental Funds
Revenues				
Property Taxes	\$ 5,988,910		794,294	6,783,204
Replacement Taxes	78,219			78,219
Intergovernmental	169,702			169,702
Investment Income	39,521	3,303	1,449	44,273
Contributions	1,067			1,067
Fines, Fees and Other	118,661			118,661
Total Revenues	6,396,080	3,303	795,743	7,195,126
Expenditures				
Library Materials	671,242			671,242
Operating	946,956			946,956
Personnel	3,262,536			3,262,536
Capital Outlay	11,733,572			11,733,572
Insurance	79,787			79,787
Building and Equipment				
Maintenance			266,080	266,080
IMRF			307,711	307,711
FICA			219,279	219,279
Audit			11,650	11,650
Debt Service				
Principal	598,861			598,861
Interest	127,803			127,803
Cost of Issuance	19,572			19,572
Total Expenditures	17,440,329		804,720	18,245,049
Excess (Deficiency) of Revenues Over Expenditures	(11,044,249)	3,303	(8,977)	(11,049,923)
Other Financing Sources				
Proceeds from Bond Issuance	5,925,000			5,925,000
Bond Premium	139,564			139,564
Total Other Financing Sources	6,064,564			6,064,564
Net Change in Fund Balances	(4,979,685)	3,303	(8,977)	(4,985,359)
Fund Balances				
Beginning, as Previously Reported	9,695,219	1,001,286	646,795	11,343,300
Restatement for Change in Financial Reporting Framework (see Note 13)	(847,796)			(847,796)
Beginning, as Adjusted	8,847,423	1,001,286	646,795	10,495,504
Ending	\$ 3,867,738	1,004,589	637,818	5,510,145

See Notes to Financial Statements

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ (4,985,359)
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 estimated useful life of the assets. This is the amount by which capital outlays (\$11,820,419) exceeded the depreciation (\$895,374) in the current period.	10,925,045
The net effect of disposals of capital assets is not recognized in the governmental fund statements.	(10,448)
The repayment of the principal portion of long-term debt is reported as an expenditure when paid, but they are reductions of principal outstanding in the Statement of Net Position.	555,000
The issuance of long-term debt, net of premiums, provides current financial resources to governmental funds, however has no effect on net position.	(6,064,564)
The change in accrued interest payable on long-term debt is reported as an expense on the Statement of Activities.	(11,788)
The change in the compensated absences liability is reported as an expense on the Statement of Activities.	(5,906)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	52,029
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, IMRF pension expense is included in the governmental funds only to the extent that it requires the expenditure of current financial resources.	(469,263)
The amortization of the premium on long-term debt is reported as a reduction of expense on the Statement of Activities.	<u>5,802</u>
Change in Net Position of Governmental Activities	<u>\$ (9,452)</u>

See Notes to Financial Statements

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2017

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues			
Property Taxes	\$ 6,054,771	5,988,910	(65,861)
Replacement Taxes	78,759	78,219	(540)
Investment Income	22,318	39,521	17,203
Intergovernmental	195,155	169,702	(25,453)
Contributions	250	1,067	817
Fines, Fees, and Other	48,300	118,661	70,361
Total Revenues	<u>6,399,553</u>	<u>6,396,080</u>	<u>(3,473)</u>
Expenditures			
Library Materials	767,364	671,242	(96,122)
Operating	1,257,707	974,392	(283,315)
Personnel	3,479,480	3,262,536	(216,944)
Capital Outlay	12,136,551	11,733,572	(402,979)
Insurance	85,000	79,787	(5,213)
Debt Service			
Principal	555,000	555,000	
Interest	127,803	127,803	
Cost of Issuance	14,572	63,433	48,861
Total Expenditures	<u>18,423,477</u>	<u>17,467,765</u>	<u>(955,712)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,023,924)</u>	<u>(11,071,685)</u>	<u>952,239</u>
Other Financing Sources			
Proceeds from Bond Issuance	6,000,000	5,925,000	(75,000)
Bond Premium		139,564	139,564
Total Other Financing Sources	<u>6,000,000</u>	<u>6,064,564</u>	<u>64,564</u>
Net Change in Fund Balances	<u>(6,023,924)</u>	<u>(5,007,121)</u>	<u>1,016,803</u>
Fund Balances			
Beginning, as Previously Reported	9,695,219	9,695,219	
Restatement for Change in Financial Reporting Framework (see Note 13)	<u>(847,796)</u>	<u>(847,796)</u>	
Beginning, as Adjusted	<u>8,847,423</u>	<u>8,847,423</u>	
Ending	<u>\$ 2,823,499</u>	<u>3,840,302</u>	<u>1,016,803</u>

See Notes to Financial Statements

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

1. Summary of Significant Accounting Policies

The accounting and reporting policies of the Indian Trails Public Library District (District) relating to the accompanying basic financial statements conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District follows the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

- The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens of the primary government.
- The primary government is financially accountable if the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The District has concluded that no entities meet the criteria of Statement No. 61 for inclusion as a component unit. Likewise, the District is not required to be included as a component unit of any other entity.

B. Basis of Presentation

The Statement of Net Position, Statement of Activities, Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances combine information about the reporting government as a whole and individual funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Funds are organized as major funds or nonmajor funds within the governmental statements. Governmental fund types are those through which the governmental functions of the District are financed. The District's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

1. Summary of Significant Accounting Policies (Cont.)

B. Basis of Presentation (Cont.)

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the General Fund and the Working Cash Fund. Following is a description of major and nonmajor funds.

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund also accounts for liability insurance, unemployment and workers' compensation, which have separate tax levies. In addition, the Special Reserve Fund is included in the General Fund.

Working Cash Fund (Permanent Fund) – The Working Cash Fund reports resources that are legally restricted to the extent that only earnings, and not principal, may be used for possible short-term cash needs.

Nonmajor Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds of the District are: FICA, IMRF, Audit and Building Maintenance.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements (Statement of Net Position and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting are followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, *i.e.*, both measurable and available to finance the District's operations. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

The District reports unearned/unavailable revenues on its Governmental Funds Balance Sheet. For governmental fund financial statements, unearned/unavailable revenues occur when potential revenue either does not meet both the "measurable" and "available" criteria for recognition in the current period, or when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned/unavailable revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

1. Summary of Significant Accounting Policies (Cont.)

C. Measurement Focus and Basis of Accounting (Cont.)

On the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the flow of economic resources measurement focus, which means all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position and the operating statements present increases and decreases in net total assets.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements, but are excluded from the governmental funds financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

D. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the District's Board, which is considered the District's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the board. To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District through the approved fund balance policy of the District, if applicable. Any residual fund balance of the General Fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and then unassigned funds.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

1. Summary of Significant Accounting Policies (Cont.)

E. Budgets

Budgets are adopted on a modified cash basis as the budget was prepared prior to the District's decision to report under US GAAP for the current year. Annual appropriated budgets are adopted for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end. The following schedule provides reconciliation from GAAP basis to budgetary basis for the General Fund.

	June 30, 2017
Fund Balance, Budgetary Basis	\$ 3,854,020
Accrued Expenditures	<u>13,718</u>
	<u>\$ 3,867,738</u>

F. Cash and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the District's funds.

In accordance with the District's investment policy, the District's monetary assets may be placed in all instruments permitted by the *Illinois Public Funds Investment Act*. This Act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Cash includes amounts in demand deposits, certificates of deposit and petty cash. Investments are stated at cost, which approximates fair market value, and consists of The Illinois Funds and the Illinois Metropolitan Investment Fund (IMET) (fair value equals value of pool shares). Oversight of The Illinois Funds is performed by the State of Illinois Treasurer's Office. The IMET is not registered with the SEC. The IMET Board provides oversight for IMET.

G. Receivables

The recognition of receivables associated with imposed nonexchange transactions (property taxes) in governmental funds is recognized when an enforceable legal claim has arisen. The District has determined that an allowance for uncollectible property taxes receivables is not necessary.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

1. Summary of Significant Accounting Policies (Cont.)

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Capital Assets

Government-Wide Statements

In the government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives by type of asset as follows:

Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 20 years
Library materials	7 years

The minimum capitalization threshold is any item with a total cost greater than \$2,500, except for library materials.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

J. Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated vacation balances for District employees.

Vacation leave is recorded in the governmental funds when due (upon employee retirement or termination). No liability is recorded for nonvesting, accumulating rights to receive sick pay benefits. However, an expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt certificate premiums are deferred and amortized over the life of the debt certificates. Debt certificates payable are reported net of the applicable debt certificate premium or discount. Debt certificate issuance costs are expensed in the period incurred.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

1. Summary of Significant Accounting Policies (Cont.)

K. Long-Term Obligations (Cont.)

In the fund financial statements, governmental fund types recognize debt certificate premiums, as well as debt certificate issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Debt service funds are specifically established to account for and service the long-term obligations of the governmental funds' debt. Long-term debt is recognized as a liability in a governmental fund when due or when resources have been accumulated for payment early in the following year.

L. Deferred Outflows/Inflows of Resources

The District reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure/reduction of liability) until then. The District has one item that qualifies for reporting in this category: the deferred outflows related to pensions, which represents pension items that will be recognized as pension expense or reduction of net pension liability in future periods.

The District reports deferred inflows of resources on its Statement of Net Position. Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue or reduction of expense) until that time. The District has two items that qualify for reporting in this category: deferred inflows related to pensions which represents pension items that will be recognized as reductions in pension expense in future periods, and deferred inflows related to property taxes levied during the year that will fund expenses in the subsequent year.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's IMRF pension plan have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles or other comprehensive basis of accounting requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

1. Summary of Significant Accounting Policies (Cont.)

O. Change in Reporting Framework

The District's 2017 financial statements have been prepared under accounting principles generally accepted in the United States of American (US GAAP). Prior year financial statements were prepared under a modified cash basis, which is a special purpose framework other than US GAAP. Adoption of US GAAP reporting resulted in a restatement of beginning net position at July 1, 2016 and is described in Note 13. In addition, the change requires additional information to be disclosed in the notes to the financial statements and information presented as required supplementary information.

2. Deposits and Investments

District Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of the federal depository insurance. Cash on hand of \$525 has been excluded from the amounts shown below. At year end, the carrying amount of the District's deposits, including certificates of deposit, totaled \$2,668,424 and the bank balances totaled \$2,705,515, of which all were fully collateralized at June 30, 2017.

District Investments

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC, but does operate in a manner consistent with Rule 2a-7 of the *Investment Company Act of 1940*, and has an affirmed AAAM Standards & Poor's credit qualifying rating. The fair value of the positions of this pool is the same as the value of the pool shares. The Fund offers two separate investment vehicles to public entities. The average yields on the Illinois Funds Money Market Fund and the Illinois Metropolitan Investment Fund (IMET) for the year ending June 30, 2017, was 0.94% and 0.42% respectively. The Fund issues a publicly available financial report. That report may be obtained by writing to Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

The IMET Convenience Fund is a short-term money market instrument developed and implemented in 2003 by public entities as a cooperative endeavor under the jurisdiction of the IMET Board of Trustees elected from the participating members. The board controls the fund and is responsible for policy formation and administrative oversight. The fund is not registered with the SEC as an investment company or rated by a credit rating agency. All pool shares are either FDIC insured or collateralized at 110%. The collateral is held in the name of IMET at the Federal Reserve Bank of New York. The fair value of the positions in the pool is the same as the value of the pool shares. In October 2014, the Illinois Metropolitan Investment Fund (IMET) notified all participants that over \$50 million in loans, which were being held in the Convenience Fund's approximately \$176 million assets, were fraudulent and in default. The forged guarantees on these loans were denied by the USDA. The Library's portion of the IMET Convenience Fund that has been impaired is \$240,024, all of which was written off in 2015. Recovery efforts are ongoing with the Library recovering \$11,940 through June 30, 2017. IMET issues a publicly available financial report. That report may be obtained by writing to IMET, 1220 Oak Brook Road, Oak Brook, Illinois 60523.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

2. Deposits and Investments (Cont.)

District Investments (Cont.)

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio so that securities are available to meet cash requirements for ongoing operations by investing operating funds primarily in money market mutual funds or similar investment pools.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing in money market mutual funds, the Illinois Funds which are rated "AAAm," and the Illinois Metropolitan Investment Fund, which are rated "AAAf."

	Maturities	Fair Value
Illinois Funds Money Market	N/A	\$ 2,827,302
Illinois Metropolitan Investment Fund	N/A	<u>176</u>
		<u>\$ 2,827,478</u>

3. Property Tax Revenue Recognition

Property taxes for 2016 are attached as an enforceable lien on January 1, 2016. They were levied in November 2016 by passage of a Tax Levy Ordinance. Tax bills were prepared by Lake and Cook Counties and issued the following year, payable in two installments in the spring and fall of 2017. The Counties collect such taxes and remit them periodically, primarily during the period of March through December.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

4. Capital Assets

A. Changes in Capital Assets During the Fiscal Year

	Balance June 30, 2016 (Restated)	Additions	Retirements	Balance June 30, 2017
Capital Assets Not Being Depreciated				
Land	\$ 136,734			136,734
Construction in Progress	2,915,842		2,915,842	
Total Capital Assets Not Being Depreciated	3,052,576		2,915,842	136,734
Capital Assets Being Depreciated				
Buildings and Improvements	5,126,933	14,429,553	18,745	19,537,741
Furniture and Equipment	721,999	66,003	45,434	742,568
Library Materials	2,528,449	240,705	298,912	2,470,242
Total Capital Assets Being Depreciated	8,377,381	14,736,261	363,091	22,750,551
Less Accumulated Depreciation				
Buildings and Improvements	(2,892,689)	(456,447)	(8,435)	(3,340,701)
Furniture and Equipment	(390,123)	(86,036)	(45,295)	(430,864)
Library Materials	(2,331,153)	(352,891)	(298,913)	(2,385,131)
Total Accumulated Depreciation	(5,613,965)	(895,374)	(352,643)	(6,156,696)
Total Capital Assets Being Depreciated, Net	2,763,416	13,840,887	10,448	16,593,855
Capital Assets, Net	\$ 5,815,992	13,840,887	2,926,290	16,730,589

5. Long-Term Liabilities

A. Change in Long-Term Liabilities

The following is a summary of long-term obligation activities of the District for the year ended June 30, 2017:

	Balances July 1 (Restated)	Additions	Reductions	Balances June 30	Due Within One Year
Governmental Activities					
General Obligation Debt					
Certificates	\$	5,925,000	555,000	5,370,000	530,000
Bond Issuance Premium		139,564	5,802	133,762	11,824
Compensated Absences	190,424	196,330	190,424	196,330	196,330
Net Pension Liability	1,748,734	416,892	341,622	1,824,004	
	\$ 1,939,158	6,677,786	1,092,848	7,524,096	738,154

Compensated absences and net pension liabilities are paid from the General Fund and IMRF Fund, respectively, and charged to General Government.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

5. Long-Term Liabilities (Cont.)

A. Change in Long-Term Liabilities (Cont.)

At June 30, 2017, the District has 2016 General Obligation Debt Certificates outstanding which were issued during fiscal 2017. The \$5,925,000 Debt Certificates are due in annual installments of \$530,000 to \$555,000, beginning in 2017 through 2027, plus interest of 2.0% to 3.0%. The outstanding balance as of June 30, 2017 is \$5,370,000.

Future maturities of the General Obligation Debt Certificates is as follows:

Year Ending April 30,	General Obligation Bond	
	Principal	Interest
2018	\$ 530,000	141,456
2019	530,000	125,556
2020	530,000	109,656
2021	535,000	93,756
2022	540,000	77,706
2023 - 2027	2,705,000	176,650
	<u>\$ 5,370,000</u>	<u>724,781</u>

6. Employee Retirement System - Illinois Municipal Retirement Fund

Plan Description

The District's agent multiple-employer defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" described below. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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 8 years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 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.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

6. Employee Retirement System - Illinois Municipal Retirement Fund (Cont.)

Benefits Provided (Cont.)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 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: 3% of the original pension amount, or one-half of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2016, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	67
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	66
Active Plan Members	<u>70</u>
Total	<u><u>203</u></u>

Contributions

As set by statute, the District's plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar years 2016 and 2017 was 10.99% and 10.47%, respectively. For the fiscal year ended June 30, 2017, the District contributed \$307,593 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2016, for the year ended June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine the net pension liability as of December 31, 2016:

- The actuarial cost method was entry age normal.
- The asset valuation method was market value of assets.
- The inflation rate was assumed to be 2.75%.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

6. Employee Retirement System - Illinois Municipal Retirement Fund (Cont.)

Actuarial Assumptions (Cont.)

- Salary increases were expected to be 3.75% to 14.50%, average, including inflation.
- The investment rate of return was assumed to be 7.50%, net of pension plan expense, including inflation.
- Projected retirement age was from the Experienced-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for mortality (for nondisabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for nondisabled lives.
- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65 - 7.35%
Cash Equivalents	1%	2.25%
Total	100%	

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

6. Employee Retirement System - Illinois Municipal Retirement Fund (Cont.)

Discount Rate

A single discount rate (SDR) of 7.50% (7.48% in prior year) was used to measure the total pension liability. The projection of cash flows used to determine the SDR assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b) (As Restated)
Balance, Beginning of Year	\$ 14,994,503	13,245,769	1,748,734
Changes for the Year			
Service Cost	304,134		304,134
Interest	1,103,712		1,103,712
Differences Between Expected and Actual Experience	61,756		61,756
Changes in Assumptions	(36,961)		(36,961)
Contributions - Employer		304,661	(304,661)
Contributions - Employee		124,748	(124,748)
Net Investment Income		912,401	(912,401)
Benefit Payments, Including Refunds of Employees Contributions	(782,124)	(782,124)	
Other (Net Transfer)		15,561	(15,561)
Net Changes	650,517	575,247	75,270
Balance, End of Year	\$ 15,645,020	13,821,016	1,824,004

Changes in assumption related to investment rate of return/discount rate were made since the prior measurement date.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

6. Employee Retirement System - Illinois Municipal Retirement Fund (Cont.)

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

The following presents the District's net pension liability, calculated using a single discount rate of 7.50%, as well as what the District's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's Net Pension Liability	\$ 3,816,299	1,824,004	181,797

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF report entitled *2016 Schedule of Changes in Fiduciary Net Position by Employer* and in its Comprehensive Annual Financial Report.

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

For the year ended June 30, 2017, the District recognized pension expense of \$776,854. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017	
<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 156,606	
Changes of Assumptions	128,006	27,057
Net Difference Between Projected and Actual Earnings on Plan Investments	684,403	
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	969,015	27,057
Pension Contributions Made Subsequent to the Measurement Date	154,808	
Total	<u>\$ 1,123,823</u>	<u>27,057</u>

\$154,808 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2018.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

6. Employee Retirement System - Illinois Municipal Retirement Fund (Cont.)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont.)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending June 30,	Amount
2018	\$ 435,840
2019	288,031
2020	204,411
2021	<u>13,676</u>
	<u>\$ 941,958</u>

7. Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees at their option, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation are held in trust (until paid or made available to the employee or other beneficiary). The deferred compensation is not subject to the claims of the District's creditors.

8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As such, the District carries commercial insurance for all risks of loss with the exception of unemployment insurance, which is covered by Library Insurance Management and Risk Control Combination. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

The District also participates in a public entity risk pool (pool) for unemployment insurance coverage. The District is responsible for quarterly payments and the pool is responsible for administering the program. If funds in the program are insufficient in the judgment of the pool, then the pool may assess the members' additional equal payments.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

9. Operating Leases

The District is committed under various leases for property and equipment. The leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2017, amounted to \$272,823. Future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2018	\$ 41,312
2019	41,929
2020	42,617
2021	40,940
2022	32,093
Thereafter	<u>2,584</u>
	<u>\$ 201,475</u>

10. Special Reserve Account

The Special Reserve Account is reported within the General Fund. The balance was committed for future capital projects. The fund balance had previously been committed for future capital projects and was expended during the year ended June 30, 2017. The activity for the Special Reserve Account is as follows:

Beginning Balance, June 30, 2016	\$ 5,051,592
Interest Earnings	14,718
Expenditures for Capital Projects	<u>(5,066,310)</u>
Ending Balance, June 30, 2017	<u>\$ -</u>

11. Jointly Governed Organization

The District participates in North Suburban Digital Consortium (Consortium). This organization is owned by the participating libraries. The Consortium offers downloadable digital materials. No participant has any obligation, entitlement, or residual interest in the Consortium, and must give notice 90 days prior to December 31 to terminate its membership. The District paid \$11,500 to the Consortium for the year ended June 30, 2017.

12. Other Postemployment Benefit Plan

The District participates in a cost-sharing multiple-employer defined benefit OPEB plan provided and administered by Wellness Insurance Network (Network). The plan provides health benefits in accordance with a proposal provided by the Network. The employer pays 75% of the applicable single rate and 50% of additional family coverage. The District is required to offer employees, who are IMRF vested, continued health insurance participation upon termination of employment. The District has no retired employees covered by the Network plan and, therefore, has no implicit rate subsidy as defined by the Governmental Accounting Standards Board (GASB) Statement No. 45. The OPEB plan does not issue a stand alone report. Information regarding the plan may be obtained from the Network.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2017

13. Change in Financial Reporting Framework

The District's 2017 financial statements have been prepared under accounting principles generally accepted in the United States of American (US GAAP). Prior year financial statements were prepared under a modified cash basis, which is a special purpose framework other than US GAAP. Adoption of US GAAP reporting resulted in an adjustment of beginning net position at July 1, 2016 as follows:

Governmental Activities

Net position adjustments related to accrual-basis implementation:

Accrual of Contracts Payable at July 1, 2016	\$ (838,264)
Construction in Progress at July 1, 2016	838,264
Accrual of Accounts Payable at July 1, 2016	(86,839)
Adjustment to Recognized Prepaid Expenses at July 1, 2016	120,106
Accrual of Salaries at July 1, 2016	(42,799)
Accrual of Compensated Absences at July 1, 2016	(190,424)
Deferred Outflows - Pension at July 1, 2016	1,490,759
Net Pension Liability at July 1, 2016	<u>(1,748,734)</u>
Net Adjustment	<u><u>\$ (457,931)</u></u>

General Fund

Fund balance adjustments related to changing its financial reporting framework:

Accrual of Contracts Payable at July 1, 2016	\$ (838,264)
Accrual of Accounts Payable at July 1, 2016	(86,839)
Adjustment to Recognized Prepaid Expenses at July 1, 201	120,106
Accrual of Salaries at July 1, 2016	<u>(42,799)</u>
Net Adjustment	<u><u>\$ (847,796)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

INDIAN TRAILS PUBLIC LIBRARY DISTRICT

Required Supplementary Information
Schedule of Changes in the District's Net Pension Liability and Related Ratios

June 30, 2017

Calendar Year Ended December 31,	2016	2015	2014
Total Pension Liability			
Service Cost	\$ 304,134	304,869	313,316
Interest	1,103,712	1,045,110	950,779
Changes in Benefit Terms			
Differences Between Expected and Actual Experience	61,756	201,101	96,854
Change of Assumptions	(36,961)	35,707	585,688
Benefit Payments, Including Refunds of Member Contributions	(782,124)	(749,299)	(620,045)
Net Change in Total Pension Liability	650,517	837,488	1,326,592
Total Pension Liability - Beginning	14,994,503	14,157,015	12,830,423
Total Pension Liability - Ending	<u>\$ 15,645,020</u>	<u>14,994,503</u>	<u>14,157,015</u>
Plan Fiduciary Net Position			
Contributions - District	\$ 304,661	306,836	309,701
Contributions - Members	124,748	124,731	124,695
Net Investment Income	912,401	66,023	767,353
Benefit Payments, Including Refunds of Member Contributions	(782,124)	(749,299)	(620,045)
Other (Net Transfer)	15,561	134,047	109,343
Net Change in Plan Fiduciary Net Position	575,247	(117,662)	691,047
Plan Net Position - Beginning	13,245,769	13,363,431	12,672,384
Plan Net Position - Ending	<u>\$ 13,821,016</u>	<u>13,245,769</u>	<u>13,363,431</u>
District's Net Pension Liability	<u>\$ 1,824,004</u>	<u>1,748,734</u>	<u>793,584</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.34%	88.3%	94.4%
Covered Employee Payroll	\$ 2,772,176	2,771,773	2,685,208
Net Pension Liability as a Percentage of Covered Employee Payroll	65.80%	63.1%	29.6%

Changes in assumption related to investment rate of return/discount rate were made since the prior measurement date.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule.

INDIAN TRAILS PUBLIC LIBRARY DISTRICT

Required Supplementary Information
Schedule of District Contributions

June 30, 2017

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Excess/ (Deficiency)	Covered - Employee Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
6/30/2017	\$ 307,593	307,593		2,868,798	10.72%
6/30/2016	318,290	318,290		2,885,237	11.03%
6/30/2015	308,215	308,215		2,665,492	11.56%

Notes to the Required Supplementary Information:

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal.
Amortization Method	Level Percentage of Payroll, Closed.
Remaining Amortization Period	27-year Closed Period.
Asset Valuation Method	5-year Smoothed Market; 20% Corridor.
Wage Growth	3.50%
Price Inflation	2.75% approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% Including Inflation.
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For nondisabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other	Changes in assumption related to investment rate of return/discount rate were made since the prior measurement date.

Information above based on valuation assumptions used in the December 31, 2014 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule.

OTHER INFORMATION

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2017

	Special Revenue Funds				Total
	Building Maintenance	IMRF	FICA	Audit	
Assets					
Cash	\$ 191,890	252,707	181,931	11,290	637,818
Property Tax Receivable	132,865	182,599	130,477	7,623	453,564
Total Assets	\$ 324,755	435,306	312,408	18,913	1,091,382
Deferred Inflows of Resources					
Property Tax Levied for Future Periods	\$ 132,865	182,599	130,477	7,623	453,564
Fund Balances					
Restricted for:					
Building Maintenance	191,890				191,890
Retirement Benefits		252,707			252,707
Employer Taxes			181,931		181,931
Audit				11,290	11,290
Total Fund Balances	191,890	252,707	181,931	11,290	637,818
	\$ 324,755	435,306	312,408	18,913	1,091,382

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2017

	Special Revenue Funds				Total
	Building Maintenance	IMRF	FICA	Audit	
Revenues					
Property Taxes	\$ 250,722	315,342	218,499	9,731	794,294
Investment income	467	562	402	18	1,449
Total Revenues	251,189	315,904	218,901	9,749	795,743
Expenditures	266,080	307,711	219,279	11,650	804,720
Net Change in Fund Balances	(14,891)	8,193	(378)	(1,901)	(8,977)
Fund Balances					
Beginning	206,781	244,514	182,309	13,191	646,795
Ending	\$ 191,890	252,707	181,931	11,290	637,818

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)
Year Ended June 30, 2017

	Original and Final Budget	Actual
Library Materials		
Books	\$ 247,458	229,330
Standing Orders	27,000	18,528
Serial Publications	19,000	19,521
Audio Visual Materials	30,571	24,897
Video Tapes	101,575	98,890
Electronic Resources	271,500	236,250
Realia	24,500	24,861
Software	45,760	18,769
Launchpad Consumables		196
	767,364	671,242
Operating		
Equipment Maintenance	94,450	87,679
Library Automation Maintenance	111,146	82,723
OCLC Cataloging	27,000	26,439
Binding	500	1
Library Supplies	130,080	91,761
Postage	34,050	23,627
Travel	31,580	12,090
Staff Education	73,219	18,509
Memberships	10,581	9,134
Trustee Development	11,855	5,642
Publishing Fees	19,720	12,985
Printing	50,900	45,104
Program Expense	128,046	90,564
Legal	30,000	21,105
Telephone	57,240	53,662
Contractual Services	400,140	316,773
Ground Maintenance	4,000	2,270
Janitorial Supplies	12,200	12,979
Grants		47,627
Building Repairs	1,000	
Contingency	30,000	
	1,257,707	960,674
Personnel		
Salaries	3,193,054	3,032,942
Benefits	284,051	229,021
EAP	2,375	2,882
Flex Spending		(2,309)
	3,479,480	3,262,536
Capital Outlay		
Furniture	14,000	26,930
Technology	185,282	181,813
355 Construction	11,937,269	11,524,829
	12,136,551	11,733,572

INDIAN TRAILS PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
Year Ended June 30, 2017

	Original and Final Budget	Actual
Insurance		
Liability	63,500	63,381
Workers' Compensation	8,500	9,674
Unemployment	13,000	6,732
	<u>85,000</u>	<u>79,787</u>
Debt Service		
Principal	550,000	598,861
Interest	127,803	127,803
Cost of Issuance	19,572	19,572
	<u>697,375</u>	<u>746,236</u>
	<u>\$ 18,423,477</u>	<u>17,454,047</u>