

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2016

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 9
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	3 - 4
Statement of Activities.....	5
Fund Financial Statements	
Balance Sheet – Governmental Funds	6
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities	7
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities.....	9
Statement of Fiduciary Net Position	10
Notes to Financial Statements.....	11 - 29
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	30
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund.....	31
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	32

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION – Continued</u>	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Combining Balance Sheet – General Fund – by Account	33
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual – General Fund – by Account	34 - 35
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund – Library Account	36
Schedule of Revenues – Budget and Actual – General Fund – Library Account.....	37
Schedule of Expenditures – Budget and Actual – General Fund – Library Account	38
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund – Working Cash Account	39
General Fund – Public Library Insurance Account	40
Bond and Interest – Debt Service Fund	41
Special Reserve – Capital Projects Fund	42
Combining Balance Sheet – Nonmajor Governmental Funds	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds.....	44
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Illinois Municipal Retirement – Special Revenue Fund	45
Social Security – Special Revenue Fund	46
Audit – Special Revenue Fund	47
Site and Building – Capital Projects Fund.....	48
Schedule of Changes in Assets and Liabilities – Agency Fund.....	49

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Library's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

September 22, 2016

Members of the Board of Trustees
Lake Villa Public Library District
Lake Villa, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake Villa Public Library District, Illinois, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Library'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 of 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 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 Library'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 Library'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 the Lake Villa Public Library District, Illinois, as of June 30, 2016, and the respective changes in financial position 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 as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 Lake Villa Public Library District, Illinois', basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2016

Our discussion and analysis of the Lake Villa Public Library District's financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the Library's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Library's net position increased from \$25,811,928 to \$27,225,846, an increase of \$1,413,918 or 5.5 percent.
- During the year, government-wide revenues totaled \$5,504,750, while government-wide expenses totaled \$4,090,832, resulting in an increase to net position of \$1,413,918.
- Total fund balances for the governmental funds were \$18,530,162 at June 30, 2016 compared to \$18,908,417 in the prior year, a decrease of \$378,255 or 2.0 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 4) 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 5. 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 operation in more detail than the government-wide statements by providing information about the Library's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 3 - 4 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.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2016

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

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 change 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 of 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 the cultural function.

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 and fiduciary 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 financing 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 financing 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.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2016

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The Library maintains seven 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 Fund, Bond and Interest Fund, and Special Reserve Fund, all of which are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Library adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 6 - 9 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Library's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 10 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 11 - 29 of this report.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by \$27,225,846.

	Net Position	
	2016	2015
Current Assets	\$ 23,660,562	24,001,673
Capital Assets	8,798,663	6,635,538
Total Assets	<u>32,459,225</u>	<u>30,637,211</u>
Deferred Outflows	719,772	392,768
Total Assets/Deferred Outflows	<u>33,178,997</u>	<u>31,029,979</u>
Long-Term Debt Outstanding	755,322	25,751
Other Liabilities	195,674	303,384
Total Liabilities	<u>950,996</u>	<u>329,135</u>
Deferred Inflows	5,002,155	4,962,516
Total Liabilities/Deferred Inflows	<u>5,953,151</u>	<u>5,291,651</u>
Net Position		
Investment in Capital Assets	8,798,663	6,635,538
Restricted	904,613	929,022
Unrestricted	<u>17,522,570</u>	<u>18,173,768</u>
Total Net Position	<u><u>27,225,846</u></u>	<u><u>25,738,328</u></u>

A large portion of the Library's net position (32.3 percent) reflects its investment in capital assets (for example, land, buildings, equipment and furniture), less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion or 3.3 percent of the Library's net position represents resources that are subject to external restrictions on how they may be used, including \$42,029 restricted for public liability insurance, \$293,380 restricted for IMRF, \$370,711 restricted for social security, \$39,839 restricted for audit, \$122,696 restricted for site and building, and \$35,958 restricted for debt service. The remaining \$17,522,570 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	2016	2015
Revenues		
Program Revenues		
Charges for Services	\$ 35,634	69,984
Operating Grants/Contributions	31,047	50,345
General Revenues		
Property and Replacement Taxes	4,901,375	4,797,731
Interest	506,619	238,076
Miscellaneous	30,075	3,200
Total Revenues	<u>5,504,750</u>	<u>5,159,336</u>
Expenses		
Culture and Recreation	<u>4,090,832</u>	<u>3,471,304</u>
Change in Net Position	1,413,918	1,688,032
Net Position-Beginning as Restated	<u>25,811,928</u>	<u>24,050,296</u>
Net Position-Ending	<u><u>27,225,846</u></u>	<u><u>25,738,328</u></u>

Net position of the Library's governmental activities increased from a restated balance \$25,811,928 to \$27,225,846.

Revenues of \$5,504,750 exceeded expenses of \$4,090,832, resulting in the increase to net position in the current year of \$1,413,918.

Governmental Activities

In the current year, governmental net position increased \$1,413,918, an increase of 5.5 percent. Property and Replacement taxes increased \$103,644 over the prior year (\$4,797,731 in 2015 compared to \$4,901,375 in 2016).

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

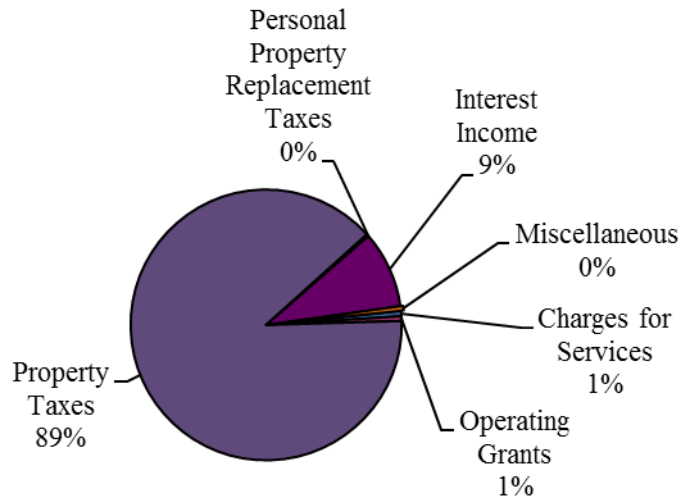
**Management’s Discussion and Analysis
June 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

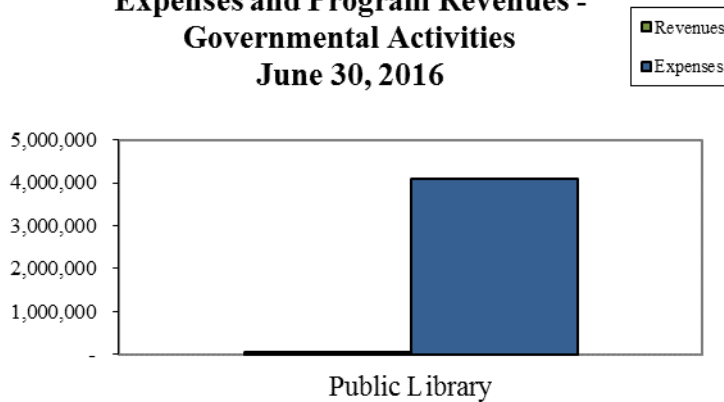
The following table graphically depicts the major revenue sources of the Library. It depicts very clearly the reliance of property taxes to fund governmental activities.

**Revenues by Source - Governmental Activities
June 30, 2016**



The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues. The public library functions charge user fees for services provided. The user fees charged do not cover the expenses, which furthermore signifies the Library’s reliance on general revenues such as property taxes and personal property replacement taxes to fund operations.

**Expenses and Program Revenues -
Governmental Activities
June 30, 2016**



LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2016

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$18,530,162 which is 2.0 percent lower than last year's ending fund balance of \$18,908,417.

In the current year, governmental fund balances decreased by \$378,255. The General Fund reported an increase of \$174,014, due primarily to expenditures being less than anticipated in personnel, materials, and services and supplies. The Bond and Interest Fund had an increase of \$728, due primarily to interest earned in account. The Special Reserve Fund reported a decrease of \$446,636, due primarily to expenditures spent in the current year.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The General Fund actual revenues were higher than budgeted revenues. Actual revenues for the current year were \$4,512,177, compared to budgeted revenues of \$4,482,138. This resulted primarily from interest being \$47,926 higher than the budgeted amount of \$33,400.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$2,883,163, while budgeted expenditures totaled \$3,325,600. This was due primarily to substantial savings realized versus the budgeted expenditures in all culture and recreation areas.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2016

CAPITAL ASSETS

The Library's investment in capital assets for its governmental activities as of June 30, 2016 was \$8,798,663 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, computers, furniture and equipment and, and library materials.

	Capital Assets - Net of Depreciation	
	2016	2015
Land	\$ 3,232,884	742,276
Construction in Progress	263,825	229,393
Land Improvements	62,527	68,033
Buildings	3,035,179	3,207,247
Computers, Furniture and Equipment	202,851	224,408
Library Materials	2,001,397	2,164,181
Total	<u>8,798,663</u>	<u>6,635,538</u>

This year's additions to capital assets included:

Land	\$ 2,490,608
Construction in Progress	34,432
Computers, Furniture and Equipment	27,820
Library Materials	<u>189,149</u>
	<u>2,742,009</u>

Additional information on the Library's capital assets can be found in note 3 on page 20 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

On May 23, 2016 the Library presented information for a new facility on the property located at 38110 N. Munn Road to the Village of Lindenhurst Board. The Plan Commission recommended that the Village Board move forward with approval of the rezoning of the property. The Board unanimously approved the recommendation. The Board is in the process of working with the Architecture firm of StudioGC to design a new facility. Ground breaking of the facility is scheduled for the Spring of 2017. The building will be constructed with existing funds in the Special Reserve Fund and bond proceeds to be paid from the library's operating tax rate.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2016

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Library Director, Brookfield Public Library, 3609 Grand Boulevard, Brookfield, Illinois 60513.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Net Position

June 30, 2016

See Following Page

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Net Position
June 30, 2016**

ASSETS	
Current Assets	
Cash and Investments	\$ 21,202,533
Receivables - Net of Allowances	
Property Taxes	2,445,854
Accrued Interest	<u>12,175</u>
Total Current Assets	<u>23,660,562</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	3,496,709
Depreciable Capital Assets	12,268,326
Accumulated Depreciation	<u>(6,966,372)</u>
Total Noncurrent Assets	<u>8,798,663</u>
Total Assets	32,459,225
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>719,772</u>
Total Assets and Deferred Outflows of Resources	<u>33,178,997</u>

The notes to the financial statements are an integral part of this statement.

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 107,812
Accrued Payroll	68,668
Current Portion of Long-Term Debt	19,194
Total Current Liabilities	<u>195,674</u>
Noncurrent Liabilities	
Compensated Absences Payable	76,776
Net Pension Liability - IMRF	678,546
Total Noncurrent Liabilities	<u>755,322</u>
Total Liabilities	<u>950,996</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	4,953,920
Deferred Items - IMRF	48,235
Total Deferred Inflows of Resources	<u>5,002,155</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,953,151</u>

NET POSITION

Net Investment in Capital Assets	8,798,663
Restricted	
Property Tax Levies	
Public Liability Insurance	42,029
Illinois Municipal Retirement	293,380
Social Security	370,711
Audit	39,839
Site and Building	122,696
Debt Service	35,958
Unrestricted	<u>17,522,570</u>
Total Net Position	<u>27,225,846</u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended June 30, 2016**

	<u>Program Revenues</u>		Net
	Charges		(Expenses)/
	for	Operating	Revenues and
Expenses	Services	Grants	Changes in
			Net Position
Governmental Activities			
Culture and Recreation	<u>\$ 4,090,832</u>	<u>35,634</u>	<u>31,047</u>
			<u>(4,024,151)</u>
	General Revenues		
	Taxes		
		Property Taxes	4,888,239
		Personal Property Replacement	13,136
		Interest	506,619
		Miscellaneous	30,075
			<u>5,438,069</u>
		Change in Net Position	1,413,918
		Net Position - Beginning as Restated	<u>25,811,928</u>
		Net Position - Ending	<u>27,225,846</u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Balance Sheet - Governmental Funds
June 30, 2016**

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
ASSETS					
Cash and Investments	\$ 3,124,810	35,937	16,976,248	1,065,538	21,202,533
Receivables - Net of Allowances					
Property Taxes	2,239,508	-	-	206,346	2,445,854
Accrued Interest	2,551	21	8,987	616	12,175
Total Assets	5,366,869	35,958	16,985,235	1,272,500	23,660,562
LIABILITIES					
Accounts Payable	66,958	-	19,202	21,652	107,812
Accrued Payroll	62,810	-	-	5,858	68,668
Total Liabilities	129,768	-	19,202	27,510	176,480
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	4,535,556	-	-	418,364	4,953,920
Total Liabilities and Deferred Inflows of Resources	4,665,324	-	19,202	445,874	5,130,400
FUND BALANCES					
Restricted	42,029	35,958	-	826,626	904,613
Assigned	-	-	16,966,033	-	16,966,033
Unassigned	659,516	-	-	-	659,516
Total Fund Balances	701,545	35,958	16,966,033	826,626	18,530,162
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,366,869	35,958	16,985,235	1,272,500	23,660,562

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities**

June 30, 2016

Total Fund Balances	\$ 18,530,162
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	8,798,663
Deferred (Inflows)/Outflows of Resources related to IMRF not reported in the funds. Deferred Items - IMRF	671,537
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable	(95,970)
Net Pension Liability - IMRF	<u>(678,546)</u>
Net Position	<u><u>27,225,846</u></u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2016**

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
Revenues					
Taxes	\$ 4,334,095	-	-	567,280	4,901,375
Intergovernmental	31,047	-	-	-	31,047
Fines and Forfeitures	35,634	-	-	-	35,634
Interest	81,326	728	391,247	33,318	506,619
Miscellaneous	30,075	-	-	-	30,075
Total Revenues	4,512,177	728	391,247	600,598	5,504,750
Expenditures					
Current					
Culture and Recreation	2,883,163	-	2,292,883	706,959	5,883,005
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	1,629,014	728	(1,901,636)	(106,361)	(378,255)
Other Financing Sources (Uses)					
Transfers In	-	-	1,455,000	-	1,455,000
Transfers Out	(1,455,000)	-	-	-	(1,455,000)
	(1,455,000)	-	1,455,000	-	-
Net Change in Fund Balances					
	174,014	728	(446,636)	(106,361)	(378,255)
Fund Balances - Beginning					
	527,531	35,230	17,412,669	932,987	18,908,417
Fund Balances - Ending					
	701,545	35,958	16,966,033	826,626	18,530,162

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

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

For the Fiscal Year Ended June 30, 2016

Net Change in Fund Balances \$ (378,255)

Amounts reported in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	2,742,009
Depreciation Expense	(578,884)

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	290,785
---------------------------------	---------

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Deductions to Compensated Absences Payable	32,785
Additions to Net Pension Liability - IMRF	<u>(694,522)</u>

Changes in Net Position 1,413,918

The notes to the financial statements are in integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Fiduciary Net Position
June 30, 2016**

	<u>Agency</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 57,245</u>
LIABILITIES	
Deposits Payable	<u>57,245</u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lake Villa Public Library District (Library) of Illinois is located in Lake Villa, Illinois. The purpose of the Library is to provide and ensure access to materials and services to meet the lifelong learning needs of residents and organizations, as well as to create a welcoming place to gather, exchange ideas and participate in cultural events.

REPORTING ENTITY

In determining the financial reporting entity, the Library complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the Library. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Library’s basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library’s major funds). The Library only reports governmental activities.

In the government-wide Statement of Net Position, the governmental activities is (a) presented on a consolidated basis, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Library’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Library first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Library’s functions. The functions are supported by general government revenues (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.).

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

Agency Funds are used to account for assets held by the Library in a purely custodial capacity. The Special Assessments Fund accounts for the collection of special assessments from property owners and payments of related special assessment debt. The Special Service Areas Fund accounts for the collection of property taxes within special taxing districts and payments of related special service areas debt.

The Library's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Library, these funds are not incorporated into the government-wide statements.

This government-wide focus is more on the sustainability of the Library as an entity and the change in the Library's net position resulting from the current year's activities.

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Library:

General fund is the general operating fund of the Library. It accounts for all revenues and expenditures of the Library which are not accounted for in other funds. The General Fund is a major fund and includes the Library Account, the Working Cash Account and the Public Library Insurance Account.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Library maintains three nonmajor special revenue funds, which include the Illinois Municipal Retirement Fund, the Social Security Fund, and the Audit Fund.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Bond and Interest Fund is treated as a major fund and is used to account for the proceeds of tax revenues to retire general obligation debt and make the required payments therefrom.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Library maintains one major capital projects fund, the Special Reserve Fund, which is used to account for capital improvements at the Library. The Library also maintains one nonmajor capital projects fund, the Site and Building Fund.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental funds are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is utilized.

The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Library recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds' Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Prepays

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$500 are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	10 Years
Buildings	40 Years
Computers, Furniture and Equipment	5 - 7 Years
Library Materials	10 Years

Compensated Absences

The Library accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond 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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Library establishes the budgetary data reflected in the financial statements by the passage of a combined budget and appropriation and levy ordinance prior to the statutory deadline. The amounts presented in the statements reflect the budgeted amounts. Expenditures for any fund should not exceed the amount appropriated for the fund.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Library 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 combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Library's funds.

Permitted Deposits and Investments - Statutes authorize the Library to make deposits/invest 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, and the Illinois Funds.

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

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$5,619,836 and the bank balances totaled \$5,621,646.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk – Continued

Investments. The Library has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	\$ 9,223,186	3,233,059	5,990,127	-	-
U.S. Agency Securities	2,863,481	786,329	1,877,087	200,065	-
State and Local Obligations	3,496,030	158,178	2,539,264	619,930	178,658
	<u>15,582,697</u>	<u>4,177,566</u>	<u>10,406,478</u>	<u>819,995</u>	<u>178,658</u>

The Library has the following recurring fair value measurements as of June 30, 2016:

- U.S. Treasury Securities of \$9,223,186 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency Securities of \$2,863,481 are valued using quoted market prices (Level 1 inputs)
- State and Local Obligations of \$3,496,030 are valued using a matrix pricing model (Level 2 inputs)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy does not specifically limit the maximum maturity length of investments.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in securities authorized by State statute, the Library’s investment policy does not further mitigate credit risk. At year-end, the Library’s investments in U.S. agencies and state and local obligations were rated AA - Aa by Moody’s.

Concentration Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Library’s investment in a single issuer. The Library’s investment policy does not mitigate concentration risk.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library’s deposits may not be returned to it. The Library’s investment policy requires that deposit with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the Library. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

PROPERTY TAXES

Property taxes for the 2015 levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are collected in two installments in June and September. The County collects such taxes and remits them periodically.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Special Reserve	General	\$ 1,455,000

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 742,276	2,490,608	-	3,232,884
Construction in Progress	229,393	34,432	-	263,825
	<u>971,669</u>	<u>2,525,040</u>	<u>-</u>	<u>3,496,709</u>
Depreciable Capital Assets				
Land Improvements	303,872	-	-	303,872
Buildings	6,605,280	-	-	6,605,280
Computers, Furniture and Equipment	1,186,273	27,820	-	1,214,093
Library Materials	3,955,932	189,149	-	4,145,081
	<u>12,051,357</u>	<u>216,969</u>	<u>-</u>	<u>12,268,326</u>
Less Accumulated Depreciation				
Land Improvements	235,839	5,506	-	241,345
Buildings	3,398,033	172,068	-	3,570,101
Computers, Furniture and Equipment	961,865	49,377	-	1,011,242
Library Materials	1,791,751	351,933	-	2,143,684
	<u>6,387,488</u>	<u>578,884</u>	<u>-</u>	<u>6,966,372</u>
Total Depreciable Capital Assets	<u>5,663,869</u>	<u>(361,915)</u>	<u>-</u>	<u>5,301,954</u>
Total Capital Assets	<u>6,635,538</u>	<u>2,163,125</u>	<u>-</u>	<u>8,798,663</u>

Depreciation expense of \$578,884 was charged to the culture and recreation function.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM LIABILITY ACTIVITY

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 128,755	32,785	65,570	95,970	19,194
Net Pension Liability (Asset) - IMRF	(15,976)	694,522	-	678,546	-
	<u>112,779</u>	<u>727,307</u>	<u>65,570</u>	<u>774,516</u>	<u>19,194</u>

Payments on the compensated absences and the net pension liability are generally made by the General Fund.

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of the year end:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 8,798,663</u>

NET POSITION RESTATEMENTS

Net position was restated due to the implementation of GASB Statement No. 68. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Government-Wide Financials	\$ 25,738,328	25,811,928	73,600

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Library considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Library first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Capital Projects Special Reserve	Nonmajor	Totals
Restricted					
Public Liability Insurance	\$ 42,029	-	-	-	42,029
Illinois Municipal Retirement	-	-	-	293,380	293,380
Social Security	-	-	-	370,711	370,711
Audit	-	-	-	39,839	39,839
Site and Building	-	-	-	122,696	122,696
Debt Service	-	35,958	-	-	35,958
	<u>42,029</u>	<u>35,958</u>	<u>-</u>	<u>826,626</u>	<u>904,613</u>
Assigned					
Other Purposes	-	-	16,966,033	-	16,966,033
Unassigned					
	<u>659,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>659,516</u>
Total Fund Balances	<u><u>701,545</u></u>	<u><u>35,958</u></u>	<u><u>16,966,033</u></u>	<u><u>826,626</u></u>	<u><u>18,530,162</u></u>

Assigned Fund Balance. Assigned fund balances are amounts that are constrained by the Library’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g., a budget or finance committee) or official to which the Board has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Minimum Fund Balance Policy. The Library’s policy states that the General Fund should maintain a minimum fund balance equal to two to three months of budgeted operating expenditures, excluding transfers and capital expenditures. Fund balances in excess of said levels may be transferred to other funds at the discretion of the Board.

NOTE 4 – OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

The Library is currently not involved in any litigation.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Library expects such amounts, if any, to be immaterial.

RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Library’s employees. These risks are provided for through insurance from private insurance companies. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

The Library contributes to one defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF). IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System

Plan Description

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. 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:

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

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Plan Membership. As of December 31, 2015, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	26
Inactive Plan Members Entitled to but not yet Receiving Benefits	21
Active Plan Members	<u>35</u>
Total	<u><u>82</u></u>

Contributions. As set by statute, the Library's Regular 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 Library's annual contribution rate for calendar year 2015 was 9.95%.

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

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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 tables was used with fully generational projection scale MP-2014 (base year 2014). 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 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate 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. 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 the 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 the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net Pension Liability (Asset)	\$ 1,681,859	678,546	(156,087)

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2014	\$ 7,182,032	\$ 7,198,008	\$ (15,976)
Changes for the year:			
Service Cost	177,509	-	177,509
Interest on the Total Pension Liability	536,349	-	536,349
Difference Between Expected and Actual Experience of the Total Pension Liability	30,126	-	30,126
Changes of Assumptions	18,602	-	18,602
Contributions - Employer	-	150,440	(150,440)
Contributions - Employees	-	68,038	(68,038)
Net Investment Income	-	35,939	(35,939)
Benefit Payments, including Refunds of Employee Contributions	(238,932)	(238,932)	-
Other (Net Transfer)	-	(186,353)	186,353
Net Changes	523,654	(170,868)	694,522
Balances at December 31, 2015	7,705,686	7,027,140	678,546

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

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

For the year ended June 30, 2016, the Library recognized pension expense of \$403,737. At June 30, 2016, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 22,653	(48,235)	(25,582)
Changes of Assumptions	168,767	-	168,767
Net difference Between Projected and Actual Earnings on Pension Plan Investments	454,290	-	454,290
Pension Contributions Made Subsequent to the Measurement Date	74,062	-	74,062
Total Deferred Amounts Related to Pensions	<u>719,772</u>	<u>(48,235)</u>	<u>671,537</u>

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,	Net Deferred Outflows of Resources
2017	\$ 251,783
2018	177,721
2019	142,421
2020	99,612
2021	-
Thereafter	-
	<u>671,537</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

POST-EMPLOYMENT BENEFITS

The Library provides COBRA health benefits to all prior employees as required by federal law. The Library also provides continued health benefits to eligible retirees as required by Illinois Public Act 86-1444. The prior employees and retirees pay 100 percent of the premiums. The Library has determined the provisions of GASB Statement No. 45 *Financial Reporting for Post-Employment Benefits Other Than Pension Funds* to be immaterial to the financial statements based on membership in the plan and the fact that the Library has no explicit cost for post-employment benefits.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
June 30, 2016**

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 172,236	\$ 175,107	\$ 2,871	\$ 1,512,168	11.58%
2015	150,440	150,440	-	1,511,957	9.95%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market, 20% Corridor
Inflation	3.0%
Salary Increases	4.4% - 16.0%
Investment Rate of Return	7.5%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healty Mortality Table

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2016**

	December 31, 2014	December 31, 2015
Total Pension Liability		
Service Cost	\$ 194,748	177,509
Interest	487,736	536,349
Differences Between Expected and Actual Experience	(91,045)	30,126
Change of Assumptions	292,153	18,602
Benefit Payments, Including Refunds of Member Contributions	(214,652)	(238,932)
Net Change in Total Pension Liability	668,940	523,654
Total Pension Liability - Beginning	6,513,092	7,182,032
Total Pension Liability - Ending	7,182,032	7,705,686
Plan Fiduciary Net Position		
Contributions - Employer	\$ 175,107	150,440
Contributions - Members	69,182	68,038
Net Investment Income	411,033	35,939
Benefit Payments, Including Refunds of Member Contributions	(214,652)	(238,932)
Other (Net Transfer)	33,903	(186,353)
Net Change in Plan Fiduciary Net Position	474,573	(170,868)
Plan Net Position - Beginning	6,723,435	7,198,008
Plan Net Position - Ending	7,198,008	7,027,140
Employer's Net Pension Liability	\$ (15,976)	678,546
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.22%	91.19%
Covered-Employee Payroll	\$ 1,512,168	1,511,957
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	-1.06%	44.88%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes	\$ 4,333,738	4,334,095
Intergovernmental	50,000	31,047
Fines and Forfeitures	65,000	35,634
Interest	33,400	81,326
Miscellaneous	-	30,075
Total Revenues	<u>4,482,138</u>	<u>4,512,177</u>
Expenditures		
Culture and Recreation		
Contractual Services	373,950	312,584
Personnel	2,193,350	1,913,990
Library Materials	518,500	481,413
Operations	229,800	171,786
Contingency	10,000	3,390
Total Expenditures	<u>3,325,600</u>	<u>2,883,163</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,156,538	1,629,014
Other Financing (Uses)		
Transfers Out	<u>(1,153,698)</u>	<u>(1,455,000)</u>
Net Change in Fund Balance	<u>2,840</u>	174,014
Fund Balance - Beginning		<u>527,531</u>
Fund Balance - Ending		<u><u>701,545</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - General Fund - by Account
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
- Budgetary Comparison Schedules - General Fund - by Account
 - Library Account
 - Working Cash Account
 - Public Library Insurance Account
- Budgetary Comparison Schedules - Major Governmental Funds
 - Bond and Interest - Debt Service Fund
 - Special Reserve - Capital Projects Fund
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
 - Illinois Municipal Retirement - Special Revenue Fund
 - Social Security - Special Revenue Fund
 - Audit - Special Revenue Fund
 - Site and Building - Capital Projects Fund
- Schedule of Changes in Assets and Liabilities – Agency Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund, a major fund, accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund is used to account for the Library's participation in the Illinois Municipal Retirement Fund. Financing is provided by a specific annual property tax levy which produces a sufficient amount to pay the Library's contributions to the fund on behalf of its employees.

Social Security Fund

The Social Security Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for payment of the employer's portion of Federal Social Security and Medicare taxes.

Audit Fund

The Audit Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the annual audit of the Library.

DEBT SERVICE FUND

The Debt Service Fund, a major fund, accounts for proceeds of tax revenues to retire general obligation debt and make the required payments therefrom.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

Special Reserve Fund

The Special Reserve Fund is used to account for capital improvements at the library.

Site and Building Fund

The Site and Building Fund is used to account for maintenance costs on the Library's facility.

TRUST AND AGENCY FUNDS

AGENCY FUND

Lake Villa Public Library District Foundation

The Lake Villa Public Library District Foundation Fund is used to account for funds held on behalf of fund raising initiatives and individual donations.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Combining Balance Sheet - General Fund - by Account
June 30, 2016**

	Library	Working Cash	Public Liability Insurance	Totals
ASSETS				
Cash and Investments	\$ 2,873,954	204,791	46,065	3,124,810
Receivables - Net of Allowances				
Property Taxes	2,235,554	-	3,954	2,239,508
Accrued Interest	2,405	119	27	2,551
 Total Assets	 5,111,913	 204,910	 50,046	 5,366,869
LIABILITIES				
Accounts Payable	66,958	-	-	66,958
Accrued Payroll	62,810	-	-	62,810
Other Payables	-	-	-	-
Total Liabilities	129,768	-	-	129,768
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,527,539	-	8,017	4,535,556
Total Liabilities and Deferred Inflows of Resources	4,657,307	-	8,017	4,665,324
FUND BALANCES				
Restricted	-	-	42,029	42,029
Unassigned	454,606	204,910	-	659,516
Total Fund Balances	454,606	204,910	42,029	701,545
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 5,111,913	 204,910	 50,046	 5,366,869

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - by Account

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	Library Account	
	Budget	
	Original and Final	Actual
Revenues		
Taxes	\$ 4,309,298	4,309,719
Intergovernmental	50,000	31,047
Fines and Forfeitures	65,000	35,634
Interest	30,000	74,831
Miscellaneous	-	30,075
Total Revenues	<u>4,454,298</u>	<u>4,481,306</u>
Expenditures		
Culture and Recreation		
Contractual Services	348,950	294,333
Personnel	2,193,350	1,913,990
Library Materials	518,500	481,413
Operations	229,800	171,786
Contingency	10,000	3,390
Total Expenditures	<u>3,300,600</u>	<u>2,864,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,153,698	1,616,394
Other Financing (Uses)		
Transfers Out	<u>(1,153,698)</u>	<u>(1,455,000)</u>
Net Change in Fund Balance	<u>-</u>	161,394
Fund Balance - Beginning		<u>293,212</u>
Fund Balance - Ending		<u><u>454,606</u></u>

<u>Working Cash Account</u>		<u>Public Liability Insurance</u>		<u>Total</u>	
<u>Budget</u>		<u>Budget</u>		<u>Budget</u>	
<u>Original and Final</u>	<u>Actual</u>	<u>Original and Final</u>	<u>Actual</u>	<u>Original and Final</u>	<u>Actual</u>
-	-	24,440	24,376	4,333,738	4,334,095
-	-	-	-	50,000	31,047
-	-	-	-	65,000	35,634
3,000	5,391	400	1,104	33,400	81,326
-	-	-	-	-	30,075
<u>3,000</u>	<u>5,391</u>	<u>24,840</u>	<u>25,480</u>	<u>4,482,138</u>	<u>4,512,177</u>
-	-	25,000	18,251	373,950	312,584
-	-	-	-	2,193,350	1,913,990
-	-	-	-	518,500	481,413
-	-	-	-	229,800	171,786
-	-	-	-	10,000	3,390
-	-	<u>25,000</u>	<u>18,251</u>	<u>3,325,600</u>	<u>2,883,163</u>
3,000	5,391	(160)	7,229	1,156,538	1,629,014
-	-	-	-	(1,153,698)	(1,455,000)
<u>3,000</u>	5,391	<u>(160)</u>	7,229	<u>2,840</u>	174,014
	<u>199,519</u>		<u>34,800</u>		<u>527,531</u>
	<u>204,910</u>		<u>42,029</u>		<u>701,545</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Library Account

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes	\$ 4,309,298	4,309,719
Intergovernmental	50,000	31,047
Fines and Forfeitures	65,000	35,634
Interest	30,000	74,831
Miscellaneous	-	30,075
Total Revenues	<u>4,454,298</u>	<u>4,481,306</u>
Expenditures		
Culture and Recreation		
Contractual Services	348,950	294,333
Personnel	2,193,350	1,913,990
Library Materials	518,500	481,413
Operations	229,800	171,786
Contingency	10,000	3,390
Total Expenditures	<u>3,300,600</u>	<u>2,864,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,153,698	1,616,394
Other Financing (Uses)		
Transfers Out	<u>(1,153,698)</u>	<u>(1,455,000)</u>
Net Change in Fund Balance	<u>-</u>	161,394
Fund Balance - Beginning		<u>293,212</u>
Fund Balance - Ending		<u><u>454,606</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Library Account

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	
	Original	
	and Final	Actual
Taxes		
Property Taxes	\$ 4,300,198	4,296,583
Replacement Taxes	9,100	13,136
	<u>4,309,298</u>	<u>4,309,719</u>
Intergovernmental		
Per Capita Grant	<u>50,000</u>	<u>31,047</u>
Fines and Forfeitures	<u>65,000</u>	<u>35,634</u>
Interest	<u>30,000</u>	<u>74,831</u>
Miscellaneous		
Photocopies	-	13,751
Lost Materials	-	9,050
Miscellaneous	-	7,274
	<u>-</u>	<u>30,075</u>
Total Revenues	<u>4,454,298</u>	<u>4,481,306</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Library Account

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	Budget Original and Final	Actual
Culture and Recreation		
Contractual Services		
Equipment Maintenance	\$ 11,500	7,817
Information Technology	198,000	194,076
Legal	11,000	3,614
Other Consultants	20,000	950
Other Contractual	9,700	7,465
Printing	29,250	24,619
Programs and Promotions	69,500	55,792
	348,950	294,333
Personnel		
Continuing Education	34,350	19,128
Benefits	170,000	113,740
Salaries	1,972,000	1,775,045
Recruitment	2,000	100
Staff Development	15,000	5,977
	2,193,350	1,913,990
Library Materials		
Interlibrary Loan	500	274
Nonprint	115,000	110,514
Online	203,500	181,477
Print	199,500	189,148
	518,500	481,413
Operations		
Equipment and Furniture	40,000	18,316
Insurance	14,500	12,462
Postage	17,500	16,202
Supplies	61,800	35,134
Utilities	96,000	89,672
	229,800	171,786
Contingency	10,000	3,390
Total Expenditures	3,300,600	2,864,912

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Working Cash Account

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ 3,000	5,391
Expenditures		
Culture and Recreation		
None	-	-
Net Change in Fund Balance	<u>3,000</u>	5,391
Fund Balance - Beginning		<u>199,519</u>
Fund Balance - Ending		<u>204,910</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Public Library Insurance Account

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes		
Property Taxes	\$ 24,440	24,376
Interest	400	1,104
Total Revenues	<u>24,840</u>	<u>25,480</u>
Expenditures		
Culture and Recreation		
Contractual Services		
Liability Insurance and Unemployment Premiums	<u>25,000</u>	<u>18,251</u>
Net Change in Fund Balance	<u>(160)</u>	7,229
Fund Balance - Beginning		<u>34,800</u>
Fund Balance - Ending		<u><u>42,029</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Bond and Interest - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ -	728
Expenditures		
Debt Service		
None	-	-
Net Change in Fund Balance	<u>-</u>	728
Fund Balance - Beginning		<u>35,230</u>
Fund Balance - Ending		<u>35,958</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Special Reserve - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ 240,000	391,247
Miscellaneous	3,500	-
Total Revenues	<u>243,500</u>	<u>391,247</u>
Expenditures		
Culture and Recreation		
Operations		
Building Repair and Maintenance	<u>3,000,000</u>	<u>2,292,883</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,756,500)	(1,901,636)
Other Financing Sources		
Transfers In	<u>1,153,698</u>	<u>1,455,000</u>
Net Change in Fund Balance	<u>(1,602,802)</u>	(446,636)
Fund Balance - Beginning		<u>17,412,669</u>
Fund Balance - Ending		<u>16,966,033</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
June 30, 2016**

	Special Revenue			Capital Projects	Total
	Illinois Municipal Retirement	Social Security	Audit	Site and Building	
ASSETS					
Cash and Investments	\$ 400,764	423,720	39,816	201,238	1,065,538
Receivables - Net of Allowances					
Property Taxes	82,410	47,382	-	76,554	206,346
Accrued Interest	232	245	23	116	616
Total Assets	<u>483,406</u>	<u>471,347</u>	<u>39,839</u>	<u>277,908</u>	<u>1,272,500</u>
LIABILITIES					
Accounts Payable	17,082	4,570	-	-	21,652
Accrued Payroll	5,858	-	-	-	5,858
Total Liabilities	<u>22,940</u>	<u>4,570</u>	<u>-</u>	<u>-</u>	<u>27,510</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	167,086	96,066	-	155,212	418,364
Total Liabilities and Deferred Inflows of Resources	<u>190,026</u>	<u>100,636</u>	<u>-</u>	<u>155,212</u>	<u>445,874</u>
FUND BALANCES					
Restricted	<u>293,380</u>	<u>370,711</u>	<u>39,839</u>	<u>122,696</u>	<u>826,626</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>483,406</u>	<u>471,347</u>	<u>39,839</u>	<u>277,908</u>	<u>1,272,500</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016**

	Special Revenue			Capital	Totals
	Illinois Municipal Retirement	Social Security	Audit	Projects Site and Building	
Revenues					
Taxes	\$ 234,201	179,738	-	153,341	567,280
Interest	9,568	11,101	1,140	11,509	33,318
Total Revenues	<u>243,769</u>	<u>190,839</u>	<u>1,140</u>	<u>164,850</u>	<u>600,598</u>
Expenditures					
Culture and Recreation					
Contractual Services	-	-	10,000	-	10,000
Personnel	167,266	133,333	-	-	300,599
Operations	-	-	-	396,360	396,360
Total Expenditures	<u>167,266</u>	<u>133,333</u>	<u>10,000</u>	<u>396,360</u>	<u>706,959</u>
Net Change in Fund Balances	76,503	57,506	(8,860)	(231,510)	(106,361)
Fund Balances - Beginning	<u>216,877</u>	<u>313,205</u>	<u>48,699</u>	<u>354,206</u>	<u>932,987</u>
Fund Balances - Ending	<u>293,380</u>	<u>370,711</u>	<u>39,839</u>	<u>122,696</u>	<u>826,626</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes		
Property Taxes	\$ 234,554	233,856
Replacement Taxes	500	345
Interest	3,000	9,568
Total Revenues	<u>238,054</u>	<u>243,769</u>
Expenditures		
Culture and Recreation		
Personnel		
Illinois Municipal Retirement	<u>227,000</u>	<u>167,266</u>
Net Change in Fund Balance	<u>11,054</u>	76,503
Fund Balance - Beginning		<u>216,877</u>
Fund Balance - Ending		<u>293,380</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Social Security - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes		
Property Taxes	\$ 179,833	179,488
Replacement Taxes	400	250
Interest	5,000	11,101
Total Revenues	<u>185,233</u>	<u>190,839</u>
Expenditures		
Culture and Recreation		
Personnel		
Social Security	<u>186,000</u>	<u>133,333</u>
Net Change in Fund Balance	<u>(767)</u>	57,506
Fund Balance - Beginning		<u>313,205</u>
Fund Balance - Ending		<u><u>370,711</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Audit - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ 700	1,140
Expenditures		
Culture and Recreation		
Contractual Services		
Audit	<u>10,000</u>	<u>10,000</u>
Net Change in Fund Balance	<u>(9,300)</u>	(8,860)
Fund Balance - Beginning		<u>48,699</u>
Fund Balance - Ending		<u><u>39,839</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Site and Building - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Taxes		
Property Taxes	\$ 153,851	153,341
Interest	6,000	11,509
Total Revenues	<u>159,851</u>	<u>164,850</u>
Expenditures		
Culture and Recreation		
Operations		
Building and Grounds Improvement and Maintenance	<u>400,000</u>	<u>396,360</u>
Net Change in Fund Balance	<u>(240,149)</u>	(231,510)
Fund Balance - Beginning		<u>354,206</u>
Fund Balance - Ending		<u><u>122,696</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Lake Villa Public Library Foundation - Agency Fund

**Schedule of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2016**

	Balances July 1	Additions	Deductions	Balances June 30
ASSETS				
Cash and Investments	\$ 52,868	11,078	6,701	57,245
LIABILITIES				
Deposits Payable	52,868	11,078	6,701	57,245