

DRAFT FOR DISCUSSION PURPOSES ONLY  
ISSUANCE OF FINANCIAL STATEMENTS PENDING  
MANAGEMENT'S APPROVAL OF DRAFT FINANCIAL STATEMENTS, AND  
RECEIPT OF SIGNED MANAGEMENT REPRESENTATION LETTER

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
ILLINOIS

ANNUAL FINANCIAL REPORT  
with  
INDEPENDENT AUDITORS' REPORT  
for the year ended June 30, 2017

**Weber & Associates CPAs, LLC**  
Certified Public Accountants

---

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
TABLE OF CONTENTS

---

	<u>Pages</u>
FINANCIAL SECTION	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-10
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17-28
Required Supplementary Information	
Budgetary Comparison Schedule:	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual - General Fund	29-31
Notes to Required Supplementary Information	32
Other Supplementary Information	
Combining Financial Statements - Nonmajor Governmental Funds:	
Combining Balance Sheet	33
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	34
Nonmajor Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual - Social Security Fund	35

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
TABLE OF CONTENTS

---

Pages

FINANCIAL SECTION (continued)

Nonmajor Governmental Funds, continued:

Schedule of Revenues, Expenditures and  
Changes in Fund Balance-Budget and Actual - Insurance Fund 36

Schedule of Revenues, Expenditures and  
Changes in Fund Balance-Budget and Actual - Audit Fund 37

Schedule of Revenues, Expenditures and  
Changes in Fund Balance-Budget and Actual - Special Reserve Fund 38

Major Governmental Fund:

Schedule of Revenues, Expenditures and  
Changes in Fund Balance-Budget and Actual - Debt Service Fund 39

STATISTICAL SECTION

Assessed Valuations, Property Tax Rates, Extensions, and Collections 40

Legal Debt Margin 41

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
for the year ended June 30, 2017

---

We offer readers of the Sugar Grove Public Library District's (District) financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2017.

**FINANCIAL HIGHLIGHTS**

- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2,937,991 (net position). Of this amount, \$55,323 (unrestricted net position) would be available to be used to meet the District's ongoing obligations.
- The District's net position increased \$349,493.
- The District's governmental funds reported combined ending fund balance of \$200,571, an increase of \$17,111 in comparison with the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future periods (e.g. earned, but unused compensated absences).

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

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
for the year ended June 30, 2017

---

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are in one category, governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (see pages 13 - 16).

The District maintained six individual governmental funds during the year ended June 30, 2017. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances for the General Fund and Debt Service Fund each of which are considered to be "major" funds. Data from the other four governmental funds, which include the Social Security Fund, the Insurance Fund, the Audit Fund, and the Special Reserve Fund are combined into a single aggregated nonmajor fund presentation. Individual fund data from each of these nonmajor governmental funds is provided in the form of combining statements and are found on pages 33 and 34.

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

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

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
for the year ended June 30, 2017

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets exceeded liabilities and deferred inflows of resources by \$2,937,991. A condensed version of the Statement of Net Position at June 30, 2017 and 2016 follows:

Sugar Grove Public Library District  
Statement of Net Position

	Governmental Activities	
	June 30, 2017	June 30, 2016
Current and Other Assets	\$ 1,543,051	\$ 1,500,651
Capital Assets, Net	7,745,088	7,979,343
Total Assets	9,288,139	9,479,994
Long-Term Liabilities	4,925,673	5,482,402
Other Liabilities	91,121	106,234
Total Liabilities	5,016,794	5,588,636
Deferred Inflows of Resources	1,333,354	1,302,860
Net Position:		
Net Investment in Capital Assets	2,818,706	2,491,929
Restricted	63,962	72,796
Unrestricted	55,323	23,773
Total Net Position	\$ 2,937,991	\$ 2,588,498

The District's net position increased \$349,493 or 14% during the year ended June 30, 2017. The largest portion of the net position, \$2,818,706 or 96%, reflects the District's investment in capital assets (land, building, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide library services to residents of the District; consequently, these assets are not available for future spending.

An additional 2% of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining 2% or \$55,323 represents the unrestricted net position available to meet the District's ongoing obligations. Unrestricted net position increased \$31,550 during the current fiscal year.

Net capital assets decreased by approximately \$234,000 due to current year depreciation. Long-term liabilities decreased by approximately \$557,000 in fiscal year 2017 primarily due to the retirement of general obligation debt.

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
for the year ended June 30, 2017

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The following table summarizes the revenues and expenses of the District's activities and compares it to fiscal year 2016.

Sugar Grove Public Library District  
Changes in Net Position

	Governmental Activities	
	June 30, 2017	June 30, 2016
Revenues		
Program Revenues:		
Charges for Services	\$ 16,510	\$ 15,739
Operating Grants and Contributions	11,786	12,649
Total Program Revenues	<u>28,296</u>	<u>28,388</u>
General Revenues:		
Property Taxes	1,275,391	1,240,184
Intergovernmental	5,764	8,808
Investment Income	163	282
Other Miscellaneous	2,637	2,553
Donations not Restricted	4,981	2,290
Total General Revenues	<u>1,288,936</u>	<u>1,254,117</u>
Total Revenues	<u>1,317,232</u>	<u>1,282,505</u>
Expenses		
Culture and Recreation	856,721	878,168
Interest on Long Term Debt	111,018	114,024
Total Expenses	<u>967,739</u>	<u>992,192</u>
Changes in Net Position	349,493	290,313
Net Position, July 1	<u>2,588,498</u>	<u>2,298,185</u>
Net Position, June 30	<u>\$ 2,937,991</u>	<u>\$ 2,588,498</u>

Total revenues increased 2.7% in fiscal year 2017. Property taxes increased 2.8% or \$35,207 and represented 97% of total revenue in 2017 and 2016. Operating grants and contributions were consistent with the prior year although the District did not receive the State of Illinois per capita grant due to the State's budget impasse. Other intergovernmental revenue, primarily from development fees, decreased \$3,044 as residential development slowed. Overall, expenditures decreased 2.5%.

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
for the year ended June 30, 2017

---

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

The District's governmental funds reported combined ending fund balances of \$200,571, an increase of \$17,111 over last year's combined ending balances. The largest increase in fund balance was in the District's General Fund. Fund balance in the Debt Service Fund increased approximately \$5,400 to \$48,727 and is restricted for the payment of debt service.

At the end of the current fiscal year, the General Fund reported fund balance of \$92,525 of which \$81,779 was unassigned. In the last quarter of fiscal year 2017 the District combined the special revenue funds for audit, Social Security and liability insurance with the General Fund. Advance collections of property tax revenues from these special purpose levies from the 2016 tax levy as well as the remaining receivable amounts and unavailable property tax revenue at year end (levied to fund fiscal year 2018 operations) were reported in the General Fund. State per capita grant funds of \$12,149 received in fiscal year 2016 were expended in the current year for library materials. Due to the uncertainty of receiving the 2017 per capita grant funds, no advance expenditures were scheduled.

**General Fund Budgetary Highlights**

The original combined budget and appropriation was passed on August 24, 2016 and was not amended. The General Fund is the District's general operating fund.

Actual revenues in 2017 exceeded budgeted revenues by \$4,158. Total expenditures were less than the budgeted amount by \$220,362. Budgeted expenditures are typically higher than expected results as the District adopts a combined budget and appropriation ordinance that provides the legal limits of spending for the fiscal year and expenditure of unexpected revenues if received.

Following is a summary of the revenues by source and expenditures by classification:

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
for the year ended June 30, 2017

Sugar Grove Public Library District  
General Fund Budgetary Highlights  
for the year ended June 30, 2017

	Final Appropriated Budget	Actual
Revenues		
Property Taxes	\$ 561,940	\$ 561,207
Intergovernmental	15,450	17,550
Fines	10,000	10,172
Charges for Services	6,000	6,338
Other	5,500	7,781
Total Revenues	598,890	603,048
Expenditures		
Personnel	377,500	342,601
Contractual Services	93,500	32,236
Other Operating Expenses	339,400	215,201
Total Expenditures	810,400	590,038
Net Change in Fund Balance	\$ (211,510)	13,010
Fund Balance, beginning of year		79,515
Fund Balance, end of year		\$ 92,525

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2017, the District had \$7,745,088 invested in capital assets including land, buildings, furniture, fixtures and equipment, net of accumulated depreciation. This amount decreased \$234,255 due to the current year depreciation expense. There were no additions to capital assets during the current year. The District does not report collection materials as capital assets. Details of the District's capital assets by asset classification and the related accumulated depreciation can be found in Note 5 to the financial statements on page 24.

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
for the year ended June 30, 2017

---

**Debt**

At June 30, 2017 the District had total debt outstanding from general obligation bonds of \$4,765,000. The District paid \$520,000 in principal on the bonds during the year ended June 30, 2017. Annual maturities of debt and the related interest expense is financed with property tax revenues. See Note 6 to the financial statements on page 25 for more detailed information.

**ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET**

The equalized assessed valuation (EAV) of property in the District increased approximately 5.8% for the tax levy year 2016 compared to an increase of 5.3% in EAV for tax levy year 2015. The current financial status of the State of Illinois is being monitored as per capita grant revenue could be additionally curtailed or eliminated prompting reduced revenues. The District continues to carefully monitor expenditures and consider additional funding sources including public support and grants to mitigate any potential changes in future revenues.

**REQUESTS FOR INFORMATION**

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
STATEMENT OF NET POSITION  
June 30, 2017

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 875,721
Receivables:	
Property taxes	657,084
Grants	4,143
Prepaid expenses	6,103
Capital assets not being depreciated	2,016,260
Capital assets being depreciated, net	5,728,828
<b>TOTAL ASSETS</b>	<b>9,288,139</b>
<b>LIABILITIES</b>	
Accounts payable	14,853
Accrued payroll and withholdings payable	16,705
Accrued interest payable	59,563
Long-term liabilities, due within one year:	
Compensated absences	16,515
Bonds payable	560,000
Long-term liabilities, due in more than one year:	
Bonds payable	4,205,000
Unamortized premium on bonds	144,158
<b>TOTAL LIABILITIES</b>	<b>5,016,794</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable property tax revenue	1,310,922
Unamortized gain on refunding of debt	22,432
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,333,354</b>
<b>NET POSITION</b>	
Net investment in capital assets	2,818,706
Restricted for:	
Capital projects	59,319
Library technology	4,643
Unrestricted	55,323
<b>TOTAL NET POSITION</b>	<b>\$ 2,937,991</b>

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
STATEMENT OF ACTIVITIES  
for the year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:				
Culture and recreation	\$ 856,721	\$ 16,510	\$ 11,786	\$ (828,425)
Interest on long-term debt	111,018	-	-	(111,018)
Total Governmental Activities	<u>\$ 967,739</u>	<u>\$ 16,510</u>	<u>\$ 11,786</u>	<u>(939,443)</u>
General revenues:				
Property taxes				1,275,391
Intergovernmental				5,764
Investment income				163
Miscellaneous				2,637
Donations not restricted to specific programs				<u>4,981</u>
Total				<u>1,288,936</u>
CHANGE IN NET POSITION				349,493
NET POSITION, BEGINNING				<u>2,588,498</u>
NET POSITION, ENDING				<u>\$ 2,937,991</u>

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 413,563	\$ 402,839	\$ 59,319	\$ 875,721
Receivables:				
Property taxes	301,215	355,869	-	657,084
Grants	4,143	-	-	4,143
Prepaid items	6,103	-	-	6,103
<b>TOTAL ASSETS</b>	<b><u>\$ 725,024</u></b>	<b><u>\$ 758,708</u></b>	<b><u>\$ 59,319</u></b>	<b><u>\$ 1,543,051</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 14,853	\$ -	\$ -	\$ 14,853
Accrued payroll and withholdings payable	16,705	-	-	16,705
<b>Total liabilities</b>	<b><u>31,558</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>31,558</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property tax revenue	600,941	709,981	-	1,310,922
<b>Total deferred inflows of resources</b>	<b><u>600,941</u></b>	<b><u>709,981</u></b>	<b><u>-</u></b>	<b><u>1,310,922</u></b>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	6,103	-	-	6,103
Restricted for:				
Debt service	-	48,727	-	48,727
Library technology	4,643	-	-	4,643
Capital projects	-	-	59,319	59,319
Unassigned	81,779	-	-	81,779
<b>Total fund balances</b>	<b><u>92,525</u></b>	<b><u>48,727</u></b>	<b><u>59,319</u></b>	<b><u>200,571</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 725,024</u></b>	<b><u>\$ 758,708</u></b>	<b><u>\$ 59,319</u></b>	<b><u>\$ 1,543,051</u></b>

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2017

---

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 200,571
--	------------

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

Capital assets net of accumulated depreciation of \$2,027,970 used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.	7,745,088
---	-----------

Some liabilities reported in the statement of net position do not require the use of current financial resources, and therefore, are not reported as liabilities in governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

General obligation bonds	(4,765,000)
Unamortized premium on bonds sold	(144,158)
Interest payable on bonds	(59,563)
Compensated absences	(16,515)

Gains and losses on debt refunding are capitalized as deferred inflows or outflows and amortized on the government-wide statements.	<u>(22,432)</u>
---	-----------------

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,937,991</u></u>
---	----------------------------

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
for the year ended June 30, 2017

	General	Debt Service	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 561,207	\$ 684,459	\$ 29,725	\$ 1,275,391
Intergovernmental	17,550	-	-	17,550
Fines	10,172	-	-	10,172
Charges for services	6,338	-	-	6,338
Interest income	163	-	-	163
Donations	4,981	-	-	4,981
Miscellaneous	2,637	-	-	2,637
Total revenues	<u>603,048</u>	<u>684,459</u>	<u>29,725</u>	<u>1,317,232</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	580,647	-	31,053	611,700
Debt service:				
Principal retirement	-	520,000	-	520,000
Interest and fiscal charges	-	159,030	-	159,030
Capital outlay	9,391	-	-	9,391
Total expenditures	<u>590,038</u>	<u>679,030</u>	<u>31,053</u>	<u>1,300,121</u>
<b>NET CHANGE IN FUND BALANCES</b>	13,010	5,429	(1,328)	17,111
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>79,515</u>	<u>43,298</u>	<u>60,647</u>	<u>183,460</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 92,525</u>	<u>\$ 48,727</u>	<u>\$ 59,319</u>	<u>\$ 200,571</u>

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
for the year ended June 30, 2017

---

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 17,111

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(234,255)
----------------------	-----------

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

Increase in compensated absences	(895)
Decrease in accrued interest payable on bonds	6,500

The repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	520,000
--	---------

Certain amounts relating to bond issues are reported in the statement of net position. These items are amortized and reported as a component of interest expense in the statement of activities but not in the governmental funds:

Amortization of gain on refunding	3,408
Amortization of premium on debt	<u>37,624</u>

Change in net position of governmental activities	<u><u>\$ 349,493</u></u>
---	--------------------------

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The District has defined its reporting entity in accordance with the criteria of GASB Statement No. 14 and No. 61. Financial accountability is defined as the ability to appoint a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. Using these criteria, the District has no component units. In addition, the District is not included as a component unit in any other governmental reporting entity.

Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate indirect costs.

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

*General Fund:* The General fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Special tax levies for Social Security, liability insurance and audit are included in this fund.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments

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

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

Prepaid Items

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

Capital Assets

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

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

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

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Activity

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

Compensated Absences

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

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

Net Position/Fund Balances

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

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

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

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

# SUGAR GROVE PUBLIC LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

---

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

#### Net Position/Fund Balances (continued)

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

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

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

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

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

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

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

#### Use of Estimates

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

# SUGAR GROVE PUBLIC LIBRARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

---

### 2. DEPOSITS AND INVESTMENTS

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

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

During the year ended June 30, 2017, the District complied with the provisions of Illinois statutes pertaining to the types of investments held and the institutions in which deposits were made.

#### Deposits

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

At June 30, 2017, the carrying value of the District's deposits was \$875,471 and the bank balance was \$876,156. All of the deposits were covered by FDIC insurance or by collateral held by the bank's agent in the District's name.

#### Investments

The District had no investments at June 30, 2017.

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

---

3. PROPERTY TAXES

On or before the last Tuesday in December of each year, the District's property tax is levied on the assessed value of all taxable real property located in the district. The 2016 tax levy was passed by the Board of Trustees on October 26, 2016. Property taxes attach as an enforceable lien on property as of January 1. Tax bills are prepared by the County and issued on or about May 1 and are payable in two installments which are generally due in June and September. The County collects such taxes and remits them periodically.

Property taxes are recorded as a receivable and unavailable revenue in the year the District is notified by the County of the amount extended. Revenue is recognized in the period in which the levy is intended to finance. The 2016 tax levy is intended to fund the operations of the year ending June 30, 2018.

4. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2017</u>
Capital assets not being depreciated				
Land	\$2,016,260	\$ -	\$ -	\$ 2,016,260
Total capital assets not being depreciated	<u>2,016,260</u>	<u>-</u>	<u>-</u>	<u>2,016,260</u>
Capital assets being depreciated				
Building and improvements	6,713,096	-	-	6,713,096
Land improvements	426,326	-	-	426,326
Furniture, fixtures, and equipment	<u>617,376</u>	<u>-</u>	<u>-</u>	<u>617,376</u>
Total capital assets being depreciated	<u>7,756,798</u>	<u>-</u>	<u>-</u>	<u>7,756,798</u>
Less accumulated depreciation for:				
Building and improvements	(1,090,876)	(167,827)	-	(1,258,703)
Land improvements	(138,554)	(21,316)	-	(159,870)
Furniture, fixtures, and equipment	<u>(564,285)</u>	<u>(45,112)</u>	<u>-</u>	<u>(609,397)</u>
Total accumulated depreciation	<u>(1,793,715)</u>	<u>(234,255)</u>	<u>-</u>	<u>(2,027,970)</u>
Total capital assets being depreciated, net	<u>5,963,083</u>	<u>(234,255)</u>	<u>-</u>	<u>5,728,828</u>
Capital assets, net	<u>\$7,979,343</u>	<u>\$ (234,255)</u>	<u>\$ -</u>	<u>\$ 7,745,088</u>

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

Culture and recreation - library	<u><u>\$ 234,255</u></u>
----------------------------------	--------------------------

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2017

**6. LONG-TERM LIABILITIES**

At June 30, 2017, long-term debt consisted of the following:

**General Obligation Refunding Bonds, Series 2014A**

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

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

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
General Obligation Library					
Refunding Bonds,					
Series 2014A	\$ 5,285,000	\$ -	\$ (520,000)	\$ 4,765,000	\$ 560,000
Subtotal bonds payable	5,285,000	-	(520,000)	4,765,000	560,000
Unamortized premium					
Series 2014A	181,782	-	(37,624)	144,158	-
Total bonds payable	5,466,782	-	(557,624)	4,909,158	560,000
Compensated absences	15,620	16,515	(15,620)	16,515	16,515
Totals	<u>\$ 5,482,402</u>	<u>\$ 16,515</u>	<u>\$ (573,244)</u>	<u>\$ 4,925,673</u>	<u>\$ 576,515</u>

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

The annual debt service requirements to maturity, including principal and interest, for general obligation bonds as of June 30, 2017, are as follows:

Year Ending June 30	Principal	Interest	Total
2018	\$ 560,000	\$ 142,950	\$ 702,950
2019	595,000	126,150	721,150
2020	635,000	108,300	743,300
2021	675,000	89,250	764,250
2022	720,000	69,000	789,000
2023-2024	1,580,000	71,850	1,651,850
	<u>\$4,765,000</u>	<u>\$ 607,500</u>	<u>\$ 5,372,500</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

---

7. LEASE COMMITMENTS

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

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

Year ending June 30	
2018	\$ 3,594
2019	3,594
	<u>\$ 7,188</u>

Rent expense recorded for the year ended June 30, 2017 was \$3,594.

8. RETIREMENT PLAN

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

9. CONTINGENCIES AND COMMITMENTS

*Litigation*

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

*Grants*

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2017

---

10. RISK MANAGEMENT

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

11. GOVERNMENTAL FUND TYPES AND COMPONENTS OF FUND BALANCES

As of June 30, 2017 fund balance components other than unassigned fund balances consist of the following:

	Nonspendable	Restricted
General Fund:		
Prepaid items	\$ 6,103	\$ -
Revenues restricted for:		
Library technology	-	4,643
Debt Service Fund:		
Revenues accumulated for debt service	-	48,727
Special Reserve Fund:		
Resources accumulated for future capital improvement	-	59,319
Totals	\$ 6,103	\$ 112,689

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

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

---

12. RESTRICTED NET POSTION

The government-wide statement of net position reports \$77,686 of restricted net position, of which \$73,043 is restricted by enabling legislation.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October \_\_\_\_\_, 2017 the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
 for the year ended June 30, 2017

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 561,940	\$ 561,207	\$ (733)
Intergovernmental:			
Replacement taxes	450	160	(290)
Grants	12,000	11,786	(214)
Development fees	3,000	5,604	2,604
	<u>15,450</u>	<u>17,550</u>	<u>2,100</u>
Fines	<u>10,000</u>	<u>10,172</u>	<u>172</u>
Charges for services	<u>6,000</u>	<u>6,338</u>	<u>338</u>
Interest income	<u>200</u>	<u>163</u>	<u>(37)</u>
Donations	<u>5,300</u>	<u>4,981</u>	<u>(319)</u>
Other revenue:			
Miscellaneous	<u>-</u>	<u>2,637</u>	<u>2,637</u>
	<u>-</u>	<u>2,637</u>	<u>2,637</u>
Total revenues	<u>598,890</u>	<u>603,048</u>	<u>4,158</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL, continued  
 GENERAL FUND  
 for the year ended June 30, 2017

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
<b>EXPENDITURES</b>			
Current:			
Culture and recreation:			
Personnel:			
Salaries	340,000	318,866	(21,134)
Employee benefits	20,000	9,730	(10,270)
Payroll taxes	10,000	9,748	(252)
Miscellaneous benefits	2,500	2,606	106
Professional development	5,000	1,651	(3,349)
	<u>377,500</u>	<u>342,601</u>	<u>(34,899)</u>
Library materials and programs:			
Adult	56,667	44,640	(12,027)
Teen	18,667	12,694	(5,973)
Youth	31,666	15,199	(16,467)
Newspapers and periodicals	2,200	2,926	726
Programs and supplies	21,500	8,900	(12,600)
Administration materials and supplies	10,000	3,930	(6,070)
	<u>140,700</u>	<u>88,289</u>	<u>(52,411)</u>
Contractual services:			
Consortium/bibliographic support	20,000	16,316	(3,684)
Equipment leasing and supplies	7,500	6,850	(650)
Consultants	10,000	1,957	(8,043)
Legal counsel	50,000	3,134	(46,866)
Accounting	5,000	3,730	(1,270)
Bank fee and merchant charges	1,000	249	(751)
	<u>93,500</u>	<u>32,236</u>	<u>(61,264)</u>
Building and grounds:			
Building/system maintenance and repair	17,000	9,852	(7,148)
Custodial/trash removal	16,000	13,107	(2,893)
Equipment maintenance and repair	15,000	4,582	(10,418)
Grounds and parking lot	10,000	4,007	(5,993)
Lawn care and snow removal	16,000	13,575	(2,425)
	<u>74,000</u>	<u>45,123</u>	<u>(28,877)</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL, continued  
 GENERAL FUND  
 for the year ended June 30, 2017

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
EXPENDITURES, continued			
Current, continued:			
Culture and recreation, continued:			
Liability insurance	7,500	2,947	(4,553)
Technology/automation			
Software, licenses and subscriptions	10,000	6,098	(3,902)
General operational			
Telecommunications	10,000	10,144	144
Utilities	40,000	38,833	(1,167)
Memberships and development	2,000	1,110	(890)
Public relations, marketing and information	8,000	7,204	(796)
Supplies	6,000	3,094	(2,906)
Postage	1,200	1,209	9
Other miscellaneous	11,000	1,759	(9,241)
	<u>78,200</u>	<u>63,353</u>	<u>(14,847)</u>
Contingency	10,000	-	(10,000)
	<u>791,400</u>	<u>580,647</u>	<u>(210,753)</u>
Capital outlay:			
Furniture and equipment	5,000	2,455	(2,545)
Server/LAN/infrastructure equipment	14,000	6,936	(7,064)
	<u>19,000</u>	<u>9,391</u>	<u>(9,609)</u>
Total expenditures	<u>810,400</u>	<u>590,038</u>	<u>(220,362)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (211,510)</u>	13,010	<u>\$ 224,520</u>
FUND BALANCE, BEGINNING OF YEAR		<u>79,515</u>	
FUND BALANCE, END OF YEAR		<u>\$ 92,525</u>	

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2017

---

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

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

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

1. In June, the Director prepares and submits for review to the Board, a proposed appropriated budget for the fiscal year. The budget includes proposed expenditures and the means of financing them. Annual budgets are prepared by fund and itemized by object and purpose. The legal level of budgetary control is at the fund level.
2. Within the first three months of the fiscal year the budget is adopted by the Board in the form of a combined annual budget and appropriations ordinance following a public hearing.
3. During the fiscal year, transfers made between line items within the same fund must be approved by the Board. Amendments to the budget may be made using the same procedures followed to adopt the original combined annual budget and appropriations ordinance.
4. Budgeted amounts presented in the financial statements are the final appropriated budget amounts as originally adopted by the Board on August 24, 2016.

**OTHER SUPPLEMENTARY INFORMATION**

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2017

	Special Revenue Funds			Capital Projects Fund	Totals
	Social Security	Insurance	Audit	Special Reserve	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 59,319	\$ 59,319
Receivables:					
Property taxes	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,319</u>	<u>\$ 59,319</u>
<b>LIABILITIES</b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property tax revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	-	-	-	59,319	59,319
<b>TOTAL LIABILITIES, DEFERRED INFLOWS     OF RESOURCES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,319</u>	<u>\$ 59,319</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 for the year ended June 30, 2017

	Special Revenue Funds			Capital Projects Fund	Total
	Social Security	Insurance	Audit	Special Reserve	
REVENUES					
Property taxes	\$ 16,040	\$ 7,077	\$ 6,608	\$ -	\$ 29,725
Interest income	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>16,040</u>	<u>7,077</u>	<u>6,608</u>	<u>-</u>	<u>29,725</u>
EXPENDITURES					
Current:					
Culture and recreation	<u>16,064</u>	<u>7,877</u>	<u>7,112</u>	<u>-</u>	<u>31,053</u>
Total expenditures	<u>16,064</u>	<u>7,877</u>	<u>7,112</u>	<u>-</u>	<u>31,053</u>
NET CHANGE IN FUND BALANCES	(24)	(800)	(504)	-	(1,328)
FUND BALANCES, BEGINNING OF YEAR	<u>24</u>	<u>800</u>	<u>504</u>	<u>59,319</u>	<u>60,647</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,319</u>	<u>\$ 59,319</u>

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SOCIAL SECURITY FUND**  
 for the year ended June 30, 2017

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 16,064	\$ 16,040	\$ (24)
Total revenues	<u>16,064</u>	<u>16,040</u>	<u>(24)</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Social Security contribution	<u>22,000</u>	<u>16,064</u>	<u>(5,936)</u>
Total expenditures	<u>22,000</u>	<u>16,064</u>	<u>(5,936)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (5,936)</u></u>	(24)	<u><u>\$ 5,912</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>24</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u><u>\$ -</u></u>	

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**INSURANCE FUND**  
 for the year ended June 30, 2017

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 7,086	\$ 7,077	\$ (9)
Total revenues	<u>7,086</u>	<u>7,077</u>	<u>(9)</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Liability insurance	<u>8,500</u>	<u>7,877</u>	<u>(623)</u>
Total expenditures	<u>8,500</u>	<u>7,877</u>	<u>(623)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,414)</u>	(800)	<u>\$ 614</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>800</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ -</u>	

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**AUDIT FUND**  
 for the year ended June 30, 2017

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 6,616	\$ 6,608	\$ (8)
Total revenues	<u>6,616</u>	<u>6,608</u>	<u>(8)</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Annual audit	<u>10,000</u>	<u>7,112</u>	<u>(2,888)</u>
Total expenditures	<u>10,000</u>	<u>7,112</u>	<u>(2,888)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (3,384)</u>	(504)	<u>\$ 2,880</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>504</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ -</u>	

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPECIAL RESERVE FUND**  
 for the year ended June 30, 2017

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

**SUGAR GROVE PUBLIC LIBRARY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
 for the year ended June 30, 2017

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 685,335	\$ 684,459	\$ (876)
Total revenues	<u>685,335</u>	<u>684,459</u>	<u>(876)</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal retirement	690,000	520,000	(170,000)
Interest and fiscal charges	-	159,030	159,030
Total expenditures	<u>690,000</u>	<u>679,030</u>	<u>(10,970)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (4,665)</u>	5,429	<u>\$ 10,094</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>43,298</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 48,727</u>	

## STATISTICAL SECTION

SUGAR GROVE PUBLIC LIBRARY DISTRICT  
 ASSESSED VALUATIONS, PROPERTY TAX RATES, EXTENSIONS,  
 AND COLLECTIONS  
 June 30, 2017

Tax Levy Year	2016		2015	
Assessed Valuation	\$447,728,669		\$423,327,002	
	Rate	Amount	Rate	Amount
Tax Extensions				
Corporate	0.128074	\$ 573,423	0.132739	\$ 561,919
Social Security	0.003383	15,147	0.003794	16,061
Audit	0.001394	6,241	0.001563	6,617
Liability Insurance	0.001369	6,130	0.001674	7,086
Bonds and interest	0.158574	709,981	0.161893	685,337
	0.292794	\$ 1,310,922	0.301663	\$ 1,277,020
Tax collections:				
year ended June 30, 2017		\$ 653,838		\$ 632,033
Previous years		-		643,358
		\$ 653,838		\$ 1,275,391
Percent collected		49.9%		99.9%

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

# SUGAR GROVE PUBLIC LIBRARY DISTRICT

## LEGAL DEBT MARGIN

June 30, 2017

---

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

Following is the District's legal debt margin:

Assessed valuation - 2016 tax year	\$ 447,728,669
Statutory debt limitation at 2.875% of assessed valuation	\$ 12,872,199
Less debt not excluded by statute	\$ -
Legal debt margin	\$ 12,872,199