PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT ..... 1 - 2

MANAGEMENT'S DISCUSSION AND ANALYSIS ..... MD&A 1 - 7

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

Notes to Financial Statements ..... 10 - 29

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions
- Illinois Municipal Retirement Fund 30

Schedule pf 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

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Schedule of Revenues – Budget and Actual – General Fund 33
Schedule of Expenditures – Budget and Actual – General Fund ..... 34 - 35
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Special Reserve – Capital Projects Fund 36
Combining Balance Sheet – Nonmajor Governmental Funds ..... 37 - 38
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds ..... 39 - 40
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Social Security – Special Revenue Fund 41
Illinois Municipal Retirement – Special Revenue Fund 42
Audit – Special Revenue Fund 43
Insurance – Special Revenue Fund 44
Sites, Building and Equipment – Special Revenue Fund 45

SUPPLEMENTAL SCHEDULE

Schedule of Property Tax Assessed Valuations, Rates, Extensions and
Collections – Last Two Tax Levy Years 46

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 Schedule

INDEPENDENT AUDITORS' REPORT

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

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS

668 N. RIVER ROAD • NAPERVILLE, IL 60563
PHONE 630.393.1483 • FAX 630.393.2516
www.lauterbachamen.com

INDEPENDENT AUDITORS' REPORT

October 3, 2017

Members of the Board of Trustees
Plainfield Public Library District
Plainfield, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Plainfield 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 Plainfield 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 Plainfield Public Library District, Illinois' basic financial statements. The combining and individual fund financial statements and budgetary comparison schedules and supplemental 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 and supplemental 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 and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis
June 30, 2017

Our discussion and analysis of the Plainfield 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 $4,283,073 to $4,596,692, an increase of $313,619 or 7.3 percent.

- During the year, government-wide revenues totaled $3,873,746, while government-wide expenses totaled $3,560,127, resulting in an increase to net position of $313,619.

- Total fund balances for the governmental funds were $2,354,958 at June 30, 2017 compared to $1,869,898 prior year balances, an increase of $485,060 or 25.9 percent.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 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 matter 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 outflows, 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.

USING THIS ANNUAL FINANCIAL 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 culture and recreation.

Fund Financial Statements

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

Governmental Funds

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

USING THIS ANNUAL FINANCIAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The Library maintains eight 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 and Special Reserve Fund, both of which are considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining schedules 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.

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 10 - 29 of this report.

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 $4,596,692.

	Net Position	
	2017	2016
Current/Other Assets	$ 6,209,540	5,670,962
Capital Assets	3,160,685	3,206,927
Total Assets	9,370,225	8,877,889
Deferred Outflows	491,648	629,385
Total Assets/Deferred Outflows	9,861,873	9,507,274
Long-Term Debt Outstanding	1,340,301	1,404,889
Other Liabilities	72,384	97,440
Total Liabilities	1,412,685	1,502,329
Deferred Inflows	3,852,496	3,721,872
Total Liabilities/Deferred Inflows	5,265,181	5,224,201
Net Position		
Investment in Capital Assets	3,160,685	3,206,927
Restricted	438,073	455,475
Unrestricted	997,934	620,671
Total Net Position	4,596,692	4,283,073

A large portion of the Library's net position (68.8 percent) reflects its investment in capital assets (for example, land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that are still outstanding. Currently, the Library does not have any debt outstanding.

The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion (9.5 percent) of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining $997,934, or 21.7 percent represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	2017	2016
Revenues		
Program Revenues		
Charges for Services	$ 52,637	46,537
Operating Grants/Contributions	26,455	96,757
General Revenues		
Property Taxes	3,364,898	3,300,172
Personal Property Replacement Taxes	32,806	26,433
Interest	12,606	4,198
Miscellaneous	384,344	370,736
Total Revenues	3,873,746	3,844,833
Expenses		
Culture and Recreation	3,560,127	3,997,769
Change in Net Position	313,619	(152,936)
Net Position-Beginning	4,283,073	4,436,009
Net Position-Ending	4,596,692	4,283,073

Net position of the Library's governmental activities increased from $4,283,073, to $4,596,692.

Revenues of $3,873,746 were over the expenses of $3,560,127, resulting in the increase to net position in the current year of $313,619.

Governmental Activities

In the current year, governmental net position increased $313,619, an increase of 7.3 percent. Property taxes increased $64,726 over the prior year ($3,364,898 in 2017 compared to $3,300,172 in 2016) and personal property replacement taxes increased $6,373 from the prior year ($32,806 in 2017 compared to $26,433 in 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 $2,354,958, which is 25.9 percent higher than last year's ending fund balance of $1,869,898.

In the current year, governmental fund balances increased by $485,060. The General Fund reported an increase of $325,886, due primarily to the district having surplus over budget in several revenue line items and cost savings in expenses such as salaries and several IT items. The Special Reserve Fund reported an increase of $155,865, due primarily to delays related to several construction projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The General Fund actual revenues were in excess than budgeted revenues. Actual revenues for the current year were $3,229,998 compared to budgeted revenues of $3,163,708. This was due to the property taxes being in excess of budget and several miscellaneous revenues being in excess of budget.

The General Fund actual expenditures were below the budgeted expenditures. Actual expenditures totaled $2,642,838, while budgeted expenditures totaled $3,063,692. This was due primarily to cost savings on salaries and various programs.

CAPITAL ASSETS

The Library's investment in capital assets for its governmental activities as of June 30, 2017 was $3,160,685 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and books and library materials.

The total decrease in the Library's investment in capital assets for the current fiscal year was $46,242. The District has done minimal construction in recent years due to long term planning, therefore, the net decline is due to depreciation exceeding additions for the year.

CAPITAL ASSETS – Continued

	Capital Assets - Net of Depreciation	
	2017	2016
Land	$ 831,996	831,996
Buildings and Improvements	1,716,089	1,807,319
Furniture and Equipment	26,799	3,903
Books and Library Materials	585,801	563,709
Total	3,160,685	3,206,927

Additional information on the Library's capital assets can be found in note 3 on page 19 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Library's elected and appointed officials considered many factors when setting the fiscal-year 2018 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Library is faced with a similar economic environment as many of the other local governments are faced with, including inflation and unemployment rates.

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, Plainfield Public Library District, 15025 S. Illinois Street, Plainfield, Illinois 60544.

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.

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Net Position
June 30, 2017

ASSETS	
Current Assets	
Cash and Investments	$ 4,106,897
Receivables - Net of Allowances	
Property Taxes	2,090,985
Prepaids	11,658
Total Current Assets	6,209,540
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	831,996
Depreciable Capital Assets	6,850,570
Accumulated Depreciation	(4,521,881)
Total Noncurrent Assets	3,160,685
Total Assets	9,370,225
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	491,648
Total Assets and Deferred Outflows of Resources	9,861,873

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

LIABILITIES

Current Liabilities	
Accounts Payable	$ 35,949
Accrued Payroll	18,566
Compensated Absences Payable	17,869
Total Current Liabilities	72,384
Noncurrent Liabilities	
Compensated Absences Payable	71,478
Net Pension Liability - IMRF	1,268,823
Total Noncurrent Liabilities	1,340,301
Total Liabilities	1,412,685

DEFERRED INFLOWS OF RESOURCES

Property Taxes	3,800,067
Deferred Items - IMRF	52,429
Total Deferred Inflows of Resources	3,852,496
Total Liabilities and Deferred Inflows of Resources	5,265,181

NET POSITION

Net Investment in Capital Assets	3,160,685
Restricted	
Property Tax Levies	
Social Security	68,437
IMRF	74,243
Audit	3,048
Sites, Building and Equipment	265,510
Working Cash	26,835
Unrestricted	997,934
Total Net Position	4,596,692

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

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Activities
For the Fiscal Year Ended June 30, 2017

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expenses)/ Revenues and Changes in Net Position
Governmental Activities				
Culture and Recreation	$ 3,560,127	52,637	26,455	(3,481,035)

General Revenues	
Taxes	
Property Taxes	3,364,898
Personal Property Replacement	32,806
Interest	12,606
Miscellaneous	384,344
	3,794,654
Change in Net Position	313,619
Net Position - Beginning	4,283,073
Net Position - Ending	4,596,692

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

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds
June 30, 2017

	General	Capital Projects Special Reserve	Nonmajor	Totals
ASSETS				
Cash and Investments	$ 3,039,069	311,289	756,539	4,106,897
Receivables - Net of Allowances				
Property Taxes	1,720,021	-	370,964	2,090,985
Due from Other Funds	44,162	-	-	44,162
Prepaids	11,658	-	-	11,658
Total Assets	4,814,910	311,289	1,127,503	6,253,702
LIABILITIES				
Accounts Payable	21,492	-	14,457	35,949
Accrued Payroll	17,765	-	801	18,566
Due to Other Funds	-	44,162	-	44,162
Total Liabilities	39,257	44,162	15,258	98,677
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,125,895	-	674,172	3,800,067
Total Liabilities and Deferred Inflows of Resources	3,165,152	44,162	689,430	3,898,744
FUND BALANCES				
Nonspendable	11,658	-	-	11,658
Restricted	-	267,127	438,073	705,200
Unassigned	1,638,100	-	-	1,638,100
Total Fund Balances	1,649,758	267,127	438,073	2,354,958
Total Liabilities, Deferred Inflows of Resources and Fund Balances	4,814,910	311,289	1,127,503	6,253,702

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

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

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

June 30, 2017

Total Fund Balances	$ 2,354,958
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.	3,160,685
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	439,219
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(89,347)
Net Pension Liability - IMRF	(1,268,823)
Net Position	4,596,692

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

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General	Capital Projects Special Reserve	Nonmajor	Totals
Revenues				
Taxes	$ 2,788,326	-	609,378	3,397,704
Intergovernmental	12,000	-	-	12,000
Fines and Forfeitures	52,637	-	-	52,637
Grants and Donations	14,455	-	-	14,455
Interest	11,383	1,223	-	12,606
Miscellaneous	351,197	33,147	-	384,344
Total Revenues	3,229,998	34,370	609,378	3,873,746
Expenditures				
Current				
Culture and Recreation	2,642,838	64,905	637,343	3,345,086
Capital Outlay	-	43,600	-	43,600
Total Expenditures	2,642,838	108,505	637,343	3,388,686
Excess (Deficiency) of Revenues Over (Under) Expenditures	587,160	(74,135)	(27,965)	485,060
Other Financing Sources (Uses)				
Transfers In	-	230,000	31,274	261,274
Transfers Out	(261,274)	-	-	(261,274)
	(261,274)	230,000	31,274	-
Net Change in Fund Balances	325,886	155,865	3,309	485,060
Fund Balances - Beginning	1,323,872	111,262	434,764	1,869,898
Fund Balances - Ending	1,649,758	267,127	438,073	2,354,958

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

PLAINFIELD 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

Net Change in Fund Balances	$ 485,060
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	271,196
Depreciation Expense	(317,438)
Disposals - Cost	(292,769)
Disposals - Accumulated Depreciation	292,769
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(190,166)
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	1,892
Deductions to Net Pension Liability - IMRF	63,075
Changes in Net Position	313,619

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Plainfield Public Library District (District) is located in Plainfield, Illinois and was formed in 1988 to provide cultural and library services to the residents in Plainfield Township and surrounding areas in Will and Kendall Counties. The District is operated under a Board of Trustees and librarian form of management.

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.).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The Library does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, 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.

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.

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 four nonmajor special revenue funds.

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 and one nonmajor capital projects fund. The Special Reserve Fund, a major fund, is used to account for capital improvements at the Library.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. The Library maintains one nonmajor permanent fund.

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.

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.

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. All of the Library's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Prepaids

Prepaids 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.

Capital Assets

Capital assets purchased or acquired with an original cost of more than $5,000 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.

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:

Buildings and Improvements	20 - 40 Years
Furniture, Fixtures and Equipment	3 - 20 Years
Books	8 Years
Non-Print Media Collection	3 Years

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.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick leave. Unused sick leave may be accumulated up to 120 days. Sick leave accumulated in excess of 120 days may be used by employees retiring with an Illinois Municipal Retirement Fund (IMRF) pension to purchase additional service credit up to a maximum of one year of service credit at a rate of one moth for every twenty days. No payment is made for accumulated sick leave when employees separate from service with the District and therefore, the District records no liability for unpaid accumulated sick leave.

The District accrues vacation leave at various rates when earned by eligible employees. Earned vacation leave is allowed to carry over so the next calendar year but may not be accumulated to an amount in excess of 1 ½ years of vacation leave at any given time. Vested or accumulated leave that is currently due and payable to retirees or terminated employees is recorded as a liability and expenditure in the General Fund. The balance of the liability is not recorded in the governmental fund financial statements. The government-wide financial statements report compensated absences as a liability and expense when earned. The liability recorded in both the government-wide and fund financial statements include payroll related payments for Social Security and Medicare taxes.

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."

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Annual appropriated budgets are adopted each year for the General Fund, special revenue funds and capital projects funds on a basis consistent with accounting principles generally accepted in the United States of America. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriated lapse at fiscal year-end. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In July or August, a tentative budget and appropriation ordinance for the fiscal year is prepared and submitted to the Board for review. The Board then adopts a tentative budget and appropriation resolution and makes the ordinance available for public inspection. The budgets are prepared by fund and itemized by object and purpose. The legal level of budgetary control is at the fund level.

- Following a public hearing in August or September, the budget is adopted by the Board in the form of a combined annual budget and appropriations ordinance.

- During the fiscal year, transfers may be made between line items within the same fund by adopting an ordinance authorizing the transfers. Amendments to the budget may be made using the same procedures followed to adopt the original combined annual budget and appropriations ordinance.

- Budgeted amounts presented in the financial statements are those as originally budgeted.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Site, Building and Equipment	$ 3,913

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

At year-end, the carrying amount of the Library's deposits totaled $3,895,450 and the bank balances totaled $3,943,159. Additionally, at year-end, the Library has $211,447 invested in the Illinois Funds, which has an average maturity of less than one year.

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 District's investment policy does not further limit its investment choices beyond those mentioned in the Public Funds Investment Act, however, the policy does state investments will primarily consist of certificates of deposit, Treasury Bills and other securities guaranteed by the U.S. Government and the Illinois Funds.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library's investment policy does not mitigate credit risk. At year-end, the Library's investments in the Illinois Funds were rated AAAm by Standard & Poor'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 District places no limit on the amount it invests in any one issuer, however, diversification of the investment portfolio must be appropriate ass to the nature and amount of the funds. At year-end, the Library does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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. To guard against this risk, the District's policy requires pledging of collateral for all bank deposits in excess of FDIC at an amount not less than 102% of the fair market value of the funds secured with collateral held by an independent third party in the name of the District. At year-end, the entire amount of the bank balance of deposits was covered by collateral, 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. The District's investment policy does not address custodial credit risk for investments. At year-end, the Library's investments in the Illinois Funds are not subject to custodial credit risk.

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.

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	$ 831,996	-	-	831,996
Depreciable Capital Assets				
Building and Improvements	3,631,924	-	-	3,631,924
Furniture, Fixtures and Equipment	898,071	26,799	-	924,870
Collection	2,342,148	244,397	292,769	2,293,776
	6,872,143	271,196	292,769	6,850,570
Less Accumulated Depreciation				
Building and Improvements	1,824,605	91,230	-	1,915,835
Furniture, Fixtures and Equipment	894,168	3,903	-	898,071
Collection	1,778,439	222,305	292,769	1,707,975
	4,497,212	317,438	292,769	4,521,881
Total Depreciable Capital Assets	2,374,931	(46,242)	-	2,328,689
Total Capital Assets	3,206,927	(46,242)	-	3,160,685

Depreciation expense of $317,438 was charged to the culture and recreation function.

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable	Payable	Amount
General	Speical Reserve	$ 44,162

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount	
Special Reserve	General	$ 230,000	(1)
Nonmajor Governmental	General	31,274	(2)
		261,274	

Transfers are used to (1) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (2) transfer $31,274 from the General Fund to close the Insurance Fund as of June 30, 2017.

LONG-TERM DEBT

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	$ 91,239	1,892	3,784	89,347	17,869
Net Pension Liability - IMRF	1,331,898	-	63,075	1,268,823	-
	1,423,137	1,892	66,859	1,358,170	17,869

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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.

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

	General	Capital Projects Special Reserve	Nonmajor	Totals
Fund Balances				
Nonspendable				
Prepaids	$ 11,658	-	-	11,658
Restricted				
Special Reserve	-	267,127	-	267,127
Social Security	-	-	68,437	68,437
IMRF	-	-	74,243	74,243
Audit	-	-	3,048	3,048
Sites, Building and Equipment	-	-	265,510	265,510
Working Cash	-	-	26,835	26,835
	-	267,127	438,073	705,200
Unassigned	1,638,100	-	-	1,638,100
Total Fund Balances	1,649,758	267,127	438,073	2,354,958

NOTE 4 – OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

The Library is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Library's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Library.

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; injuries to employees and loss of income. The District has purchased commercial insurance to manage its risk exposure for general liability, property, workers' compensation, medial and other risks. The District is also a member of Library Insurance Management and Risk Control Combination (LIMRCC). LIMRCC administer the program and pays claims on behalf of the members from the proceeds of member payments up to $1,000,000 per occurrence. The members pay the first $1,000 of each loss. LIMRCC may assess the members' equally additional payments if it determines the funds of the program are insufficient. There have been no significant reductions in coverage form the prior year and settlements have not exceeded commercial coverage in the past three years. Premiums have been displayed as expenditures in appropriate funds.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

The Library contributes to one defined benefit pension plan: the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. 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.

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).

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Benefits Provided – Continued. 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.

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	27
Inactive Plan Members Entitled to but not yet Receiving Benefits	32
Active Plan Members	41
Total	100

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 2016 was 12.24% of covered payroll.

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.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

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%

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.

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50% and the discount rate used in the prior valuation was 7.47%. 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 rate lower or one percentage point rate higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	$ 2,175,176	1,268,823	537,082

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 (A) - (B)
Balances at December 31, 2015	$ 5,762,867	$ 4,430,969	$ 1,331,898
Changes for the year:			
Service Cost	187,449	-	187,449
Interest on the Total Pension Liability	428,880	-	428,880
Difference Between Expected and Actual Experience of the Total Pension Liability	(42,329)	-	(42,329)
Changes of Assumptions	(24,988)	-	(24,988)
Contributions - Employer	-	200,078	(200,078)
Contributions - Employees	-	73,558	(73,558)
Net Investment Income	-	305,010	(305,010)
Benefit Payments, including Refunds of Employee Contributions	(230,457)	(230,457)	-
Other (Net Transfer)	-	33,441	(33,441)
Net Changes	318,555	381,630	(63,075)
Balances at December 31, 2016	6,081,422	4,812,599	1,268,823

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 – Continued

For the year ended June 30, 2017, the Library recognized pension expense of $317,700. At June 30, 2017, the Library reported deferred outflows of 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	$ 84,789	(32,967)	51,822
Changes of Assumptions	85,255	(19,462)	65,793
Net difference Between Projected and Actual Earnings on Pension Plan Investments	228,569	-	228,569
Total Pension Expense to be Recognized in Future Periods	398,613	(52,429)	346,184
Pension Contributions Made Subsequent to the Measurement Date	93,035	-	93,035
Total Deferred Amounts Related to IMRF	491,648	(52,429)	439,219

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:

Fiscal Year	Net Deferred Outflows of Resources
2018	$ 143,311
2019	136,847
2020	67,753
2021	(1,727)
2022	-
Thereafter	-
Total	346,184

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.

PLAINFIELD 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	$ 172,484	$ 174,743	$ 2,259	$ 1,560,945	11.19%
2016	196,726	203,728	7,002	1,635,293	12.46%
2017	200,053	200,078	25	1,634,423	12.24%

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.

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2017

	12/31/2014	12/31/2015	12/31/2016
Total Pension Liability			
Service Cost	$ 194,595	176,497	187,449
Interest	349,048	394,624	428,880
Differences Between Expected and Actual Experience	71,606	99,448	(42,329)
Change of Assumptions	208,951	7,943	(24,988)
Benefit Payments, Including Refunds of Member Contributions	(192,990)	(206,234)	(230,457)
Net Change in Total Pension Liability	631,210	472,278	318,555
Total Pension Liability - Beginning	4,659,379	5,290,589	5,762,867
Total Pension Liability - Ending	5,290,589	5,762,867	6,081,422
Plan Fiduciary Net Position			
Contributions - Employer	$ 174,743	203,728	200,078
Contributions - Members	71,162	103,485	73,558
Net Investment Income	240,209	21,466	305,010
Benefit Payments, Including Refunds of Member Contributions	(192,990)	(206,234)	(230,457)
Other (Net Transfer)	38,226	65,777	33,441
Net Change in Plan Fiduciary Net Position	331,350	188,222	381,630
Plan Net Position - Beginning	3,911,397	4,242,747	4,430,969
Plan Net Position - Ending	4,242,747	4,430,969	4,812,599
Employer's Net Pension Liability	$ 1,047,842	1,331,898	1,268,823
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.19%	76.89%	79.14%
Covered-Employee Payroll	$ 1,560,945	1,635,293	1,634,423
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	67.13%	81.45%	77.63%

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

PLAINFIELD 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

	Budget Original and Final	Actual
Revenues		
Taxes	$ 2,781,293	2,788,326
Intergovernmental	-	12,000
Fines and Forfeitures	45,000	52,637
Grants and Donations	6,000	14,455
Interest	600	11,383
Miscellaneous	330,815	351,197
Total Revenues	3,163,708	3,229,998
Expenditures		
Culture and Recreation		
Personnel	2,062,942	1,753,179
Contractual Services	17,800	33,627
Technology Processing Supplies	50,400	37,251
Technology Services	211,050	206,337
Office Expenditures	142,850	104,287
Equipment and Furnishings	15,000	1,227
Programming and Outreach	45,100	32,796
Print Materials	218,200	183,569
Non-Print Materials	300,350	279,388
Other Materials	-	11,177
Total Expenditures	3,063,692	2,642,838
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,016	587,160
Other Financing (Uses)		
Transfers Out	(100,000)	(261,274)
Net Change in Fund Balance	16	325,886
Fund Balance - Beginning		1,323,872
Fund Balance - Ending		1,649,758

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:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds

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

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

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.

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.

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.

Insurance Fund

The Insurance Fund is used to account for costs related to all insurance programs, with the exception of employee-related insurance programs.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUND

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.

Sites, Building and Equipment Fund

The Sites, Building and Equipment Fund is used to account for Library building maintenance and operational related costs.

PERMANENT FUND

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Working Cash Fund

The Working Cash Fund is used to account for the financial resources held by the Library to be used for loans for working capital requirement.

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

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

	Budget Original and Final	Actual
Taxes		
Property Taxes	$ 2,763,293	2,755,520
Replacement Taxes	18,000	32,806
	2,781,293	2,788,326
Intergovernmental		
Per Capita Grant	-	12,000
Fines and Forfeitures	45,000	52,637
Grants and Donations		
Gifts and Memorials	6,000	14,455
Interest	600	11,383
Miscellaneous		
Photocopies	11,500	9,755
Fax Fees	2,000	2,613
Non Resident Fees	2,400	3,302
Overlapping Districts Agreement Revenue	312,000	324,815
Miscellaneous	2,915	10,712
	330,815	351,197
Total Revenues	3,163,708	3,229,998

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

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

	Budget Original and Final	Actual
Culture and Recreation		
Personnel		
Employee Salaries	$ 1,868,856	1,626,429
Employee Benefits, Insurance	149,536	101,587
Staff Development	13,000	11,335
Travel Expenditures	10,000	6,899
Membership Dues	4,300	5,594
Human Resources	17,250	1,335
	2,062,942	1,753,179
Contractual Services		
Payroll Service	7,000	6,646
Legal and Consulting Services	6,000	13,440
Accounting Services	1,200	10,238
Bank Fees	1,600	1,785
Trustee Development	2,000	1,518
	17,800	33,627
Technology Processing Supplies		
Bindery	400	220
Microfilming Supplies	4,000	4,268
Circulation Supplies	19,500	7,214
Computers	25,000	24,796
ILL Lost Items	1,500	753
	50,400	37,251
Technology Services		
OCLC	2,550	2,415
Software	8,000	3,001
Comptuer Supplies	12,650	9,083
Computer Fees - Pinnacle Cooperative	51,600	49,638
Data Lines - ICN	3,000	3,396
Computer Maintenance Agreement	60,000	59,882
Lease Agreements	29,750	32,190
E-Mail and Web Hosting	5,500	5,203
Subscriptions Services	38,000	41,529
	211,050	206,337
Office Expenditures		
Office Supplies	28,550	19,716
Postage	6,000	4,698

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

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

	Budget Original and Final	Actual
Culture and Recreation - Continued		
Office Expenditures - Continued		
Newsletter	$ 55,000	41,213
Web Page Development	5,000	4,940
Printing	400	2,556
Legal Notices and Filing Fees	2,100	-
Telephone	16,800	16,229
Public Relations, Other	19,000	9,855
Contingencies	10,000	5,080
	142,850	104,287
Equipment and Furnishings	15,000	1,227
Programming and Outreach		
Adult	19,750	16,211
Children and Young Adult	17,600	14,491
Library-Wide	7,750	2,094
	45,100	32,796
Print Materials		
Adults	105,750	103,388
Children	81,000	66,519
Young Adults	31,450	13,662
	218,200	183,569
Non-Print Material		
Database Licensing	106,900	104,463
Downloadable Materials	95,000	91,362
Adult	63,000	60,113
Children	23,100	17,357
Young Adult	12,350	6,093
	300,350	279,388
Miscellaneous	-	11,177
Total Expenditures	3,063,692	2,642,838

PLAINFIELD 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

	Budget Original and Final	Actual
Revenues		
Grants and Donations	$ 25,000	-
Interest	10	1,223
Miscellaneous	-	33,147
Total Revenues	25,010	34,370
Expenditures		
Culture and Recreation		
Contractual Services	61,500	61,730
Equipment and Furnishings	-	3,175
Capital Outlay	50,400	43,600
Total Expenditure	111,900	108,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,890)	(74,135)
Other Financing Sources		
Transfers In	100,000	230,000
Net Change in Fund Balance	13,110	155,865
Fund Balance - Beginning		111,262
Fund Balance - Ending		267,127

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2017

	Social Security	Special Illinois Municipal Retirement
ASSETS		
Cash and Investments	$ 146,883	180,014
Receivables - Net of Allowances		
Property Taxes	95,976	129,406
Total Assets	242,859	309,420
LIABILITIES		
Accounts Payable	-	-
Accrued Payroll	-	-
Total Liabilities	-	-
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	174,422	235,177
Total Liabilities and Deferred Inflows of Resources	174,422	235,177
FUND BALANCES		
Restricted	68,437	74,243
Total Liabilities, Deferred Inflows of Resources and Fund Balances	242,859	309,420

Revenue		Capital Projects	Permanent Fund	
Audit	Insurance	Sites, Building and Equipment	Working Cash	Total
7,454	-	395,353	26,835	756,539
5,392	-	140,190	-	370,964
12,846	-	535,543	26,835	1,127,503
-	-	14,457	-	14,457
-	-	801	-	801
-	-	15,258	-	15,258
9,798	-	254,775	-	674,172
9,798	-	270,033	-	689,430
3,048	-	265,510	26,835	438,073
12,846	-	535,543	26,835	1,127,503

PLAINFIELD 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

	Social Security	Special Illinois Municipal Retirement
Revenues		
Property Taxes	$ 153,177	207,993
Expenditures		
Culture and Recreation	127,979	190,609
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,198	17,384
Other Financing Sources		
Transfers In	-	-
Net Change in Fund Balances	25,198	17,384
Fund Balances - Beginning	43,239	56,859
Fund Balances - Ending	68,437	74,243

Revenue		Capital Projects	Permanent Fund	
Audit	Insurance	Sites, Building and Equipment	Working Cash	Totals
6,788	16,649	224,771	-	609,378
7,100	27,212	284,443	-	637,343
(312)	(10,563)	(59,672)	-	(27,965)
-	31,274	-	-	31,274
(312)	20,711	(59,672)	-	3,309
3,360	(20,711)	325,182	26,835	434,764
3,048	-	265,510	26,835	438,073

PLAINFIELD 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

	Budget Original and Final	Actual
Revenues		
Property Taxes	$ 144,388	153,177
Interst	10	-
Total Revenues	144,398	153,177
Expenditures		
Culture and Recreation		
Personnel	143,781	127,979
Net Change in Fund Balance	617	25,198
Fund Balance - Beginning		43,239
Fund Balance - Ending		68,437

PLAINFIELD 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

	Budget Original and Final	Actual
Revenues		
Property Taxes	$ 202,476	207,993
Interest	10	-
Total Revenues	202,486	207,993
Expenditures		
Culture and Recreation		
Personnel	202,394	190,609
Net Change in Fund Balance	92	17,384
Fund Balance - Beginning		56,859
Fund Balance - Ending		74,243

PLAINFIELD 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

	Budget Original and Final	Actual
Revenues		
Property Taxes	$ 8,298	6,788
Interest	10	-
Total Revenues	8,308	6,788
Expenditures		
Culture and Recreation		
Audit	8,250	7,100
Net Change in Fund Balance	58	(312)
Fund Balance - Beginning		3,360
Fund Balance - Ending		3,048

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Insurance - Special Revenue Fund

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		
Property Taxes	$ 28,213	16,649
Interest	10	-
Total Revenues	28,223	16,649
Expenditures		
Culture and Recreation		
Insurance	28,036	27,212
Excess (Deficiency) of Revenues Over (Under) Expenditures	187	(10,563)
Other Financing Sources		
Transfers In	-	31,274
Net Change in Fund Balance	187	20,711
Fund Balance - Beginning		(20,711)
Fund Balance - Ending		-

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Sites, Building and Equipment - Capital Projects Fund

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		
Property Taxes	$ 207,454	224,771
Interest	10	-
Total Revenues	207,464	224,771
Expenditures		
Culture and Recreation		
Building Expenditures	280,530	284,443
Net Change in Fund Balance	(73,066)	(59,672)
Fund Balance - Beginning		325,182
Fund Balance - Ending		265,510

SUPPLEMENTAL SCHEDULE

PLAINFIELD PUBLIC LIBRARY DISTRICT, ILLINOIS

Schedule of Tax Assessed Valuations, Rates, Extensions and Collections
Last Two Ta Levy Years
June 30, 2017

	2015		2016	
	Will County	Kendall County	Will County	Kendall County
Assessed Valuations	$1,840,542,559	$1,056,712	$1,958,743,392	$1,063,878

Tax Extensions	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
Corporate	0.16550	$ 3,046,098	0.16554	$ 1,749	0.15850	$ 3,104,608	0.15875	$ 1,689
Audit	0.00040	7,362	0.00040	4	0.00050	9,794	0.00039	4
IMRF	0.01250	230,068	0.01250	132	0.01200	235,049	0.01200	128
Social Security	0.00920	169,330	0.00920	97	0.00890	174,328	0.00884	94
Insurance	0.00100	18,405	0.00100	11	0.00100	19,587	0.00097	10
Bonds and Interest	-	-	-	-	-	-	-	-
Construction/Maintenance	0.01350	248,473	0.01350	143	0.01300	254,637	0.01296	138
Total Tax Rates	0.20210	3,719,736	0.20214	2,136	0.19390	3,798,003	0.19391	2,063
Collections		3,362,762		2,136		2,005,377		684
Percent Collected		90.40%		100.00%		52.80%		33.16%

Data Source: Office of the County Clerks for each of the counties for which the District files a property tax levy.
Note: Rates are per $1,000 of Assessed Value