

FONDULAC PUBLIC LIBRARY DISTRICT
East Peoria, Illinois

BASIC FINANCIAL STATEMENTS
June 30, 2014



CliftonLarsonAllen

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Independent Auditors' Report

Board of Trustees
Fondulac Public Library District
East Peoria, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, of the Fondulac Public Library District (Library District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 auditors' 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Library District as of June 30, 2014, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter - Restatement

As discussed in Note 10 to the financial statements, beginning net position has been restated to correct an error in previously reported capital assets and expenses. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages III through VII and the Schedule of Funding Progress on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Library District's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

CliftonLarsonAllen LLP

Peoria, Illinois
October 17, 2014

Fondulac Public Library District
Required Supplementary Information
Management Discussion and Analysis
June 30, 2014

This discussion and analysis of Fondulac Public Library District offers readers the following narrative overview and analysis of our financial activities for the year that ended June 30, 2014. This narrative, the Management Discussion and Analysis (MD&A), should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements.

This annual financial report consists of the following information presented in this order: table of contents, independent auditors' report, MD&A, and financial statements. The MD&A summary should not be taken as a replacement for the audit report.

Financial Highlights

- The Library's total net position is \$5,427,989.
- The Library saw an increase in net position of \$548,193.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position (page 1) and the Statement of Revenues, Expenses and Changes in Net Position (page 2) provide information about the activities of the Library as a whole and present a long term view of the District's finances. This report also contains supplementary information in addition to the basic financial statements. In the government-wide financial statements, all of the Library's activities are shown as business-type activities. The District's basic services are public library services. Current operations of these activities are largely financed with property and replacement taxes.

Reporting on the Library as a Whole

These basic financial statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, one needs also to consider other nonfinancial factors such as the condition of the District's building and changes in the Library's property tax base.

The Statement of Revenues, Expenses, and Changes in Net Position present information that shows how the District's net position changed during the most recent fiscal year.

The Statement of Cash Flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital and related financing activities, noncapital and related financing activities and investing activities.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes the combined and individual fund statements and schedules and statistical information.

The Library's basic functions are reported in the basic financial statements. Major source of revenues for the District's governmental funds include: property taxes, state/federal grants, and replacement taxes.

Overall Financial Position and Results of Operation

The District has presented the financial information in accordance with Governmental Accounting Standards Board Statement 34. Comparisons between this fiscal year have been made with the previous year.

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Revenues, Expenses, and Changes in Net Position, the cost of those assets is allocated over their useful lives as depreciation expense. The Statement of Activities recognizes property taxes on an accrual basis or in the year for which they are budgeted.

Government-wide Financial Analysis

Net position may serve as a useful indicator of a government's financial position. In the case of the District, the Library had \$6,750,000 of long term debt (including \$270,000 current portion) for the issuance of General Obligation Building Bonds at the close of the most recent fiscal year.

Approximately one-fourth of the District's net position reflects its net investment in capital assets, such as the building. The District uses these assets to provide services to citizens. As a result, these assets are not available for future spending.

The Library as a Whole

Condensed financial information from the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position are as follows:

	<u>2014</u>	<u>2013</u>
Current assets	\$ 5,507,205	\$ 8,401,328
Capital assets (net of depreciation)	<u>8,685,555</u>	<u>6,310,636</u>
Total assets	<u>14,192,760</u>	<u>14,711,964</u>
Current and other liabilities	432,740	3,198,531
Long-term debt	<u>6,480,000</u>	<u>6,750,000</u>
Total liabilities	<u>6,912,740</u>	<u>9,948,531</u>
Deferred inflows of resources	<u>1,852,031</u>	<u>-</u>

	<u>2014</u>	<u>2013</u>
Net position:		
Net investment in capital assets	\$ 1,935,555	\$ 1,331,778
Restricted	20,527	206,648
Unrestricted	<u>3,471,907</u>	<u>3,225,007</u>
Total net position	<u>\$ 5,427,989</u>	<u>\$ 4,763,433</u>
Operating revenue:		
Fees, fines, and charges for services	\$ 28,863	\$ 23,801
Operating grants and contributions	<u>5,001</u>	<u>41,403</u>
Total operating revenues	<u>33,864</u>	<u>65,204</u>
Operating expenses:		
General and administrative	1,008,856	864,368
Library expenditures	173,899	105,074
Building upkeep	163,865	82,232
Depreciation	<u>226,969</u>	<u>113,113</u>
Total operating expenses	<u>1,573,589</u>	<u>1,164,787</u>
Nonoperating revenues (expenses):		
Property taxes	1,915,328	1,250,587
Other	327,869	144,762
Interest expense	<u>(155,279)</u>	<u>(116,363)</u>
Total nonoperating revenues (expenses)	<u>2,087,918</u>	<u>1,278,986</u>
Increase in net position	<u>548,193</u>	<u>179,403</u>
Net position, beginning of year, as previously reported	4,763,433	4,584,030
Prior period adjustment - to capitalize interest	<u>116,363</u>	<u>-</u>
Net position, beginning of year, as restated	<u>4,879,796</u>	<u>4,584,030</u>
Net position, end of year	<u>\$ 5,427,989</u>	<u>\$ 4,763,433</u>

Report of the Library's Most Significant Fund

Capital Assets

At the end of the fiscal year 2014, the District had invested in a variety of capital assets, as reflected in the following schedule:

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at June 30, 2014</u>
Not depreciated:					
Land	\$ -	\$ 540,000	\$ -	\$ -	\$ 540,000
Construction in progress	<u>5,704,764</u>	<u>1,942,580</u>	<u>-</u>	<u>(7,647,344)</u>	<u>-</u>
Total not depreciated	<u>5,704,764</u>	<u>2,482,580</u>	<u>-</u>	<u>(7,647,344)</u>	<u>540,000</u>
Depreciated:					
Buildings and improvements	998,290	-	998,290	6,757,106	6,757,106
Furniture and equipment	174,118	-	-	890,238	1,064,356
Library materials	<u>559,005</u>	<u>405,876</u>	<u>58,594</u>	<u>-</u>	<u>906,287</u>
Total depreciated	<u>1,731,413</u>	<u>405,876</u>	<u>1,056,884</u>	<u>7,647,344</u>	<u>8,727,749</u>
Total cost	<u>\$ 7,436,177</u>	<u>\$ 2,888,456</u>	<u>\$ 1,056,884</u>	<u>\$ -</u>	<u>\$ 9,267,749</u>

Accumulated depreciation for the year ended June 30, 2014 was as follows:

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2014</u>
Buildings and improvements	\$ 587,702	\$ 100,105	\$ 595,359	\$ 92,448
Furniture and equipment	165,859	26,782	-	192,641
Library materials	<u>255,617</u>	<u>100,082</u>	<u>58,594</u>	<u>297,105</u>
Total accumulated depreciation	<u>\$ 1,009,178</u>	<u>\$ 226,969</u>	<u>\$ 653,953</u>	<u>\$ 582,194</u>

Factors or Conditions Impacting Future Periods

The fiscal year budget provides sufficient income to cover the expense of running the Library. The Library seeks other funding, including grants from the Illinois State Library, and other community groups. In this current economy, there have not been many opportunities to apply for additional grants.

The Library opened the new facility to the public on November 2, 2013. The Library nearly tripled the space of the old building and shares the space with another taxing body, the City of East Peoria. The move to the new facility necessitated a doubling of the staff. The Library was named in a long time East Peoria resident's will and the Library has commissioned a sculpture in her honor.

Contacting the Library's Financial Management

This financial report is designed to provide a general view of Fondulac Public Library District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Fondulac Public Library District
Attn: Director
400 Richland Street
East Peoria, IL 61611
309.699.3917
www.fondulaclibrary.org

**FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF NET POSITION
June 30, 2014**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,623,377
Property taxes receivable	1,852,031
Replacement taxes receivable	19,567
Gift receivable	2,500
Prepaid insurance	9,730
Total current assets	5,507,205

NONCURRENT ASSETS

Capital assets not being depreciated	540,000
Capital assets being depreciated	8,727,749
Less accumulated depreciation	(582,194)
Total noncurrent assets	8,685,555

TOTAL ASSETS	\$ 14,192,760
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 62,617
Accrued and withheld payroll taxes	6,281
Accrued interest payable	60,265
Unearned grant revenue	28,442
Funds held for others	5,135
Long term debt, current portion	270,000
Total current liabilities	432,740

LONG TERM DEBT	6,480,000
Total liabilities	6,912,740

DEFERRED INFLOWS OF RESOURCES

Subsequent year's property taxes	1,852,031
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NET POSITION

Net investment in capital assets	1,935,555
Restricted for:	
Bahnfleth Memorial	20,527
Unrestricted	3,471,907
Total net position	5,427,989

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 14,192,760
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The accompanying notes are an integral part of the basic financial statements.

FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2014

OPERATING REVENUES

Fees, fines, and charges for services	\$ 28,863
Operating grants and contributions	<u>5,001</u>
Total operating revenues	<u>33,864</u>

EXPENSES

General and administrative	1,008,856
Library expenses	173,899
Building upkeep	163,865
Depreciation	<u>226,969</u>
Total operating expenses	<u>1,573,589</u>
Operating loss	<u>(1,539,725)</u>

NONOPERATING REVENUES (EXPENSES)

Property taxes	1,915,328
Replacement taxes	115,265
Investment earnings	16,903
Rental	1,000
Gifts	57,632
Gain on disposal of capital assets	137,069
Interest expense	<u>(155,279)</u>
Total nonoperating revenues	<u>2,087,918</u>

INCREASE IN NET POSITION 548,193

NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED 4,763,433

PRIOR PERIOD ADJUSTMENT - to capitalize interest 116,363

NET POSITION, BEGINNING OF YEAR, AS RESTATED 4,879,796

INCREASE IN NET POSITION 548,193

NET POSITION, END OF YEAR \$ 5,427,989

The accompanying notes are an integral part of the basic financial statements.

**FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 62,306
Payments to suppliers	(402,025)
Payments to employees	<u>(933,890)</u>
Net cash used in operating activities	<u>(1,273,609)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	1,915,328
Other nonoperating revenue	<u>163,350</u>
Net cash provided by noncapital financing activities	<u>2,078,678</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(3,198,187)
Principal paid on bonds	(250,000)
Interest paid on bonds	<u>(211,377)</u>
Net cash used in capital and related financing activities	<u>(3,659,564)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Redemption of investments	2,974,015
Interest on investments	<u>16,903</u>
Net cash provided by investing activities	<u>2,990,918</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	136,423
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,486,954</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 3,623,377</u></u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES**

Operating loss	\$ (1,539,725)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	226,969
Effects of changes in operating assets and liabilities:	
Unearned grant revenue	28,442
Prepaid expenses	(1,379)
Accounts payable and accrued liabilities	<u>12,084</u>

NET CASH USED IN OPERATING ACTIVITIES \$ (1,273,609)

**SUPPLEMENTAL DISCLOSURE OF NONCASH
CAPITAL ACTIVITIES**

During fiscal year 2014, \$540,000 of capital assets were acquired through in-kind trade in return for District owned capital assets.

At June 30, 2014, \$17,477 of capital assets acquired were included in accounts payable.

At June 30, 2013, \$867,208 of capital assets acquired were included in accounts payable.

The accompanying notes are an integral part of the basic financial statements.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The purpose of the Fondulac Public Library District (District) is to serve the informational, cultural, educational, and recreational needs of all residents within the District boundaries, regardless of age or educational background. Revenues are substantially generated as a result of taxes assessed and allocated to the Fondulac Public Library District (an example would be property taxes). The District revenues are, therefore, primarily dependent on the economy within Tazewell County. The accounting policies of the Fondulac Public Library District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

For financial reporting purposes, in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100, the Fondulac Public Library District is a primary government in that it is a library district with a separately elected governing body - one that is elected by the citizens in a general, popular election and is fiscally independent of other units of government.

The District has developed criteria to determine whether other entities are component units of the District. Component units are legally separate organizations for which the elected officials of the Fondulac Public Library District are financially accountable. The District would be considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Fondulac Public Library District (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization). If an organization is fiscally dependent on the Fondulac Public Library District, the District is considered financially accountable regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

There are no component units of the Fondulac Public Library District nor is the Fondulac Public Library District dependent on any other entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the Library District is considered a special-purpose government engaged only in business-type activities. In the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, the business-type activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library District's net position is reported in three parts - net investment in capital assets, restricted net position, and unrestricted net position.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant intra-agency transactions have been eliminated.

Use of Estimates

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

Annual Appropriations

The District adopts an annual appropriation ordinance on the cash basis of accounting in accordance with the Illinois Compiled Statutes. The appropriation ordinance is prepared on the cash basis. The appropriation covers the fiscal year ending June 30. The appropriations lapse at the end of each fiscal year.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 in the year in which the taxes are levied. The levy must be filed with the County Clerk by the last Tuesday in December each year. Due dates, by statute, are June 1 and September 1 of the following year. Generally, the District receives a significant amount of its real estate taxes from the County Clerk within 45 days following the due dates. Occasionally, tax bills are mailed late and due dates for payments are extended accordingly.

Property taxes are accrued as a receivable in the period in which the District has an enforceable lien on property and recognized as revenue in the year for which it is budgeted. Property tax revenue recorded by the District for the year ended June 30, 2014 represents installments of the 2012 property taxes which were received during the fiscal year.

The amount of the property tax receivable included in deferred inflows of resources at year end represents the tax levied in the latter part of 2013, for which an enforceable lien exists at year end, but is levied for the fiscal year 2015 budget.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Cash and Investments

The investment and deposit of District monies is governed by the provisions of the Illinois Compiled Statutes. In accordance with these provisions, all District monies must be invested in one or more of the following:

- A. Interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits constituting direct obligations of any bank as shall have been selected and designated under the terms of the statutes and as shall have complied with the requirements thereof;
- B. Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States, provided such shares or securities are insured by the Federal Deposit Insurance Corporation;
- C. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest; and
- D. Short-term discount obligations of the Federal National Mortgage Association.

Capital Assets

Capital assets include property, plant, and equipment. Capital assets are defined by the Library District as assets with an initial, individual cost of \$5,000 or more and all Library materials purchased, and an estimated useful life in excess of two years. 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Property, plant, and equipment of the Library District are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	5-40 Years
Furniture and equipment	5-10 Years
Library materials	5 Years

Grants

The Library District recognizes revenue from grants as soon as all eligibility requirements imposed by the provider have been met.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2014, there were no unspent bond proceeds. Net positions are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Library District first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Deferred Outflows of Resources

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its statements of net position or combining fund balance sheet. No deferred outflows of resources are reported in these financial statements in the current year.

Deferred Inflows of Resources

The District's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The District will not recognize the related revenue until a future event occurs. The District has one type of item which occurs related to revenue recognition, because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year, as it is not legally available as of fiscal year end.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues and Expenses

The Library District has classified its revenues as either operating or nonoperating revenues accordingly. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Library District's on-going operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Library District does not have a deposit policy for custodial credit risk. As of June 30, 2014, none of the District's bank balance of \$3,751,286 was exposed to custodial credit risk. This bank balance is made up as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Savings/money market deposits	\$ 3,614,860	\$ 3,751,286
Petty cash	<u>50</u>	<u>N/A</u>
	<u>\$ 3,614,910</u>	<u>\$ 3,751,286</u>

Illinois Funds

At June 30, 2014, the District had amounts in the Illinois Funds as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value*</u>
Illinois Funds	60 month average	<u>\$ 8,467</u>

* Equivalent to deposit balance

Interest Rate Risk

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

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

State law limits investments as described in the Summary of Significant Accounting Policies. The District has no investment policy that would further limit its investment choices. As of June 30, 2014, the District's investment in the Illinois Funds was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. The District deposits are in local banks or in Illinois Funds.

NOTE 3 - CAPITAL ASSETS

Changes in the various capital asset categories during the year ended June 30, 2014 were as follows:

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at June 30, 2014</u>
Not depreciated:					
Land	\$ -	\$ 540,000	\$ -	\$ -	\$ 540,000
Construction in progress	<u>5,704,764</u>	<u>1,942,580</u>	<u>-</u>	<u>(7,647,344)</u>	<u>-</u>
Total not depreciated	<u>5,704,764</u>	<u>2,482,580</u>	<u>-</u>	<u>(7,647,344)</u>	<u>540,000</u>
Depreciated:					
Buildings and improvements	998,290	-	998,290	6,757,106	6,757,106
Furniture and equipment	174,118	-	-	890,238	1,064,356
Library materials	<u>559,005</u>	<u>405,876</u>	<u>58,594</u>	<u>-</u>	<u>906,287</u>
Total depreciated	<u>1,731,413</u>	<u>405,876</u>	<u>1,056,884</u>	<u>7,647,344</u>	<u>8,727,749</u>
Total cost	<u>\$ 7,436,177</u>	<u>\$ 2,888,456</u>	<u>\$ 1,056,884</u>	<u>\$ -</u>	<u>\$ 9,267,749</u>

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Accumulated depreciation for the year ended June 30, 2014 was as follows:

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2014</u>
Buildings and improvements	\$ 587,702	\$ 100,105	\$ 595,359	\$ 92,448
Furniture and equipment	165,859	26,782	-	192,641
Library materials	<u>255,617</u>	<u>100,082</u>	<u>58,594</u>	<u>297,105</u>
Total accumulated depreciation	<u>\$ 1,009,178</u>	<u>\$ 226,969</u>	<u>\$ 653,953</u>	<u>\$ 582,194</u>

During fiscal year 2000, the District purchased a house for \$77,937 and began leasing the house. This house was vacant during the fiscal year.

During fiscal year 2005, the District purchased a separate property for \$54,017 and began leasing the house.

The District entered into an intergovernmental agreement with the City of East Peoria, Illinois in 2009 to exchange these two houses and the old library building for a plot of land on which a new library building was to be constructed. The new building was completed November 2, 2013, thus completing the exchange.

NOTE 4 - LONG-TERM BONDED DEBT

The following is a summary of changes in long-term bonded debt of the District for the year ended June 30, 2014:

	General Obligation Building Bonds Series 2012
Balance July 1, 2013	\$ 7,000,000
Bonds paid	250,000
Bonds issued	<u>-</u>
Balance June 30, 2014	6,750,000
Less current portion	<u>270,000</u>
Long-term debt, net of current portion	<u>\$ 6,480,000</u>

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 4 - LONG-TERM BONDED DEBT (CONTINUED)

The General Obligation Building Bonds, Series 2012, are dated October 8, 2012, with principal due annually on October 1, commencing on October 1, 2013. Interest is due semiannually on April 1 and October 1, commencing on October 1, 2013, with a variable interest rate on the remaining outstanding bonds ranging from 1.28 to 4.30 percent. Original issue of \$7,000,000. Final payment due October 1, 2032.

Annual debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending June 30:			
2015	\$ 270,000	\$ 238,778	\$ 508,778
2016	270,000	233,824	503,824
2017	275,000	228,153	503,153
2018	285,000	221,679	506,679
2019	290,000	214,185	504,185
2020-2024	1,600,000	919,768	2,519,768
2025-2029	1,920,000	588,477	2,508,477
2030-2033	<u>1,840,000</u>	<u>160,956</u>	<u>2,000,956</u>
Total	<u>\$ 6,750,000</u>	<u>\$ 2,805,820</u>	<u>\$ 9,555,820</u>

Legal Debt Margin

The legal debt margin of the District at June 30, 2014 is as follows:

Assessed valuation 2013	<u>\$402,773,147</u>
Statutory debt limitation (2.875 percent of assessed valuation)	\$ 11,579,728
Less total debt	<u>6,750,000</u>
Legal debt margin	<u>\$ 4,829,728</u>

NOTE 5 - RESTRICTED NET POSITION

Restricted for Bahnfleth Memorial - In accordance with donor request, this funding is restricted for the Bahnfleth Memorial.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description. The District's defined benefit pension plan for employees provides retirement and disability benefits, postretirement 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 required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the District Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual required contribution rate for calendar year 2013 was 12.36 percent. 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. The District's required and actual contribution for calendar year 2013 was \$70,357.

Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2013	\$ 70,357	100%	\$0
December 31, 2012	58,509	100	0
December 31, 2011	61,306	99	0

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00 percent a year, attributable to inflation, c) additional projected salary increases ranging from 0.4 to 10 percent per year depending on age and service, attributable to seniority/merit, and d) postretirement benefit increases of 3 percent annually. The actuarial value of the District Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The District Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 86.93 percent funded. The actuarial accrued liability for benefits was \$2,086,140 and the actuarial value of assets was \$1,813,425, resulting in an underfunded actuarial accrued liability (UAAL) of \$272,715. The covered payroll (annual payroll of active employees covered by the plan) was \$569,228 and the ratio of the UAAL to the covered payroll was 48 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8 - POSTEMPLOYMENT BENEFITS

The District provides postemployment healthcare benefits, in accordance with an agreement between the District and a former employee. The employee must pay 10 percent of the cost of premiums. Expenses for postemployment healthcare benefits are recognized as premiums are paid (pay-as-you-go-basis). During the fiscal year ended June 30, 2014, the cost for healthcare benefits for retirees was \$4,491. At June 30, 2014, an eligible spouse was covered under the plan. Management has determined that a net obligation is not required to be reported as it would be considered immaterial to the financial statements as a whole.

NOTE 9 - FUTURE CHANGE IN ACCOUNTING PRINCIPLES

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may restate portions of these financial statements in future periods. Listed below are the statements and short summary of the standard's objective.

**FONDULAC PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 9 - FUTURE CHANGE IN ACCOUNTING PRINCIPLES (CONTINUED)

New accounting standards effective for the June 30, 2015 financial statements include:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, amends Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, to revise and establish new financial reporting requirements for most governments that provide pension benefits. Statement No. 68 requires employers to record their proportionate share of its unfunded pension liability. Although the amount has not been fully determined, it is presumed to be material.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The District has not yet assessed the impact to its financial position.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The District has not yet assessed the impact to its financial position.

NOTE 10 - RESTATEMENT

The District determined that it had incorrectly expensed interest in relation to construction in progress for the new library building for the year ending June 30, 2013. In the Statement of Net Position, capital assets were understated as the District had expensed these items. Beginning net position has thereby been restated as follows:

	Total Net Position
Net position, beginning of year, as previously reported	\$ 4,763,433
Adjustment for interest improperly expensed	<u>116,363</u>
Net position, beginning of year, as restated	<u>\$ 4,879,796</u>

This information is an integral part of the accompanying basic financial statements.

**FONDULAC PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF FUNDING PROGRESS
June 30, 2014**

(Unaudited - See Accompanying Independent Auditor's Report)

The following information is for the previous three years ended December 31:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 1,813,425	\$ 2,086,140	\$ 272,715	86.93%	\$ 569,228	47.91%
12/31/12	1,577,661	1,923,310	345,649	82.03	497,099	69.53
12/31/11	1,419,958	1,766,578	346,620	80.38	520,869	66.55

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,038,025. On a market basis, the funded ratio would be 97.69 percent.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Fondulac Library District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100 percent funded.

OTHER SUPPLEMENTARY INFORMATION

**FONDULAC PUBLIC LIBRARY DISTRICT
FUND BALANCE CLASSIFICATION
June 30, 2014**

GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaid insurance as nonspendable fund balance.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified the funding from the Bahnfleth Memorial as being restricted because its use is restricted by the donor.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts cannot be used for any other purpose unless the District's Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. The District has classified the reserve fund and working cash fund as being committed because their use is formally committed by the District Board.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District's Board or through the District's Board delegating this responsibility to a board member or the Treasurer through the budgetary process. The District did not have any assigned resources as of June 30, 2014.
- Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

**FONDULAC PUBLIC LIBRARY DISTRICT
COMBINING BALANCE SHEET - ALL FUND TYPES
June 30, 2014**

	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Working Cash Fund</u>	<u>Total</u>
ASSETS				
Cash on hand and in bank	\$ 366,538	\$ 3,044,219	\$ 207,485	\$ 3,618,242
General property taxes receivable	1,852,031	-	-	1,852,031
Replacement taxes receivable	19,567	-	-	19,567
Gift receivable	2,500	-	-	2,500
Due from other funds	3,225	-	-	3,225
Prepaid insurance	<u>9,730</u>	<u>-</u>	<u>-</u>	<u>9,730</u>
TOTAL ASSETS	<u>\$ 2,253,591</u>	<u>\$ 3,044,219</u>	<u>\$ 207,485</u>	<u>\$ 5,505,295</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 62,617	\$ -	\$ -	\$ 62,617
Accrued and withheld payroll taxes	6,281	-	-	6,281
Unearned grant revenue	28,442	-	-	28,442
Due to other funds	<u>-</u>	<u>3,225</u>	<u>-</u>	<u>3,225</u>
Total liabilities	<u>97,340</u>	<u>3,225</u>	<u>-</u>	<u>100,565</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent year's property taxes	<u>1,852,031</u>	<u>-</u>	<u>-</u>	<u>1,852,031</u>
FUND BALANCE				
Fund balances:				
Nonspendable	9,730	-	-	9,730
Restricted	20,527	-	-	20,527
Committed	-	3,040,994	207,485	3,248,479
Unassigned	<u>273,963</u>	<u>-</u>	<u>-</u>	<u>273,963</u>
Total fund balance	<u>304,220</u>	<u>3,040,994</u>	<u>207,485</u>	<u>3,552,699</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCE	<u>\$ 2,253,591</u>	<u>\$ 3,044,219</u>	<u>\$ 207,485</u>	
Amounts reported for business-type activities in the statement of net position are different because:				
Capital assets used in business-type activities are not financial resources and, therefore, are not reported in the governmental funds. The total cost of capital assets is \$9,267,749 and is reported net of accumulated depreciation of \$582,194.				8,685,555
Long-term liabilities arising from cash transactions are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(6,750,000)
Interest payable on debt is not reported in the funds if payments are due subsequent to the year end.				(60,265)
Agency Fund:				
Assets			\$ 5,135	
Liabilities			<u>(5,135)</u>	<u>-</u>
Total net position - business-type activities (p. 1)				<u>\$ 5,427,989</u>

**FONDULAC PUBLIC LIBRARY DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 ALL FUND TYPES
 Year Ended June 30, 2014**

	General Fund	Reserve Fund	Working Cash Fund	Total
REVENUES				
Property taxes	\$ 1,915,328	\$ -	\$ -	\$ 1,915,328
Replacement taxes	115,265	-	-	115,265
Fees, fines, and charges for services	28,863	-	-	28,863
Interest	3,619	12,447	837	16,903
Grants	28,383	-	-	28,383
Rental	1,000	-	-	1,000
Gifts	57,632	-	-	57,632
	<u>2,150,090</u>	<u>12,447</u>	<u>837</u>	<u>2,163,374</u>
Total revenues				
EXPENDITURES				
Current:				
General and administration	1,040,441	-	-	1,040,441
Library expenditures	548,189	-	-	548,189
Building upkeep	163,865	-	-	163,865
Capital expenditures	1,942,580	-	-	1,942,580
Debt service:				
Principal	250,000	-	-	250,000
Interest	211,377	-	-	211,377
	<u>4,156,452</u>	<u>-</u>	<u>-</u>	<u>4,156,452</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(2,006,362)</u>	<u>12,447</u>	<u>837</u>	<u>(1,993,078)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	50,000	-	150,000
Transfers out	(50,000)	(100,000)	-	(150,000)
	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
	(1,956,362)	(37,553)	837	(1,993,078)
FUND BALANCES, BEGINNING OF YEAR				
	<u>2,260,582</u>	<u>3,078,547</u>	<u>206,648</u>	<u>5,545,777</u>
FUND BALANCES, END OF YEAR				
	<u>\$ 304,220</u>	<u>\$ 3,040,994</u>	<u>\$ 207,485</u>	<u>\$ 3,552,699</u>

**FONDULAC PUBLIC LIBRARY DISTRICT
RECONCILIATION OF COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
Year Ended June 30, 2014**

Net change in fund balances - total governmental funds	\$ (1,993,078)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Revenues, Expenses, and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>	
Depreciation expense	(226,969)
Capital outlay:	
Books included in general and administration expenditures	31,585
Books included in library expenditures	374,290
Building project costs included in capital expenditures	1,942,580
<p>The net effect of various miscellaneous transactions involving capital assets is to increase net position:</p>	
Gain on disposal of capital assets	137,069
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.</p>	
	250,000
<p>Interest expense on long-term debt is not recognized in the governmental funds until paid but is recognized as incurred in the statement of revenues, expenses, and changes in net position. This is the amount by which interest expense in the governmental funds exceeded interest expense in the business type funds.</p>	
	56,098
<p>Per capita grant revenue is recognized when it becomes both measurable and available in the governmental funds. However the business type activities are shown on the accrual basis. This is the amount by which per capita grant revenue in the business type activities did not exceed per capita grant revenue in the governmental funds.</p>	
	(23,382)
Change in net position of business-type activities (p. 2)	<u>\$ 548,193</u>

**FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (CASH BASIS) AND ACTUAL - GENERAL FUND
Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 1,365,500	\$ 1,915,328	\$ 549,828
Replacement taxes	110,000	122,687	12,687
Fees, fines, and charges for services	15,000	28,863	13,863
Interest	5,000	3,619	(1,381)
Grants	35,000	28,443	(6,557)
Gifts and other	20,000	55,132	35,132
Rental	1,500	1,000	(500)
	<u>1,552,000</u>	<u>2,155,072</u>	<u>603,072</u>
Total revenues			
EXPENDITURES			
Current:			
General and administrative:			
Salaries and wages	800,000	683,975	116,025
Retirement expense, payroll taxes	131,000	123,240	7,760
Unemployment taxes	10,000	1,225	8,775
Employee benefits	160,000	126,692	33,308
Automated circulation control	30,000	21,000	9,000
OCLC cataloging	10,000	5,275	4,725
Insurance	18,000	14,182	3,818
Professional fees	35,000	26,347	8,653
Staff and Board development	8,530	7,106	1,424
Postage	7,000	6,483	517
Telephone	15,000	8,768	6,232
Rent expenses	3,000	5,356	(2,356)
Miscellaneous	5,000	1,198	3,802
	<u>1,232,530</u>	<u>1,030,847</u>	<u>201,683</u>
Total general and administrative			
Library:			
Books and periodicals	100,000	54,167	45,833
Audio-visual	15,000	4,782	10,218
Technical supplies	15,000	21,349	(6,349)
Planning and programming	20,000	7,064	12,936
	<u>150,000</u>	<u>87,362</u>	<u>62,638</u>
Total library			
Building upkeep:			
Utilities	55,000	52,714	2,286
Repairs and maintenance	96,000	60,153	35,847
Improvements	-	44,910	(44,910)
	<u>151,000</u>	<u>157,777</u>	<u>(6,777)</u>
Total building upkeep			

**FONDULAC PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET (CASH BASIS) AND ACTUAL - GENERAL FUND
Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED)			
Capital outlay:			
Equipment purchases	\$ 60,000	\$ 41,657	\$ 18,343
Building project and planning	100,000	3,087	96,913
Building	<u>4,000,000</u>	<u>3,675,838</u>	<u>324,162</u>
Total capital outlay	<u>4,160,000</u>	<u>3,720,582</u>	<u>439,418</u>
Total expenditures	<u>5,693,530</u>	<u>4,996,568</u>	<u>696,962</u>
Excess (deficiency) of revenues over expenditures	<u>(4,141,530)</u>	<u>(2,841,496)</u>	<u>1,300,034</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issue	4,000,000	-	(4,000,000)
Transfers in	300,000	100,000	(200,000)
Transfers out	<u>(158,470)</u>	<u>(50,000)</u>	<u>108,470</u>
Total other financing sources (uses)	<u>4,141,530</u>	<u>50,000</u>	<u>(4,091,530)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	(2,791,496)	<u>\$ (2,791,496)</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS			
Net change resulting from recording of accounts receivable, payable, and other accrued items		<u>835,134</u>	
Excess of revenues over expenditures - modified accrual basis		(1,956,362)	
FUND BALANCES, BEGINNING OF YEAR		<u>2,260,582</u>	
FUND BALANCES, END OF YEAR		<u>\$ 304,220</u>	

**FONDULAC PUBLIC LIBRARY DISTRICT
TAX INFORMATION
Year Ended June 30, 2014**

The following is a summary of the tax settlement made by the County Collector of the 2012 District corporate tax and a five year comparison of tax rates and equalized assessed valuations.

Property Taxes Recognized as Revenue This Fiscal Year \$ 1,915,328

	<u>Tax Rate</u>	<u>Equalized Assessed Valuation</u>
2009	.2885	\$ 404,132,413
2010	.2997	\$ 408,202,776
2011	.3058	\$ 409,639,359
2012	.4703	\$ 406,093,399
2013	.4598	\$ 402,773,147