

**WHITE OAK LIBRARY DISTRICT  
ROMEOVILLE, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended  
June 30, 2016**

**WHITE OAK LIBRARY DISTRICT**  
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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, 2016, 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, 2016, 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.

### **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.

A handwritten signature in dark ink, appearing to read "Brian Zabel & Assoc.", is written over the printed name and firm name.

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

Morris, Illinois  
October 19, 2016

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2016

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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, 2016. 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, 2016 by \$3,360,012 (net position). Of this amount, \$1,332,431 (unrestricted net position) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position increased by \$186,731.
- At June 30, 2016, the Library's governmental funds reported combined ending fund balances of \$2,855,572, a decrease of \$639,530 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 3 and 4 of this report.

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2016

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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 5 through 8 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 9 through 24 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 25 through 30 of this report.

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2016

**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 \$3,360,012 at June 30, 2016.

A large portion of the Library's net position (43%) 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 2016	FY 2015
Current and Other Assets	\$ 5,633,765	\$ 6,216,068
Capital Assets	23,020,173	23,476,203
Total Assets	<u>28,653,938</u>	<u>29,692,271</u>
Deferred Outflows of Resources	392,132	135,712
Total Deferred Outflows of Resources	<u>392,132</u>	<u>135,712</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 29,046,070</u>	<u>\$ 29,827,983</u>
Current Liabilities	\$ 1,082,860	\$ 1,613,308
Noncurrent Liabilities	21,874,371	22,361,343
Total Liabilities	<u>22,957,231</u>	<u>23,974,651</u>
Deferred Inflows of Resources	2,728,827	2,680,051
Total Deferred Inflows of Resources	<u>2,728,827</u>	<u>2,680,051</u>
Total Liabilities and Deferred Inflows of Resources	<u>25,686,058</u>	<u>26,654,702</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	1,459,148	994,982
Restricted	568,433	561,002
Unrestricted	1,332,431	1,617,297
Total Net Position	<u>\$ 3,360,012</u>	<u>\$ 3,173,281</u>

A significant portion of the Library's net position (60%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,332,431) may be used to meet the Library's ongoing obligations to citizens and creditors.

At June 30, 2016, 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.

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2016

The Library's net position increased by \$186,731 during the year ended June 30, 2016.

**Governmental Activities** - Governmental activities increased the Library's net position by \$186,731. The key elements of this increase are as follows:

White Oak Library District's Change in Net Position

	Governmental Activities	
	FY 2016	FY 2015
Revenues		
Program Revenues		
Charges for Services	\$ 111,810	\$ 113,208
Grants and Contributions	72,680	116,084
General Revenues		
Property Taxes	5,544,427	5,090,080
Replacement Taxes	259,493	260,304
Interest	5,493	4,328
Miscellaneous	38,557	49,053
Total Revenues	<u>6,032,460</u>	<u>5,633,057</u>
Expenses		
General Government	<u>5,845,729</u>	<u>5,438,523</u>
Total Expenses	<u>5,845,729</u>	<u>5,438,523</u>
Increase in Net Position	186,731	194,534
Net Position-Beginning	3,173,281	2,978,747
Net Position-Ending	<u>\$ 3,360,012</u>	<u>\$ 3,173,281</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, 2016 the Library's governmental funds reported combined ending unrestricted fund balances of \$1,778,164.

The General Fund is the chief operating fund of the Library. At June 30, 2016, unrestricted fund balance of the General Fund was \$1,778,164. The fund balance of the General Fund decreased by \$61,538 during the year ended June 30, 2016.



**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2016

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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 \$25,794 (unfavorable).
- The difference between the estimated expenditures and the actual expenditures was \$997,377 (favorable).

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** – The Library's investment in capital assets for its governmental activities as of June 30, 2016 amount to \$23,020,173 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and furniture, fixtures, and equipment. The total decrease in the Library's investment in capital assets for the year ended June 30, 2016 was \$456,030 and was due to depreciation expense being higher than assets added.

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	
	6/30/2016	6/30/2015
Land	\$ 1,583,550	\$ 1,583,550
Buildings	21,384,821	21,841,487
Equipment	51,802	51,166
Total	<u>\$ 23,020,173</u>	<u>\$ 23,476,203</u>

Additional information on the Library's capital assets can be found in Note 4 on page 17 of this report.

**Long-Term Debt** – At June 30, 2016, the Library had \$22,070,000 outstanding.

	Beginning Balance	Debt Issued	Debt Payment	Ending Balance
Bonds Payable	\$ 22,960,000	\$ -	\$ (890,000)	\$ 22,070,000

Additional information on the Library's long-term debt can be found in Note 8 on page 18 of this report.

**WHITE OAK LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2016

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

The equalized assessed valuation (EAV) for the Library for 2016 is \$1,769,096,607. That represents an increase in EAV of \$9,175,310 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, 2016

**ASSETS**

Cash and Investments	\$ 2,844,894
Grant Receivable	60,044
Property Taxes Receivable	2,728,827
Capital Assets (net of accumulated depreciation)	<u>23,020,173</u>
Total Assets	<u>28,653,938</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows, IMRF	<u>392,132</u>
Total Deferred Outflows of Resources	<u>392,132</u>

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**\$ 29,046,070**LIABILITIES**

Current Liabilities	
Accounts Payable	\$ 49,366
Compensated Absences	73,494
Accrued Interest	-
Current Portion of Long-Term Debt	960,000
Noncurrent Liabilities	
Net Pension Liability	764,371
Bond Payable	<u>21,110,000</u>
Total Liabilities	<u>22,957,231</u>

**DEFERRED INFLOWS OF RESOURCES**

Unearned Property Taxes	<u>2,728,827</u>
Total Deferred Inflows of Resources	<u>2,728,827</u>
Total Liabilities and Deferred Inflows of Resources	<u>25,686,058</u>

**NET POSITION**

Invested in Capital Assets	1,459,148
Restricted Net Position	568,433
Unrestricted Net Position	<u>1,332,431</u>
Total Net Position	<u>3,360,012</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND NET POSITION**\$ 29,046,070

See accompanying notes to financial statements.

# WHITE OAK LIBRARY DISTRICT

## STATEMENT OF ACTIVITIES

June 30, 2016

	Program Revenues			Total
	Expenses	Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS				
Governmental Activities				
Cultural and Recreation	\$ 5,845,729	\$ 111,810	\$ 72,680	\$ (5,661,239)
 TOTAL PRIMARY GOVERNMENT	 5,845,729	 111,810	 72,680	 (5,661,239)
General Revenues				
Property Taxes				5,544,427
Intergovernmental Revenue				259,493
Interest on Investments				5,493
Miscellaneous				38,557
Total				5,847,970
CHANGE IN NET POSITION				186,731
NET POSITION, JULY 1				3,173,281
NET POSITION, JUNE 30				\$ 3,360,012

See accompanying notes to financial statements.

**WHITE OAK LIBRARY DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

June 30, 2016

	General	Bond and Interest Fund	Special Reserve Building	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 1,740,808	\$ 508,975	\$ 394,859	\$ 200,252	\$ 2,844,894
Property Taxes Receivable	1,538,434	1,044,819	-	145,574	2,728,827
Grant Receivable	60,044	-	-	-	60,044
TOTAL ASSETS	\$ 3,339,286	\$ 1,553,794	\$ 394,859	\$ 345,826	\$ 5,633,765
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 22,688	\$ -	\$ 25,723	\$ 955	\$ 49,366
Total Liabilities	22,688	-	25,723	955	49,366
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	1,538,434	1,044,819	-	145,574	2,728,827
Total Deferred Inflows of Resources	1,538,434	1,044,819	-	145,574	2,728,827
Total Liabilities and Deferred Inflows of Resources	1,561,122	1,044,819	25,723	146,529	2,778,193
FUND BALANCES					
Restricted	-	508,975	-	-	508,975
Debt Service	-	-	369,136	-	369,136
Building Construction	-	-	-	199,297	199,297
Special Revenue	-	-	-	-	-
Unrestricted	1,778,164	-	-	-	1,778,164
Unassigned	1,778,164	508,975	369,136	199,297	2,855,572
Total Fund Balances	1,778,164	508,975	369,136	199,297	2,855,572
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,339,286	\$ 1,553,794	\$ 394,859	\$ 345,826	\$ 5,633,765

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, 2016

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 2,855,572
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	23,020,173
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	(22,070,000)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	(764,371)
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the governmental funds	392,132
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds	(73,494)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	<u>-</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 3,360,012</u></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, 2016

	General	Bond and Interest Fund	Special Reserve Building	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 3,127,909	\$ 2,124,562	\$ -	\$ 291,956	\$ 5,544,427
Replacement taxes	237,868	-	-	-	237,868
Illinois per capita grant	60,044	-	-	-	60,044
Miscellaneous grant	-	-	-	-	-
TIF distributions	21,625	-	-	-	21,625
State grant	-	-	-	-	-
Sale of library materials	-	-	-	-	-
Library fees, lost items, and services	10,764	-	-	-	10,764
Fines	71,468	-	-	-	71,468
Donations	12,636	-	-	-	12,636
Developer fees	32,150	-	-	-	32,150
Computer income	29,578	-	-	-	29,578
Refunds and reimbursements	6,407	-	-	-	6,407
Interest	3,283	1,048	925	237	5,493
Total Revenues	3,613,732	2,125,610	925	292,193	6,032,460
<b>EXPENDITURES</b>					
Personnel	2,504,243	-	-	354,267	2,858,510
Operating and contractual services	235,070	-	-	87,089	322,159
Materials and supplies	524,186	-	-	-	524,186
Debt service	-	2,713,494	-	-	2,713,494
Capital expenditures and reserves	15,124	-	238,517	-	253,641
Total Expenditures	3,278,623	2,713,494	238,517	441,356	6,671,990
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	335,109	(587,884)	(237,592)	(149,163)	(639,530)
<b>OTHER FINANCING SOURCES (USES)</b>					
Net proceeds from bonds	-	-	-	-	-
Transfers in	-	2,461	215,493	178,693	396,647
Transfers (out)	(396,647)	-	-	-	(396,647)
Total other financing sources (uses)	(396,647)	2,461	215,493	178,693	-
NET CHANGE IN FUND BALANCES	(61,538)	(585,423)	(22,099)	29,530	(639,530)
FUND BALANCES, JULY 1	1,839,702	1,094,398	391,235	169,767	3,495,102
FUND BALANCES, JUNE 30	\$ 1,778,164	\$ 508,975	\$ 369,136	\$ 199,297	\$ 2,855,572

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, 2016

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (639,530)
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	28,156
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	890,000
Accrual of interest is reported as interest expense on the statement of activities	615,619
The decrease in the compensated absences liability is an expense on the statement of activities	(6,720)
The change in the net pension liability is reported as an expense on the statement of activities	(473,028)
The change in the deferred outflow is reported as an expense on the statement of activities	256,420
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.	(484,186)
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 186,731</u>

See accompanying notes to financial statements.

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

June 30, 2016

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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, 2016

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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, 2016

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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, 2016

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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, 2016

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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, 2016

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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, 2016

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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, 2016

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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, 2016, the Library had invested \$5,364, 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 2015 attach as an enforceable lien on January 1, 2015, 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, 2016 and are payable in two installments, on or about June 1, 2016 and September 1, 2016. The County collects such taxes and remits them periodically.

# WHITE OAK LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 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	23,767,231	19,060	-	23,786,291
Equipment	921,963	9,096	-	931,059
Total capital assets being depreciated	24,689,194	28,156	-	24,717,350
Less accumulated depreciation for				
Building	\$ 1,925,744	\$ 475,726	\$ -	\$ 2,401,470
Equipment	870,797	8,460	-	879,257
Total accumulated depreciation	2,796,541	484,186	-	3,280,727
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$23,476,203</u>	<u>\$ (456,030)</u>	<u>\$ -</u>	<u>\$23,020,173</u>

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

GOVERNMENTAL ACTIVITIES	
Culture and Recreation	<u>\$ 484,186</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, 2016 was \$369,136.

# WHITE OAK LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### 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, 2016 was \$1,000.

### 8. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the year ended June 30, 2016:

	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
GOVERNMENTAL ACTIVITIES					
Bond Payable	\$ 22,960,000	\$ -	\$ 890,000	\$ 22,070,000	\$ 960,000
Compensated Absences	66,774	73,494	66,774	73,494	73,494
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 23,026,774</u>	<u>\$ 73,494</u>	<u>\$ 956,774</u>	<u>\$ 22,143,494</u>	<u>\$ 1,033,494</u>

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	G.O. Bonds Series 2010	
	Principal	Interest
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	16,465,000	4,884,550
	<u>\$ 22,070,000</u>	<u>\$ 10,261,638</u>

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

June 30, 2016

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9. INDIVIDUAL FUND DISCLOSURES

Transfers between funds during the year were as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 396,647
IMRF Fund	84,600	-
Social Security Fund	88,800	-
Audit Fund	-	-
Insurance Fund	35,700	-
Construction and Building		
Maintenance Fund	-	30,407
Bond and Interest Fund	2,461	-
Special Reserve Fund	215,493	-
TOTAL ALL FUNDS	<u>\$ 427,054</u>	<u>\$ 427,054</u>

10. DEFINED BENEFIT PENSION PLAN

The District's contributes to a defined benefit pension plan: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions, and employer contributions for all plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF's plan does not issue a separate report for the plan. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

*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.

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

June 30, 2016

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10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund

*Plan Membership*

At December 31, 2015, IMRF membership consisted of:

Retirees and beneficiaries	27
Inactive, non-retired members	77
Active plan members	57
TOTAL	<u>161</u>

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. The final rate of earnings is the highest total earnings during one consecutive 48 months within the last 10 year of IMRF services divided by 48.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. The final rate of earnings is the highest total earnings during any consecutive 96 months within the last 10 years of IMRF service, divided by 96.

*Contributions*

The District employees participating in IMRF are required to contribute 4.5% of their annual eligible covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2015 was 9.74% of payroll. The District's contribution requirements are established and may be amended by the IMRF Board of Trustees.

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

June 30, 2016

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10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund

*Actuarial Assumptions*

The District's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial cost method	Aggregate Entry Age Normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Investment rate of return	7.49%
Cost of living adjustments	4.00%
Asset valuation method	5-year smoothed market

*Net Pension*

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives.

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

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

June 30, 2016

10. **DEFINED BENEFIT PENSION PLAN (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.49%. 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 The District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2015	\$ 5,004,801	\$ 4,713,458	\$ 291,343
Changes for the period			
Service cost	199,777	-	199,777
Interest	379,062	-	379,062
Difference between expected and actual experience	(5,190)	-	(5,190)
Changes in assumptions	7,847	-	7,847
Employer contributions	-	180,426	(180,426)
Employee contributions	-	95,918	(95,918)
Net investment income	-	24,005	(24,005)
Benefit payments and refunds	(101,064)	(101,064)	-
Other	-	(191,881)	191,881
Net changes	480,432	7,404	473,028
Balances at December 31, 2015	\$ 5,485,233	\$ 4,720,862	\$ 764,371

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

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

June 30, 2016

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows or Resources*

For the year ended June 30, 2016 The District recognized pension expense of \$401,839. At June 30, 2016, The District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 92,646
Changes in assumption	97,772	-
Net difference between projected and actual earnings on pension plan investments	299,886	-
Contributions after measurement date	87,120	-
TOTAL	<u>\$ 484,778</u>	<u>\$ 92,646</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2015	\$ 79,924
2016	79,924
2017	79,301
2018	65,863
2019	79,924
Thereafter	7,196
TOTAL	<u>\$ 392,132</u>



WHITE OAK LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of The District calculated using the discount rate of 7.49% as well as what The District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.49%) or 1 percentage point higher (8.49%) than the current rate:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Net pension liability (asset)	\$ 1,621,180	\$ 764,371	\$ 74,069

## **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, 2016

	Original and Final Budget	Actual
<b>REVENUES</b>		
Property taxes	\$ 3,124,026	\$ 3,127,909
Replacement taxes	225,000	237,868
Illinois per capita grant	98,000	60,044
Miscellaneous grant	100,000	-
TIF distributions	)	21,625
Sale of library materials	-	-
Library fees, lost items, and services	10,000	10,764
Fines	60,000	71,468
Donations	-	12,636
Developer fees	2,000	32,150
Computer income	17,500	29,578
Refunds and reimbursements	-	6,407
Interest	3,000	3,283
Total Revenues	<u>3,639,526</u>	<u>3,613,732</u>
<b>EXPENDITURES</b>		
Personnel services		
Salaries and wages	2,240,000	2,245,058
Staff insurance	240,000	238,043
Continuing education	20,000	12,039
Personnel expenses	20,000	9,103
Personnel contingencies	-	-
Total personnel services	<u>2,520,000</u>	<u>2,504,243</u>
Contractual services		
Advertising and public relations	30,000	39,411
Bookkeeping	-	563
Dues and membership	5,000	3,947
Consultant fees	-	-
Electricity and gas	80,000	14,985
Water	5,000	655
Fire and security	80,000	14,768
Telephone	25,000	9,479
Computer communication	45,000	31,280
Maintenance - equipment	32,500	8,458
Maintenance - computer equipment	35,000	24,343
Postage and miscellaneous	18,000	13,165

(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, 2016

	Original and Final Budget	Actual
EXPENDITURES (Continued)		
Contractual services (Continued)		
Programming - adult	32,500	18,183
Programming - juvenile	32,500	21,739
Legal services	10,000	3,375
Travel and meeting	20,000	18,224
Miscellaneous	221,000	12,495
Total contractual services	<u>671,500</u>	<u>235,070</u>
Materials and supplies		
Library and office supplies	57,500	36,516
Computer supplies	25,000	11,685
Computer software	66,000	42,153
Maintenance supplies	20,000	11,437
Copy machine supplies	-	-
Periodicals and newspapers	25,000	16,195
Films, videos, and DVD's	45,000	43,194
CD/ROM	10,000	6,329
Audiobooks/E-books	70,000	56,179
Books	295,000	234,518
Online resources	75,000	48,851
Miscellaneous	40,000	17,129
Total materials and supplies	<u>728,500</u>	<u>524,186</u>
Capital expenditures and reserves		
Library and office equipment	55,000	510
Computer equipment	25,000	12,136
Capital outlay and improvements	21,000	-
Tax reimbursements to FPLD	-	-
Contingency	255,000	2,478
Total capital expenditures and reserves	<u>356,000</u>	<u>15,124</u>
Total Expenditures	<u>4,276,000</u>	<u>3,278,623</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, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(636,474)	335,109
OTHER FINANCING SOURCES (USES)		
Transfers	<u>-</u>	<u>(396,647)</u>
NET CHANGE IN FUND BALANCE	<u>(636,474)</u>	(61,538)
FUND BALANCE, JULY 1		<u>1,839,702</u>
FUND BALANCE, JUNE 30		<u>\$ 1,778,164</u>

(See independent auditor's report.)

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

December 31, 2015\*

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 180,426	\$ 176,197
Contributions in relation to the actuarially determined contribution	<u>180,426</u>	<u>175,675</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ 522</u>
Covered-employee payroll	\$ 1,852,428	\$ 1,829,666
Contributions as a percentage of covered-employee payroll	9.74%	9.60%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percentage of pay, closed and the amortization period was 29 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 4.40% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

\*IMRF's measurement date is December 31, 2015; therefore information above is presented for the calendar year ended December 31, 2015.

(See independent auditor's report.)

# WHITE OAK LIBRARY DISTRICT

## SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS - ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2015\*

	2015	2014
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 199,777	\$ 209,584
Interest	379,062	345,167
Changes of benefit terms	-	-
Differences between expected and actual experience	(5,190)	(159,646)
Changes of assumptions	7,847	165,248
Benefit payments, including refunds of member contributions	(101,064)	(105,973)
Net change in total pension liability	480,432	454,380
<b>TOTAL PENSION LIABILITY - BEGINNING</b>	5,004,801	4,550,421
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u>\$ 5,485,233</u>	<u>\$ 5,004,801</u>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 180,426	\$ 175,675
Contributions - member	95,918	82,091
Net investment income	24,005	266,374
Benefit payments, including refunds of member contributions	(101,064)	(105,973)
Other	(191,881)	4,403
Net change in plan fiduciary net position	7,404	422,570
<b>PLAN FIDUCIARY NET POSITION - BEGINNING</b>	4,713,458	4,290,888
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<u>\$ 4,720,862</u>	<u>\$ 4,713,458</u>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<u>\$ 764,371</u>	<u>\$ 291,343</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.06%	94.18%
Covered-employee payroll	\$ 1,852,428	\$ 1,829,666
Employer's net pension liability as a percentage of covered-employee payroll	41.26%	15.92%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date

\*IMRF's measurement date is December 31, 2015; therefore information above is presented for the calendar year ended December 31, 2015.

(See independent auditor's report.)

# WHITE OAK LIBRARY DISTRICT

## NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2016

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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, 2016.



**NON-MAJOR GOVERNMENTAL FUNDS**

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

June 30, 2016

	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	\$ 55,477	\$ 43,583	\$ 18,689	\$ 12,727	\$ 68,776	\$ 1,000
Property Taxes Receivable	52,545	41,347	861	12,059	38,762	-
<b>TOTAL ASSETS</b>	<b>\$ 108,022</b>	<b>\$ 84,930</b>	<b>\$ 19,550</b>	<b>\$ 24,786</b>	<b>\$ 107,538</b>	<b>\$ 1,000</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 955	\$ -
Total Liabilities	-	-	-	-	955	-
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Property Taxes	52,545	41,347	861	12,059	38,762	-
Total Deferred Inflows of Resources	52,545	41,347	861	12,059	38,762	-
Total Liabilities and Deferred Inflows of Resources	52,545	41,347	861	12,059	39,717	-
<b>FUND BALANCES</b>						
Restricted						
Special Revenue	55,477	43,583	18,689	12,727	67,821	1,000
Unrestricted	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	55,477	43,583	18,689	12,727	67,821	1,000
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 108,022</b>	<b>\$ 84,930</b>	<b>\$ 19,550</b>	<b>\$ 24,786</b>	<b>\$ 107,538</b>	<b>\$ 1,000</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, 2016

	Special Revenues					Totals
	IMRF Fund	Social Security Fund	Audit Fund	Insurance Fund	Construction and Building Maintenance	State Grant Fund
<b>REVENUES</b>						
Property Taxes	\$ 104,029	\$ 82,332	\$ 1,732	\$ 25,079	\$ 78,784	\$ -
Developer fees	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Interest	49	39	42	10	97	-
						237
<b>Total Revenues</b>	<b>104,078</b>	<b>82,371</b>	<b>1,774</b>	<b>25,089</b>	<b>78,881</b>	<b>-</b>
						<b>292,193</b>
<b>EXPENDITURES</b>						
Personnel						
IMRF	185,231	-	-	-	-	-
Social Security	-	169,036	-	-	-	-
Contractual Services						
Audit and bookkeeping fees	-	-	4,575	-	-	-
Maintenance - building and grounds	-	-	-	-	21,219	-
Liability insurance	-	-	-	61,295	-	-
Capital Expenditures and Reserves						
Capital outlay and improvements	-	-	-	-	-	-
State grant outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>185,231</b>	<b>169,036</b>	<b>4,575</b>	<b>61,295</b>	<b>21,219</b>	<b>-</b>
						<b>441,356</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(81,153)</b>	<b>(86,665)</b>	<b>(2,801)</b>	<b>(36,206)</b>	<b>57,662</b>	<b>(149,163)</b>
Other financing sources (uses):						
Transfers from (to) general fund	84,600	88,800	-	35,700	(30,407)	-
<b>FUND BALANCES, JULY 1</b>	<b>52,030</b>	<b>41,448</b>	<b>21,490</b>	<b>13,233</b>	<b>40,566</b>	<b>1,000</b>
						<b>169,767</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 55,477</b>	<b>\$ 43,583</b>	<b>\$ 18,689</b>	<b>\$ 12,727</b>	<b>\$ 67,821</b>	<b>\$ 1,000</b>
						<b>\$ 199,297</b>

(See independent auditor's report.)

## **SUPPLEMENTARY INFORMATION**

# WHITE OAK LIBRARY DISTRICT

## Property Tax Assessed Valuations, Rates, Extensions, and Collections June 30, 2016

Tax Levy Year	2015		2014	
Assessed Valuation	Will County 1,769,096,607		Will County 1,709,921,297	
	Rate	Amount	Rate	Amount
Tax Extensions				
Corporate	0.1786	\$ 3,159,607	0.1827	\$ 3,124,026
Liability Insurance	0.0014	24,767	0.0015	25,649
IMRF	0.0061	107,915	0.0059	100,885
Social Security	0.0048	84,917	0.0047	80,366
Audit	0.0001	1,769	0.0001	1,710
Maintenance	0.0045	79,609	0.0046	78,657
Bond and Interest	0.1213	2,145,914	0.1241	2,122,012
	<u>0.3168</u>	<u>5,604,498</u>	<u>0.3236</u>	<u>5,533,305</u>
Total Will Extension		<u>\$ 5,604,498</u>		<u>\$ 5,533,305</u>
Tax collections:				
year ended June 30, 2016		\$ 2,875,671		\$ 2,668,756
Previous years		<u>-</u>		<u>2,853,254</u>
		<u>\$ 2,875,671</u>		<u>\$ 5,522,010</u>
Percent collected		<u>51.3%</u>		<u>99.8%</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.)