

WILMINGTON PUBLIC LIBRARY DISTRICT
Wilmington, Illinois
Annual Financial Report
For the Fiscal Year Ended June 30, 2016

WILMINGTON PUBLIC LIBRARY DISTRICT

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William J. Crawford
Certified Public Accountant, P.C.



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INDEPENDENT AUDITOR'S REPORT

To the President and
Board of Trustees
Wilmington Public Library District
Wilmington, Illinois

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wilmington Public Library 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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 entity'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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Wilmington Public Library District, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in conformity 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 other 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and the supplementary 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 my opinion, the combining and individual nonmajor fund financial statements and the supplementary schedules are fairly stated in all material respects in relation to the basic financial statements taken 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, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated August 5, 2016 on my consideration of the Wilmington Public Library District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wilmington Public Library District's internal control over financial reporting and compliance.

William J. Crawford
Certified Public Accountant, P.C.

Coal City, Illinois
August 5, 2016

WILMINGTON PUBLIC LIBRARY DISTRICT
Management's Discussion and Analysis
June 30, 2016

Introduction

This discussion and analysis of the financial performance of the Wilmington Public Library District (the "District"), is intended to provide an overview of the District's financial activities for the fiscal year ended June 30, 2016. Readers are encouraged to consider the information presented here in conjunction with the additional information found in the financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year ending June 30, 2016 by \$1,405,833 (net position). Of this amount, \$814,965 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors in accordance with the District's fund designation and fiscal policies.
- The District's total net position increased by \$101,409 for the fiscal year. The increase was due to a concerted effort to reduce costs in all aspects of the District's operations in addition to obtaining additional contributions to fund operations. Developer contributions from the Ridgeport development added to the positive outcome in the amount of \$94,658.
- As of June 30, 2016, the District's governmental funds reported combined ending fund balances of \$875,507, an increase of \$89,120 over the prior fiscal year.

Overview of the Financial Statements

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

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. Although other governments may report governmental activities and business-type activities, the District has no business-type activities.

The Statement of Net Position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows. Assets and deferred outflows minus the liabilities and deferred inflows results in the measurement of net position. 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 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.

Both of the government-wide financial statements present functions of the District that are principally supported by taxes, contributions and intergovernmental revenues (primarily grants). The governmental activities of the District are for culture and recreational purposes.

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 fall into the governmental funds category.

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 effect 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.

The District maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be the only major fund. Data from the other six governmental funds are combined into a single, aggregated nonmajor fund presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and individual fund schedules elsewhere in this report.

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.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain *Required Supplementary Information* (RSI) other than the management’s discussion and analysis, consisting of information concerning the District’s progress in funding its obligation to provide pension benefits to its employees and a budgetary comparison statement for the General Fund.

This report also presents combining nonmajor fund statements and for all nonmajor governmental funds along with individual budgetary comparison schedules of revenues, expenditures and changes in fund balances for all nonmajor special revenue and permanent funds.

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 Wilmington Public Library District, assets and deferred outflows exceeded liabilities and deferred inflows by \$1,405,833 at the close of the most recent fiscal year. Since the District has no business-type activities, all of the net position is reported as governmental activities. Below is a summary table of all relevant components of net position:

WILMINGTON PUBLIC LIBRARY DISTRICT Net Position

	<u>Governmental Activities</u>	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Current and other assets	\$ 1,161,464	\$ 1,056,160
Capital assets	<u>465,879</u>	<u>438,654</u>
Total assets	<u>1,627,343</u>	<u>1,494,814</u>
Deferred outflows of resources	<u>91,703</u>	<u>53,993</u>
Current and other liabilities	33,198	23,280
Long-term liabilities	<u>240,509</u>	<u>162,281</u>
Total liabilities	<u>273,707</u>	<u>185,561</u>
Deferred inflows of resources	<u>39,506</u>	<u>58,822</u>
Net position:		
Net investment in capital assets	465,879	438,654
Restricted	124,989	117,191
Unrestricted	<u>814,965</u>	<u>748,579</u>
Total net position	<u>\$ 1,405,833</u>	<u>\$ 1,304,424</u>

A large portion of the District's net position is invested in capital assets (land, buildings, library collection and equipment) less any related outstanding debt, if any. These assets are used to provide services to District residents; consequently, they are not available for future spending. While the District's investment in capital assets is reported net of related debt, the resources needed to repay related debt, if any, must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position — the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation, debt covenants, or other legal requirements — is \$814,965 at the end of the year.

The increase in net position of \$101,409 is primarily represented by an increase in cash and cash equivalents due to developer contributions from the Ridgeport development of \$94,658, as well as a concerted effort to reduce costs in all aspects of the District's operations.

The District's total revenues and expenses are reflected in the following table:

WILMINGTON PUBLIC LIBRARY DISTRICT
Changes in Net Position

	<u>Governmental Activities</u>	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	\$ 19,753	\$ 19,248
Operating grants and contributions	14,437	15,111
General revenues:		
Property taxes	638,168	620,060
Replacement tax	16,176	17,571
Developer fees	94,658	42,882
Landfill fees	14,032	12,942
Investment earnings	139	120
Gain on rental sale	-	24,439
Total revenues	<u>797,363</u>	<u>752,373</u>
<u>Expenses</u>		
Culture and recreation	695,954	670,402
Property management	-	5,256
Interest on long-term debt	-	562
Total expenses	<u>695,954</u>	<u>676,220</u>
Change in net position	101,409	76,153
Net position, beginning	<u>1,304,424</u>	<u>1,228,271</u>
Net position, ending	<u>\$ 1,405,833</u>	<u>\$ 1,304,424</u>

Program revenues of \$34,190 comprised of charges for services and operating grants and contributions, represent 4.29% of total revenues and only cover 4.29% of government expenses. As expected, general revenues of \$763,173 represented 95.71% of all revenues and provided the required support and coverage for expenses. The largest component of general revenues is represented by property taxes, which increased by \$18,108 this year.

Total revenues increased by \$44,990 during the current year mainly due to increases in developer fees of \$51,776 and property tax revenue of \$18,108. These increases were offset by the absence of prior year gains of \$24,439 on the sale of the rental property.

The culture and recreation function is the only expense function of the District. Salaries, employee retirement costs, and benefits for personnel of \$453,812 are the largest expense type at 65.21% of total expenses, which represents a \$13,763 (3.13%) increase over the prior year. The increase is due mainly to \$27,802 in wages increases, which was offset by reductions in pension expenses recognized. In the prior fiscal year, property management represented costs of rental of real property to outside parties and interest on long-term debt represented interest charges on the building mortgage loan. Both of these items were eliminated in the prior year due to the sale of the District-owned rental property.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's 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 available for spending at the end of the fiscal year.

The continued improving financial performance of the District as a whole is reflected in its governmental funds as well. At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$875,507. \$698,116 of this amount constitutes unassigned fund balance of the General Fund that is available as of the end of the fiscal year for spending on future operations.

General Fund - The General Fund is the primary operating fund of the District. The General Fund balance increased by \$80,937 this year with the following notable items:

- During the fiscal year, the District received \$94,658 in developer fees due to the near completion of the agreement with Ridgeport Development.
- Property tax income increased \$7,203 due to an improved economy with a slight effect on restrictive tax caps.
- In order to create a working balance in the Audit Fund, the General Fund transferred \$1,300 to the fund during the fiscal year.

General Fund Budgetary Highlights

The original 2016 fiscal year budget was adopted on September 21, 2015. The comparison of General Fund original budget to the final budget is on page 33. During the fiscal year, no appropriation line item transfers were required.

General Fund revenues of \$664,875 fell short of budgeted revenues of \$774,410 by \$109,535 (14.14%). This shortfall was the result of development fees and grant income sources that failed to materialize, as well as, property tax cap limitations during the current fiscal year.

General Fund expenditures were also less than budgeted. Of the total appropriations of \$1,107,500, approximately 47.39%, or \$524,862, went unspent. The savings was actively managed in a direct response to projected revenue shortfalls and less than anticipated capital outlays in the area of land acquisition and expansion. Because actual revenues were lower than budgetary estimates and actual expenditures were less than budgetary estimates, the excess of budget vs. actual revenues over expenditures of \$415,327 reflects the overall positive change compared to original estimated amounts for the General Fund.

Capital Assets and Debt Administration

Capital Assets - At June 30, 2016, the District had \$465,879 invested in capital assets including land, buildings, equipment, and library collection costing \$1,000 or more. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year and depreciation of depreciable assets for the year.

Capital Assets (net of depreciation)

	<u>Governmental Activities</u>	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Land	\$ 121,565	\$ 121,565
Land improvements-exhaustible	23,857	17,811
Buildings & improvements	155,593	164,534
Furniture and equipment	45,683	23,089
Library collection	119,181	111,655
	<u>\$ 465,879</u>	<u>\$ 438,654</u>

Net capital assets increased by \$27,225 for the 2016 fiscal year. The District expended available resources to acquire \$126,207 in capital asset additions during the year. The additions to capital assets consisted of \$29,338 for the complete replacement of facility carpeting, \$8,000 for parking lot improvements, \$5,841 in electrical improvements/furniture, and annual library collection purchases of \$83,028. These additions are reduced by the current year's depreciation expense of \$98,982. Additional information on the District's capital assets is presented in the notes to the basic financial statements.

Economic Factors and Next Year's Budget

The following are currently known Wilmington Public Library District economic factors considered in going into the 2016-2017 fiscal year.

- The property tax base in the District, according to the 2015 tax levy, shows an increase in the assessed value of property in the District by approximately 1 percent over the 2014 tax levy. The recent trend of decreased assessed valuation has ceased, and it is anticipated that a trend of gradual growth will continue in the next couple of years due to the slowly improving economy. This condition could be reflected in future property tax revenues.
- The City of Wilmington has entered into a TIF agreement with a corporate logistics center that includes additional potential development fees for the Wilmington Public Library District. The District is to receive the development fee based upon permitted square footage of the development in an amount not to exceed \$250,000. The project is almost complete and future fees remaining are \$3,097 over and above revenues previously received totaling \$246,903.

Requests for Information

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Maria Meachum, Library Director, 201 S. Kankakee St., Wilmington, IL 60481, or by calling 815-476-2834 during regular office hours, Monday through Thursday, from 9:00 a.m. to 8:00 p.m., and Friday through Saturday 9:00 a.m. to 5:00 p.m. central standard time.

WILMINGTON PUBLIC LIBRARY DISTRICT

Statement of Net Position

June 30, 2016

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 783,514
Other receivables	23,839
Property taxes receivable (net)	307,661
Prepaid expenses	5,505
Restricted cash and cash equivalents	40,945
Capital assets:	
Land	121,565
Other capital assets, net of depreciation	344,314
Total capital assets	<u>465,879</u>
 Total assets	 <u>1,627,343</u>
 Deferred Outflows of Resources	
District contributions to pension plan subsequent to measurement date	17,050
Changes in assumptions on pension plan	56,866
Difference between expected and actual earnings on pension plan	<u>17,787</u>
 Total deferred outflows of resources	 <u>91,703</u>
 Liabilities	
Accounts payable and accrued expenses	27,913
Compensated absences due within one year	5,285
Long-term liabilities-	
Net pension liability	<u>240,509</u>
 Total liabilities	 <u>273,707</u>
 Deferred Inflows of Resources	
Differences between expected and actual experience on pension plan	<u>39,506</u>
 Net Position	
Net investment in capital assets	465,879
Restricted for:	
Permanent fund-working cash	40,938
Special Revenue Funds:	
Building maintenance purposes	30,346
Employee retirement purposes	34,558
Insurance and risk management purposes	17,102
Audit purposes	2,045
Unrestricted	<u>814,965</u>
 Total net position	 <u>\$ 1,405,833</u>

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

WILMINGTON PUBLIC LIBRARY DISTRICT
Statement of Activities
For the Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
Culture and recreation	\$ 695,954	19,753	14,437	-	(661,764)
General revenues:					
Property taxes					638,168
Replacement taxes					16,176
Landfill fees					14,032
Developer fees					94,658
Investment earnings					139
Total general revenues					763,173
Change in net position					101,409
Net position-beginning					1,304,424
Net position-ending					\$ 1,405,833

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

WILMINGTON PUBLIC LIBRARY DISTRICT

Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 706,849	76,665	783,514
Other receivables	23,839	-	23,839
Property taxes receivable (net)	246,388	61,273	307,661
Prepaid expenses	-	5,505	5,505
Restricted cash and cash equivalents	-	40,945	40,945
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 977,076</u>	<u>184,388</u>	<u>1,161,464</u>
 Liabilities, Deferred Inflows and Fund Balances			
Liabilities-			
Accounts payable and accrued expenses	<u>\$ 29,651</u>	<u>3,547</u>	<u>33,198</u>
 Deferred inflows of resources-			
Unavailable property tax revenue	<u>202,419</u>	<u>50,340</u>	<u>252,759</u>
 Fund Balances:			
Nonspendable	-	46,450	46,450
Restricted	-	84,051	84,051
Committed	46,890	-	46,890
Unassigned	<u>698,116</u>	<u>-</u>	<u>698,116</u>
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>745,006</u>	<u>130,501</u>	<u>875,507</u>
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows and fund balances	<u>\$ 977,076</u>	<u>184,388</u>	<u>1,161,464</u>

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

WILMINGTON PUBLIC LIBRARY DISTRICT
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
June 30, 2016

Total fund balances for governmental funds	\$ 875,507
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	465,879
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds	
Net pension liability	(240,509)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	
Deferred outflows related to changes and differences	74,653
Deferred outflows related to employer contributions	17,050
Deferred inflows related to changes and differences	(39,506)
Unearned property taxes will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are not recorded in the funds	252,759
Net position of governmental activities	\$ 1,405,833

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

WILMINGTON PUBLIC LIBRARY DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ 505,697	126,203	631,900
Replacement taxes	16,176	-	16,176
Grant income	7,204	-	7,204
Landfill fees	14,032	-	14,032
Charges for current services	10,189	-	10,189
Fines	7,561	-	7,561
Developer fees	94,658	-	94,658
Interest income	122	17	139
Donations	7,233	-	7,233
Miscellaneous	2,003	-	2,003
	<hr/>	<hr/>	<hr/>
Total revenues	664,875	126,220	791,095
Expenditures			
Current:			
Culture and recreation:			
Personnel	369,946	-	369,946
Library materials/services	97,279	-	97,279
Contractual	32,081	57,521	89,602
Employee retirement costs	-	61,816	61,816
Administrative	31,004	-	31,004
	<hr/>	<hr/>	<hr/>
Total culture and recreation	530,310	119,337	649,647
Capital outlay	52,328	-	52,328
Debt service	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	582,638	119,337	701,975
Excess (deficiency) of revenues over (under) expenditures	82,237	6,883	89,120
Other Financing Sources (Uses)			
Transfers in	-	1,300	1,300
Transfers out	(1,300)	-	(1,300)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	80,937	8,183	89,120
Fund balances-beginning	664,069	122,318	786,387
	<hr/>	<hr/>	<hr/>
Fund balances-ending	\$ 745,006	130,501	875,507
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

WILMINGTON PUBLIC LIBRARY DISTRICT
 Reconciliation of the 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	\$ 89,120
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense	
Add-cost of capital purchases	126,207
Deduct-depreciation expense	(98,982)
Governmental funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
Add-District Pension Contributions	35,660
Deduct-Cost of benefits earned net of employee contributions	(57,724)
Add-District supplemental benefit contributions recorded in prior year	862
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. They are however, recorded as revenues in the statement of activities	
	252,759
Unearned property taxes of the prior year received in the current year are recognized in the prior year statement of activities	
	<u>(246,493)</u>
Change in net position of governmental activities	<u><u>\$ 101,409</u></u>

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

WILMINGTON PUBLIC LIBRARY DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wilmington 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 significant accounting policies of the District are described below:

A. Reporting Entity

The Wilmington Public Library District was converted from a township library by action under provisions of applicable state law. The District received all assets and assumed all liabilities of the former Wilmington Township Public Library and began its operation on July 30, 1987. The District operates under a President-Trustee form of government consisting of seven trustees. Library services are provided to all patrons within established boundaries.

The accompanying financial statements present the District and related organizations for which the District is financially accountable. Financial accountability of the primary government is defined as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

The accompanying financial statements include only the operations of the District, since management has determined that there are no other organizations that meet the criteria for inclusion in the reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government as a whole. For the most part, the effect of interfund activity has been removed from these statements. The statements generally distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees to external parties for goods or services. The District has no business-type activities.

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

WILMINGTON PUBLIC LIBRARY DISTRICT

Notes to Financial Statements

June 30, 2016

C. 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) 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.

Property taxes, other intergovernmental revenues, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

In accordance with GASB Statement No. 34, major individual governmental funds are reported as a separate column in the fund financial statements.

Governmental Funds

The District reports the following major governmental fund:

General Fund - This is the District's primary operating fund. It accounts for all financial resources, except those to be accounted for in another fund. The District's General Fund primarily receives revenues from local property taxes.

The District reports the following governmental fund types in the "Other Governmental Funds" column:

Special Revenue Funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action. Special revenue funds consist of the following: Building Maintenance Fund, Illinois Municipal Retirement Fund, Social Security Fund, Audit Fund, and Insurance Fund.

Permanent Funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs. The Working Cash Fund is the only permanent fund.

WILMINGTON PUBLIC LIBRARY DISTRICT

Notes to Financial Statements

June 30, 2016

D. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

Cash and cash equivalents of all funds, including restricted cash, are pooled into common accounts in order to maximize investment opportunities and improve cash management. The District considers all cash on hand, demand deposits, money market accounts, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition to be cash equivalents. Investments, if any, are stated at fair value.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are only available from the Working Cash Fund for loans to other funds to provide capital needed for operations.

Property Tax Receivables

The District levies its property tax for the subsequent year in December. This levy is certified to the County of Will, as they are the collection agency for taxes within the county. Taxes are recognized as receivables in the current year when the District is notified by the County of the amount. Property taxes attach as an enforceable lien on property on January 1 and are payable in two installments on June 3 and September 3, and collections are remitted to the District from May through December. When the receivable for taxes is recognized by the District, an amount of one-half of one percent is estimated to be uncollectible in the year of the levy.

Under current procedures, the County Treasurer distributes all property taxes received to the District including amounts paid by taxpayers that have filed tax objections in the circuit court that such taxes are illegal and excessive. Any tax objections that are sustained in the subsequent legal proceedings are deducted from future property tax distributions that are due to the District.

In the Fund Financial Statements property tax revenues are recognized under the modified accrual basis of accounting so that (a) taxes relating to the current budget and collected within 60 days after the end of the fiscal year be recognized as revenue currently; and (b) a property tax assessment made during the current year for the purpose of financing the budget of the following fiscal period be recorded as receivable and unavailable revenue to be recognized as revenue in the future period for which it was levied. Therefore, property tax revenue reflected in the statement of revenues, expenditures and changes in fund balances includes that portion (approximately 60%) of the 2015 property tax levy due and received by, or expected to be received within 60 days after June 30, 2016. The portion of the 2015 property tax levy not currently available is reported as a receivable and deferred inflow of resources in the balance sheet. Property taxes receivable for prior years are considered to be uncollectible.

Prepaid Items

In the government-wide financial statements, prepaid items are recorded on an accrual basis using the consumption method. Expenses reflect the amount of materials and supplies consumed and the amount of prepaid items applicable to the current period.

WILMINGTON PUBLIC LIBRARY DISTRICT

Notes to Financial Statements

June 30, 2016

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and library collection, are reported under the governmental activities column in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than the specified threshold for its type and an estimated useful life of greater than one year. All purchased or constructed capital assets are reported at cost or estimated historical costs if actual historical cost is not available. Donated assets are recorded at their estimated fair value at the date of donation. The costs of maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are recorded as expenditures at the acquisition date in the fund financial statements of governmental funds. The District has no general infrastructure assets.

Depreciation of capital assets is recorded in the statement of activities on a straight-line basis over the estimated useful life of the asset. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and the estimated useful lives of capital assets reported in the government-wide statements are as follows:

<u>Asset Class</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land improvements - exhaustible	\$ 1,000	15 - 20 years
Buildings	\$ 1,000	40 years
Building improvements	\$ 1,000	10 - 30 years
Furniture & equipment	\$ 1,000	3 - 7 years
Library collection	None	3 - 5 years

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities of governmental activities in the statement of net position and interest paid is reported under the governmental function of interest on long-term debt in the statement of activities.

In the governmental fund financial statements, debt payments are recorded as expenditures and the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual bond proceeds, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has several items that qualify for reporting in this category and all are related to the IMRF defined contribution pension plan.

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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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category and it is related to the IMRF defined contribution pension plan. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

Compensated Absences

The District provides paid time off (PTO) to eligible employees for periods of time away from work. PTO benefit time encompasses the traditional vacation, personal days, administrative days and sick pay. During year one through two of employment, a full-time employee accrues thirteen days of paid time off (PTO), and from three through six years of employment, nineteen days of paid time off per year are accrued. After six years of employment, an employee accrues twenty-four days of paid time off per year. Paid time off leave will be granted on the anniversary of the date of hire and does not carry over at the end of the anniversary year. Accumulated amounts as of June 30, 2016 in the amount of \$5,285 are reflected in the financial statements.

The District also provides employees with an extended illness bank (EIB) account to assist in rendering payment for the time missed due to long-term illnesses. EIB hours accrue to full-time employees in the amount of 80 hours on the anniversary of the date of hire each year up to a maximum of 240 hours. EIB balances are not forfeited and are not paid at the time for vacation leave and other compensated absences with similar characteristics; GASB Statement No. 16 requires the accrual of a liability as the benefits are earned by the employees, if both of these conditions are met:

- a. The employees' right to receive compensation is attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

As of June 30, 2016, the accumulated potential liability for accumulated extended illness bank is approximately \$19,116. Because employees do not receive compensation for unused sick leave at termination, no liability is recorded on the financial statements.

Net Position/Fund Balances

In the government-wide financial statements, assets and deferred outflows minus liabilities and deferred inflows represent the definition of net position. Net position displays three components-net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for futures operations.

In the fund financial statements, assets and deferred outflows minus liabilities and deferred inflows represent the definition of governmental fund balances under the current financial resources measurement focus of accounting. Fund balance consists of non-spendable fund balance, which includes amounts that cannot be spent because they are not in spendable form, or they are legally or

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contractually required to be maintained intact. Restricted fund balances are amounts restricted to specific purposes by creditors, grantors, contributors, or by enabling legislation or constitutional provisions. Committed fund balances are amounts that can only be used for specific purposes as pursuant to official action by the District Board prior to the end of the reporting period. Assigned fund balances are amounts the District intends to use for specific purpose but is neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund.

When restricted and other fund balance resources are available for use, it is the District's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

NOTE 2: DEPOSITS

The District is allowed to invest funds pursuant to the Public Funds Investment Act. Under the act, the District is authorized to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations. Allowed investments include U.S. Government obligations and its agencies or instrumentalities, money market mutual funds registered under the Investment Company Act of 1940 that invest in allowable securities and fully collateralized repurchase agreements.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Public Funds Investment Act requires that all deposits in financial institutions not insured by the Federal Deposit Insurance Corporation or other approved state insurer be fully collateralized by securities or mortgages that have a market value of not less than the principal amount of the deposits.

As of June 30, 2016, the carrying amount of the District's bank deposits was \$824,459 and the bank balance was \$815,087. \$250,000 of bank balances was covered by federal depository insurance, with \$506,799 of the remaining balance covered by specific pledged collateral in the name of the District. \$58,288 of the District's deposits was not covered.

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Notes to Financial Statements
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NOTE 3: RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Those receivables consist of grants operated on the reimbursement basis, other various receivables and property taxes receivable. Property taxes receivable are shown net of an allowance for uncollectible taxes in the amount of \$3,200 (0.50%) for the 2015 tax levy.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, unavailable property tax revenue in the amount of \$252,759 represents the entire balance.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows with depreciation expense of \$98,982. The entire amount of depreciation expense is charged to the culture and recreation function.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 121,565	-	-	121,565
Capital assets being depreciated:				
Buildings and improvements	435,943	4,756	-	440,699
Land improvements - exhaustible	42,319	8,000	-	50,319
Furniture and equipment	155,675	30,423	4,403	181,695
Library collection	660,633	83,028	14,450	729,211
Total capital assets being depreciated	<u>1,294,570</u>	<u>126,207</u>	<u>18,853</u>	<u>1,401,924</u>
Less accumulated depreciation for:				
Buildings and improvements	271,409	13,697	-	285,106
Land improvements - exhaustible	24,508	1,954	-	26,462
Furniture and equipment	132,586	7,829	4,403	136,012
Library collection	548,978	75,502	14,450	610,030
Total accumulated depreciation	<u>977,481</u>	<u>98,982</u>	<u>18,853</u>	<u>1,057,610</u>
Total capital assets being depreciated, net	<u>317,089</u>	<u>27,225</u>	<u>-</u>	<u>344,314</u>
Total governmental activities capital assets, net	<u>\$ 438,654</u>	<u>27,225</u>	<u>-</u>	<u>465,879</u>

NOTE 5: INDIVIDUAL FUND DISCLOSURES

For the fiscal year ended June 30, 2016, no fund had an excess of expenditures over appropriations. Interfund transfers to supplement cash balances the year ended June 30, 2016 were as follows:

WILMINGTON PUBLIC LIBRARY DISTRICT

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<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	31,300
General Fund-Special Reserve	30,000	-
Total General Fund	<u>30,000</u>	<u>31,300</u>
Less General intra-fund	(30,000)	(30,000)
Audit Fund	<u>1,300</u>	-
Totals	<u>\$ 1,300</u>	<u>\$ 1,300</u>

The principal purpose of the interfund transfers with the General Fund is to provide cash to the other funds with sufficient capital in order to maintain a balance and to cover future expenditures. Revenues are being generated by those funds through gradual increases in property tax revenue.

NOTE 6: DEFINED BENEFIT PENSION PLAN

A. General Information about Pension Plan

Plan Description - The District’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided - IMRF has three benefit plans. The vast majority of IMRF members, including the Wilmington Public Library District participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at

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reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered - As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	21
Active plan members	10
Total	<u>37</u>

Contributions - As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2015 was 12.50%. For the fiscal year ended June 30, 2016, the District contributed \$35,674 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

B. Net Pension Liability

The District's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.47%.
- Projected Retirement Age was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

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- Mortality for non-disabled retirees- an IMRF specific mortality table was used with fully generational projection scale MP-2014(base year 2014) The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- Mortality for disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- Mortality for active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	38%	7.60%
International equity	17%	7.80%
Fixed income	27%	3.00%
Real estate	8%	6.15%
Alternative investments	9%	5.25-8.50%
Cash equivalents	1%	2.25%
Total	100%	

Discount Rate - A Single Discount Rate of 7.47% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47%.

WILMINGTON PUBLIC LIBRARY DISTRICT

Notes to Financial Statements
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C. Changes in the Net Pension Liability

The changes in the net pension liability for the plan follow:

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2014	\$ 1,068,099	905,818	162,281
Changes for the year:			
Service cost	31,068	-	31,068
Interest on the total pension liability	80,118	-	80,118
Differences between expected and actual experience of the total pension liability	(8,203)	-	(8,203)
Changes of assumptions	1,424	-	1,424
Contributions - employer	-	36,014	(36,014)
Contributions - employees	-	12,965	(12,965)
Net investment income	-	4,589	(4,589)
Benefit payments, including refunds of employee contributions	(25,074)	(25,074)	-
Other (net transfer)	-	(27,389)	27,389
Net changes	79,333	1,105	78,228
Balances at December 31, 2015	\$ 1,147,432	906,923	240,509

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.47%	Current Single Discount Rate Assumption 7.47%	1% Increase 8.47%
Total pension liability	\$ 1,303,050	1,147,432	1,021,601
Plan fiduciary net position	906,923	906,923	906,923
Net pension liability	\$ 396,127	240,509	114,678

Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net position is available from IMRF. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

WILMINGTON PUBLIC LIBRARY DISTRICT

Notes to Financial Statements
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D. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the District recognized pension expense of \$57,724. At June 30, 2016, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
Deferred amounts to be recognized in pension expense of future periods:		
Difference between expected and actual experience	\$ -	39,506
Changes of assumptions	17,787	-
Net difference between projected and actual earnings on pension plan investments	56,866	-
Total deferred amounts to be recognized in pension expense in future periods	74,653	39,506
Pension contributions made subsequent to the measurement date	17,050	-
Total deferred amounts related to pensions	<u>\$ 91,703</u>	<u>39,506</u>

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2016	\$ -	80
2017	7,843	-
2018	14,739	-
2019	12,645	-
2020	-	-
Thereafter	-	-
Total	<u>\$ 35,227</u>	<u>80</u>

NOTE 7: 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; injuries to employees; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and since there have been no settlements, they have not exceeded coverage in the past three years.

WILMINGTON PUBLIC LIBRARY DISTRICT

Notes to Financial Statements
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NOTE 8: RESTRICTED NET POSITION

Restricted net position represents net position whose use is subject to constraints that are either: (1) externally imposed by creditors, grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

Restricted net position at June 30, 2016 is \$124,989 in the Statement of Net Position. \$40,938 of this sum represents the amount of previous property tax money collected under the Working Cash Fund for the sole purpose of enabling the District to have in its funds, at all times, sufficient money to meet demands for ordinary, necessary and committed expenditures for library purposes. Principal of the Working Cash Fund may be transferred to the General Fund in anticipation of the collection of taxes lawfully levied for general library purposes. These taxes, when collected, shall be drawn upon to reimburse the Working Cash Fund. The remaining \$84,051 represents funds remaining from separate dedicated tax levies that can only be used for the specific purpose for which they were levied. Those levies were deposited in the following special revenue funds: Building Maintenance Fund, IMRF Fund, Social Security Fund, Audit Fund and Insurance Fund.

NOTE 9: FUND BALANCES

A. Classifications

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2016, are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable-non-spendable form:		
Insurance Fund	Prepaid insurance	\$ 5,505
Nonspendable-legally required:		
Working Cash Fund	Emergency working cash	40,945
Total Nonspendable		<u>46,450</u>
Restricted:		
Building Maintenance Fund	Building maintenance costs	30,346
IMRF Fund	IMRF retirement costs	19,823
Social Security Fund	Social Security retirement costs	14,735
Audit Fund	Audit costs	2,045
Insurance Fund	Insurance and risk management costs	17,102
Total Restricted		<u>84,051</u>
Committed-		
General Fund	Reserve for repair & library improvements	<u>46,890</u>
Unassigned-		
General Fund		<u>698,116</u>
Total Fund Balance		<u>\$ 875,507</u>

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B. Commitments

On June 21, 1993, the District established a special reserve pursuant to the provisions of the Illinois Revised Statutes for repair, remodeling, or improvement of the existing library building and to acquire library material, electronic data storage and retrieval facilities and other related library equipment in connection with any planned expansion of the existing library building. On April 15, 2002, the plan was amended to include major renovations and future expansion.

The Board may transfer to the special reserve, each year, the unexpended balances of the proceeds received annually from public library taxes not in excess of statutory limits or interest earnings from certain special revenue funds.

During the year ended June 30, 2016 the activity of the special reserve, which is reflected as a committed classification of the fund balance of the General Fund, was as follows:

Balance, July 1, 2016	\$ 58,675
Revenue-interest earned	7
Capital improvements	(41,792)
Other financing sources- Transfer of excess funds from General Fund	<u>30,000</u>
Balance, June 30, 2016	<u>\$ 46,890</u>

WILMINGTON PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Calendar Years

Calendar year ending December 31,	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total pension liability										
Service cost	\$ 31,068	31,323								
Interest on the total pension liability	80,118	77,316								
Benefit changes	-	-								
Differences between expected and actual experience	(8,203)	(83,537)								
Assumption changes	1,424	41,272								
Benefit payments and refunds	(25,074)	(29,735)								
Net change in total pension liability	<u>79,333</u>	<u>36,639</u>								
Total pension liability-beginning	<u>1,068,099</u>	<u>1,031,460</u>								
Total pension liability-ending (a)	<u><u>\$ 1,147,432</u></u>	<u><u>1,068,099</u></u>								
Plan fiduciary net position										
Employer contributions	\$ 36,014	35,530								
Employee contributions	12,965	12,433								
Pension plan net investment income	4,589	54,732								
Benefit payments and refunds	(25,074)	(29,735)								
Other	(27,389)	(55,269)								
Net change in plan fiduciary net position	<u>1,105</u>	<u>17,691</u>								
Plan fiduciary net position-beginning	<u>905,818</u>	<u>888,127</u>								
Plan fiduciary net position-ending (b)	<u><u>\$ 906,923</u></u>	<u><u>905,818</u></u>								
Net pension liability-ending (a) - (b)	<u><u>\$ 240,509</u></u>	<u><u>162,281</u></u>								
Plan fiduciary net position as a percentage of total pension liability	79.04%	84.81%								
Covered valuation payroll	\$ 288,120	276,283								
Net pension liability as a percentage of covered valuation payroll	83.48%	58.74%								

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**WILMINGTON PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**
Multiyear Schedule of District Contributions
Last 10 Calendar Years

Calendar Year Ended December	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual as a Percentage of Covered Valuation
2015	35,529	35,530	(1)	276,283	12.86%
2014	36,015	36,014	1	288,120	12.50%
2013					
2012					
2011					
2010					
2009					
2008					
2007					
2006					

Notes to Schedule

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate*

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to determine 2015 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period until remaining period reaches 15 years (then 15-year rolling period).
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other Information:	There were no benefit changes during the year.

* Based on valuation assumptions used in the December 31, 2013, actuarial valuation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**WILMINGTON PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND**

Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over(Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 530,000	530,000	505,697	(24,303)
Replacement taxes	18,000	18,000	16,176	(1,824)
Grant income	40,000	40,000	7,204	(32,796)
Landfill fees	13,000	13,000	14,032	1,032
Charges for current services	12,000	12,000	10,189	(1,811)
Fines	9,000	9,000	7,561	(1,439)
Development fees	140,000	140,000	94,658	(45,342)
Interest income	410	410	122	(288)
Donations	10,000	10,000	7,233	(2,767)
Miscellaneous	2,000	2,000	2,003	3
Total revenues	<u>774,410</u>	<u>774,410</u>	<u>664,875</u>	<u>(109,535)</u>
Expenditures				
Current:				
Culture and recreation:				
Personnel	430,000	430,000	369,946	60,054
Library materials/services	120,000	120,000	97,279	22,721
Contractual	66,000	66,000	32,081	33,919
Administrative	55,500	55,500	31,004	24,496
Total culture and recreation	<u>671,500</u>	<u>671,500</u>	<u>530,310</u>	<u>141,190</u>
Capital outlay	385,000	385,000	52,328	332,672
Debt service	51,000	51,000	-	51,000
Total expenditures	<u>1,107,500</u>	<u>1,107,500</u>	<u>582,638</u>	<u>524,862</u>
Excess (deficiency) of revenues over (under) expenditures	(333,090)	(333,090)	82,237	415,327
Other Financing Sources (Uses)				
Transfers in (out)	(45,490)	(45,490)	(1,300)	44,190
Net change in fund balances	<u>(378,580)</u>	<u>(378,580)</u>	<u>80,937</u>	<u>459,517</u>
Fund balances-beginning	<u>504,842</u>	<u>504,842</u>	<u>664,069</u>	<u>159,227</u>
Fund balances-ending	<u>\$ 126,262</u>	<u>126,262</u>	<u>745,006</u>	<u>618,744</u>

See notes to required supplementary information.

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

Budgetary Information – The District follows these procedures in establishing the budgetary data reflected in the required supplementary information:

1. Prior to September 1, the District Board prepares a tentative annual budget and appropriation ordinance for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Within the first three months of the fiscal year the annual budget and appropriation ordinance is legally adopted through passage of an ordinance after a public hearing.
3. The District Board may, by two-thirds vote, transfer from any appropriation item its anticipated unexpended funds to any other item of appropriation thereto made.
4. Formal budgetary integration in the form of legally adopted budgets is employed as a management control device for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles.
5. Budgeted amounts were originally adopted by the board on September 21, 2015

The District prepares its budget for all governmental fund types in conformity with practices prescribed or permitted by applicable statutes of the State of Illinois.

WILMINGTON PUBLIC LIBRARY DISTRICT
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016

	<u>Special Revenue</u>					<u>Permanent</u>	<u>TOTAL</u>
	<u>Building Maintenance Fund</u>	<u>IL Municipal Retirement Fund</u>	<u>Social Security Fund</u>	<u>Audit Fund</u>	<u>Insurance Fund</u>	<u>Working Cash Fund</u>	
Assets							
Cash and cash equivalents	\$ 27,308	19,268	12,099	1,780	16,210	-	76,665
Property taxes receivable	19,532	19,532	14,773	1,487	5,949	-	61,273
Prepaid expenses	-	-	-	-	5,505	-	5,505
Restricted cash and cash equivalents	-	-	-	-	-	40,945	40,945
Total assets	<u>\$ 46,840</u>	<u>38,800</u>	<u>26,872</u>	<u>3,267</u>	<u>27,664</u>	<u>40,945</u>	<u>184,388</u>
Liabilities, Deferred Inflows and Fund Balances							
Liabilities-							
Accounts payable and accrued expenses	\$ 447	2,930	-	-	170	-	3,547
Deferred inflows of resources-							
Unavailable property tax revenue	16,047	16,047	12,137	1,222	4,887	-	50,340
Fund Balances:							
Nonspendable	-	-	-	-	5,505	40,945	46,450
Restricted	30,346	19,823	14,735	2,045	17,102	-	84,051
Total fund balances	<u>30,346</u>	<u>19,823</u>	<u>14,735</u>	<u>2,045</u>	<u>22,607</u>	<u>40,945</u>	<u>130,501</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 46,840</u>	<u>38,800</u>	<u>26,872</u>	<u>3,267</u>	<u>27,664</u>	<u>40,945</u>	<u>184,388</u>

WILMINGTON PUBLIC LIBRARY DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2016

	<u>Special Revenue</u>					<u>Permanent</u>	<u>TOTAL</u>
	<u>Building Maintenance Fund</u>	<u>IL Municipal Retirement Fund</u>	<u>Social Security Fund</u>	<u>Audit Fund</u>	<u>Insurance Fund</u>	<u>Working Cash Fund</u>	
Revenues							
Property taxes	\$ 40,497	40,417	30,286	2,823	12,180	-	126,203
Interest income	5	2	1	-	2	7	17
Total revenues	<u>40,502</u>	<u>40,419</u>	<u>30,287</u>	<u>2,823</u>	<u>12,182</u>	<u>7</u>	<u>126,220</u>
Expenditures							
Current:							
Culture and recreation:							
Contractual	46,806	-	-	2,500	8,215	-	57,521
Employee retirement costs	-	35,674	26,142	-	-	-	61,816
Total expenditures	<u>46,806</u>	<u>35,674</u>	<u>26,142</u>	<u>2,500</u>	<u>8,215</u>	<u>-</u>	<u>119,337</u>
Excess (deficiency) of revenues over (under) expenditures	(6,304)	4,745	4,145	323	3,967	7	6,883
Other Financing Sources (Uses)							
Transfers in (out)	-	-	-	1,300	-	-	1,300
Fund balances-beginning	<u>36,650</u>	<u>15,078</u>	<u>10,590</u>	<u>422</u>	<u>18,640</u>	<u>40,938</u>	<u>122,318</u>
Fund balances-ending	<u>\$ 30,346</u>	<u>19,823</u>	<u>14,735</u>	<u>2,045</u>	<u>22,607</u>	<u>40,945</u>	<u>130,501</u>

WILMINGTON PUBLIC LIBRARY DISTRICT
BUILDING MAINTENANCE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Revenues				
Property taxes	\$ 40,833	40,833	40,497	(336)
Interest income	10	10	5	(5)
Total revenues	<u>40,843</u>	<u>40,843</u>	<u>40,502</u>	<u>(341)</u>
Expenditures				
Current:				
Culture and recreation:				
Contractual:				
Utilities	17,000	17,000	15,365	1,635
Janitorial	7,500	7,500	5,616	1,884
Building & repairs	28,000	28,000	15,054	12,946
Grounds maintenance	12,000	12,000	7,785	4,215
Maintenance and supplies	5,500	5,500	2,986	2,514
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>46,806</u>	<u>23,194</u>
Excess (deficiency) of revenues over (under) expenditures	(29,157)	(29,157)	(6,304)	22,853
Other Financing Sources (Uses)				
Transfers in (out)	(10)	(10)	-	10
Fund balances-beginning	<u>31,274</u>	<u>31,274</u>	<u>36,650</u>	<u>5,376</u>
Fund balances-ending	<u>\$ 2,107</u>	<u>2,107</u>	<u>30,346</u>	<u>28,239</u>

WILMINGTON PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget Over(Under)
	Original	Final	Actual Amounts	
Revenues				
Property taxes	\$ 44,000	44,000	40,417	(3,583)
Interest income	100	100	2	(98)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	44,100	44,100	40,419	(3,681)
Expenditures				
Current:				
Culture and recreation:				
Employee retirement cost	45,000	45,000	35,674	9,326
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(900)	(900)	4,745	5,645
Other Financing Sources (Uses)				
Transfers in	10,000	10,000	-	(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances-beginning	-	-	15,078	15,078
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances-ending	\$ 9,100	9,100	19,823	10,723
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WILMINGTON PUBLIC LIBRARY DISTRICT
SOCIAL SECURITY FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Revenues				
Property taxes	\$ 32,000	32,000	30,286	(1,714)
Interest income	100	100	1	(99)
Total revenues	32,100	32,100	30,287	(1,813)
Expenditures				
Current:				
Culture and recreation:				
Employee retirement cost	32,000	32,000	26,142	5,858
Excess (deficiency) of revenues over (under) expenditures	100	100	4,145	4,045
Other Financing Sources (Uses)				
Transfers in	15,000	15,000	-	(15,000)
Fund balances-beginning	-	-	10,590	10,590
Fund balances-ending	\$ 15,100	15,100	14,735	(365)

**WILMINGTON PUBLIC LIBRARY DISTRICT
AUDIT FUND**

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over(Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 2,450	2,450	2,823	373
Interest income	5	5	-	(5)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	2,455	2,455	2,823	368
Expenditures				
Current:				
Culture and recreation:				
Contractual-audit	2,500	2,500	2,500	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(45)	(45)	323	368
Other Financing Sources (Uses)				
Transfers in	1,500	1,500	1,300	(200)
Fund balances-beginning	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances-ending	<u>\$ 1,587</u>	<u>1,587</u>	<u>2,045</u>	<u>458</u>

**WILMINGTON PUBLIC LIBRARY DISTRICT
INSURANCE FUND**

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Revenues				
Property taxes	\$ 13,000	13,000	12,180	(820)
Interest income	100	100	2	(98)
Total revenues	13,100	13,100	12,182	(918)
Expenditures				
Current:				
Culture and recreation:				
Contractual:				
General insurance	7,000	7,000	3,387	3,613
Public officials bonds	600	600	510	90
Errors & omissions	3,500	3,500	1,005	2,495
Unemployment insurance	2,000	2,000	716	1,284
Workmen's compensation	2,500	2,500	1,108	1,392
Risk management	5,000	5,000	1,489	3,511
Total expenditures	20,600	20,600	8,215	12,385
Excess (deficiency) of revenues over (under) expenditures	(7,500)	(7,500)	3,967	11,467
Other Financing Sources (Uses)				
Transfers in	4,000	4,000	-	(4,000)
Fund balances-beginning	8,230	8,230	18,640	10,410
Fund balances-ending	\$ 4,730	4,730	22,607	17,877

**WILMINGTON PUBLIC LIBRARY DISTRICT
WORKING CASH FUND**

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over(Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest income	\$ 200	200	7	(193)
Expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	200	200	7	(193)
Other Financing Sources (Uses)				
Transfers out	(200)	(200)	-	200
Fund balances-beginning	<u>40,938</u>	<u>40,938</u>	<u>40,938</u>	<u>-</u>
Fund balances-ending	<u>\$ 40,938</u>	<u>40,938</u>	<u>40,945</u>	<u>7</u>

**WILMINGTON PUBLIC LIBRARY DISTRICT
GENERAL FUND**

Schedule of Expenditures
Budget and Actual

For the Year Ended June 30, 2016

For the Year Ended June 30, 2016

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Current:				
Culture and recreation:				
Personnel:				
Personnel	\$ 400,000	400,000	354,515	45,485
Employee insurance	30,000	30,000	15,431	14,569
Total personnel	<u>430,000</u>	<u>430,000</u>	<u>369,946</u>	<u>60,054</u>
Library materials/services:				
Materials	95,000	95,000	83,028	11,972
Programs	25,000	25,000	14,251	10,749
Total library materials	<u>120,000</u>	<u>120,000</u>	<u>97,279</u>	<u>22,721</u>
Contractual:				
Equipment maintenance	12,000	12,000	8,913	3,087
Technology support	5,000	5,000	-	5,000
Automation services	15,000	15,000	11,441	3,559
Property management	3,000	3,000	-	3,000
Payroll expenses	1,000	1,000	258	742
Professional fees	30,000	30,000	11,469	18,531
Total contractual	<u>66,000</u>	<u>66,000</u>	<u>32,081</u>	<u>33,919</u>
Administrative expenses:				
Library hospitality	3,000	3,000	768	2,232
Library/Office supplies	15,000	15,000	11,059	3,941
Printing and publishing	12,000	12,000	9,220	2,780
Board expenses	2,000	2,000	881	1,119
Administrative expenses	2,000	2,000	1,018	982
Professional memberships	8,500	8,500	3,650	4,850
Postage	3,000	3,000	327	2,673
Continuing education	10,000	10,000	4,081	5,919
Total admin expenses	<u>55,500</u>	<u>55,500</u>	<u>31,004</u>	<u>24,496</u>
Total culture and recreation	<u>671,500</u>	<u>671,500</u>	<u>530,310</u>	<u>141,190</u>
Capital outlay:				
Furniture and equipment	10,000	10,000	4,447	5,553
Land acquisition & expansion	300,000	300,000	-	300,000
Capital improvements	45,000	45,000	41,792	3,208
Technology	30,000	30,000	6,089	23,911
Total capital outlay	<u>385,000</u>	<u>385,000</u>	<u>52,328</u>	<u>332,672</u>
Debt service:				
Mortgage principal	51,000	51,000	-	51,000
Total expenditures	<u>\$ 1,107,500</u>	<u>1,107,500</u>	<u>582,638</u>	<u>524,862</u>

WILMINGTON PUBLIC LIBRARY DISTRICT

Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed valuations	\$ 218,591,349	214,345,980	204,163,071	206,218,912
General Corporate	0.2194	0.2361	0.2459	0.2485
Building Maintenance	0.0190	0.0199	0.0200	0.0197
IMRF	0.0160	0.0165	0.0199	0.0197
Social Security	0.0099	0.0116	0.0147	0.0149
Audit	0.0010	0.0012	0.0012	0.0015
Insurance	0.0050	0.0056	0.0059	0.0060
Totals	<u>0.2703</u>	<u>0.2909</u>	<u>0.3076</u>	<u>0.3103</u>
General Corporate	\$ 479,589	506,071	502,037	512,454
Building Maintenance	41,532	42,655	40,833	40,625
IMRF	34,975	35,367	40,628	40,625
Social Security	21,641	24,864	30,012	30,727
Audit	2,186	2,572	2,450	3,093
Insurance	10,929	12,003	12,046	12,373
Totals	<u>\$ 590,852</u>	<u>623,532</u>	<u>628,006</u>	<u>639,897</u>
Tax collections	<u>\$ 586,940</u>	<u>617,102</u>	<u>624,676</u>	<u>329,036</u>

WILMINGTON PUBLIC LIBRARY DISTRICT

Legal Debt Margin
June 30, 2016

Assessed valuation-2015 tax year	<u>\$ 206,218,912</u>
Statutory debt limitation(2.875% of assessed valuation)	\$ 5,928,794
Total debt	<u>-</u>
Legal debt margin	<u>\$ 5,928,794</u>

William J. Crawford
Certified Public Accountant, P.C.



America Counts on CPAs

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the President and
Board of Trustees
Wilmington Public Library District
Wilmington, Illinois

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wilmington Public Library District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Wilmington Public Library District's basic financial statements and have issued my report thereon dated August 5, 2016.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Wilmington Public Library District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wilmington Public Library District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Wilmington Public Library District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wilmington Public Library District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* described below:

Noncompliance Finding NC-1

Uncollateralized Funds on Deposit - Funds on deposit with the local bank were not fully collateralized with securities pledged in the name of the District to protect its deposits in case of a bank failure. The Illinois Public Funds Investment Act states, "Funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the municipality".

Recommendation

The District should assign one individual with the responsibility of monitoring the collateral coverage throughout the year to assure that all deposits in every bank are fully collateralized in accordance with state and local law.

District management response:

Accepted. The Library Director will be assigned the responsibility of monitoring the collateral coverage throughout the year to assure that all deposits in every bank are fully collateralized in accordance with state and local law.

Wilmington Public Library District Response to Findings

The Wilmington Public Library District's response to the finding identified in my audit is described above. The Wilmington Public Library District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

William J. Crawford
Certified Public Accountant, P.C.

Coal City, Illinois
August 5, 2016