

SUGAR GROVE PUBLIC LIBRARY DISTRICT
ILLINOIS

ANNUAL FINANCIAL REPORT
with
INDEPENDENT AUDITORS' REPORT
for the year ended June 30, 2016

Weber & Associates CPAs, LLC
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Sugar Grove Public Library District
Sugar Grove, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sugar Grove Public 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 District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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.

Basis for Qualified Opinion on Fixed Assets

The District has not maintained detailed historical fixed asset cost records with respect to library collection items as required by accounting principles generally accepted in the United States of America. Therefore, the cost of fixed assets, accumulated depreciation, net position and provision for depreciation in the government-wide financial statements may be understated by undeterminable amounts.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Fixed Assets” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sugar Grove Public Library District as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 4 through 10 and 30 through 33 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sugar Grove Public Library District's basic financial statements. The combining and individual fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic 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.

Asher & Associates

Aurora, Illinois
October 19, 2016

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
for the year ended June 30, 2016

The following is a narrative overview and analysis of the Sugar Grove Public Library District's (the District) financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the District's financial statements which begin on page 11.

This discussion and analysis is designed to 1) assist the reader in focusing on significant financial issues, 2) provide an overview of the District's financial activity, 3) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), 4) identify any material deviations from the approved budget, and 5) identify individual fund issues or concerns.

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT

The financial statements of the District present two kinds of statements, each with a different snapshot of the District's finances. The focus of the financial statements is on the District as a whole, or government-wide, and on the major individual funds. Both perspectives allow the user to address relevant questions, broaden a basis for comparison and enhance the District's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position presents information showing the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Assets and deferred outflows less liabilities and deferred inflows is reported as net position. This statement combines and consolidates the District's governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District'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 the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future periods (e.g. earned, but unused compensated absences).

The government-wide financial statements describe functions of the District that are principally supported by taxes and intergovernmental revenues. The governmental activities of the District reflect the District's basic services, including materials collections, reference and readers' services, programming interlibrary loan, and outreach services.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2016

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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are in one 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 the near-term inflows and outflows of spendable resources, as well as the balance 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (see pages 13 - 16).

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances for the General Fund and Debt Service Fund each of which are considered to be "major" funds. Data from the other four governmental funds, which include the Social Security Fund, the Insurance Fund, the Audit Fund, and the Special Reserve Fund are combined into a single aggregated nonmajor fund presentation. Individual fund data from each of these nonmajor governmental funds is provided in the form of combining statements and are found on pages 33 and 34.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 - 28 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain other required supplementary information including the management's discussion and analysis on pages 4 - 10 and the budgetary comparison schedule for the General Fund found on pages 29 - 32. Other supplementary information on pages 33 - 39 consists of combining statements for the nonmajor governmental funds and individual fund budgetary comparison schedules for the nonmajor governmental funds and the debt service fund, a major governmental fund.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets exceeded liabilities and deferred inflows of resources by \$2,588,498.

Table 1
Statement of Net Position

	Governmental Activities	
	June 30, 2016	June 30, 2015
Current and Other Assets	\$ 1,500,651	\$ 1,435,571
Capital Assets, Net	7,979,343	8,255,473
Total Assets	<u>9,479,994</u>	<u>9,691,044</u>
Long-Term Liabilities	5,482,402	5,979,418
Other Liabilities	106,234	138,844
Total Liabilities	<u>5,588,636</u>	<u>6,118,262</u>
Deferred Inflows of Resources	1,302,860	1,274,597
Net Position:		
Net Investment in Capital Assets	2,491,929	2,265,658
Restricted	72,796	59,948
Unrestricted (Deficit)	23,773	(27,421)
Total Net Position	<u>\$ 2,588,498</u>	<u>\$ 2,298,185</u>

The District's net position increased approximately \$290,000 during the year ended June 30, 2016. The largest portion of the net position, \$2,491,929 or 96%, reflects the District's investment in capital assets (land, building, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide library services to residents of the District; consequently, these assets are not available for future spending.

An additional 3% of the District's net position represents resources that are subject to external restrictions on how they may be used. The increase in restricted net position of approximately 21% is the result of restricted grant funds being received near the end of the fiscal year and unspent as of June 30, 2016. The remaining \$23,773 or 1% represents unrestricted net position and may be used to meet the District's ongoing obligations.

Net capital assets decreased by approximately \$276,000 due to current year depreciation. Long-term liabilities decreased by approximately \$497,000 in fiscal year 2016 primarily due to the retirement of general obligation debt.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2016

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The following table summarizes the revenues and expenses of the District's activities and compares it to fiscal year 2015.

Table 2
Changes in Net Position

	Governmental Activities	
	June 30, 2016	June 30, 2015
Revenues		
Program Revenues:		
Charges for Services	\$ 15,739	\$ 14,751
Operating Grants and Contributions	12,649	22,201
Total Program Revenues	<u>28,388</u>	<u>36,952</u>
General Revenues:		
Property Taxes	1,240,184	1,224,889
Intergovernmental	8,808	159
Investment Income	282	86
Other Miscellaneous	2,553	908
Donations not Restricted	2,290	12,450
Total General Revenues	<u>1,254,117</u>	<u>1,238,492</u>
Total Revenues	<u>1,282,505</u>	<u>1,275,444</u>
Expenses		
Culture and Recreation	878,168	974,908
Interest on Long Term Debt	114,024	255,455
Total Expenses	<u>992,192</u>	<u>1,230,363</u>
Changes in Net Position	290,313	45,081
Net Position, July 1	<u>2,298,185</u>	<u>2,253,104</u>
Net Position, June 30	<u>\$ 2,588,498</u>	<u>\$ 2,298,185</u>

Total revenues increased .55% in fiscal year 2016. Property taxes increased 1.25% or \$15,295 and represented 97% of total revenue in 2016 compared to 96% in 2015. Operating grants and contributions decreased \$9,552 as expected due to the cuts in per capita grants from the State of Illinois. Other intergovernmental revenue, primarily from development fees, increased \$8,649 or 5439.62% as residential development resumed. The decrease in culture and recreation expenses notated include bond issuance costs of approximately \$85,000 for the advance refunding of the general obligation bonds in last fiscal year. Overall, expenditures decreased 19.36% as interest on the long-term debt was also reduced.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2016

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

The District's governmental funds reported combined ending fund balances of \$183,460, a 16.5% increase over last year's ending fund balances. The General Fund reported an increase of \$21,470 in fund balance due to a combination of factors. State per capita grant funds were not received until the last month of the fiscal year, and due to the uncertainty of receiving this revenue, no expenditures were scheduled. This revenue will be spent in the next fiscal year. The increase in combined fund balance of \$25,984 is primarily attributable to the excess of revenues over expenditures in the General Fund and the Debt Service Fund, the result of limitations applied under the Property Tax Extension Limitation Law applied by the County to the property tax levy for the operating funds. Revenues in each of the special revenue funds, except the Social Security Fund, exceeded expenditures in 2016, increasing fund balances in the special revenue funds at year end by a total of \$658. Fund balances in the General Fund and the District's capital projects fund increased \$21,470 and \$41, respectively, due to controlling expenditures within available resources.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2016

General Fund Budgetary Highlights

Table 3
General Fund Budget vs. Actual
for the year ended June 30, 2016

	Final Appropriated Budget	Actual
Revenues		
Property Taxes	\$ 549,800	\$ 547,520
Intergovernmental	21,350	20,957
Fines	8,500	11,231
Charges for Services	5,900	4,508
Interest Income	85	241
Donations	10,100	2,790
Other Miscellaneous	-	2,303
Total Revenues	595,735	589,550
Expenditures		
Personnel	387,500	326,667
Contractual Services	93,500	43,538
Other Operating Expenses	339,400	197,875
Total Expenditures	820,400	568,080
Net Change in Fund Balance	\$ (224,665)	21,470
Fund Balance, beginning of year		58,045
Fund Balance, end of year		\$ 79,515

The General Fund is the District's general operating fund. Revenues in 2016 were under budget by \$6,185 as donations declined. Expenditures were within budgeted amounts at the fund level. Personnel costs, the largest expenditure in the General Fund, were 47.23% under budget in 2016. Overall, expenditures were 30.76% under budget and exceeded revenues in the General Fund by \$21,470. Bear in mind approximately \$12,000 of this amount was late received per capita grant funding that will be spent in the next fiscal year. Budgeted expenditures are typically higher than expected results as the District adopts a combined budget and appropriation ordinance that provides the legal limits of spending and expenditure of unexpected revenues if received.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2016, the District had \$7,979,343 invested in capital assets including land, buildings, furniture, fixtures and equipment, net of accumulated depreciation. This amount decreased \$276,130 due to the current year depreciation expense. There were no additions to capital assets during the current year. The District does not report collection materials as capital assets. Details of the District's capital assets by asset classification and the related accumulated depreciation can be found in Note 5 to the financial statements on page 24.

Debt

During the year ended June 30, 2015, the District issued \$5,735,000 of general obligation refunding bonds to advance refund the 2005 library building bonds. The refunding was done to obtain the benefit of lower interest rates and to shorten the maturity of the bonds. The District paid \$450,000 in principal on the bonds during the year ended June 30, 2016. Annual maturities of debt and the related interest expense is financed with property tax revenues. See Note 6 to the financial statements on page 25 for more detailed information.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

The equalized assessed valuation (EAV) of property in the District increased approximately 5.3% for the tax levy year 2015 compared to a decrease of 0.12% in EAV for tax levy year 2014. Further increases would be of benefit to the Library, however, a lower Consumer Price Index prevents substantial budget increases. In addition, the Sugar Grove tax increment financing district may have an effect on future increases in EAV within the District thereby negatively impacting property tax revenues. The current financial status of the State of Illinois is being monitored as per capita grant revenue could be additionally curtailed or eliminated prompting reduced revenues.

The Library has been unsuccessful in several attempts to pass a referendum requesting an increase in the property tax rate assessed on all real property within the District. The Library Board continues to consider additional funding sources including public support, grants, service reductions, and increases in fees as it attempts to mitigate possible pressures on revenues in the future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Library Director, Sugar Grove Public Library District, 125 S. Municipal Drive, Sugar Grove, Illinois 60554.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 863,054
Receivables:	
Property taxes	633,662
Prepaid expenses	3,935
Capital assets not being depreciated	2,016,260
Capital assets being depreciated, net	5,963,083
TOTAL ASSETS	9,479,994
 LIABILITIES	
Accounts payable	8,856
Accrued payroll and withholdings payable	31,315
Accrued interest payable	66,063
Long-term liabilities, due within one year:	
Compensated absences	15,620
Bonds payable	520,000
Long-term liabilities, due in more than one year:	
Bonds payable	4,765,000
Unamortized premium on bonds	181,782
TOTAL LIABILITIES	5,588,636
 DEFERRED INFLOWS OF RESOURCES	
Unavailable property tax revenue	1,277,020
Unamortized gain on refunding of debt	25,840
TOTAL DEFERRED INFLOWS OF RESOURCES	1,302,860
 NET POSITION	
Net investment in capital assets	2,491,929
Restricted for:	
Capital projects	59,319
Library materials and technology	12,149
Social security	24
Liability insurance	800
Audit	504
Unrestricted	23,773
TOTAL NET POSITION	\$ 2,588,498

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
for the year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:				
Culture and recreation	\$ 878,168	\$ 15,739	\$ 12,649	\$ (849,780)
Interest on long-term debt	114,024	-	-	(114,024)
Total Governmental Activities	<u>\$ 992,192</u>	<u>\$ 15,739</u>	<u>\$ 12,649</u>	<u>(963,804)</u>
General revenues:				
Property taxes				1,240,184
Intergovernmental				8,808
Investment income				282
Miscellaneous				2,553
Donations not restricted to specific programs				<u>2,290</u>
Total				<u>1,254,117</u>
CHANGE IN NET POSITION				290,313
NET POSITION, BEGINNING				<u>2,298,185</u>
NET POSITION, ENDING				<u>\$ 2,588,498</u>

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 398,845	\$ 388,568	\$ 75,641	\$ 863,054
Receivables:				
Property taxes	278,826	340,067	14,769	633,662
Prepaid items	3,935	-	-	3,935
TOTAL ASSETS	\$ 681,606	\$ 728,635	\$ 90,410	\$ 1,500,651
LIABILITIES				
Accounts payable	\$ 8,856	\$ -	\$ -	\$ 8,856
Accrued payroll and withholdings payable	31,315	-	-	31,315
Total liabilities	40,171	-	-	40,171
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	561,920	685,337	29,763	1,277,020
Total deferred inflows of resources	561,920	685,337	29,763	1,277,020
FUND BALANCES				
Nonspendable:				
Prepaid items	3,935	-	-	3,935
Restricted for:				
Debt service	-	43,298	-	43,298
Library materials and technology	12,149	-	-	12,149
Capital projects	-	-	59,319	59,319
Social security	-	-	24	24
Liability insurance	-	-	800	800
Audit	-	-	504	504
Unassigned	63,431	-	-	63,431
Total fund balances	79,515	43,298	60,647	183,460
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 681,606	\$ 728,635	\$ 90,410	\$ 1,500,651

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 June 30, 2016

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 183,460
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation of \$1,793,715 used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.	7,979,343
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Some liabilities reported in the statement of net position do not require the use of current financial resources, and therefore, are not reported as liabilities in governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

General obligation bonds	(5,285,000)
Unamortized premium on bonds sold	(181,782)
Interest payable on bonds	(66,063)
Compensated absences	(15,620)

Gains and losses on debt refundings are capitalized as deferred inflows or outflows and amortized on the government-wide statements.	(25,840)
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 2,588,498
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The notes to financial statements are an integral part of this statement.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
for the year ended June 30, 2016

	General	Debt Service	Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 547,520	\$ 660,275	\$ 32,389	\$ 1,240,184
Intergovernmental	20,957	-	-	20,957
Fines	11,231	-	-	11,231
Charges for services	4,508	-	-	4,508
Interest income	241	-	41	282
Donations	2,790	-	-	2,790
Miscellaneous	2,303	-	250	2,553
Total revenues	<u>589,550</u>	<u>660,275</u>	<u>32,680</u>	<u>1,282,505</u>
EXPENDITURES				
Current:				
Culture and recreation	557,015	-	31,981	588,996
Debt service:				
Principal	-	450,000	-	450,000
Interest	-	206,460	-	206,460
Capital outlay	11,065	-	-	11,065
Total expenditures	<u>568,080</u>	<u>656,460</u>	<u>31,981</u>	<u>1,256,521</u>
NET CHANGE IN FUND BALANCES	21,470	3,815	699	25,984
FUND BALANCES, BEGINNING OF YEAR	<u>58,045</u>	<u>39,483</u>	<u>59,948</u>	<u>157,476</u>
FUND BALANCES, END OF YEAR	<u>\$ 79,515</u>	<u>\$ 43,298</u>	<u>\$ 60,647</u>	<u>\$ 183,460</u>

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
for the year ended June 30, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 25,984

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The change in fund balance must be increased by capital purchases and decreased by depreciation expense.

Capital asset additions	-
Depreciation	(276,130)

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported in the governmental funds:

Increase in compensated absences	(1,977)
Decrease in accrued interest payable on bonds	40,035

The repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	450,000
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Certain amounts relating to bond issues are reported in the statement of net position. These items are amortized and reported as a component of interest expense in the statement of activities but not in the governmental funds:

Amortization of gain on refunding	3,408
Amortization of premium on debt	48,993

Change in net position of governmental activities	\$ 290,313
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The notes to financial statements are an integral part of this statement.

SUGAR GROVE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sugar Grove Public Library District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

The District is a special purpose government located in Sugar Grove, Illinois and was created in 1982 to provide informational, cultural, educational and recreational services to residents of Kane County in Sugar Grove Township. In 1988 the District's service area was expanded to include portions of Blackberry Township in Kane County. The District (the primary government) is governed by an elected seven member board of trustees and is fiscally independent.

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and 34*, there are no component units for which the District is considered to be financially accountable for.

Government-Wide Financial Statements

The government-wide financial statements, (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate indirect costs.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of long-term debt. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The District reports the following major governmental funds:

General Fund: The General fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for and the payment of bond principal, interest and related costs.

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, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

Property taxes are recognized as revenue in the fiscal year for which the taxes are levied (see Note 3). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements, including time requirements, have been satisfied. Amounts received before the eligibility requirements are met are reported as deferred inflows of resources by the District. All other revenue items are considered to be measurable and available only when cash is received by the District.

SUGAR GROVE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments

Cash and cash equivalents is composed of cash on hand, demand deposit and bank money market accounts. The District reports its investments at fair value.

The District maintains a cash pool that is available for use by all funds. Each fund's portion of the pool is included in the fund financial statements as cash and cash equivalents.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, and personal property such as furniture, equipment, and library collection items, are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed or donated assets are reported at estimated fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets, except land, are depreciated using the straight-line method of depreciation. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset account) and estimated useful lives are reported in the government-wide statements as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings and improvements	\$ 10,000	20-40 years
Land improvements	10,000	20 years
Furniture and equipment	2,500	5-7 years

The District has not depreciated its collection of books and other non-print material. These items have been expensed in the year purchased.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Activity

Interfund activity is reported as either loans, reimbursements or transfers. Loans are reported as interfund receivables (due from other funds) in lender funds and interfund payables (due to other funds) in borrower funds. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund activity is treated as transfers. Interfund transfers are reported as other financing sources/uses in the governmental funds.

Compensated Absences

The District's policy is to provide paid leave to employees at the rate of 128 hours after three months of employment to five years of employment, 168 hours for years five through ten of employment, and 208 hours each year of employment thereafter. All paid leave is calculated based on a 40 hour week and is prorated for hours worked under 40 hours per pay week.

Earned paid leave is paid at termination. The government-wide financial statements report compensated absences as a liability and expense when earned. For governmental fund financial statements, the amount of accumulated paid leave that is currently due and payable to retirees or terminated employees is recorded as accrued payroll in the General Fund. The balance of the liability is not recorded. The liability recorded in both the government-wide and fund financial statements includes payroll related payments for Social Security and Medicare taxes.

Net Position/Fund Balances

In the government-wide financial statements, net position is represented by the assets and deferred outflows of resources less the liabilities and deferred inflows of resources. The net position is reported in the following three categories:

Net investment in capital assets - consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.

Restricted - net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external sources related to statute, bond covenants or grants.

Unrestricted - consists of other net position that does not meet the definition of the other two components above and is available for general use by the District.

SUGAR GROVE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position/Fund Balances (continued)

In the fund financial statements, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance is presented in five possible classifications as follows:

Nonspendable - resources which cannot be spent because they are either a) not in spendable form (such as prepaid items) or; b) legally or contractually required to be maintained intact.

Restricted - resources with constraints placed on the use of by creditors, grantors, contributors, or laws or regulations of other governments.

Committed - resources which are subject to limitations imposed by the District's Board of Trustees through an ordinance or resolution. Fund balances classified as committed can only be used for the specific purposes established by the Board's actions and the limitations remain binding unless removed by the Board in the same manner.

Assigned - resources that are constrained by the District's intent to be used for specific purposes as established by the Board but are neither restricted nor committed.

Unassigned - resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Negative unassigned fund balances may be reported in the special revenue, capital projects and debt service funds if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is generally the District's policy to apply restricted resources first, unless a decision is made by the Board of Trustees to use unrestricted resources. The District's policy concerning which to apply first varies with the intended use and legal requirements. The Board typically makes this decision on a transactional basis at the incurrence of the expenditure. 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 funds.

Use of 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 expenditures during the reporting period. Actual results could differ from those estimates.

SUGAR GROVE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2. DEPOSITS AND INVESTMENTS

The District has adopted an investment policy that covers all of its funds. The policy requires investment of funds in accordance with Illinois law, using the "prudent person" standard of care for managing the portfolio. The primary objectives of the policy are safety (preservation of public funds) and yield. Collateral may be required for bank deposits not covered by federal deposit insurance at the discretion of the Treasurer.

The District is permitted by 30 ILCS 235/2 of the "Public Funds Investment Act" of the Illinois Compiled Statutes to invest in obligations guaranteed by the U.S. Government and its agencies, in investment accounts constituting direct obligations of any bank as defined by the Illinois Banking Act, forms of securities legally issuable by savings banks or savings and loan associations that are insured by the Federal Deposit Insurance Corporation, obligations of states and their political subdivision, short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 rated at the time of purchase at one of the three highest classifications established by at least two standard rating services which mature not later than 180 days from the date of purchase, insured credit union shares, certain repurchase agreements, money market mutual funds registered under the Investment Company Act of 1940 with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, and the Illinois Funds.

During the year ended June 30, 2016, the District complied with the provisions of Illinois statutes pertaining to the types of investments held and the institutions in which deposits were made.

Deposits

Custodial Credit Risk - This is the risk that in the event of the failure of a depository financial institution, the District may not be able to recover its deposits. To guard against credit risk for deposits with financial institutions, the District's investment policy provides that deposits in excess of FDIC insured limits may be collateralized by securities as identified in the Illinois Compiled Statutes at the discretion of the Treasurer.

At June 30, 2016, the carrying value of the District's deposits was \$862,804 and the bank balance was \$870,745. All of the deposits were covered by FDIC insurance or by collateral held by the bank's agent in the District's name.

Investments

The District had no investments at June 30, 2016.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

3. PROPERTY TAXES

On or before the last Tuesday in December of each year, the District's property tax is levied on the assessed value of all taxable real property located in the district. The 2015 tax levy was passed by the Board of Trustees on October 29, 2015. Property taxes attach as an enforceable lien on property as of January 1. Tax bills are prepared by the County and issued on or about May 1 and are payable in two installments which are generally due in June and September. The County collects such taxes and remits them periodically.

Property taxes are recorded as a receivable and unavailable revenue in the year the District is notified by the County of the amount extended. Revenue is recognized in the period in which the levy is intended to finance. The 2015 tax levy is intended to fund the operations of the year ending June 30, 2017.

4. DEFERRED INFLOWS OF RESOURCES

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 or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The District reports deferred inflows of resources on its statement of net position and governmental funds balance sheet when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or time requirements are not met, or when resources are received by the District before its use is budgeted for such as with property taxes. In subsequent periods, when the District has a legal claim to the resources or the revenue is available as with property taxes, the deferred inflows of resources is removed and revenue is recognized.

Deferred inflows are also reported in the government-wide statement of net position for the unamortized gain on refunding of debt. A gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>
Capital assets not being depreciated				
Land	\$2,016,260	\$ -	\$ -	\$ 2,016,260
Total capital assets not being depreciated	<u>2,016,260</u>	<u>-</u>	<u>-</u>	<u>2,016,260</u>
Capital assets being depreciated				
Building and improvements	6,713,096	-	-	6,713,096
Land improvements	426,326	-	-	426,326
Furniture, fixtures, and equipment	<u>617,376</u>	<u>-</u>	<u>-</u>	<u>617,376</u>
Total capital assets being depreciated	<u>7,756,798</u>	<u>-</u>	<u>-</u>	<u>7,756,798</u>
Less accumulated depreciation for:				
Building and improvements	(923,049)	(167,827)	-	(1,090,876)
Land improvements	(117,238)	(21,316)	-	(138,554)
Furniture, fixtures, and equipment	<u>(477,298)</u>	<u>(86,987)</u>	<u>-</u>	<u>(564,285)</u>
Total accumulated depreciation	<u>(1,517,585)</u>	<u>(276,130)</u>	<u>-</u>	<u>(1,793,715)</u>
Total capital assets being depreciated, net	<u>6,239,213</u>	<u>(276,130)</u>	<u>-</u>	<u>5,963,083</u>
Capital assets, net	<u>\$8,255,473</u>	<u>\$ (276,130)</u>	<u>\$ -</u>	<u>\$ 7,979,343</u>

Depreciation expense was charged as a direct expense to programs as follows:

Culture and recreation - library	<u>\$ 276,130</u>
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SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

6. LONG-TERM LIABILITIES

At June 30, 2016, long-term debt consisted of the following:

General Obligation Refunding Bonds, Series 2014A

On November 19, 2014, the District issued \$5,735,000 of General Obligation Refunding Bonds, Series 2014A, at a rate of 3% to advance refund the General Obligation Library Bonds, Series 2005. The refunding bonds were sold at a premium amounting to \$230,775. Interest on the bonds is due semi-annually on February 1 and August 1 of each year. Principal payments are due serially on February 1 each year through February 1, 2024. Bonds maturing February 1, 2024 are subject to call for prior redemption on February 1, 2023 or on any date thereafter at par plus accrued interest to the date of redemption.

The following is a summary of changes in long-term liabilities of governmental activities:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
General Obligation Library Refunding Bonds, Series 2014A	\$ 5,735,000	\$ -	\$ (450,000)	\$ 5,285,000	\$ 520,000
Subtotal bonds payable	5,735,000	-	(450,000)	5,285,000	520,000
Unamortized premium Series 2014A	230,775	-	(48,993)	181,782	-
Total bonds payable	5,965,775	-	(498,993)	5,466,782	520,000
Compensated absences	13,643	15,620	(13,643)	15,620	15,620
Totals	<u>\$ 5,979,418</u>	<u>\$ 15,620</u>	<u>\$ (512,636)</u>	<u>\$ 5,482,402</u>	<u>\$ 535,620</u>

Principal and interest payments on the bonds payable are made from the Debt Service Fund. Compensated absences are liquidated by the General Fund.

The annual debt service requirements to maturity, including principal and interest, for general obligation bonds as of June 30, 2016, are as follows:

Year Ending June 30	Principal	Interest	Total
2017	\$ 520,000	\$ 158,550	\$ 678,550
2018	560,000	142,950	702,950
2019	595,000	126,150	721,150
2020	635,000	108,300	743,300
2021	675,000	89,250	764,250
2022-2024	2,300,000	140,850	2,440,850
	<u>\$5,285,000</u>	<u>\$ 766,050</u>	<u>\$ 6,051,050</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

7. LEASE COMMITMENTS

On June 23, 2014 the District executed a noncancellable operating lease for a copier expiring in June, 2019. The lease requires sixty monthly payments of \$299.

Future minimum lease payments under the copier leases are as follows:

Year ending June 30	
2017	\$ 3,594
2018	3,594
2019	3,594
	<u>\$ 10,782</u>

Rent expense recorded for the year ended June 30, 2016 was \$3,594.

8. RETIREMENT PLAN

The District sponsors the Sugar Grove Public Library District 403(b) Plan, a defined contribution retirement plan available to all employees. The Board of Trustees established the provisions of the plan which can be amended by the Director. Contributions allowed by plan members in the form of salary reductions are voluntary. The District does not contribute to the plan.

9. CONTINGENCIES AND COMMITMENTS

Litigation

The District is not involved in any pending litigation or aware of any unasserted claims or litigation.

Grants

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and injuries to employees for which the District has purchased commercial insurance. Risks covered include general liability, property, workers' compensation, and other. There were no significant reductions in coverage during the year and settled claims have not exceeded coverage for the past three fiscal years. Premiums have been displayed as expenditures in the General Fund and the Insurance Fund.

11. GOVERNMENTAL FUND TYPES AND COMPONENTS OF FUND BALANCES

As of June 30, 2016 fund balance components other than unassigned fund balances consist of the following:

	Nonspendable	Restricted
General Fund:		
Prepaid items	\$ 3,935	\$ -
Library materials and technology	-	12,149
Debt Service Fund:		
Revenues accumulated for debt service	-	43,298
Special Reserve Fund:		
Resources accumulated for future capital improvement	-	59,319
Special Revenue Funds:		
Revenues restricted for:		
Audit	-	504
Liability insurance	-	800
Social security	-	24
Totals	\$ 3,935	\$ 116,094

Debt Service Fund: Revenues received from property taxes for bond and interest payments are recorded in the District's debt service funds.

Capital Projects Fund: Revenues received from certain transition fees are recorded in the Special Reserve Fund, a capital projects fund, and are restricted for the purpose(s) defined by intergovernmental agreements. Other resources transferred to this fund are restricted for the purposes defined by statute.

Special Revenue Funds: Revenues received from property taxes levied for special purposes are recorded in the District's special revenue funds. Use of these restricted revenues is limited to the purpose levied for as defined by statute.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

12. RESTRICTED NET POSTION

The government-wide statement of net position reports \$72,796 of restricted net position, of which \$60,647 is restricted by enabling legislation.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 19, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SUGAR GROVE PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
 for the year ended June 30, 2016

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 549,800	\$ 547,520	\$ (2,280)
Intergovernmental:			
Replacement taxes	350	612	262
Grants	19,000	12,149	(6,851)
Development fees	2,000	8,196	6,196
	<u>21,350</u>	<u>20,957</u>	<u>(393)</u>
Fines	8,500	11,231	2,731
Charges for services	5,900	4,508	(1,392)
Interest income	85	241	156
Donations	10,100	2,790	(7,310)
Other revenue:			
Miscellaneous	-	2,303	2,303
	<u>-</u>	<u>2,303</u>	<u>2,303</u>
Total revenues	<u>595,735</u>	<u>589,550</u>	<u>(6,185)</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL, continued
GENERAL FUND
for the year ended June 30, 2016

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
EXPENDITURES			
Current:			
Culture and recreation:			
Personnel:			
Salaries	370,000	314,546	(55,454)
Payroll taxes	10,000	6,463	(3,537)
Miscellaneous benefits	2,500	1,574	(926)
Professional development	5,000	4,084	(916)
	<u>387,500</u>	<u>326,667</u>	<u>(60,833)</u>
Library materials and programs:			
Adult	60,000	35,489	(24,511)
Teen	12,000	9,159	(2,841)
Youth	35,000	17,038	(17,962)
Newspapers and periodicals	2,200	1,787	(413)
Programs and supplies	21,500	10,082	(11,418)
Administration materials and supplies	10,000	3,641	(6,359)
	<u>140,700</u>	<u>77,196</u>	<u>(63,504)</u>
Contractual services:			
Consortium/bibliographic support	20,000	16,280	(3,720)
Equipment leasing and supplies	7,500	7,414	(86)
Consultants	10,000	4,568	(5,432)
Legal counsel	50,000	8,319	(41,681)
Accounting	5,000	5,984	984
Bank fee and merchant charges	1,000	973	(27)
	<u>93,500</u>	<u>43,538</u>	<u>(49,962)</u>
Building and grounds:			
Building/system maintenance and repair	16,000	12,213	(3,787)
Custodial/trash removal	16,000	11,551	(4,449)
Equipment maintenance and repair	15,000	4,259	(10,741)
Grounds and parking lot	10,000	2,674	(7,326)
Lawn care and snow removal	16,000	13,200	(2,800)
	<u>73,000</u>	<u>43,897</u>	<u>(29,103)</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL, continued
GENERAL FUND
for the year ended June 30, 2016

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
EXPENDITURES, continued			
Current, continued:			
Culture and recreation, continued:			
Liability insurance	7,500	2,000	(5,500)
Technology/automation			
Software, licenses and subscriptions	10,000	4,266	(5,734)
General operational			
Telecommunications	10,000	8,375	(1,625)
Utilities	40,000	35,600	(4,400)
Memberships and development	2,000	1,171	(829)
Public relations, marketing and public informat	8,000	7,046	(954)
Supplies	6,000	4,194	(1,806)
Postage	1,200	948	(252)
Other miscellaneous	11,000	2,117	(8,883)
	<u>78,200</u>	<u>59,451</u>	<u>(18,749)</u>
Contingency	10,000	-	(10,000)
	<u>800,400</u>	<u>557,015</u>	<u>(243,385)</u>
Capital outlay:			
Furniture and equipment	5,000	1,956	(3,044)
Server/LAN/infrastructure equipment	15,000	9,109	(5,891)
	<u>20,000</u>	<u>11,065</u>	<u>(8,935)</u>
Total expenditures	<u>820,400</u>	<u>568,080</u>	<u>(252,320)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (224,665)</u>	21,470	<u>\$ 246,135</u>
FUND BALANCE, BEGINNING OF YEAR		<u>58,045</u>	
FUND BALANCE, END OF YEAR		<u>\$ 79,515</u>	

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Annual appropriated budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

1. In June, the Director prepares and submits for review to the Board, a proposed appropriated budget for the fiscal year. The budget includes proposed expenditures and the means of financing them. Annual budgets are prepared by fund and itemized by object and purpose. The legal level of budgetary control is at the fund level.
2. Within the first three months of the fiscal year the budget is adopted by the Board in the form of a combined annual budget and appropriations ordinance following a public hearing.
3. During the fiscal year, transfers made between line items within the same fund must be approved by the Board. Amendments to the budget may be made using the same procedures followed to adopt the original combined annual budget and appropriations ordinance.
4. Budgeted amounts presented in the financial statements are the final appropriated budget amounts as originally adopted by the Board on August 27, 2015.

OTHER SUPPLEMENTARY INFORMATION

SUGAR GROVE PUBLIC LIBRARY DISTRICT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2016

	Special Revenue Funds			Capital Projects Fund	Totals
	Social Security	Insurance	Audit	Special Reserve	
ASSETS					
Cash and cash equivalents	\$ 8,115	\$ 4,370	\$ 3,837	\$ 59,319	\$ 75,641
Receivables:					
Property taxes	7,970	3,516	3,283	-	14,769
TOTAL ASSETS	\$ 16,085	\$ 7,886	\$ 7,120	\$ 59,319	\$ 90,410
LIABILITIES					
	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	16,061	7,086	6,616	-	29,763
Total deferred inflows of resources	16,061	7,086	6,616	-	29,763
FUND BALANCES					
Restricted	24	800	504	59,319	60,647
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 16,085	\$ 7,886	\$ 7,120	\$ 59,319	\$ 90,410

SUGAR GROVE PUBLIC LIBRARY DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 for the year ended June 30, 2016

	Special Revenue Funds			Capital Projects Fund	Total
	Social Security	Insurance	Audit	Special Reserve	
REVENUES					
Property taxes	\$ 17,290	\$ 8,184	\$ 6,915	\$ -	\$ 32,389
Interest income	-	-	-	41	41
Other revenue	-	-	250	-	250
Total revenues	<u>17,290</u>	<u>8,184</u>	<u>7,165</u>	<u>41</u>	<u>32,680</u>
EXPENDITURES					
Current:					
Culture and recreation	<u>17,314</u>	<u>7,724</u>	<u>6,943</u>	<u>-</u>	<u>31,981</u>
Total expenditures	<u>17,314</u>	<u>7,724</u>	<u>6,943</u>	<u>-</u>	<u>31,981</u>
NET CHANGE IN FUND BALANCES	(24)	460	222	41	699
FUND BALANCES, BEGINNING OF YEAR	<u>48</u>	<u>340</u>	<u>282</u>	<u>59,278</u>	<u>59,948</u>
FUND BALANCES, END OF YEAR	<u>\$ 24</u>	<u>\$ 800</u>	<u>\$ 504</u>	<u>\$ 59,319</u>	<u>\$ 60,647</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SOCIAL SECURITY FUND
 for the year ended June 30, 2016

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 17,362	\$ 17,290	\$ (72)
Total revenues	<u>17,362</u>	<u>17,290</u>	<u>(72)</u>
EXPENDITURES			
Culture and recreation:			
Social security contribution	<u>22,000</u>	<u>17,314</u>	<u>(4,686)</u>
Total expenditures	<u>22,000</u>	<u>17,314</u>	<u>(4,686)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,638)</u>	(24)	<u>\$ 4,614</u>
FUND BALANCE, BEGINNING OF YEAR		<u>48</u>	
FUND BALANCE, END OF YEAR		<u>\$ 24</u>	

SUGAR GROVE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INSURANCE FUND
 for the year ended June 30, 2016

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 8,218	\$ 8,184	\$ (34)
Total revenues	<u>8,218</u>	<u>8,184</u>	<u>(34)</u>
EXPENDITURES			
Culture and recreation:			
Liability insurance	<u>9,000</u>	<u>7,724</u>	<u>(1,276)</u>
Total expenditures	<u>9,000</u>	<u>7,724</u>	<u>(1,276)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (782)</u>	460	<u>\$ 1,242</u>
FUND BALANCE, BEGINNING OF YEAR		<u>340</u>	
FUND BALANCE, END OF YEAR		<u>\$ 800</u>	

SUGAR GROVE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AUDIT FUND
 for the year ended June 30, 2016

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 6,944	\$ 6,915	\$ (29)
Other revenue	-	250	250
Total revenues	<u>6,944</u>	<u>7,165</u>	<u>221</u>
EXPENDITURES			
Culture and recreation:			
Annual audit	<u>10,000</u>	<u>6,943</u>	<u>(3,057)</u>
Total expenditures	<u>10,000</u>	<u>6,943</u>	<u>(3,057)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (3,056)</u></u>	222	<u><u>\$ 3,278</u></u>
FUND BALANCE, BEGINNING OF YEAR		<u>282</u>	
FUND BALANCE, END OF YEAR		<u><u>\$ 504</u></u>	

SUGAR GROVE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL RESERVE FUND
 for the year ended June 30, 2016

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
REVENUES			
Interest income	\$ 10	\$ 41	\$ 31
Total revenues	<u>10</u>	<u>41</u>	<u>31</u>
EXPENDITURES			
	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (149,990)</u></u>	41	<u><u>\$ 150,031</u></u>
FUND BALANCE, BEGINNING OF YEAR		<u>59,278</u>	
FUND BALANCE, END OF YEAR		<u><u>\$ 59,319</u></u>	

SUGAR GROVE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
 for the year ended June 30, 2016

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 663,025	\$ 660,275	\$ (2,750)
Total revenues	<u>663,025</u>	<u>660,275</u>	<u>(2,750)</u>
EXPENDITURES			
Debt Service			
Bond principal	670,000	450,000	(220,000)
Bond interest	-	206,460	206,460
Total expenditures	<u>670,000</u>	<u>656,460</u>	<u>(13,540)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (6,975)</u></u>	3,815	<u><u>\$ 10,790</u></u>
FUND BALANCE, BEGINNING OF YEAR		<u>39,483</u>	
FUND BALANCE, END OF YEAR		<u><u>\$ 43,298</u></u>	

STATISTICAL SECTION

SUGAR GROVE PUBLIC LIBRARY DISTRICT
 ASSESSED VALUATIONS, PROPERTY TAX RATES, EXTENSIONS,
 AND COLLECTIONS
 June 30, 2016

Tax Levy Year	2015		2014	
Assessed Valuation	\$423,327,002		\$402,074,458	
	Rate	Amount	Rate	Amount
Tax Extensions				
Corporate	0.132739	\$ 561,919	0.136741	\$ 549,800
Social Security	0.003794	16,061	0.004318	17,362
Audit	0.001563	6,617	0.001727	6,944
Liability Insurance	0.001674	7,086	0.002044	8,218
Bonds and interest	0.161893	685,337	0.164901	663,025
	0.301663	\$ 1,277,020	0.309731	\$ 1,245,349
Tax collections:				
year ended June 30, 2016		\$ 643,358		\$ 603,869
Previous years		-		636,315
		\$ 643,358		\$ 1,240,184
Percent collected		50.4%		99.6%

Property tax rates are per \$100 of assessed valuation.

SUGAR GROVE PUBLIC LIBRARY DISTRICT

LEGAL DEBT MARGIN

June 30, 2016

The District's legal debt margin is determined by Illinois statute under the provisions of the Local Government Debt Limitation Act (50 ILCS 405). In accordance with Section 1.21 of the Act, the limitations do not apply to any indebtedness of any library district incurred for acquiring or improving sites, constructing, extending or improving and equipping sites for public library purposes or for the establishment, support and maintenance of a public library, under the provisions of "The Illinois Public Library District Act".

Following is the District's legal debt margin:

Assessed valuation - 2015 tax year	\$ 423,327,002
Statutory debt limitation at 2.875% of assessed valuation	\$ 12,170,651
Less debt not excluded by statute	\$ -
Legal debt margin	\$ 12,170,651