

**WHITE OAK LIBRARY DISTRICT
ROMEOVILLE, ILLINOIS**

ANNUAL FINANCIAL REPORT

**For the Year Ended
June 30, 2015**

**WHITE OAK LIBRARY DISTRICT
TABLE OF CONTENTS**

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	1-3
Management's Discussion and Analysis	MD&A 1-6
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Governmental Funds	
Balance Sheet	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	9
Notes to Financial Statements	10-25
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	26-28
Schedule of Employer Contributions - Illinois Municipal Retirement Fund	29
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund	30
Notes to Required Supplementary Information	31
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
NON-MAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet - Special Revenue Funds	32
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds	33
SUPPLEMENTARY INFORMATION	
Tax Levy	34



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the White Oak Library District, (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the White Oak Library District, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Brian Zabel & Assoc."

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

Morris, Illinois
October 19, 2015

WHITE OAK LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

As management of the White Oak Library District (Library), we offer readers of the Library's statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Library exceeded its liabilities at June 30, 2015 by \$3,173,281 (net position). Of this amount, \$1,617,297 (unrestricted net position) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position increased by \$194,534.
- At June 30, 2015, the Library's governmental funds reported combined ending fund balances of \$3,495,102, an increase of \$537,238 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

WHITE OAK LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Library can be allocated into a single category: governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Special Reserve Building Fund, which are considered to be major funds.

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

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

The notes to the financial statements can be found on pages 10 through 25 of this report.

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

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

The budgetary comparison statement and related notes can be found on pages 26 through 31 of this report.

WHITE OAK LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by \$3,173,281 at June 30, 2015.

A large portion of the Library's net position (31%) reflects investment in capital assets (e.g., land, buildings, and vehicles and equipment); less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities	
	FY 2015	FY 2014
Current and Other Assets	\$ 6,216,068	\$ 5,262,414
Capital Assets	23,476,203	23,855,340
Total Assets	<u>29,692,271</u>	<u>29,117,754</u>
Deferred Outflows of Resources	135,712	84,612
Total Deferred Outflows of Resources	<u>135,712</u>	<u>84,612</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 29,827,983</u>	<u>\$ 29,202,366</u>
Current Liabilities	\$ 1,613,308	\$ 745,233
Noncurrent Liabilities	22,361,343	23,219,533
Total Liabilities	<u>23,974,651</u>	<u>23,964,766</u>
Deferred Inflows of Resources	2,680,051	2,258,853
Total Deferred Inflows of Resources	<u>2,680,051</u>	<u>2,258,853</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,654,702</u>	<u>26,223,619</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	994,982	895,163
Restricted	561,002	464,018
Unrestricted	1,617,297	1,619,566
Total Net Position	<u>\$ 3,173,281</u>	<u>\$ 2,978,747</u>

A significant portion of the Library's net position (47%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,617,297) may be used to meet the Library's ongoing obligations to citizens and creditors.

At June 30, 2015, the Library is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

WHITE OAK LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

The Library's net position increased by \$194,534 during the year ended June 30, 2015.

Governmental Activities - Governmental activities increased the Library's net position by \$194,534. The key elements of this increase are as follows:

White Oak Library District's Change in Net Position

	Governmental Activities	
	FY 2015	FY 2014
Revenues		
Program Revenues		
Charges for Services	\$ 113,208	\$ 95,960
Grants and Contributions	116,084	121,517
General Revenues		
Property Taxes	5,090,080	4,505,029
Replacement Taxes	260,304	290,309
Interest	4,328	8,763
Miscellaneous	49,053	42,336
Total Revenues	<u>5,633,057</u>	<u>5,063,914</u>
Expenses		
General Government	<u>5,438,523</u>	<u>5,679,652</u>
Total Expenses	<u>5,438,523</u>	<u>5,679,652</u>
Increase in Net Position	194,534	(615,738)
Prior Period Adjustment	-	(174,921)
Net Position-Beginning	2,978,747	3,769,406
Net Position-Ending	<u>\$ 3,173,281</u>	<u>\$ 2,978,747</u>

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

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

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

At June 30, 2015 the Library's governmental funds reported combined ending unrestricted fund balances of \$1,839,702.

The General Fund is the chief operating fund of the Library. At June 30, 2015, unrestricted fund balance of the General Fund was \$1,839,702. The fund balance of the General Fund decreased by \$23,477 during the year ended June 30, 2015.

WHITE OAK LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- The difference between the estimated revenues and the actual revenues was \$188,114 (unfavorable).
- The difference between the estimated expenditures and the actual expenditures was \$87,248 (favorable).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The Library's investment in capital assets for its governmental activities as of June 30, 2015 amount to \$23,476,203 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and furniture, fixtures, and equipment. The total decrease in the Library's investment in capital assets for the year ended June 30, 2015 was \$379,137 and was due to depreciation expense being higher than assets added.

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

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

	Governmental Activities	
	6/30/2015	6/30/2014
Land	\$ 1,583,550	\$ 1,583,550
Buildings	21,841,487	22,221,063
Equipment	51,166	50,727
Total	<u>\$ 23,476,203</u>	<u>\$ 23,855,340</u>

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

Long-Term Debt – At June 30, 2015, the Library had \$22,960,000 outstanding.

	<u>Beginning Balance</u>	<u>Debt Issued</u>	<u>Debt Payment</u>	<u>Ending Balance</u>
Bonds Payable	\$ 22,975,000	\$ -	\$ (15,000)	\$ 22,960,000

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

WHITE OAK LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The equalized assessed valuation (EAV) for the Library for 2015 is \$1,709,921,297. That represents a decrease in EAV of \$22,096,336 over the prior year's EAV.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Board of Trustees, White Oak Library District, 201 West Normantown Road, Romeoville, IL 60446.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

WHITE OAK LIBRARY DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

ASSETS

Cash and Investments	\$ 3,536,017
Grant Receivable	-
Property Taxes Receivable	2,680,051
Capital Assets (net of accumulated depreciation)	<u>23,476,203</u>
Total Assets	<u>29,692,271</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows, IMRF	<u>135,712</u>
Total Deferred Outflows of Resources	<u>135,712</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 29,827,983

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 40,915
Compensated Absences	66,774
Accrued Interest	615,619
Current Portion of Long-Term Debt	890,000
Noncurrent Liabilities	
Net Pension Liability	291,343
Bond Payable	<u>22,070,000</u>
Total Liabilities	<u>23,974,651</u>

DEFERRED INFLOWS OF RESOURCES

Unearned Property Taxes	<u>2,680,051</u>
Total Deferred Inflows of Resources	<u>2,680,051</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,654,702</u>

NET POSITION

Invested in Capital Assets	994,982
Restricted Net Position	561,002
Unrestricted Net Position	<u>1,617,297</u>
Total Net Position	<u>3,173,281</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

\$ 29,827,983

See accompanying notes to financial statements.

WHITE OAK LIBRARY DISTRICT

STATEMENT OF ACTIVITIES

June 30, 2015

	Program Revenues			Total
	Expenses	Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS				
Governmental Activities				
Cultural and Recreation	\$ 5,438,523	\$ 113,208	\$ 116,084	\$ (5,209,231)
 TOTAL PRIMARY GOVERNMENT	 5,438,523	 113,208	 116,084	 (5,209,231)
General Revenues				
Property Taxes				5,090,080
Intergovernmental Revenue				300,626
Interest on Investments				4,328
Miscellaneous				8,731
Total				5,403,765
CHANGE IN NET POSITION				194,534
NET POSITION, JULY 1 (RESTATED)				2,978,747
NET POSITION, JUNE 30				\$ 3,173,281

See accompanying notes to financial statements.

WHITE OAK LIBRARY DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS

June 30, 2015

	ASSETS				
	General	Bond and Interest Fund	Special Reserve Building	Non-Major Governmental Funds	Total Governmental Funds
Cash and Investments	\$ 1,880,617	\$ 1,094,398	\$ 391,235	\$ 169,767	\$ 3,536,017
Property Taxes Receivable	1,513,124	1,027,789	-	139,138	2,680,051
Grant Receivable	-	-	-	-	-
TOTAL ASSETS	\$ 3,393,741	\$ 2,122,187	\$ 391,235	\$ 308,905	\$ 6,216,068
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 40,915	\$ -	\$ -	\$ -	\$ 40,915
Total Liabilities	40,915	-	-	-	40,915
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	1,513,124	1,027,789	-	139,138	2,680,051
Total Deferred Inflows of Resources	1,513,124	1,027,789	-	139,138	2,680,051
Total Liabilities and Deferred Inflows of Resources	1,554,039	1,027,789	-	139,138	2,720,966
FUND BALANCES					
Restricted					
Debt Service	-	1,094,398	-	-	1,094,398
Building Construction	-	-	391,235	-	391,235
Special Revenue	-	-	-	169,767	169,767
Unrestricted					
Unassigned	1,839,702	-	-	-	1,839,702
Total Fund Balances	1,839,702	1,094,398	391,235	169,767	3,495,102
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,393,741	\$ 2,122,187	\$ 391,235	\$ 308,905	\$ 6,216,068

See accompanying notes to financial statements.

WHITE OAK LIBRARY DISTRICT

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

June 30, 2015

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 3,495,102
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	23,476,203
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds governmental funds	(22,960,000)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	(291,343)
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the governmental funds	135,712
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds	(66,774)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	<u>(615,619)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,173,281</u>

See accompanying notes to financial statements.

WHITE OAK LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General	Bond and Interest Fund	Special Reserve Building	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 3,093,151	\$ 1,704,652	\$ -	\$ 292,277	\$ 5,090,080
Replacement taxes	260,304	-	-	-	260,304
Illinois per capita grant	97,366	-	-	-	97,366
Miscellaneous grant	2,000	-	-	-	2,000
TIF distributions	40,322	-	-	-	40,322
State grant	-	-	-	-	-
Sale of library materials	640	-	-	-	640
Library fees, lost items, and services	8,889	-	-	-	8,889
Fines	77,234	-	-	-	77,234
Donations	16,718	-	-	-	16,718
Developer fees	3,900	-	-	-	3,900
Computer income	27,085	-	-	-	27,085
Refunds and reimbursements	4,191	-	-	-	4,191
Interest	2,586	817	751	174	4,328
Total Revenues	3,634,386	1,705,469	751	292,451	5,633,057
EXPENDITURES					
Personnel	2,381,508	-	-	344,810	2,726,318
Operating and contractual services	358,052	-	-	90,755	448,807
Materials and supplies	516,543	-	-	-	516,543
Debt service	-	1,246,688	-	-	1,246,688
Capital expenditures and reserves	16,468	-	140,995	-	157,463
Total Expenditures	3,272,571	1,246,688	140,995	435,565	5,095,819
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	361,815	458,781	(140,244)	(143,114)	537,238
OTHER FINANCING SOURCES (USES)					
Net proceeds from bonds	-	-	-	-	-
Transfers in	-	4,950	272,985	107,357	385,292
Transfers (out)	(385,292)	-	-	-	(385,292)
Total other financing sources (uses)	(385,292)	4,950	272,985	107,357	-
NET CHANGE IN FUND BALANCES	(23,477)	463,731	132,741	(35,757)	537,238
FUND BALANCES, JULY 1	1,863,179	630,667	258,494	205,524	2,957,864
FUND BALANCES, JUNE 30	\$ 1,839,702	\$ 1,094,398	\$ 391,235	\$ 169,767	\$ 3,495,102

See accompanying notes to financial statements.

WHITE OAK LIBRARY DISTRICT

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

For the Year Ended June 30, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 537,238
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities	103,759
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	15,000
Accrual of interest is reported as interest expense on the statement of activities	225
The decrease in the compensated absences liability is an expense on the statement of activities	1,918
The change in the net pension liability is reported as an expense on the statement of activities	(31,810)
The change in the deferred outflow is reported as an expense on the statement of activities	51,100
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(482,896)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 194,534</u>

See accompanying notes to financial statements.

WHITE OAK LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

a. Reporting Entity

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

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

b. Fund Accounting

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

WHITE OAK LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

c. Government-Wide and Fund Financial Statements

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

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

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

The Library reports the following major governmental funds:

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

WHITE OAK LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

WHITE OAK LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

e. Restricted Cash

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

f. Prepaid Item/Expenses

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

g. Capital Assets

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

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

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

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

WHITE OAK LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

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

h. Compensated Absences

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

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

i. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

WHITE OAK LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Deferred Outflows/Inflows of Resources

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

k. Fund Balances/Net Position

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

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

WHITE OAK LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balances/Net Position (Continued)

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

l. Interfund Transactions

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

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

m. Accounting Estimates

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

2. DEPOSITS AND INVESTMENTS

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

WHITE OAK LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

2. DEPOSITS AND INVESTMENTS (Continued)

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

a. Deposits

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

b. Investments

At June 30, 2015, the Library had invested \$2,414, which is the fair value, in Illinois Funds. These investments are liquid with no maturity date.

GASB 40 – Operating Funds

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

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

3. RECEIVABLE – TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2015 and are payable in two installments, on or about June 1, 2015 and September 1, 2015. The County collects such taxes and remits them periodically.

WHITE OAK LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	1,583,550	-	-	1,583,550
Capital assets being depreciated				
Building	23,671,462	95,769	-	23,767,231
Equipment	913,973	7,990	-	921,963
Total capital assets being depreciated	<u>24,585,435</u>	<u>103,759</u>	<u>-</u>	<u>24,689,194</u>
Less accumulated depreciation for				
Building	\$ 1,450,399	\$ 475,345	\$ -	\$ 1,925,744
Equipment	863,246	7,551	-	870,797
Total accumulated depreciation	<u>2,313,645</u>	<u>482,896</u>	<u>-</u>	<u>2,796,541</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$23,855,340</u>	<u>\$ (379,137)</u>	<u>\$ -</u>	<u>\$23,476,203</u>

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

GOVERNMENTAL ACTIVITIES	
Culture and Recreation	<u>\$ 482,896</u>

5. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

6. SPECIAL RESERVE FUNDS

By Board action the Working Cash Fund was abolished and the monies were transferred into the newly created "Special Reserve Building Fund." The fund will be used for the construction and improvements to the facilities at Lockport and Crest Hill. The fund balance at June 30, 2015 was \$391,235.

WHITE OAK LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

7. STATE BUILDING GRANT FUND

During the fiscal year ended June 30, 1999, the District was awarded State Building Grants totaling \$85,000. The Lockport facility grant amounted to \$50,000, with local matching funds of \$50,000, for improvements for accessibility for the disabled, which must constitute 70% of the total contract. The Crest Hill grant is a "Mini Grant" of \$35,000 to remodel or refurbish the library. This grant does not require matching funds from the local agency. Both grants require an independent audit upon final completion of the projects. The fund balance as of June 30, 2015 was \$1,000.

8. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the year ended June 30, 2015:

	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
GOVERNMENTAL ACTIVITIES					
Bond Payable	\$ 22,975,000	\$ -	\$ 15,000	\$ 22,960,000	\$ 890,000
Compensated Absences	68,692	66,774	68,692	66,774	66,774
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 23,043,692</u>	<u>\$ 66,774</u>	<u>\$ 83,692</u>	<u>\$ 23,026,774</u>	<u>\$ 956,774</u>

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	G.O. Bonds Series 2010	
	Principal	Interest
2016	890,000	1,231,237
2017	960,000	1,184,513
2018	1,040,000	1,134,112
2019	1,115,000	1,079,513
2020	1,200,000	1,020,975
2021	1,290,000	957,975
2022-2030	<u>16,465,000</u>	<u>4,884,550</u>
	<u>\$ 22,960,000</u>	<u>\$ 11,492,875</u>

WHITE OAK LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

9. INDIVIDUAL FUND DISCLOSURES

Transfers between funds during the year were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 385,292
IMRF Fund	97,882	-
Social Security Fund	73,100	-
Audit Fund	-	-
Insurance Fund	28,450	-
Construction and Building Maintenance Fund	-	92,075
Bond and Interest Fund	4,950	-
Special Reserve Fund	272,985	-
TOTAL ALL FUNDS	<u>\$ 477,367</u>	<u>\$ 477,367</u>

10. DEFINED BENEFIT PENSION PLAN

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

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

WHITE OAK LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund

Plan Membership

At December 31, 2014, IMRF membership consisted of:

Retirees and beneficiaries	26
Inactive, non-retired members	64
Active plan members	57
TOTAL	<u>147</u>

Benefits Provided

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

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

Contributions

The District employees participating in IMRF are required to contribute 4.5% of their annual eligible covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2014 was 10.25% of payroll. The District's contribution requirements are established and may be amended by the IMRF Board of Trustees.

WHITE OAK LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial cost method	Aggregate Entry Age Normal
Assumptions	
Inflation	3.00%
Salary increases	4.40% to 16.00%
Investment rate of return	7.50%
Cost of living adjustments	4.00%
Asset valuation method	5-year smoothed market

Net Pension

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives.

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

WHITE OAK LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that The District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2014	\$ 4,550,421	\$ 4,290,888	\$ 259,533
Changes for the period			
Service cost	209,584	-	209,584
Interest	345,167	-	345,167
Difference between expected and actual experience	(159,646)	-	(159,646)
Changes in assumptions	165,248	-	165,248
Employer contributions	-	175,675	(175,675)
Employee contributions	-	82,091	(82,091)
Net investment income	-	266,374	(266,374)
Benefit payments and refunds	(105,973)	(105,973)	-
Other	-	4,403	(4,403)
Net changes	454,380	422,570	31,810
Balances at June 30, 2015	\$ 5,004,801	\$ 4,713,458	\$ 291,343

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

WHITE OAK LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

June 30, 2015

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2015 The District recognized pension expense of \$154,088. At June 30, 2015, The District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 124,179
Changes in assumption	128,536	-
Net difference between projected and actual earnings on pension plan investments	49,040	-
Contributions after measurement date	82,315	-
TOTAL	<u>\$ 259,891</u>	<u>\$ 124,179</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2015	\$ 13,505
2016	13,505
2017	13,505
2018	13,505
2019	13,505
Thereafter	68,187
TOTAL	<u>\$ 135,712</u>

WHITE OAK LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of The District calculated using the discount rate of 7.50% as well as what The District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

		1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$	1,070,241	\$ 291,343	\$ (335,753)

11. PRIOR PERIOD ADJUSTMENT

During the fiscal year, the District recorded a prior period adjustment to recognize the effect of recording the Net Pension Liability resulting from its participation in IMRF for its employees' pension as well as the contributions made between the measurement date used for IMRF of December 31, 2013 and the date of its financial statements in the prior year of June 30, 2014.

IMRF Net Pension Liability Prior Period	\$ (259,533)
Deferred outflow for contributions made between December 31, 2013 and June 30, 2014	<u>84,612</u>
TOTAL PRIOR PERIOD ADJUSTMENT	<u>\$ (174,921)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

For the Year Ended June 30, 2015

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 3,325,000	\$ 3,093,151
Replacement taxes	225,000	260,304
Illinois per capita grant	80,000	97,366
Miscellaneous grant	100,000	2,000
TIF distributions)	40,322
Sale of library materials	-	640
Library fees, lost items, and services	10,000	8,889
Fines	60,000	77,234
Donations	-	16,718
Developer fees	2,000	3,900
Computer income	17,500	27,085
Refunds and reimbursements	-	4,191
Interest	3,000	2,586
Total Revenues	<u>3,822,500</u>	<u>3,634,386</u>
EXPENDITURES		
Personnel services		
Salaries and wages	2,142,538	2,129,176
Staff insurance	232,045	232,041
Continuing education	12,060	11,997
Personnel expenses	8,297	8,294
Personnel contingencies	-	-
Total personnel services	<u>2,394,940</u>	<u>2,381,508</u>
Contractual services		
Advertising and public relations	27,170	27,169
Bookkeeping	1,105	1,103
Dues and membership	4,600	4,030
Consultant fees	-	-
Electricity and gas	146,155	146,060
Water	7,500	7,486
Fire and security	14,855	14,835
Telephone	9,516	9,516
Computer communication	38,609	38,608
Maintenance - equipment	5,440	4,717
Maintenance - computer equipment	21,562	21,560
Postage and miscellaneous	11,058	11,056

(See independent auditor's report.)

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

For the Year Ended June 30, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>
EXPENDITURES (Continued)		
Contractual services (Continued)		
Programming - adult	21,900	18,284
Programming - juvenile	26,335	21,849
Legal services	3,575	3,575
Travel and meeting	11,354	11,353
Miscellaneous	57,416	16,851
Total contractual services	<u>408,150</u>	<u>358,052</u>
Materials and supplies		
Library and office supplies	40,164	35,098
Computer supplies	17,518	17,517
Computer software	48,350	47,658
Maintenance supplies	10,911	10,910
Copy machine supplies	-	-
Periodicals and newspapers	20,817	20,813
Films, videos, and DVD's	46,500	44,191
CD/ROM	6,000	5,343
Audiobooks/E-books	48,395	47,870
Books	242,860	231,340
Online resources	48,730	45,848
Miscellaneous	10,000	9,955
Total materials and supplies	<u>540,245</u>	<u>516,543</u>
Capital expenditures and reserves		
Library and office equipment	2,680	2,677
Computer equipment	10,752	10,739
Capital outlay and improvements	-	-
Tax reimbursements to FPLD	-	-
Contingency	3,052	3,052
Total capital expenditures and reserves	<u>16,484</u>	<u>16,468</u>
Total Expenditures	<u>3,359,819</u>	<u>3,272,571</u>

(See independent auditor's report.)

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

For the Year Ended June 30, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	462,681	361,815
OTHER FINANCING SOURCES (USES)		
Transfers	<u>-</u>	<u>(385,292)</u>
NET CHANGE IN FUND BALANCE	<u>462,681</u>	<u>(23,477)</u>
FUND BALANCE, JULY 1		<u>1,863,179</u>
FUND BALANCE, JUNE 30		<u>\$ 1,839,702</u>

(See independent auditor's report.)

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

December 31, 2014*

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

Notes to Required Supplementary Information

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

*IMRF's measurement date is December 31, 2014; therefore information above is presented for the calendar year ended December 31, 2014.

WHITE OAK LIBRARY DISTRICT

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

December 31, 2014*

	2014
TOTAL PENSION LIABILITY	
Service cost	\$ 209,584
Interest	345,167
Changes of benefit terms	-
Differences between expected and actual experience	(159,646)
Changes of assumptions	165,248
Benefit payments, including refunds of member contributions	(105,973)
Net change in total pension liability	454,380
TOTAL PENSION LIABILITY - BEGINNING	4,550,421
TOTAL PENSION LIABILITY - ENDING	\$ 5,004,801
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 175,675
Contributions - member	82,091
Net investment income	266,374
Benefit payments, including refunds of member contributions	(105,973)
Other	4,403
Net change in plan fiduciary net position	422,570
PLAN FIDUCIARY NET POSITION - BEGINNING	4,290,888
PLAN FIDUCIARY NET POSITION - ENDING	\$ 4,713,458
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 291,343
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.18%
Covered-employee payroll	\$ 1,829,666
Employer's net pension liability as a percentage of covered-employee payroll	15.92%

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

*IMRF's measurement date is December 31, 2014; therefore information above is presented for the calendar year ended December 31, 2014.

(See independent auditor's report.)

WHITE OAK LIBRARY DISTRICT

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2015

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

1. The District prepares and submits to the Board a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them. Annual budgets are adopted for the General Fund on a basis consistent with GAAP. The legal level of budgetary control is at the fund level.
2. The proposed operating budget is adopted by the Board at a public meeting.
3. Any amendments to the budget must be adopted by the Board at a public meeting.
4. Budgeted amounts presented in the financial statements are those as originally adopted by the Board. There were no amendments to the budget for the year ended June 30, 2015.

NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2015

(See independent auditor's report.)

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

For the Year Ended June 30, 2015

	Special Revenues						Totals
	IMRF Fund	Social Security Fund	Audit Fund	Insurance Fund	Construction and Building and Maintenance	State Grant Fund	
REVENUES							
Property Taxes	\$ 94,418	\$ 83,837	\$ 1,730	\$ 26,793	\$ 85,499	\$ -	\$ 292,277
Developer fees	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Interest	28	37	51	12	46	-	174
Total Revenues	94,446	83,874	1,781	26,805	85,545	-	292,451
EXPENDITURES							
Personnel							
IMRF	184,687	-	-	-	-	-	184,687
Social Security	-	160,123	-	-	-	-	160,123
Contractual Services							
Audit and bookkeeping fees	-	-	4,275	-	-	-	4,275
Maintenance - building and grounds	-	-	-	-	29,921	-	29,921
Liability insurance	-	-	-	56,559	-	-	56,559
Capital Expenditures and Reserves							
Capital outlay and improvements	-	-	-	-	-	-	-
State grant outlay	-	-	-	-	-	-	-
Total Expenditures	184,687	160,123	4,275	56,559	29,921	-	435,565
NET CHANGES IN FUND BALANCES	(90,241)	(76,249)	(2,494)	(29,754)	55,624	-	(143,114)
Other financing sources (uses):							
Transfers from (to) general fund	97,882	73,100	-	28,450	(92,075)	-	107,357
FUND BALANCES, JULY 1	44,389	44,597	23,984	14,537	77,017	1,000	205,524
FUND BALANCES, JUNE 30	\$ 52,030	\$ 41,448	\$ 21,490	\$ 13,233	\$ 40,566	\$ 1,000	\$ 169,767

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

WHITE OAK LIBRARY DISTRICT

Property Tax Assessed Valuations, Rates, Extensions, and Collections June 30, 2015

Tax Levy Year	<u>2014</u>		<u>2013</u>	
Assessed Valuation	<u>Will County 1,709,921,297</u>		<u>Will County 1,732,017,633</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
Tax Extensions				
Corporate	0.1827	\$ 3,124,026	0.1748	\$ 3,027,567
Liability Insurance	0.0015	25,649	0.0016	27,712
IMRF	0.0059	100,885	0.0050	86,601
Social Security	0.0047	80,366	0.0050	86,601
Audit	0.0001	1,710	0.0001	1,732
Maintenance	0.0046	78,657	0.0053	91,797
Bond and Interest	0.1241	2,122,012	0.0720	1,247,053
	<u>0.3236</u>	<u>5,533,305</u>	<u>0.2638</u>	<u>4,569,063</u>
Total Will Extension		<u>\$ 5,533,305</u>		<u>\$ 4,569,063</u>
Tax collections:				
year ended June 30, 2015		\$ 2,853,254		\$ 2,236,826
Previous years		<u>-</u>		<u>2,310,310</u>
		<u>\$ 2,853,254</u>		<u>\$ 4,547,136</u>
Percent collected		<u>51.6%</u>		<u>99.5%</u>

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

(See independent auditors' report.)