

# LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

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## ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

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## **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
- Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

September 28, 2017

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, 2017, 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, 2017, 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, 2017**

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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, 2017. 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 \$27,225,846 to \$28,324,991, an increase of \$1,099,145 or 4.0 percent.
- During the year, government-wide revenues totaled \$5,022,674, while government-wide expenses totaled \$3,923,529, resulting in an increase to net position of \$1,099,145.
- Total fund balances for the governmental funds were \$18,997,889 at June 30, 2017 compared to \$18,530,162 in the prior year, an increase of \$467,727 or 2.5 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 - 5) 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 6. 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 - 5 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, 2017

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### 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, 2017**

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### **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, 2017

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### 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 \$28,324,991.

	Net Position	
	2017	2016
Current Assets	\$ 24,168,112	23,660,562
Capital Assets	9,602,703	8,798,663
Total Assets	33,770,815	32,459,225
Deferred Outflows	558,261	719,772
Total Assets/Deferred Outflows	34,329,076	33,178,997
Long-Term Debt Outstanding	723,894	755,322
Other Liabilities	202,808	195,674
Total Liabilities	926,702	950,996
Deferred Inflows	5,077,383	5,002,155
Total Liabilities/Deferred Inflows	6,004,085	5,953,151
Net Position		
Investment in Capital Assets	9,602,703	8,798,663
Restricted	866,209	904,613
Unrestricted	17,856,079	17,522,570
Total Net Position	28,324,991	27,225,846

A large portion of the Library's net position (33.9 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 3.1 percent of the Library's net position represents resources that are subject to external restrictions on how they may be used, including \$36,457 restricted for public liability insurance, \$309,264 restricted for IMRF, \$335,111 restricted for social security, \$32,024 restricted for audit, \$116,917 restricted for site and building, and \$36,436 restricted for debt service. The remaining \$17,856,079 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, 2017

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	2017	2016
Revenues		
Program Revenues		
Charges for Services	\$ 16,541	35,634
Operating Grants/Contributions	-	31,047
General Revenues		
Property and Replacement Taxes	4,959,051	4,901,375
Interest	(786)	506,619
Miscellaneous	47,868	30,075
Total Revenues	<u>5,022,674</u>	<u>5,504,750</u>
Expenses		
Culture and Recreation	<u>3,923,529</u>	<u>4,090,832</u>
Change in Net Position	1,099,145	1,413,918
Net Position-Beginning	<u>27,225,846</u>	<u>25,811,928</u>
Net Position-Ending	<u><u>28,324,991</u></u>	<u><u>27,225,846</u></u>

Net position of the Library's governmental activities increased from \$27,225,846 to \$28,324,991.

Revenues of \$5,022,674 exceeded expenses of \$3,923,529, resulting in the increase to net position in the current year of \$1,099,145.

#### Governmental Activities

In the current year, governmental net position increased \$1,099,145, an increase of 4.0 percent. Property and Replacement taxes increased \$57,676 over the prior year (\$4,901,375 in 2016 compared to \$4,959,051 in 2017).

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Management’s Discussion and Analysis  
June 30, 2017**

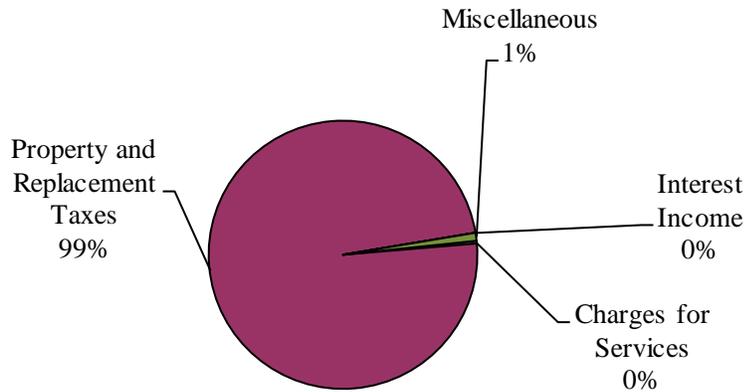
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Governmental Activities – Continued**

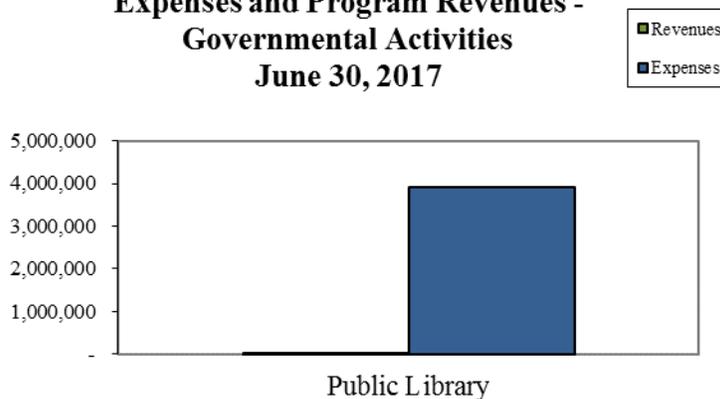
The following table graphically depicts the major revenue sources of the Library. It depicts very clearly the reliance of property taxes to fund governmental activities.

**Revenues by Source - Governmental Activities  
June 30, 2017**



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, 2017**



# **LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

## **Management's Discussion and Analysis June 30, 2017**

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### **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 \$18,997,889 which is 2.5 percent higher than last year's ending fund balance of \$18,530,162.

In the current year, governmental fund balances increased by \$467,727. The General Fund reported an increase of \$2,809, due primarily to expenditures being less than anticipated in personnel, materials, and services and supplies. The Bond and Interest Fund had an increase of \$478, due primarily to interest earned. The Special Reserve Fund reported an increase of \$497,750, due primarily a \$1,800,000 transfer in from the General Fund to due planned future capital spending.

#### **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 lower than budgeted revenues. Actual revenues for the current year were \$4,623,193, compared to budgeted revenues of \$4,673,957. This resulted primarily from interest being \$16,164 lower than the budgeted amount of \$33,400 and the Library not receiving anticipated intergovernmental revenues in the current year.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$2,820,384, while budgeted expenditures totaled \$3,297,400. 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, 2017

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### CAPITAL ASSETS

The Library's investment in capital assets for its governmental activities as of June 30, 2017 was \$9,602,703 (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	
	2017	2016
Land	\$ 3,232,884	3,232,884
Construction in Progress	1,448,412	263,825
Land Improvements	57,021	62,527
Buildings	2,863,111	3,035,179
Computers, Furniture and Equipment	153,474	202,851
Library Materials	1,847,801	2,001,397
Total	<u>9,602,703</u>	<u>8,798,663</u>

This year's additions to capital assets included:

Construction in Progress	\$ 1,184,587
Library Materials	<u>169,970</u>
	<u>1,354,557</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 Fall 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.

### 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, Lake Villa Public Library District, 1001 East Grand Avenue, Lake Villa, Illinois 60046.

## **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

Governmental Funds

Fiduciary Fund

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, 2017**

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**See Following Page**

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Statement of Net Position  
June 30, 2017**

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<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 21,724,093
Receivables - Net of Allowances	
Property Taxes	<u>2,444,019</u>
Total Current Assets	<u>24,168,112</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	4,681,296
Depreciable Capital Assets	11,576,831
Accumulated Depreciation	<u>(6,655,424)</u>
Total Noncurrent Assets	<u>9,602,703</u>
Total Assets	33,770,815
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	<u>558,261</u>
Total Assets and Deferred Outflows of Resources	<u>34,329,076</u>

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

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**LIABILITIES**

Current Liabilities	
Accounts Payable	\$ 89,097
Accrued Payroll	85,862
Current Portion of Long-Term Debt	27,849
Total Current Liabilities	<u>202,808</u>
Noncurrent Liabilities	
Compensated Absences Payable	111,398
Net Pension Liability - IMRF	612,496
Total Noncurrent Liabilities	<u>723,894</u>
Total Liabilities	<u>926,702</u>

**DEFERRED INFLOWS OF RESOURCES**

Property Taxes	4,995,264
Deferred Items - IMRF	82,119
Total Deferred Inflows of Resources	<u>5,077,383</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,004,085</u>

**NET POSITION**

Net Investment in Capital Assets	9,602,703
Restricted	
Property Tax Levies	
Public Liability Insurance	36,457
Illinois Municipal Retirement	309,264
Social Security	335,111
Audit	32,024
Site and Building	116,917
Debt Service	36,436
Unrestricted	<u>17,856,079</u>
Total Net Position	<u>28,324,991</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, 2017**

	Expenses	Program Revenues Charges for Services	Operating Grants	Net (Expenses)/ Revenues and Changes in Net Position
Governmental Activities				
Culture and Recreation	\$ 3,923,529	16,541	-	(3,906,988)

General Revenues	
Taxes	
Property Taxes	4,943,726
Personal Property Replacement	15,325
Interest	(786)
Miscellaneous	47,868
	<u>5,006,133</u>
Change in Net Position	1,099,145
Net Position - Beginning	<u>27,225,846</u>
Net Position - Ending	<u>28,324,991</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, 2017**

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 3,315,634	36,436	17,463,783	908,240	21,724,093
Receivables - Net of Allowances					
Property Taxes	2,363,419	-	-	80,600	2,444,019
Total Assets	5,679,053	36,436	17,463,783	988,840	24,168,112
<b>LIABILITIES</b>					
Accounts Payable	70,979	-	-	18,118	89,097
Accrued Payroll	73,192	-	-	12,670	85,862
Total Liabilities	144,171	-	-	30,788	174,959
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	4,830,528	-	-	164,736	4,995,264
Total Liabilities and Deferred Inflows of Resources	4,974,699	-	-	195,524	5,170,223
<b>FUND BALANCES</b>					
Restricted	36,457	36,436	-	793,316	866,209
Assigned	-	-	17,463,783	-	17,463,783
Unassigned	667,897	-	-	-	667,897
Total Fund Balances	704,354	36,436	17,463,783	793,316	18,997,889
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,679,053	36,436	17,463,783	988,840	24,168,112

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, 2017**

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<b>Total Fund Balances</b>	\$ 18,997,889
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.	9,602,703
Deferred (Inflows)/Outflows of Resources related to IMRF not reported in the funds. Deferred Items - IMRF	476,142
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable	(139,247)
Net Pension Liability - IMRF	<u>(612,496)</u>
<b>Net Position</b>	<u><u>28,324,991</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, 2017**

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
<b>Revenues</b>					
Taxes	\$ 4,541,548	-	-	417,503	4,959,051
Fines and Forfeitures	16,541	-	-	-	16,541
Interest	17,236	478	(28,848)	10,348	(786)
Miscellaneous	47,868	-	-	-	47,868
Total Revenues	4,623,193	478	(28,848)	427,851	5,022,674
<b>Expenditures</b>					
Current					
Culture and Recreation	2,820,384	-	1,273,402	461,161	4,554,947
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
	1,802,809	478	(1,302,250)	(33,310)	467,727
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	1,800,000	-	1,800,000
Transfers Out	(1,800,000)	-	-	-	(1,800,000)
	(1,800,000)	-	1,800,000	-	-
<b>Net Change in Fund Balances</b>					
	2,809	478	497,750	(33,310)	467,727
<b>Fund Balances - Beginning</b>					
	701,545	35,958	16,966,033	826,626	18,530,162
<b>Fund Balances - Ending</b>					
	704,354	36,436	17,463,783	793,316	18,997,889

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, 2017**

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**Net Change in Fund Balances** \$ 467,727

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	1,354,557
Depreciation Expense	(550,517)
Disposal - Cost	(861,465)
Disposal - Accumulated Depreciation	861,465

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

Change in Deferred Items - IMRF	(195,395)
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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.

(Additions) to Compensated Absences Payable	(43,277)
Deductions to Net Pension Liability - IMRF	<u>66,050</u>

**Changes in Net Position** 1,099,145

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, 2017**

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	<u>\$ 66,583</u>
<b>LIABILITIES</b>	
Deposits Payable	<u>66,583</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, 2017**

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#### **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.).

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.

# LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

## Notes to the Financial Statements June 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements

The financial transactions of the Library are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Library electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a single column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Library or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Library:

##### 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.

## LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

### Notes to the Financial Statements June 30, 2017

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

**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.

**Agency funds** are used to account for assets held by the Library in a purely custodial capacity. The Lake Villa Public Library District Foundation Fund is used to account for funds held on behalf of fund raising initiatives and individual donations.

The Library's fiduciary funds are presented in the fiduciary fund financial statements by type (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.

##### 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.

## **LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

### **Notes to the Financial Statements June 30, 2017**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

###### **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.

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.

# LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

## Notes to the Financial Statements June 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### 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.

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.

##### 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.

##### 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.

# LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

## Notes to the Financial Statements June 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

##### Capital Assets – Continued

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.

##### 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.

# LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

## Notes to the Financial Statements June 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

##### 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.”

### 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.

# LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

## Notes to the Financial Statements June 30, 2017

### 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, Illinois Funds and the Illinois Metropolitan Investment Fund.

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 \$6,499,997 and the bank balances totaled \$6,582,062.

*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	\$ 6,444,152	6,031,277	412,875	-	-
U.S. Agency Securities	5,533,438	4,584,700	948,738	-	-
State and Local Obligations	3,246,506	490,602	2,173,213	427,567	155,124
	<u>15,224,096</u>	<u>11,106,579</u>	<u>3,534,826</u>	<u>427,567</u>	<u>155,124</u>

The Library has the following recurring fair value measurements as of June 30, 2017:

- U.S. Treasury Securities of \$6,444,152 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency Securities of \$5,533,438 are valued using a matrix pricing model (Level 2 inputs)
- State and Local Obligations of \$3,246,506 are valued using a matrix pricing model (Level 2 inputs)

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2017**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

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

**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.

**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 the U.S. Agency securities were rated AA to Aa by Moody’s. The Library’s investments in state and local obligations were not rated.

**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 2016 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:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Special Reserve	General	<u>\$ 1,800,000</u>

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, 2017

### 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	\$ 3,232,884	-	-	3,232,884
Construction in Progress	263,825	1,184,587	-	1,448,412
	<u>3,496,709</u>	<u>1,184,587</u>	<u>-</u>	<u>4,681,296</u>
Depreciable Capital Assets				
Land Improvements	303,872	-	-	303,872
Buildings	6,605,280	-	-	6,605,280
Computers, Furniture and Equipment	1,214,093	-	-	1,214,093
Library Materials	4,145,081	169,970	861,465	3,453,586
	<u>12,268,326</u>	<u>169,970</u>	<u>861,465</u>	<u>11,576,831</u>
Less Accumulated Depreciation				
Land Improvements	241,345	5,506	-	246,851
Buildings	3,570,101	172,068	-	3,742,169
Computers, Furniture and Equipment	1,011,242	49,377	-	1,060,619
Library Materials	2,143,684	323,566	861,465	1,605,785
	<u>6,966,372</u>	<u>550,517</u>	<u>861,465</u>	<u>6,655,424</u>
Total Depreciable Capital Assets	<u>5,301,954</u>	<u>(380,547)</u>	<u>-</u>	<u>4,921,407</u>
Total Capital Assets	<u>8,798,663</u>	<u>804,040</u>	<u>-</u>	<u>9,602,703</u>

Depreciation expense of \$550,517 was charged to the culture and recreation function.

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2017**

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**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	\$ 95,970	86,554	43,277	139,247	27,849
Net Pension Liability - IMRF	678,546	-	66,050	612,496	-
	<u>774,516</u>	<u>86,554</u>	<u>109,327</u>	<u>751,743</u>	<u>27,849</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>\$ 9,602,703</u>

**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, 2017**

**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	\$ 36,457	-	-	-	36,457
Illinois Municipal Retirement	-	-	-	309,264	309,264
Social Security	-	-	-	335,111	335,111
Audit	-	-	-	32,024	32,024
Site and Building	-	-	-	116,917	116,917
Debt Service	-	36,436	-	-	36,436
	<u>36,457</u>	<u>36,436</u>	<u>-</u>	<u>793,316</u>	<u>866,209</u>
Assigned					
Other Purposes	-	-	17,463,783	-	17,463,783
Unassigned					
	<u>667,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>667,897</u>
Total Fund Balances	<u>704,354</u>	<u>36,436</u>	<u>17,463,783</u>	<u>793,316</u>	<u>18,997,889</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, 2017**

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

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### 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, 2017

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### 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, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	30
Inactive Plan Members Entitled to but not yet Receiving Benefits	20
Active Plan Members	<u>36</u>
Total	<u><u>86</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 the year was 9.69%.

*Net Pension Liability.* The Library's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

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, 2017**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement System – Continued**

**Plan Description – Continued**

*Actuarial Assumptions – Continued.* For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 2012). 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). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50%, and the discount rate in the prior valuation was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Library contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following presents the plan’s net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan’s net pension liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	\$ 1,643,852	612,496	(247,559)

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2017**

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**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, 2015	\$ 7,705,686	\$ 7,027,140	\$ 678,546
Changes for the year:			
Service Cost	172,179	-	172,179
Interest on the Total Pension Liability	572,763	-	572,763
Difference Between Expected and Actual Experience of the Total Pension Liability	(55,725)	-	(55,725)
Changes of Assumptions	(19,225)	-	(19,225)
Contributions - Employer	-	150,325	(150,325)
Contributions - Employees	-	69,810	(69,810)
Net Investment Income	-	482,770	(482,770)
Benefit Payments, including Refunds of Employee Contributions	(269,041)	(269,041)	-
Other (Net Transfer)	-	33,137	(33,137)
Net Changes	400,951	467,001	(66,050)
Balances at December 31, 2016	8,106,637	7,494,141	612,496

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2017**

**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, 2017, the Library recognized pension expense of \$281,719. At June 30, 2017, 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	\$ 15,180	(67,937)	(52,757)
Changes of Assumptions	95,466	(14,182)	81,284
Net difference Between Projected and Actual Earnings on Pension Plan Investments	<u>370,877</u>	-	<u>370,877</u>
Total Pension Expense to be Recognized in Future Periods	481,523	(82,119)	399,404
Pension Contributions Made Subsequent to the Measurement Date	<u>76,738</u>	-	<u>76,738</u>
Total Deferred Amounts Related to Pensions	<u><u>558,261</u></u>	<u><u>(82,119)</u></u>	<u><u>476,142</u></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
2018	\$ 166,795
2019	131,495
2020	92,380
2021	8,734
2022	-
Thereafter	<u>-</u>
	<u><u>399,404</u></u>

## LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

### Notes to the Financial Statements June 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

##### POST-EMPLOYMENT BENEFITS

The Library has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Library are required to pay 100% of the current premium. However, there is minimal participation. As the Library provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the Library has not recorded a liability as of June 30, 2017.

## **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, 2017**

Fiscal 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
2015	\$ 172,236	\$ 175,107	\$ 2,871	\$ 1,512,168	11.58%
2016	150,440	150,440	-	1,511,957	9.95%
2017	150,325	150,325	-	1,551,343	9.69%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market, 20% Corridor
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP 2014 (base year 2012)

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, 2017**

	12/31/14	12/31/15	12/31/16
Total Pension Liability			
Service Cost	\$ 194,748	177,509	172,179
Interest	487,736	536,349	572,763
Differences Between Expected and Actual Experience	(91,045)	30,126	(55,725)
Change of Assumptions	292,153	18,602	(19,225)
Benefit Payments, Including Refunds of Member Contributions	(214,652)	(238,932)	(269,041)
Net Change in Total Pension Liability	668,940	523,654	400,951
Total Pension Liability - Beginning	6,513,092	7,182,032	7,705,686
Total Pension Liability - Ending	7,182,032	7,705,686	8,106,637
Plan Fiduciary Net Position			
Contributions - Employer	\$ 175,107	150,440	150,325
Contributions - Members	69,182	68,038	69,810
Net Investment Income	411,033	35,939	482,770
Benefit Payments, Including Refunds of Member Contributions	(214,652)	(238,932)	(269,041)
Other (Net Transfer)	33,903	(186,353)	33,137
Net Change in Plan Fiduciary Net Position	474,573	(170,868)	467,001
Plan Net Position - Beginning	6,723,435	7,198,008	7,027,140
Plan Net Position - Ending	7,198,008	7,027,140	7,494,141
Employer's Net Pension Liability	\$ (15,976)	678,546	612,496
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.22%	91.19%	92.44%
Covered-Employee Payroll	\$ 1,512,168	1,511,957	1,551,343
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	(1.06%)	44.88%	39.48%

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, 2017**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes	\$ 4,545,557	4,541,548
Intergovernmental	30,000	-
Fines and Forfeitures	65,000	16,541
Interest	33,400	17,236
Miscellaneous	-	47,868
Total Revenues	<u>4,673,957</u>	<u>4,623,193</u>
Expenditures		
Culture and Recreation		
Contractual Services	372,950	300,432
Personnel	2,196,350	1,918,187
Library Materials	483,600	424,017
Operations	234,500	177,419
Contingency	10,000	329
Total Expenditures	<u>3,297,400</u>	<u>2,820,384</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,376,557	1,802,809
Other Financing (Uses)		
Transfers Out	<u>(1,390,139)</u>	<u>(1,800,000)</u>
Net Change in Fund Balance	<u>(13,582)</u>	2,809
Fund Balance - Beginning		<u>701,545</u>
Fund Balance - Ending		<u><u>704,354</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**

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## **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used 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.

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## **DEBT SERVICE FUND**

The Debt Service Fund is used to account for proceeds of tax revenues to retire general obligation debt and make the required payments therefrom.

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# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used 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.

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## **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.

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**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Combining Balance Sheet - General Fund - by Account  
June 30, 2017**

	Library	Working Cash	Public Liability Insurance	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 3,071,543	207,634	36,457	3,315,634
Receivables - Net of Allowances				
Property Taxes	2,363,419	-	-	2,363,419
Total Assets	5,434,962	207,634	36,457	5,679,053
<b>LIABILITIES</b>				
Accounts Payable	70,979	-	-	70,979
Accrued Payroll	73,192	-	-	73,192
Total Liabilities	144,171	-	-	144,171
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	4,830,528	-	-	4,830,528
Total Liabilities and Deferred Inflows of Resources	4,974,699	-	-	4,974,699
<b>FUND BALANCES</b>				
Restricted	-	-	36,457	36,457
Unassigned	460,263	207,634	-	667,897
Total Fund Balances	460,263	207,634	36,457	704,354
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,434,962	207,634	36,457	5,679,053

**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, 2017**

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**See Following Page**

**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, 2017**

	Library Account	
	Budget	
	Original and Final	Actual
Revenues		
Taxes	\$ 4,537,539	4,533,547
Intergovernmental	30,000	-
Fines and Forfeitures	65,000	16,541
Interest	30,000	14,121
Miscellaneous	-	45,470
Total Revenues	<u>4,662,539</u>	<u>4,609,679</u>
Expenditures		
Culture and Recreation		
Contractual Services	347,950	284,070
Personnel	2,196,350	1,918,187
Library Materials	483,600	424,017
Operations	234,500	177,419
Contingency	10,000	329
Total Expenditures	<u>3,272,400</u>	<u>2,804,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,390,139	1,805,657
Other Financing (Uses)		
Transfers Out	<u>(1,390,139)</u>	<u>(1,800,000)</u>
Net Change in Fund Balance	<u>-</u>	5,657
Fund Balance - Beginning		<u>454,606</u>
Fund Balance - Ending		<u><u>460,263</u></u>

<u>Working Cash Account</u>		<u>Public Liability Insurance</u>		<u>Total</u>	
<u>Budget</u>		<u>Budget</u>		<u>Budget</u>	
Original and Final	Actual	Original and Final	Actual	Original and Final	Actual
-	-	8,018	8,001	4,545,557	4,541,548
-	-	-	-	30,000	-
-	-	-	-	65,000	16,541
3,000	2,724	400	391	33,400	17,236
-	-	-	2,398	-	47,868
<u>3,000</u>	<u>2,724</u>	<u>8,418</u>	<u>10,790</u>	<u>4,673,957</u>	<u>4,623,193</u>
-	-	25,000	16,362	372,950	300,432
-	-	-	-	2,196,350	1,918,187
-	-	-	-	483,600	424,017
-	-	-	-	234,500	177,419
-	-	-	-	10,000	329
-	-	<u>25,000</u>	<u>16,362</u>	<u>3,297,400</u>	<u>2,820,384</u>
3,000	2,724	(16,582)	(5,572)	1,376,557	1,802,809
-	-	-	-	(1,390,139)	(1,800,000)
<u>3,000</u>	2,724	<u>(16,582)</u>	(5,572)	<u>(13,582)</u>	2,809
	<u>204,910</u>		<u>42,029</u>		<u>701,545</u>
	<u>207,634</u>		<u>36,457</u>		<u>704,354</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, 2017**

	Budget	
	Original and Final	Actual
Revenues		
Taxes	\$ 4,537,539	4,533,547
Intergovernmental	30,000	-
Fines and Forfeitures	65,000	16,541
Interest	30,000	14,121
Miscellaneous	-	45,470
Total Revenues	<u>4,662,539</u>	<u>4,609,679</u>
Expenditures		
Culture and Recreation		
Contractual Services	347,950	284,070
Personnel	2,196,350	1,918,187
Library Materials	483,600	424,017
Operations	234,500	177,419
Contingency	10,000	329
Total Expenditures	<u>3,272,400</u>	<u>2,804,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,390,139	1,805,657
Other Financing (Uses)		
Transfers Out	<u>(1,390,139)</u>	<u>(1,800,000)</u>
Net Change in Fund Balance	<u>-</u>	5,657
Fund Balance - Beginning		<u>454,606</u>
Fund Balance - Ending		<u><u>460,263</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, 2017**

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	<u>Budget</u>	
	Original	
	and Final	Actual
Taxes		
Property Taxes	\$ 4,527,539	4,518,222
Replacement Taxes	10,000	15,325
	<u>4,537,539</u>	<u>4,533,547</u>
Intergovernmental		
Per Capita Grant	<u>30,000</u>	-
Fines and Forfeitures	<u>65,000</u>	16,541
Interest	<u>30,000</u>	14,121
Miscellaneous		
Photocopies	-	13,281
Lost Materials	-	10,168
Miscellaneous	-	22,021
	<u>-</u>	<u>45,470</u>
Total Revenues	<u>4,662,539</u>	<u>4,609,679</u>

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**General Fund - Library Account**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	Budget Original and Final	Actual
Culture and Recreation		
Contractual Services		
Equipment Maintenance	\$ 11,000	9,516
Information Technology	197,000	182,985
Legal	11,000	3,932
Other Consultants	20,000	1,080
Other Contractual	9,700	6,176
Printing	28,750	22,818
Programs and Promotions	70,500	57,563
	<u>347,950</u>	<u>284,070</u>
Personnel		
Continuing Education	37,350	17,652
Benefits	170,000	91,984
Salaries	1,972,000	1,805,047
Recruitment	2,000	-
Staff Development	15,000	3,504
	<u>2,196,350</u>	<u>1,918,187</u>
Library Materials		
Interlibrary Loan	500	289
Nonprint	115,000	98,302
Online	168,100	155,457
Print	200,000	169,969
	<u>483,600</u>	<u>424,017</u>
Operations		
Equipment and Furniture	40,000	19,650
Insurance	15,500	12,593
Postage	17,200	15,305
Supplies	58,800	39,413
Utilities	103,000	90,458
	<u>234,500</u>	<u>177,419</u>
Contingency	<u>10,000</u>	<u>329</u>
Total Expenditures	<u>3,272,400</u>	<u>2,804,022</u>

**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, 2017**

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	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ 3,000	2,724
Expenditures		
Culture and Recreation	-	-
Net Change in Fund Balance	<u>3,000</u>	2,724
Fund Balance - Beginning		<u>204,910</u>
Fund Balance - Ending		<u>207,634</u>

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**General Fund - Public Liability Insurance Account**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

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	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes		
Property Taxes	\$ 8,018	8,001
Interest	400	391
Miscellaneous	-	2,398
Total Revenues	<u>8,418</u>	<u>10,790</u>
Expenditures		
Culture and Recreation		
Contractual Services		
Liability Insurance and Unemployment Premiums	<u>25,000</u>	<u>16,362</u>
Net Change in Fund Balance	<u>(16,582)</u>	(5,572)
Fund Balance - Beginning		<u>42,029</u>
Fund Balance - Ending		<u>36,457</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, 2017**

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	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ -	478
Expenditures		
Debt Service	-	-
Net Change in Fund Balance	<u>-</u>	478
Fund Balance - Beginning		<u>35,958</u>
Fund Balance - Ending		<u>36,436</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, 2017**

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	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Interest		
Interest Income	\$ 240,000	75,501
Loss on Investment	-	(104,349)
Total Revenue	<u>240,000</u>	<u>(28,848)</u>
Expenditures		
Culture and Recreation		
Operations		
Building Repair and Maintenance	<u>5,000,000</u>	<u>1,273,402</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,760,000)	(1,302,250)
Other Financing Sources		
Transfers In	<u>1,390,139</u>	<u>1,800,000</u>
Net Change in Fund Balance	<u>(3,369,861)</u>	497,750
Fund Balance - Beginning		<u>16,966,033</u>
Fund Balance - Ending		<u><u>17,463,783</u></u>

**LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**June 30, 2017**

	Special Revenue			Capital Projects	Total
	Illinois Municipal Retirement	Social Security	Audit	Site and Building	
<b>ASSETS</b>					
Cash and Investments	\$ 334,650	340,513	32,024	201,053	908,240
Receivables - Net of Allowances					
Property Taxes	-	-	-	80,600	80,600
Total Assets	<u>334,650</u>	<u>340,513</u>	<u>32,024</u>	<u>281,653</u>	<u>988,840</u>
<b>LIABILITIES</b>					
Accounts Payable	18,118	-	-	-	18,118
Accrued Payroll	7,268	5,402	-	-	12,670
Total Liabilities	<u>25,386</u>	<u>5,402</u>	<u>-</u>	<u>-</u>	<u>30,788</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	-	-	-	164,736	164,736
Total Liabilities and Deferred Inflows of Resources	<u>25,386</u>	<u>5,402</u>	<u>-</u>	<u>164,736</u>	<u>195,524</u>
<b>FUND BALANCES</b>					
Restricted	<u>309,264</u>	<u>335,111</u>	<u>32,024</u>	<u>116,917</u>	<u>793,316</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>334,650</u>	<u>340,513</u>	<u>32,024</u>	<u>281,653</u>	<u>988,840</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, 2017**

	Special Revenue			Capital Projects	Totals
	Illinois Municipal Retirement	Social Security	Audit	Site and Building	
Revenues					
Taxes	\$ 166,742	95,868	-	154,893	417,503
Interest	3,962	4,339	435	1,612	10,348
Total Revenues	<u>170,704</u>	<u>100,207</u>	<u>435</u>	<u>156,505</u>	<u>427,851</u>
Expenditures					
Culture and Recreation					
Contractual Services	-	-	8,250	-	8,250
Personnel	154,820	135,807	-	-	290,627
Operations	-	-	-	162,284	162,284
Total Expenditures	<u>154,820</u>	<u>135,807</u>	<u>8,250</u>	<u>162,284</u>	<u>461,161</u>
Net Change in Fund Balances	15,884	(35,600)	(7,815)	(5,779)	(33,310)
Fund Balances - Beginning	<u>293,380</u>	<u>370,711</u>	<u>39,839</u>	<u>122,696</u>	<u>826,626</u>
Fund Balances - Ending	<u>309,264</u>	<u>335,111</u>	<u>32,024</u>	<u>116,917</u>	<u>793,316</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, 2017**

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	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes		
Property Taxes	\$ 167,086	166,742
Interest	3,000	3,962
Total Revenues	<u>170,086</u>	<u>170,704</u>
Expenditures		
Culture and Recreation		
Personnel		
Illinois Municipal Retirement	<u>175,000</u>	<u>154,820</u>
Net Change in Fund Balance	<u>(4,914)</u>	15,884
Fund Balance - Beginning		<u>293,380</u>
Fund Balance - Ending		<u><u>309,264</u></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, 2017**

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	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes		
Property Taxes	\$ 96,066	95,868
Interest	5,000	4,339
Total Revenues	<u>101,066</u>	<u>100,207</u>
Expenditures		
Culture and Recreation		
Personnel		
Social Security	<u>175,000</u>	<u>135,807</u>
Net Change in Fund Balance	<u>(73,934)</u>	(35,600)
Fund Balance - Beginning		<u>370,711</u>
Fund Balance - Ending		<u><u>335,111</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, 2017**

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	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ 700	435
Expenditures		
Culture and Recreation		
Contractual Services		
Audit	<u>8,250</u>	<u>8,250</u>
Net Change in Fund Balance	<u>(7,550)</u>	(7,815)
Fund Balance - Beginning		<u>39,839</u>
Fund Balance - Ending		<u><u>32,024</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, 2017**

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	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Taxes		
Property Taxes	\$ 155,212	154,893
Interest	6,000	1,612
Total Revenues	<u>161,212</u>	<u>156,505</u>
Expenditures		
Culture and Recreation		
Operations		
Building and Grounds Improvement and Maintenance	<u>200,000</u>	<u>162,284</u>
Net Change in Fund Balance	<u>(38,788)</u>	(5,779)
Fund Balance - Beginning		<u>122,696</u>
Fund Balance - Ending		<u><u>116,917</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, 2017**

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	Balances July 1	Additions	Deductions	Balances June 30
<b>ASSETS</b>				
Cash and Investments	\$ 57,245	12,739	3,401	66,583
<b>LIABILITIES</b>				
Deposits Payable	57,245	12,739	3,401	66,583