

**BARRINGTON PUBLIC
LIBRARY DISTRICT**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017



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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Barrington Public Library
Barrington, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barrington Public Library District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1C; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Barrington Public Library District, as of June 30, 2017, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1C.

Basis of Accounting

We draw attention to Note 1C of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Barrington Public Library District's basic financial statements. The Management's Discussion and Analysis, Supplementary Information and Other Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, aforementioned information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Management's Discussion and Analysis and Other Information, which are the responsibility of management, have 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 them.

McClure, Inseena & Co., Chtd.

October 9, 2017

BARRINGTON PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Management of the Barrington Public Library District (District) provides this narrative overview and analysis for the fiscal year ending June 30, 2017. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the District's financial statements which are prepared using the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. The statements presented include Governmental Funds Balance Sheet and Statement of Net Position - Modified Cash Basis, Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities - Modified Cash Basis, and notes to the financial statements. The District qualifies as a special-purpose government engaged in only one governmental type activity allowing it to combine the fund and government-wide financial statements. This is done through the use of an adjustment column, on the face of the statements, which reconciles the fund based accounting policies to the government-wide statements.

Financial Highlights

The District's total net position as of June 30, 2017 and 2016 was \$20,183,422 and \$19,212,979 respectively. For the years ended June 30, 2017 and 2016, net position increased \$970,443 and \$880,475 respectively, as revenues exceeded expenses. The term "net position" represents the difference between total assets and total liabilities.

Required Financial Statements

The financial statements of the District are intended to provide the reader with an understanding of the financial position of the District as of the close of the fiscal year and the results of activities for the year then ended. The fund financial statements focus on current financial resources while government-wide financial statements are similar to a private-sector business.

The Governmental Funds Balance Sheet and Statement of Net Position – Modified Cash Basis provides information on the District's assets and liabilities. The difference between these two represents governmental fund balances for the current financial resources reporting and net position for the government-wide reporting. Increases in fund balances and net position occur when revenues exceed expenses. Information is presented for each major fund or group of funds and shows any restrictions on the fund or net position.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities – Modified Cash Basis reflects the results of the District's revenues, expenditures and activities during the year and the corresponding effect on fund and net asset balances. This statement shows the source of District revenues and how those revenues were used to provide Library services.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$20,183,422 at the close of the fiscal year. A large portion of the District's net position reflects its investment in capital assets. The District uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending.

Condensed Statement of Net Position - Modified Cash Basis

	June 30,	
	2017	2016
Current Assets	\$ 6,845,030	\$ 5,870,606
Capital Assets, net of accumulated depreciation	13,838,392	14,342,373
Total Assets	<u>20,683,422</u>	<u>20,212,979</u>
Non-Current Liabilities	<u>500,000</u>	<u>1,000,000</u>
Total Liabilities	<u>500,000</u>	<u>1,000,000</u>
Net Position		
Net Investment in Capital Assets	13,338,392	13,342,373
Restricted	1,858,488	1,818,234
Unrestricted	<u>4,986,542</u>	<u>4,052,372</u>
Total Net Position	<u>\$ 20,183,422</u>	<u>\$ 19,212,979</u>

Condensed Statement of Changes in Net Position - Modified Cash Basis

	For Years Ended June 30,	
	2017	2016
Revenues		
Property and Replacement Taxes	\$ 7,087,199	\$ 7,064,895
Interest Income	10,544	5,074
Fines, Fees and Other	212,099	166,104
Grants	-	34,038
Donations	<u>980</u>	<u>915</u>
Total Revenues	<u>7,310,822</u>	<u>7,271,026</u>
Expenses		
Personnel	3,047,153	2,955,520
Library Materials and Services	504,032	441,283
Administration and Operations	261,343	280,747
Professional Fees and Services	56,513	99,264
Capital Expenditures	225,320	442,171
FICA and IMRF	519,974	516,859
Maintenance and Repairs	457,859	409,554
Other	55,132	44,494
Depreciation	1,178,604	1,185,908
Loss on Disposal of Assets	<u>34,449</u>	<u>14,751</u>
Total Expenses	<u>6,340,379</u>	<u>6,390,551</u>
Change in Net Position	970,443	880,475
Net Position, Beginning of Year	<u>19,212,979</u>	<u>18,332,504</u>
Net Position, End of Year	<u>\$ 20,183,422</u>	<u>\$ 19,212,979</u>

The following is a summary of changes in fund balances for the year ended June 30, 2017:

Governmental Funds	Fund Balance June 30, 2016	Increase (Decrease)	Fund Balance June 30, 2017
General	\$ 3,805,267	\$ 876,052	\$ 4,681,319
Special Reserve	450,000	-	450,000
Working Cash	541,237	-	541,237
Social Security and IMRF	607,250	57,218	664,468
Audit	43,728	(12,140)	31,588
Liability Insurance	25,933	(11,147)	14,786
Building Maintenance	329,887	80,799	410,686
Unemployment and Workmen's Compensation	67,304	(16,358)	50,946
	<u>\$ 5,870,606</u>	<u>\$ 974,424</u>	<u>\$ 6,845,030</u>

The District is intentionally spending down certain special revenue fund balances.

Budgetary Highlights and Debt Administration

The District's General Fund expended \$5,314,227 which was \$4,561,379 less than the appropriation of \$9,875,606. The appropriation sets the maximum spending limits for the fiscal year.

Capital Assets

The following is a summary of capital assets as of June 30:

	2017	2016
Land	\$ 1,219,377	\$ 1,219,377
Land Improvements	359,005	331,959
Building	15,869,598	15,873,204
Furniture, Fixtures and Equipment	2,815,584	2,654,710
Books and Library Materials	2,935,013	2,874,962
Cost of Capital Assets	23,198,577	22,954,212
Less Accumulated Depreciation	9,360,185	8,611,839
Net Capital Assets	<u>\$ 13,838,392</u>	<u>\$ 14,342,373</u>

Significant capital asset additions during the year include locker systems, equipment, and library materials. Debt certificates of \$500,000 were retired during the year ended June 30, 2017. Additional information regarding the District's capital assets can be found in Note 4 on page 12 and the District's debt in Note 5 on page 13.

Description of Current or Expected Conditions

Other than an extensive parking lot renovation in the coming fiscal year, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Executive Director, Barrington Public Library District, 505 N. Northwest Highway, Barrington, Illinois 60010.

BASIC FINANCIAL STATEMENTS

BARRINGTON PUBLIC LIBRARY DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET AND
STATEMENT OF NET POSITION -
MODIFIED CASH BASIS

JUNE 30, 2017

	GENERAL FUND	SOCIAL SECURITY AND IMRF FUND	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 11)	STATEMENT OF NET POSITION
ASSETS						
Cash and Investments	\$ 4,681,319	\$ 664,468	\$ 1,499,243	\$ 6,845,030	\$ -	\$ 6,845,030
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	13,838,392	13,838,392
Total Assets	<u>\$ 4,681,319</u>	<u>\$ 664,468</u>	<u>\$ 1,499,243</u>	<u>\$ 6,845,030</u>	<u>13,838,392</u>	<u>20,683,422</u>
LIABILITIES						
Long-Term Liabilities						
Due within one year	\$ -	\$ -	\$ -	\$ -	500,000	500,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
FUND BALANCES / NET POSITION						
Fund Balances						
Restricted by Donors	144,777	-	-	144,777	(144,777)	-
Restricted for Statutory Purposes	-	664,468	1,049,243	1,713,711	(1,713,711)	-
Committed for Capital Projects	-	-	450,000	450,000	(450,000)	-
Assigned for Library Materials	96,991	-	-	96,991	(96,991)	-
Assigned to Next Year	2,915,097	-	-	2,915,097	(2,915,097)	-
Unassigned	1,524,454	-	-	1,524,454	(1,524,454)	-
Total Fund Balances	<u>4,681,319</u>	<u>664,468</u>	<u>1,499,243</u>	<u>6,845,030</u>	<u>(6,845,030)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 4,681,319</u>	<u>\$ 664,468</u>	<u>\$ 1,499,243</u>	<u>\$ 6,845,030</u>		
Net Position						
Net Investment in Capital Assets					13,338,392	13,338,392
Restricted					1,858,488	1,858,488
Unrestricted					4,986,542	4,986,542
Total Net Position					<u>\$ 20,183,422</u>	<u>\$ 20,183,422</u>

The accompanying notes are an integral part of these financial statements.

BARRINGTON PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2017

	GENERAL FUND	SOCIAL SECURITY AND IMRF FUND	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 11)	STATEMENT OF ACTIVITIES
REVENUES						
Property Taxes	\$ 5,916,996	\$ 576,584	\$ 542,993	\$ 7,036,573	\$ -	\$ 7,036,573
State Replacement Taxes	50,626	-	-	50,626	-	50,626
Interest Income	9,578	608	358	10,544	-	10,544
Fines, Fees and Other	212,099	-	-	212,099	-	212,099
Donations	980	-	-	980	-	980
Total Revenues	6,190,279	577,192	543,351	7,310,822	-	7,310,822
EXPENDITURES / EXPENSES						
Personnel	3,047,153	-	-	3,047,153	-	3,047,153
Library Materials and Services	954,785	-	-	954,785	(450,753)	504,032
Administration and Operations	123,459	-	137,884	261,343	-	261,343
Professional Fees and Services	55,963	-	550	56,513	-	56,513
Capital Expenditures	483,639	-	-	483,639	(258,319)	225,320
FICA and IMRF	-	519,974	-	519,974	-	519,974
Audit	-	-	12,140	12,140	-	12,140
Liability Insurance	-	-	16,634	16,634	-	16,634
Maintenance and Repairs	139,228	-	318,631	457,859	-	457,859
Unemployment and Workmen's Compensation	-	-	16,358	16,358	-	16,358
Principal and Interest Expense	510,000	-	-	510,000	(500,000)	10,000
Depreciation	-	-	-	-	1,178,604	1,178,604
Loss on Disposal of Assets	-	-	-	-	34,449	34,449
Total Expenditures / Expenses	5,314,227	519,974	502,197	6,336,398	3,981	6,340,379
Excess (Deficiency) of Revenues Over (Under) Expenditures	876,052	57,218	41,154	974,424	(974,424)	-
Change in Net Position	-	-	-	-	970,443	970,443
FUND BALANCES / NET POSITION						
Beginning of Year	3,805,267	607,250	1,458,089	5,870,606	13,342,373	19,212,979
End of Year	<u>\$ 4,681,319</u>	<u>\$ 664,468</u>	<u>\$ 1,499,243</u>	<u>\$ 6,845,030</u>	<u>\$ 13,338,392</u>	<u>\$ 20,183,422</u>

The accompanying notes are an integral part of these financial statements.

BARRINGTON PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Barrington Public Library District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units (except for the basis of accounting as described in Note 1C). 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.

A. Reporting Entity

The District's reporting entity includes all entities for which the District exercised oversight responsibility as defined by the GASB.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the District has not included in its financial statements the activities of any other entity.

B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them.

The Governmental Funds Balance Sheet and Statement of Net Position-Modified Cash Basis and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, and Statement of Activities-Modified Cash Basis combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the General and the Social Security/IMRF fund. Following is a description of major and non-major funds.

General Fund Type - 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 Revenue Fund Type - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

restricted to expenditures for specified purposes. The special revenue funds of the District are: Social Security and IMRF, Audit, Liability Insurance, Building Maintenance, Unemployment and Workmen's Compensation Insurance and Working Cash.

Capital Projects Fund Type - The Capital Projects Funds are used to account for the acquisitions of capital assets. The Capital Project Fund of the District is the Special Reserve Fund.

C. Basis of Accounting

The government-wide statements (the Statement of Net Position-Modified Cash Basis and the Statement of Activities-Modified Cash Basis) are prepared using the economic resources measurement focus and the fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the current financial measurement focus.

These financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, whereby certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures and the related liabilities are recognized when paid rather than when the obligations are incurred, except for some checks dated in June, which were issued in July in the amount of \$62,132. These checks were recognized as cash disbursements in June. Checks for June are approved at the July Board meeting (the second Monday) because these invoices require Board approval before they are released.

D. Budgets

Budgets are adopted on a modified cash basis. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

E. Cash and Investments

Cash includes amounts in demand and time deposits and certificates of deposit. Investments include money market mutual funds, negotiable certificates of deposit, U.S. Treasury securities and U.S. Government Agency securities.

Illinois Revised Statutes authorize the District to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426.

Investments are carried at cost, which approximates fair market value. The District plans to hold the investments to maturity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land Improvements	15-40 years
Building	20-40 years
Furniture, Fixtures and Equipment	5-20 years
Vehicle	8 years
Books and Library Materials	5-7 years

The minimum capitalization threshold is any item with a total cost greater than \$2,500.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. Fund Equity

The Library follows GASB statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body or by an official or body to which the governing body delegates the authority;

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board of trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as Special Reserve Fund expenditures). An assigned fund balance is established by the board of trustees through adoption or amendment of the budget as intended for specific purpose (but is neither restricted nor committed).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District’s policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits. At year-end, the carrying amount of the District's deposits, excluding petty cash of \$850, was \$5,839,881 and the bank balance was \$5,949,560. Of the bank balance, \$523,048 was covered by federal depository insurance and \$5,426,512 was collateralized with securities held by the pledging financial institution’s trust department or agent in the District’s name.

Included in deposits is a certificate of deposit (CD) with a maturity of twelve months and a balance of \$249,233 as of June 30, 2017. It bears an interest rate of .25%. The CD is held in the MaxSafe program administered by Barrington Bank and is invested in one of the 15 banks in the Wintrust Financial Corporation.

Investments. At year-end, the District’s investment balances were as follows:

INVESTMENT	WEIGHTED AVERAGE MATURITY (IN YEARS)	WEIGHTED AVERAGE RATE	COST	FAIR VALUE
Charles Schwab Deposit Account	N/A	N/A	\$ 22,729	\$ 22,729
U.S. Treasury Securities	1.78	1.30%	175,063	174,887
U.S. Government Agency Securities	1.27	1.27%	483,873	482,568
Negotiable Certificates	1.25	1.66%	322,634	320,488
			<u>\$ 1,004,299</u>	<u>\$ 1,000,672</u>

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Negotiable Certificates. The District has investments in negotiable certificates of deposit at various banks. Each certificate is a marketable security that can be actively traded. The District has the ability and intent to hold each certificate to maturity. Each certificate is fully covered by federal depository insurance.

NOTE 3 – PROPERTY TAX REVENUE RECOGNITION

Property taxes for 2016 are attached as an enforceable lien on January 1, 2016. They were levied in September and November 2016 by passage of Tax Levy Ordinances. Tax bills are prepared by the Counties and are issued and payable in two installments, in the spring and fall. The Counties collect such taxes and remit them periodically during the period of March through November. Property tax revenues are recognized on the cash basis and consist of tax receipts from the 2015 and 2016 tax levies.

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in the capital assets during the fiscal year:

	Balance June 30, 2016	Increases	(Decreases)	Balance June 30, 2017
Capital assets, not being depreciated				
Land	\$ 1,219,377	\$ -	\$ -	\$ 1,219,377
Capital assets, being depreciated				
Land Improvement	331,959	89,297	(62,251)	359,005
Building	15,873,204	2,583	(6,189)	15,869,598
Furniture, Fixtures and Equipment	2,654,710	166,439	(5,565)	2,815,584
Books and Library Materials	2,874,962	450,753	(390,702)	2,935,013
Total capital assets being depreciated	21,734,835	709,072	(464,707)	21,979,200
Less accumulated depreciation for				
Land Improvement	272,044	5,185	(36,572)	240,657
Building and Improvements	6,044,981	390,953	(619)	6,435,315
Furniture, Fixtures and Equipment	888,480	225,816	(2,365)	1,111,931
Books and Library Materials	1,406,334	556,650	(390,702)	1,572,282
Total accumulated depreciation	8,611,839	1,178,604	(430,258)	9,360,185
Total capital assets being depreciated, net	13,122,996	(469,532)	(34,449)	12,619,015
Capital assets, net	\$ 14,342,373	\$ (469,532)	\$ (34,449)	\$ 13,838,392

NOTE 5 – LONG-TERM DEBT

The District secured four-\$500,000 debt certificates totaling \$2,000,000, from a bank, dated June 27, 2013. The certificates were obtained to provide funding for the building renovation project. The terms are as follows:

	BALANCE JULY 1, 2016	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2017	AMOUNTS DUE IN ONE YEAR
\$500,000 Debt Certificate maturing December 1, 2016 with an interest rate of 1.20%	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -
\$500,000 Debt Certificate maturing December 1, 2017 with an interest rate of 1.40%	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ 500,000
	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Annual debt service requirements to maturity are as follows:

Year Ended June 30,	Debt Certificates	
	Principal	Interest
2018	\$ 500,000	\$ 3,500

Interest expense for the year ended June 30, 2017 was \$10,000.

NOTE 6 – DEFINED BENEFIT PENSION PLAN

Plan Description: The District’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the District’s Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2016 was 12.99%. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost: For fiscal year ended June 30, 2017, the District’s required and actual contributions for pension cost for the Regular plan were \$310,459.

NOTE 6 – DEFINED BENEFIT PENSION PLAN (Continued)

If the District's financial statements were presented on the accrual basis of accounting, the financial statements and footnotes would include additional information including:

- a) Actuarial assumptions
- b) Net pension obligation
- c) Deferred outflows and deferred inflows

Since the District presents its financial statements on the modified cash basis of accounting, this information is not included in the financial statements nor disclosed in the footnotes.

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS

The District is required to offer employees, who are IMRF vested, continued health insurance participation upon termination of employment. The retiree pays the entire health insurance premium and therefore there is no explicit subsidy. The District participates in a community-rated health insurance plan and as such, it is the District's opinion that there is no implicit subsidy as defined by Government Accounting Standards Board (GASB) Statement No. 45.

NOTE 8 – DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees at their option, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation are held in trust (until paid or made available to the employee or other beneficiary). The deferred compensation is not subject to the claims of the District's creditors.

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As such, the District carries commercial insurance for all risks of loss with the exception of unemployment and Directors and Officers Insurance, which is covered by Library Insurance Management and Risk Control Combination (see below). Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

The District also participates in a public entity risk pool (the pool) for unemployment and Directors and Officers Insurance coverage. The District is responsible for quarterly payments and the pool is responsible for administering the program. If funds in the program are insufficient in the judgment of the pool, then the pool may assess the member's additional equal payments.

NOTE 10 – FUND BALANCES

The General Fund has a restricted fund balance of \$144,777 arising from donations to the District that are restricted by the donors for specific uses.

NOTE 10 – FUND BALANCES (Continued)

The Board of Trustees has assigned \$96,991 of the General Fund balance for specific library materials. This designation arose from unrestricted donations to the District.

The General Fund has \$2,915,097 assigned to next year. This amount represents the receipts from the 2016 property tax levy received as of June 30, 2017 that will be used to pay for cash disbursements made after June 30, 2017.

NOTE 11 – ADJUSTMENTS

Amounts reported in the statement of net position are different from the governmental fund balance sheet because:

Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	\$ 13,838,392
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	<u>(500,000)</u>
	<u>\$ 13,338,392</u>

The governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation exceeded capital outlay is \$469,532 (\$1,178,604 less \$709,072). The loss on disposal of assets of \$34,449 is reflected as an expense in the statement of activities. The principal debt payment of \$500,000 is eliminated as an expense from the statement of activities.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL -
MODIFIED CASH BASIS**

FOR THE YEAR ENDED JUNE 30, 2017

	APPROPRIATION- ORIGINAL AND FINAL	ACTUAL	VARIANCE
REVENUES			
Property Taxes	\$ 5,847,241	\$ 5,916,996	\$ 69,755
State Replacement Taxes	35,000	50,626	15,626
Interest Income	2,500	9,578	7,078
Fines, Fees and Other	133,700	212,099	78,399
Grants	-	-	-
Donations	1,500	980	(520)
Total Revenues	6,019,941	6,190,279	170,338
EXPENDITURES			
Personnel	3,720,000	3,047,153	672,847
Library Materials and Services	1,562,500	954,785	607,715
Administration and Operations	362,000	123,459	238,541
Professional Fees and Services	190,000	55,963	134,037
Capital Expenditures	3,368,106	483,639	2,884,467
Maintenance and Repairs	152,000	139,228	12,772
Principal Payments	500,000	500,000	-
Interest Expense	21,000	10,000	11,000
Total Expenditures	9,875,606	5,314,227	4,561,379
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,855,665)	\$ 876,052	\$ 4,731,717

Note: Budgets are adopted on the modified cash basis of accounting. All appropriations lapse at fiscal year end.

BARRINGTON PUBLIC LIBRARY DISTRICT

SOCIAL SECURITY AND IMRF FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL -
MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2017

	APPROPRIATION- ORIGINAL AND FINAL	ACTUAL	VARIANCE
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property Taxes	\$ 581,963	\$ 576,584	\$ (5,379)
Interest Income	100	608	508
	<u>582,063</u>	<u>577,192</u>	<u>(4,871)</u>
Total Revenues			
EXPENDITURES			
IMRF	400,000	310,459	89,541
Social Security	200,000	169,591	30,409
Medicare	50,000	39,924	10,076
	<u>650,000</u>	<u>519,974</u>	<u>130,026</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (67,937)</u>	<u>\$ 57,218</u>	<u>\$ 125,155</u>

BARRINGTON PUBLIC LIBRARY DISTRICT

GENERAL FUND

STATEMENT OF CASH DISBURSEMENTS -
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

	<u>WORKING BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
PERSONNEL			
Salaries	\$ 2,895,922	\$ 2,784,186	\$ 111,736
Training	38,085	33,587	4,498
Insurance	300,000	205,416	94,584
Staff Meetings and Travel	35,060	23,964	11,096
	<u>3,269,067</u>	<u>3,047,153</u>	<u>221,914</u>
LIBRARY MATERIALS AND SERVICES			
Books	411,000	401,673	9,327
Periodicals	29,770	26,660	3,110
Audiovisual Material	285,377	259,405	25,972
Electronic Information	184,382	178,257	6,125
Special Library Programs	41,500	37,163	4,337
Book Processing Supplies and On-Line Computer Center	61,037	49,950	11,087
Realia	2,000	1,677	323
	<u>1,015,066</u>	<u>954,785</u>	<u>60,281</u>
ADMINISTRATION AND OPERATIONS			
Circulation Supplies	4,455	4,379	76
Collection Agency	2,000	1,709	291
Office Expense	50,550	34,190	16,360
Postage	15,000	4,561	10,439
Promotional and Display Materials	24,115	19,105	5,010
Rental Expense	7,200	7,200	-
Insurance	30,000	27,228	2,772
Security	2,100	1,236	864
Telephone	29,380	25,300	4,080
Items Purchased and Resold	200	(1,449)	1,649
	<u>165,000</u>	<u>123,459</u>	<u>41,541</u>
PROFESSIONAL FEES AND SERVICES			
Legal Fees and Expense	23,000	12,923	10,077
Architect, Engineer and Consultant	75,000	41,715	33,285
Trustee Expense	2,000	1,325	675
	<u>100,000</u>	<u>55,963</u>	<u>44,037</u>

(Continued)

GENERAL FUND STATEMENT OF CASH DISBURSEMENTS -
 BUDGET AND ACTUAL (Continued)

	<u>WORKING BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
CAPITAL EXPENDITURES			
Capital Expenditures	<u>\$ 1,590,450</u>	<u>\$ 483,639</u>	<u>\$ 1,106,811</u>
	<u>1,590,450</u>	<u>483,639</u>	<u>1,106,811</u>
MAINTENANCE AND REPAIRS			
Maintenance and Repair	129,775	139,083	(9,308)
Piano Expenditures	<u>450</u>	<u>145</u>	<u>305</u>
	<u>130,225</u>	<u>139,228</u>	<u>(9,003)</u>
DEBT CERTIFICATES			
Principal	500,000	500,000	-
Interest	<u>10,000</u>	<u>10,000</u>	<u>-</u>
	<u>510,000</u>	<u>510,000</u>	<u>-</u>
	<u>\$ 6,779,808</u>	<u>\$ 5,314,227</u>	<u>\$ 1,465,581</u>

BARRINGTON PUBLIC LIBRARY DISTRICT

OTHER FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>SPECIAL RESERVE</u>	<u>WORKING CASH</u>	<u>BUILDING MAINTENANCE</u>	<u>AUDIT</u>	<u>LIABILITY INSURANCE</u>	<u>UNEMPLOYMENT AND WORKMEN'S COMPENSATION</u>	<u>TOTAL</u>
REVENUES							
Property Taxes	\$ -	\$ -	\$ 537,506	\$ -	\$ 5,487	\$ -	\$ 542,993
Interest Income	-	-	358	-	-	-	358
Total Revenues	<u>-</u>	<u>-</u>	<u>537,864</u>	<u>-</u>	<u>5,487</u>	<u>-</u>	<u>543,351</u>
EXPENDITURES							
Building Maintenance	-	-	457,065	-	-	-	457,065
Audit	-	-	-	12,140	-	-	12,140
Liability Insurance	-	-	-	-	16,634	-	16,634
Unemployment and Workmen's Compensation	-	-	-	-	-	16,358	16,358
Total Expenditures	<u>-</u>	<u>-</u>	<u>457,065</u>	<u>12,140</u>	<u>16,634</u>	<u>16,358</u>	<u>502,197</u>
Net Change in Fund Balances	-	-	80,799	(12,140)	(11,147)	(16,358)	41,154
FUND BALANCES							
Beginning of Year	<u>450,000</u>	<u>541,237</u>	<u>329,888</u>	<u>43,728</u>	<u>25,933</u>	<u>67,303</u>	<u>1,458,089</u>
End of Year	<u>\$ 450,000</u>	<u>\$ 541,237</u>	<u>\$ 410,687</u>	<u>\$ 31,588</u>	<u>\$ 14,786</u>	<u>\$ 50,945</u>	<u>\$ 1,499,243</u>

BARRINGTON PUBLIC LIBRARY DISTRICT

SCHEDULE OF GENERAL PROPERTY TAX DATA

JUNE 30, 2017

	<u>Assessed Valuations</u>	<u>Tax Rates</u>	<u>Tax Extensions</u>	<u>Tax Collections</u>
<u>2016 LEVY</u>				
County				
Lake	\$ 1,454,954,678	.220329	\$ 3,205,687	\$ 1,604,659
Cook	1,443,057,447	.231	3,333,463	1,708,887
McHenry	162,784,129	.222653	362,444	179,963
Kane	1,576,468	.218983	3,452	1,726
			<u>\$ 6,905,046</u>	<u>\$ 3,495,235</u>
<u>2015 LEVY</u>				
County				
Lake	\$ 1,383,922,516	.225412	\$ 3,119,527	\$ 3,115,787
Cook	1,238,107,885	.266	3,293,367	3,227,517
McHenry	152,127,651	.222345	338,248	338,272
Kane	1,477,200	.219863	3,248	3,400
			<u>\$ 6,754,390</u>	<u>\$ 6,684,976</u>
<u>2014 LEVY</u>				
County				
Lake	\$ 1,352,499,860	.230740	\$ 3,120,758	\$ 3,113,352
Cook	1,263,324,516	.258	3,259,060	3,196,395
McHenry	145,800,618	.251769	367,080	366,337
Kane	1,435,406	.231628	3,327	3,328
			<u>\$ 6,750,225</u>	<u>\$ 6,679,412</u>
<u>2013 LEVY</u>				
County				
Lake	\$ 1,369,570,891	.228	\$ 3,122,622	\$ 3,111,880
Cook	1,251,358,269	.248	3,103,368	2,862,903
McHenry	152,785,524	.18710	285,866	284,837
Kane	1,480,374	.219863	3,255	3,255
			<u>\$ 6,515,111</u>	<u>\$ 6,262,875</u>
<u>2012 LEVY</u>				
County				
Lake	\$ 1,440,586,525	.213	\$ 3,068,449	\$ 3,062,751
Cook	1,383,160,260	.223	3,084,447	3,008,265
McHenry	169,228,575	.20062	339,503	338,627
Kane	1,614,543	.195257	3,153	3,152
			<u>\$ 6,495,552</u>	<u>\$ 6,412,795</u>
<u>2011 LEVY</u>				
County				
Lake	\$ 1,536,001,956	.185	\$ 2,841,604	\$ 2,837,469
Cook	1,499,816,032	.195	2,924,641	2,877,893
McHenry	189,677,112	.2063	391,340	391,871
Kane	1,790,951	.1741	3,118	3,118
			<u>\$ 6,160,703</u>	<u>\$ 6,110,351</u>

OTHER INFORMATION

BARRINGTON PUBLIC LIBRARY DISTRICT

MULTI-YEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

CALENDAR YEAR ENDED DECEMBER 31,

	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service Cost	\$ 251,975	\$ 247,152
Interest on the Total Pension Liability	1,125,747	1,082,675
Benefit Changes	-	-
Difference between Expected and Actual Experience	(22,035)	(8,231)
Assumption Changes	(35,432)	16,961
Benefit Payments and Refunds	<u>(764,953)</u>	<u>(726,654)</u>
Net Change in Total Pension Liability	555,302	611,903
Total Pension Liability - Beginning	<u>15,306,589</u>	<u>14,694,686</u>
Total Pension Liability - Ending (a)	<u>\$ 15,861,891</u>	<u>\$ 15,306,589</u>
Plan Fiduciary Net Position		
Employer Contributions	\$ 323,136	\$ 306,708
Employee Contributions	111,941	117,541
Pension Plan Net Investment Income	921,391	65,364
Benefit Payments and Refunds	(764,953)	(726,654)
Other	<u>63,249</u>	<u>275,529</u>
Net Change in Plan Fiduciary Net Position	654,764	38,488
Plan Fiduciary Net Position - Beginning	<u>13,262,463</u>	<u>13,223,975</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,917,227</u>	<u>\$ 13,262,463</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 1,944,664</u>	<u>\$ 2,044,126</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.74%	86.65%
Covered Valuation Payroll	\$ 2,487,575	\$ 2,407,438
Net Pension Liability as a Percentage of Covered Valuation Payroll	78.18%	84.91%

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

BARRINGTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 323,136	\$ 323,136	\$ -	\$ 2,487,575	12.99%
2015	306,708	306,708	-	2,407,438	12.74%
2014	284,562	290,536	(5,974)	2,263,821	12.83%

Notes to the Required Supplementary Information*

Valuation Date

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

Methods and Assumptions Used to Determine 2016 Contribution Rates

Actuarial Cost Method	Aggregate entry age = normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	27-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.5%
Price Inflation	2.75%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.5%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality	RP-2014 Blue Collar Health Annuitant Mortality Table and RP-2014 (base year 2012) Disabled Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014, actuarial valuation

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