

**WHITE OAK LIBRARY DISTRICT  
ROMEDEVILLE, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended  
June 30, 2014**

**WHITE OAK LIBRARY DISTRICT**  
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**Brian Zabel & ASSOCIATES P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors  
White Oak Library District  
Romeoville, Illinois

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the White Oak Library District, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 White Oak Library District, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

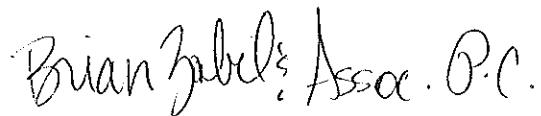
The District adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended June 30, 2013. Statement No. 63 added new classifications on the statements of net position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of net position to the new classifications contained in GASB Statement No. 63. The adoption of these statements had no effect on any of the District's net positions or fund balances as of and for the year ended June 30, 2014.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and statistical section, 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 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. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



BRIAN ZABEL & ASSOCIATES, P.C.  
Certified Public Accountants

Morris, Illinois  
August 27, 2014

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2014

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As management of the White Oak Library District (Library), we offer readers of the Library's statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the Library exceeded its liabilities at June 30, 2014 by \$3,153,668 (net position). Of this amount, \$1,794,487 (unrestricted net position) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position decreased by \$615,738.
- At June 30, 2014, the Library's governmental funds reported combined ending fund balances of \$2,957,864, a decrease of \$3,483,593 in comparison with the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

This Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

**Government-Wide Financial Statements** - The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to private-sector business.

The Statement of Net Position includes all of the Library's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position are an indicator of whether its financial position is improving or deteriorating, respectively.

The Statement of Activities presents information showing how the Library'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).

The government-wide financial statements show functions of the Library that are principally supported by taxes, fees, and other revenues (governmental activities). The Library does not conduct functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Library include providing general library services and general governmental administrative services.

The governmental-wide financial statements can be found on pages 4 and 5 of this report.

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2014

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**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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Library can be allocated into a single category: 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, unlike the government-wide financial statements, 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 a government'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 Library'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 this comparison between governmental funds and governmental activities.

The Library maintains three individual major governmental funds. The General Fund (Corporate Fund) is used to account for funds received from general property taxes and other general revenue, and to account for expenditures made for general Library purposes. The Special Reserve Building Fund is used to accumulate monies for capital projects and improvements of the Library. The Bond and Interest fund is used to pay the principal and interest on bonded indebtedness.

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 the Special Reserve Building Fund, which are considered to be major funds.

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

**Notes to Financial Statements** - The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 10 through 21 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's progress in meeting its obligation to provide library services to all of its residents.

The Library adopts an annual budget and appropriation ordinance that includes the General Fund, the Special Reserve Building Fund, and the Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the adopted budget and appropriation ordinance.

The budgetary comparison statement and related notes can be found on pages 22 through 26 of this report.

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2014

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by \$3,153,668 at June 30, 2014.

A large portion of the Library's net position (28%) reflects investment in capital assets (e.g., land, buildings, and vehicles and equipment); 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. 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.

White Oak Public Library District's Net Position at Year End

	Governmental Activities	
	FY 2014	FY 2013
Current and Other Assets	\$ 5,262,414	\$ 9,710,564
Capital Assets	23,855,340	21,005,673
Total Assets	<u>\$ 29,117,754</u>	<u>\$ 30,716,237</u>
Current Liabilities	\$ 745,233	\$ 1,757,089
Noncurrent Liabilities	22,960,000	22,975,000
Total Liabilities	<u>\$ 23,705,233</u>	<u>\$ 24,732,089</u>
Deferred Inflows of Resources	<u>\$ 2,258,853</u>	<u>\$ 2,214,742</u>
Total Deferred Inflows of Resources	<u>\$ 2,258,853</u>	<u>\$ 2,214,742</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 25,964,086</u>	<u>\$ 26,946,831</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	\$ 895,163	\$ 1,596,997
Restricted	464,018	435,078
Unrestricted	1,794,487	1,737,331
Total Net Position	<u>\$ 3,153,668</u>	<u>\$ 3,769,406</u>

A significant portion of the Library's net position (43%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,794,487) may be used to meet the Library's ongoing obligations to citizens and creditors.

At June 30, 2014, the Library is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The Library's net position decreased by \$615,738 during the year ended June 30, 2014.



**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2014

**Governmental Activities** - Governmental activities decreased the Library's net position by \$615,738. The key elements of this increase are as follows:

White Oak Library District's Change in Net Position

	Governmental Activities	
	FY 2014	FY 2013
Revenues		
Program Revenues		
Charges for Services	\$ 95,960	\$ 79,175
Grants and Contributions	121,517	110,620
General Revenues		
Property Taxes	4,505,029	4,574,164
Replacement Taxes	290,309	588,528
Interest	8,763	31,868
Miscellaneous	42,336	3,184
Total Revenues	<u>5,063,914</u>	<u>5,387,539</u>
Expenses		
General Government	<u>5,679,652</u>	<u>6,100,287</u>
Total Expenses	<u>5,679,652</u>	<u>6,100,287</u>
Increase in Net Position	(615,738)	(712,748)
Net Position-Beginning	3,769,406	4,482,154
Net Position-Ending	<u>\$ 3,153,668</u>	<u>\$ 3,769,406</u>

**FINANCIAL ANALYSIS OF THE LIBRARY'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. Such information is useful in assessing the Library's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the Library's net resources available for spending at the end of the fiscal year.

At June 30, 2014 the Library's governmental funds reported combined ending unrestricted fund balances of \$1,863,179.

The General Fund is the chief operating fund of the Library. At June 30, 2014, unrestricted fund balance of the General Fund was \$1,863,179. The fund balance of the General Fund increased by \$54,155 during the year ended June 30, 2014.

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2014

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

Significant differences between the final budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$196,249 (unfavorable).
- The difference between the estimated expenditures and the actual expenditures was \$872,432 (favorable).

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** – The Library's investment in capital assets for its governmental activities as of June 30, 2014 amount to \$23,855,340 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and furniture, fixtures, and equipment. The total increase in the Library's investment in capital assets for the year ended June 30, 2014 was \$2,849,667 and was due to the remodeling of Crest Hill and Lockport less the current depreciation expense.

The building remodels in Crest Hill and Lockport were a major capital asset event during the year ended June 30, 2014.

White Oak Library District's Capital Assets  
(Net of Depreciation)

	Governmental Activities	
	6/30/2014	6/30/2013
Land	\$ 1,583,550	\$ 1,583,550
Buildings	22,221,063	19,369,896
Equipment	50,727	52,227
Total	<u>\$ 23,855,340</u>	<u>\$ 21,005,673</u>

Additional information on the Library's capital assets can be found in Note 4 on page 18 of this report.

**Long-Term Debt** – At June 30, 2014, the Library had \$22,975,000 outstanding.

	Beginning Balance	Debt Issued	Debt Payment	Ending Balance
Bonds Payable	\$ 22,990,000	\$ -	\$ (15,000)	\$ 22,975,000

Additional information on the Library's long-term debt can be found in Note 8 on page 19 of this report.

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2014

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The equalized assessed valuation (EAV) for the Library for 2014 is \$1,732,017,633. That represents a decrease in EAV of \$124,440,279 over the prior year's EAV.

**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 Library's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Board of Trustees, White Oak Library District, 201 West Normantown Road, Romeoville, IL 60446.

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**WHITE OAK LIBRARY DISTRICT****STATEMENT OF NET POSITION**

June 30, 2014

**ASSETS**

Cash and Investments	\$ 3,003,561
Grant Receivable	-
Property Taxes Receivable	2,258,853
Capital Assets (net of accumulated depreciation)	<u>23,855,340</u>

**TOTAL ASSETS**\$ 29,117,754**LIABILITIES**

Current Liabilities	
Accounts Payable	\$ 45,697
Compensated Absences	68,692
Accrued Interest	615,844
Current Portion of Long-Term Debt	15,000
Noncurrent Liabilities	
Bond Payable	<u>22,960,000</u>

**Total Liabilities**23,705,233**DEFERRED INFLOWS OF RESOURCES**

Unearned Property Taxes	<u>2,258,853</u>
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**Total Deferred Inflows of Resources**2,258,853**Total Liabilities and Deferred Inflows of Resources**25,964,086**NET POSITION**

Invested in Capital Assets	895,163
Restricted Net Position	464,018
Unrestricted Net Position	<u>1,794,487</u>

**Total Net Position**3,153,668**TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND NET POSITION**\$ 29,117,754

See accompanying notes to financial statements.

# WHITE OAK LIBRARY DISTRICT

## STATEMENT OF ACTIVITIES

June 30, 2014

	Program Revenues			Total
	Expenses	Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS				
Governmental Activities				
Cultural and Recreation	\$ 5,679,652	\$ 95,960	\$ 121,517	\$ (5,462,175)
 TOTAL PRIMARY GOVERNMENT	 5,679,652	 95,960	 121,517	 (5,462,175)
General Revenues				
Property Taxes				4,505,029
Intergovernmental Revenue				290,309
Interest on Investments				8,763
Miscellaneous				42,336
Total				4,846,437
CHANGE IN NET POSITION				(615,738)
NET POSITION, JULY 1				3,769,406
NET POSITION, JUNE 30				\$ 3,153,668

See accompanying notes to financial statements.

# WHITE OAK LIBRARY DISTRICT

## BALANCE SHEET GOVERNMENTAL FUNDS

June 30, 2014

	ASSETS		Bond and Interest Fund	Special Reserve Building	Non-Major Governmental Funds		Total Governmental Funds
	General						
Cash and Investments	\$ 1,908,876	\$	630,667	\$ 258,494	\$	205,524	\$ 3,003,561
Property Taxes Receivable	1,496,697		616,597	-		145,559	2,258,853
Grant Receivable	-		-	-		-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,405,573</b>	<b>\$</b>	<b>1,247,264</b>	<b>\$ 258,494</b>	<b>\$</b>	<b>351,083</b>	<b>\$ 5,262,414</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 45,697	\$	-	\$ -	\$	-	\$ 45,697
Total Liabilities	45,697		-	-		-	45,697
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Property Taxes	1,496,697		616,597	-		145,559	2,258,853
Total Deferred Inflows of Resources	1,496,697		616,597	-		145,559	2,258,853
Total Liabilities and Deferred Inflows of Resources	1,542,394		616,597	-		145,559	2,304,550
<b>FUND BALANCES</b>							
Restricted							
Debt Service	-		630,667	-		-	630,667
Building Construction	-		-	258,494		-	258,494
Special Revenue	-		-	-		205,524	205,524
Unrestricted							
Unassigned	1,863,179		-	-		-	1,863,179
Total Fund Balances	1,863,179		630,667	258,494		205,524	2,957,864
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,405,573</b>	<b>\$</b>	<b>1,247,264</b>	<b>\$ 258,494</b>	<b>\$</b>	<b>351,083</b>	<b>\$ 5,262,414</b>

See accompanying notes to financial statements.

# WHITE OAK LIBRARY DISTRICT

## RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

June 30, 2014

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 2,957,864
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	23,855,340
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds governmental funds	(22,975,000)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds	(68,692)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	<u>(615,844)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,153,668</u>

See accompanying notes to financial statements.



**WHITE OAK LIBRARY DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2014

	General	Bond and Interest Fund	Special Reserve Building	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 2,959,942	\$ 1,239,493	\$ -	\$ 305,594	\$ 4,505,029
Replacement taxes	251,707	-	-	-	251,707
Illinois per capita grant	97,366	-	-	-	97,366
Miscellaneous grant	4,000	-	-	-	4,000
TIF distributions	38,602	-	-	-	38,602
State grant	-	-	-	-	-
Sale of library materials	3,363	-	-	-	3,363
Library fees, lost items, and services	7,788	-	-	-	7,788
Fines	67,627	-	-	-	67,627
Donations	20,151	-	-	-	20,151
Developer fees	3,100	-	-	-	3,100
Computer income	20,545	-	-	-	20,545
Refunds and reimbursements	35,873	-	-	-	35,873
Interest	1,687	6,485	383	208	8,763
<b>Total Revenues</b>	<b>3,511,751</b>	<b>1,245,978</b>	<b>383</b>	<b>305,802</b>	<b>5,063,914</b>
<b>EXPENDITURES</b>					
Personnel	2,282,323	-	-	338,249	2,620,572
Operating and contractual services	323,834	-	-	66,449	390,283
Materials and supplies	528,578	-	-	-	528,578
Debt service	-	1,247,063	-	-	1,247,063
Capital expenditures and reserves	15,833	3,686,725	58,453	-	3,761,011
<b>Total Expenditures</b>	<b>3,150,568</b>	<b>4,933,788</b>	<b>58,453</b>	<b>404,698</b>	<b>8,547,507</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>361,183</b>	<b>(3,687,810)</b>	<b>(58,070)</b>	<b>(98,896)</b>	<b>(3,483,593)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Net proceeds from bonds	-	-	-	-	-
Transfers in	-	121,122	105,783	80,123	307,028
Transfers (out)	(307,028)	-	-	-	(307,028)
<b>Total other financing sources (uses)</b>	<b>(307,028)</b>	<b>121,122</b>	<b>105,783</b>	<b>80,123</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>54,155</b>	<b>(3,566,688)</b>	<b>47,713</b>	<b>(18,773)</b>	<b>(3,483,593)</b>
<b>FUND BALANCES, JULY 1</b>	<b>1,809,024</b>	<b>4,197,355</b>	<b>210,781</b>	<b>224,297</b>	<b>6,441,457</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 1,863,179</b>	<b>\$ 630,667</b>	<b>\$ 258,494</b>	<b>\$ 205,524</b>	<b>\$ 2,957,864</b>

See accompanying notes to financial statements.

# WHITE OAK LIBRARY DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2014

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (3,483,593)
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Amounts reported for governmental activities in the statement of  
activities are different because:

Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities	3,329,848
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The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	15,000
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Accrual of interest is reported as interest expense on the statement of activities	187
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The decrease in the compensated absences liability is an expense on the statement of activities	3,001
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Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(480,181)</u>
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CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (615,738)</u>
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See accompanying notes to financial statements.

**WHITE OAK LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the White Oak Library District (the Library) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Library was organized under the laws of the State of Illinois. The Library is governed by a Board of Trustees (the Board) and the rules and regulations for library districts.

The accounting policies of the Library conform to GAAP as applicable to governmental units. The following is a summary of the more significant policies.

a. Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental and fiduciary. The District reports only governmental funds.

**WHITE OAK LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of capital assets (capital projects funds). The general fund is used to account for all activities of the District not accounted for in some other fund. The District has no fiduciary funds.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Library reports the following major governmental funds:

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**WHITE OAK LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Bond and Interest Fund is used to pay the principal and interest on bonded indebtedness.

The Capital Reserve Fund is used to accumulate monies for capital projects and improvements of the Library.

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable, available and earned). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Fines and fees revenues are not susceptible to accrual because generally they are not measurable until received in cash. In applying susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

# WHITE OAK LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The District reports unearned/unavailable revenue on its financial statements. Unearned/unavailable revenues arise when potential revenue does not meet the measureable, available, and earned criteria for recognition in the current period. Unearned/unavailable revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

#### e. Restricted Cash

The Library has transferred funds to the Special Reserve. These amounts are restricted.

#### f. Prepaid Item/Expenses

Payments made to vendors for services that will benefit periods beyond the draft of this report are recorded as prepaid items/expenses.

#### g. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

**WHITE OAK LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Equipment	10

h. Compensated Absences

Vested or accumulated vacation, compensatory, and holiday time are reported as expenditures and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation, compensatory, or holiday time of proprietary funds and governmental activities are recorded as an expense and liability as the benefits accrue to employees.

In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

i. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. 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 expensed as incurred.

In the fund financial statements, governmental funds 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 expenditures.

# WHITE OAK LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has no items that qualify for reporting in this category. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of time, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### k. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board, which is considered the District's highest level of decision making authority. Formal actions include ordinances approved by the District Board. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's Administrator. Any residual fund balance of the General Fund is reported as unassigned.

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



**WHITE OAK LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balances/Net Position (Continued)

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. None of the District's restricted net positions are restricted as a result of enabling legislation adopted by the District. Invested in capital assets, net of related debt is the book value of the capital assets less the outstanding principal balance of long-term debt issued to construct or acquire the capital assets.

l. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transaction, except interfund services and reimbursements, are reported as transfers.

m. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditure/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes and the Library's investment policy authorize the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

# WHITE OAK LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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### 2. DEPOSITS AND INVESTMENTS (Continued)

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

#### a. Deposits

To guard against credit risk for deposits with financial institutions, the Library's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of the uninsured deposits with the collateral held by a third party acting as the agent of the Library.

#### b. Investments

At June 30, 2014, the Library had invested \$9,705, which is the fair value, in Illinois Funds. These investments are liquid with no maturity date.

#### GASB 40 – Operating Funds

In accordance with its investment policy, the Library limits its exposure to interest rate risk to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The portfolio that is invested with Illinois Funds, which is completely liquid, is not subject to interest rate risk.

Illinois Funds is "AAA" rated funds and credit risk is very marginal.

### 3. RECEIVABLE – TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 2013, 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 issued on or about May 1, 2014 and are payable in two installments, on or about June 1, 2014 and September 1, 2014. The County collects such taxes and remits them periodically.

**WHITE OAK LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	1,583,550	-	-	1,583,550
Capital assets being depreciated				
Building	20,346,866	3,324,596	-	23,671,462
Equipment	908,721	5,252	-	913,973
Total capital assets being depreciated	<u>21,255,587</u>	<u>3,329,848</u>	<u>-</u>	<u>24,585,435</u>
Less accumulated depreciation for				
Building	\$ 976,970	\$ 473,429	\$ -	\$ 1,450,399
Equipment	856,494	6,752	-	863,246
Total accumulated depreciation	<u>1,833,464</u>	<u>480,181</u>	<u>-</u>	<u>2,313,645</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$21,005,673</u>	<u>\$ 2,849,667</u>	<u>\$ -</u>	<u>\$23,855,340</u>

Depreciation expense was charged to functions of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
Culture and Recreation	<u>\$ 480,181</u>

5. 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; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

6. SPECIAL RESERVE FUNDS

By Board action the Working Cash Fund was abolished and the monies were transferred into the newly created "Special Reserve Building Fund." The fund will be used for the construction and improvements to the facilities at Lockport and Crest Hill. The fund balance at June 30, 2014 was \$258,494.

# WHITE OAK LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014

### 7. STATE BUILDING GRANT FUND

During the fiscal year ended June 30, 1999, the District was awarded State Building Grants totaling \$85,000. The Lockport facility grant amounted to \$50,000, with local matching funds of \$50,000, for improvements for accessibility for the disabled, which must constitute 70% of the total contract. The Crest Hill grant is a "Mini Grant" of \$35,000 to remodel or refurbish the library. This grant does not require matching funds from the local agency. Both grants require an independent audit upon final completion of the projects. The fund balance as of June 30, 2014 was \$1,000.

### 8. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the year ended June 30, 2014:

	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
GOVERNMENTAL ACTIVITIES					
Bond Payable	\$ 22,990,000	\$ -	\$ 15,000	\$ 22,975,000	\$ 15,000
Compensated Absences	71,693	68,692	71,693	68,692	68,692
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 23,061,693</u>	<u>\$ 68,692</u>	<u>\$ 86,693</u>	<u>\$ 23,043,692</u>	<u>\$ 83,692</u>

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	G.O. Bonds Series 2010	
	Principal	Interest
2015	15,000	1,231,688
2016	890,000	1,231,237
2017	960,000	1,184,513
2018	1,040,000	1,134,112
2019	1,115,000	1,079,513
2020	1,200,000	1,020,975
2021	1,290,000	957,975
2022-2030	<u>16,465,000</u>	<u>4,884,550</u>
	<u>\$ 22,975,000</u>	<u>\$ 12,724,563</u>

**WHITE OAK LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014

9. INDIVIDUAL FUND DISCLOSURES

Transfers between funds during the year were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 307,028
IMRF Fund	84,391	-
Social Security Fund	59,361	-
Audit Fund	-	-
Insurance Fund	17,975	-
Construction and Building Maintenance Fund	-	81,604
Bond and Interest Fund	121,122	-
Special Reserve Fund	105,783	-
TOTAL ALL FUNDS	<u>\$ 388,632</u>	<u>\$ 388,632</u>

10. EMPLOYEE RETIREMENT SYSTEMS

Illinois Municipal Retirement Fund

The Library's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Library's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

As set by statute, Library employees participating in IMRF are required to contribute 4.50% 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 required contribution rate for calendar year 2013 was 10.45 percent. The Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2013, the Library's annual pension cost of \$189,735 was equal to the Library's required and actual contributions. The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial

# WHITE OAK LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014

### 10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Library's plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

As of December 31, 2013, the most recent actuarial valuation date, the plan was 83.45% funded. The actuarial accrued liability for benefits was \$3,435,564 and the actuarial value of assets was \$2,867,117, resulting in an underfunded actuarial accrued liability (UAAL) of \$568,447. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,815,642 and the ratio of UAAL to the covered payroll was 31 percent.

Actuarial Valuation Date	Annual Pension Cost	Percentage of APC	Net Pension Obligation
	(APC)	Contributed	
2013	\$ 189,735	100%	\$0
2012	164,973	100%	0
2011	149,777	100%	0

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WHITE OAK LIBRARY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2014

	Original and Final Budget	Actual
<b>REVENUES</b>		
Property taxes	\$ 3,250,000	\$ 2,959,942
Replacement taxes	200,000	251,707
Illinois per capita grant	80,000	97,366
Miscellaneous grant	100,000	4,000
TIF distributions	-	38,602
Sale of library materials	-	3,363
Library fees, lost items, and services	-	7,788
Fines	50,000	67,627
Donations	-	20,151
Developer fees	1,000	3,100
Computer income	15,000	20,545
Refunds and reimbursements	10,000	35,873
Interest	2,000	1,687
Total Revenues	3,708,000	3,511,751
<b>EXPENDITURES</b>		
Personnel services		
Salaries and wages	2,150,000	2,040,304
Staff insurance	195,000	225,590
Continuing education	46,000	8,352
Personnel expenses	)	2,097
Personnel contingencies	)	5,980
Total personnel services	2,391,000	2,282,323
Contractual services		
Advertising and public relations	30,000	23,935
Bookkeeping	10,000	523
Dues and membership	4,000	4,070
Consultant fees	-	-
Electricity and gas	155,000	147,011
Water	)	7,536
Telephone	12,000	9,890
Computer communication	35,000	34,407
Maintenance - equipment	9,500	4,583
Maintenance - computer equipment	25,000	19,880
Postage and miscellaneous	17,000	11,043

(See independent auditor's report.)



# WHITE OAK LIBRARY DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended June 30, 2014

	Original and Final Budget	Actual
EXPENDITURES (Continued)		
Contractual services (Continued)		
Programming - adult	45,000	19,359
Programming - juvenile	)	16,830
Legal services	10,000	2,903
Travel and meeting	20,000	18,784
Miscellaneous	213,000	3,080
Total contractual services	<u>585,500</u>	<u>323,834</u>
Materials and supplies		
Library and office supplies	57,500	42,210
Computer supplies	66,000	18,724
Computer software	)	46,931
Maintenance supplies	15,000	7,656
Copy machine supplies	-	-
Periodicals and newspapers	25,000	15,044
Films, videos, and DVD's	47,000	46,441
CD/ROM	25,000	1,455
Audiobooks/E-books	70,000	48,999
Books	275,000	232,264
Online resources	75,000	52,232
Miscellaneous	91,000	16,622
Total materials and supplies	<u>746,500</u>	<u>528,578</u>
Capital expenditures and reserves		
Library and office equipment	55,000	2,909
Computer equipment	25,000	10,803
Capital outlay and improvements	20,000	-
Tax reimbursements to FPLD	-	-
Contingency	200,000	2,121
Total capital expenditures and reserves	<u>300,000</u>	<u>15,833</u>
Total Expenditures	<u>4,023,000</u>	<u>3,150,568</u>

(See independent auditor's report.)

**WHITE OAK LIBRARY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(315,000)	361,183
OTHER FINANCING SOURCES (USES)		
Transfers	<u>-</u>	<u>(307,028)</u>
NET CHANGE IN FUND BALANCE	<u>(315,000)</u>	54,155
FUND BALANCE, JULY 1		<u>1,809,024</u>
FUND BALANCE, JUNE 30		<u>\$ 1,863,179</u>

(See independent auditor's report.)

**WHITE OAK LIBRARY DISTRICT**  
**SCHEDULE OF FUNDING PROGRESS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**

June 30, 2014

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Actuarial Valuation Date: December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2013	\$ 2,867,117	\$ 3,435,564	83.45%	\$ 568,447	\$ 1,815,642	31.31%
2012	2,428,202	3,048,857	79.64%	620,655	1,612,640	38.49%
2011	2,046,551	2,631,221	77.78%	584,670	1,484,415	39.39%
2010	1,920,768	2,384,476	80.55%	463,708	1,255,427	36.94%

(See independent auditor's report.)

**WHITE OAK LIBRARY DISTRICT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**

June 30, 2014

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<u>Year Ended December 31</u>	<u>Employer Contribution</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2013	\$ 189,735	\$ 189,735	100%
2012	164,973	164,973	100%
2011	149,777	149,777	100%
2010	124,036	124,036	100%

(See independent auditor's report.)

## WHITE OAK LIBRARY DISTRICT

### NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2014

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#### LEGAL COMPLIANCE AND ACCOUNTABILITY

##### Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted (at the fund level) for the General, Special Reserve Building, IMRF, FICA, Audit, Insurance, Construction and Building Maintenance, and State Grant Funds. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The District prepares and submits to the Board a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them. Annual budgets are adopted for the General Fund on a basis consistent with GAAP. The legal level of budgetary control is at the fund level.
2. The proposed operating budget is adopted by the Board at a public meeting.
3. Any amendments to the budget must be adopted by the Board at a public meeting.
4. Budgeted amounts presented in the financial statements are those as originally adopted by the Board. There were no amendments to the budget for the year ended June 30, 2014.

**NON-MAJOR GOVERNMENTAL FUNDS**

**WHITE OAK LIBRARY DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**

June 30, 2014

	Special Revenue						Totals
	IMRF Fund	Social Security Fund	Audit Fund	Insurance Fund	Construction and Building Maintenance	State Grant Fund	
<b>ASSETS</b>							
Cash in bank	\$ 44,389	\$ 44,597	\$ 23,984	\$ 14,537	\$ 77,017	\$ 1,000	\$ 205,524
Property Taxes Receivable	42,812	42,812	856	13,699	45,380	-	145,559
<b>TOTAL ASSETS</b>	<b>\$ 87,201</b>	<b>\$ 87,409</b>	<b>\$ 24,840</b>	<b>\$ 28,236</b>	<b>\$ 122,397</b>	<b>\$ 1,000</b>	<b>\$ 351,083</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Property Taxes	42,812	42,812	856	13,699	45,380	-	145,559
Total Deferred Inflows of Resources	42,812	42,812	856	13,699	45,380	-	145,559
Total Liabilities and Deferred Inflows of Resources	42,812	42,812	856	13,699	45,380	-	145,559
<b>FUND BALANCES</b>							
Restricted							
Special Revenue	44,389	44,597	23,984	14,537	77,017	1,000	205,524
Unrestricted	-	-	-	-	-	-	-
Unassigned							
Total Fund Balances	44,389	44,597	23,984	14,537	77,017	1,000	205,524
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 87,201</b>	<b>\$ 87,409</b>	<b>\$ 24,840</b>	<b>\$ 28,236</b>	<b>\$ 122,397</b>	<b>\$ 1,000</b>	<b>\$ 351,083</b>

(See independent auditor's report.)

**WHITE OAK LIBRARY DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2014

	Special Revenues						Totals
	IMRF Fund	Social Security Fund	Audit Fund	Insurance Fund	Construction and Building Maintenance	State Grant Fund	
<b>REVENUES</b>							
Property Taxes	\$ 93,608	\$ 89,986	\$ 2,688	\$ 26,698	\$ 92,614	\$ -	\$ 305,594
Developer fees	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Interest	26	28	30	12	112	-	208
<b>Total Revenues</b>	<b>93,634</b>	<b>90,014</b>	<b>2,718</b>	<b>26,710</b>	<b>92,726</b>	<b>-</b>	<b>305,802</b>
<b>EXPENDITURES</b>							
Personnel							
IMRF	185,434	-	-	-	-	-	185,434
Social Security	-	152,815	-	-	-	-	152,815
Contractual Services							
Audit and bookkeeping fees	-	-	3,750	-	-	-	3,750
Maintenance - building and grounds	-	-	-	-	18,360	-	18,360
Liability insurance	-	-	-	44,339	-	-	44,339
Capital Expenditures and Reserves							
Capital outlay and improvements	-	-	-	-	-	-	-
State grant outlay	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>185,434</b>	<b>152,815</b>	<b>3,750</b>	<b>44,339</b>	<b>18,360</b>	<b>-</b>	<b>404,698</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(91,800)</b>	<b>(62,801)</b>	<b>(1,032)</b>	<b>(17,629)</b>	<b>74,366</b>	<b>-</b>	<b>(98,896)</b>
Other financing sources (uses):							
Transfers from (to) general fund	84,391	59,361	-	17,975	(81,604)	-	80,123
<b>FUND BALANCES, JULY 1</b>	<b>51,798</b>	<b>48,037</b>	<b>25,016</b>	<b>14,191</b>	<b>84,255</b>	<b>1,000</b>	<b>224,297</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 44,389</b>	<b>\$ 44,597</b>	<b>\$ 23,984</b>	<b>\$ 14,537</b>	<b>\$ 77,017</b>	<b>\$ 1,000</b>	<b>\$ 205,524</b>

(See independent auditor's report.)



## **SUPPLEMENTARY INFORMATION**

# WHITE OAK LIBRARY DISTRICT

## Property Tax Assessed Valuations, Rates, Extensions, and Collections June 30, 2014

Tax Levy Year	2013		2012	
Assessed Valuation	Will County 1,732,017,633		Will County 1,856,457,912	
	Rate	Amount	Rate	Amount
Tax Extensions				
Corporate	0.1748	\$ 3,027,567	0.1577	\$ 2,927,634
Liability Insurance	0.0016	27,712	0.0014	25,991
IMRF	0.0050	86,601	0.0055	102,105
Social Security	0.0050	86,601	0.0051	94,679
Audit	0.0001	1,732	0.0002	3,713
Maintenance	0.0053	91,797	0.0051	94,679
Bond and Interest	0.0720	1,247,053	0.0672	1,247,540
	<u>0.2638</u>	<u>4,569,063</u>	<u>0.2422</u>	<u>4,496,341</u>
Total Will Extension		\$ 4,569,063		\$ 4,496,341
Tax collections:				
year ended June 30, 2014		\$ 2,310,310		\$ 2,194,719
Previous years		<u>-</u>		<u>2,281,599</u>
		<u>\$ 2,310,310</u>		<u>\$ 4,476,318</u>
Percent collected		<u>50.6%</u>		<u>99.6%</u>

Property tax rates are per \$100 of assessed valuation. Assessed valuation, rates and extended amounts of property taxes levied have been presented for each of the counties for which the District files a property tax levy.

(See independent auditors' report.)