

SUGAR GROVE PUBLIC LIBRARY DISTRICT
ILLINOIS

ANNUAL FINANCIAL REPORT
with
INDEPENDENT AUDITORS' REPORT
for the year ended June 30, 2018

Weber & Associates CPAs, LLC
Certified Public Accountants

SUGAR GROVE PUBLIC LIBRARY DISTRICT
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Sugar Grove Public Library District
Sugar Grove, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sugar Grove Public Library District (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion on Fixed Assets

The District has not maintained detailed historical fixed asset cost records with respect to library collection items as required by accounting principles generally accepted in the United States of America. Therefore, the cost of fixed assets, accumulated depreciation, net position and provision for depreciation in the government-wide financial statements may be understated by undeterminable amounts.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Fixed Assets” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sugar Grove Public Library District as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 opinions on the financial statements that collectively comprise the Sugar Grove Public Library District's basic financial statements. The individual fund schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basis 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 additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated in all material respects in relation to the basis financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Asher & Associates

Aurora, Illinois
November 6, 2018

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
for the year ended June 30, 2018

As management of the Sugar Grove Public Library District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,421,479 (net position). Of this amount, \$131,920 (unrestricted net position) is available to be used to meet the District's ongoing obligations. The District's governmental funds reported combined ending fund balance of \$273,076.
- The District received a one-time distribution of reserve fund surplus amounting to \$60,426 as a result of the merger of the library consortium MAGIC with SWAN.

USING THE FINANCIAL SECTION OF THE ANNUAL REPORT

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

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

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

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2018

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

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

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

The District maintained three individual governmental funds during the year ended June 30, 2018. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances for the General Fund and Debt Service Fund each of which are considered to be "major" funds. Data from the Special Reserve Fund is presented in the column labeled nonmajor governmental fund. During the most recent fiscal year, property tax revenues levied for special purposes and the related expenditures thereof were reported as revenues and expenditures of the General Fund.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 - 27 of this report.

Other Information - In addition to the basic financial statements and the accompanying notes, this report also presents certain other required supplementary information including the management's discussion and analysis on pages 4 - 10 and the budgetary comparison schedule for the General Fund found on pages 28 - 30. Other supplementary information on pages 32 - 33 consists of individual fund budgetary comparison schedules for the debt service fund and the special reserve fund.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's net position was \$3,421,479 at year end, an increase of \$483,488 over the prior year. A condensed version of the Statement of Net Position at June 30, 2018 and 2017 follows. For more detailed information, see the Statement of Net Position on page 11.

Table 1
Statement of Net Position

	Governmental Activities	
	June 30, 2018	June 30, 2017
Current and Other Assets	\$ 1,655,557	\$ 1,543,051
Capital Assets, Net	7,553,207	7,745,088
Total Assets	<u>9,208,764</u>	<u>9,288,139</u>
Long-Term Liabilities	4,333,217	4,925,673
Other Liabilities	88,719	91,121
Total Liabilities	<u>4,421,936</u>	<u>5,016,794</u>
Deferred Inflows of Resources	1,365,349	1,333,354
Net Position:		
Net Investment in Capital Assets	3,224,155	2,818,706
Restricted	65,404	63,962
Unrestricted	131,920	55,323
Total Net Position	<u>\$ 3,421,479</u>	<u>\$ 2,937,991</u>

The District's net position increased 16% in fiscal year 2018 compared to an increase of 14% during the year ended June 30, 2017. The largest portion of the net position reflects the District's investment in capital assets (land, building, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide library services to residents of the District; consequently, these assets are not available for future spending.

An additional 2% of the District's net position represents resources that are subject to external restrictions on how they may be used. Unrestricted net position increased \$76,597 at June 30, 2018. Unrestricted net position reflects the component of net position that can be used to meet the District's ongoing day-to-day operations without constraints established by debt covenants or other legal requirements.

The decrease in capital assets was the result of current year depreciation. Long-term liabilities decreased primarily due to the retirement of general obligation debt.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2018

The following table summarizes the revenues and expenses of the District's activities for 2018 and 2017.

Table 2
Changes in Net Position

	Governmental Activities	
	June 30, 2018	June 30, 2017
Revenues		
Program Revenues:		
Charges for Services	\$ 15,007	\$ 16,510
Operating Grants and Contributions	17,236	11,786
Total Program Revenues	<u>32,243</u>	<u>28,296</u>
General Revenues:		
Property Taxes	1,307,093	1,275,391
Intergovernmental	2,602	5,764
Investment Income	255	163
Other Miscellaneous	61,543	2,637
Donations not Restricted	4,386	4,981
Total General Revenues	<u>1,375,879</u>	<u>1,288,936</u>
Total Revenues	<u>1,408,122</u>	<u>1,317,232</u>
Expenses		
Culture and Recreation	826,014	856,721
Interest on Long Term Debt	98,620	111,018
Total Expenses	<u>924,634</u>	<u>967,739</u>
Changes in Net Position	483,488	349,493
Net Position, July 1	<u>2,937,991</u>	<u>2,588,498</u>
Net Position, June 30	<u>\$ 3,421,479</u>	<u>\$ 2,937,991</u>

Total revenues increased 6.9% in fiscal year 2018. The increase in property tax revenues of \$31,702 was less than the increase of \$35,207 in the prior year. Property tax revenues represented 92.8% of total revenues of which 54.2% is restricted to debt service requirements of the District's general obligation building bonds. Program revenues were virtually unchanged compared to the the prior year. Overall the largest increase in revenues was in other miscellaneous revenues. The District received a one-time distribution of reserve fund surplus from the District's prior library consortia group, Multitype Automation Group in Cooperation (MAGIC) as a result of the merger with the System Wide Automated Network (SWAN) consortia. Other intergovernmental revenue, primarily from development impact fees, decreased \$3,162 and is not expected to provide a substantial inflow of resources.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2018

Overall, expenses decreased approximately 4.5%. Depreciation expense was approximately \$42,000 less than the prior year. Close monitoring of library operating expenses continued for the year ended June 30, 2018. Personnel costs are the District's most significant operating costs. Operating expenses increased approximately \$11,000 for the year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The District's governmental funds reported combined ending fund balances of \$273,076, an increase of \$72,505 over last year's combined balances. Revenues exceeded expenditures in the General Fund and the Debt Service Fund. There was no revenue or expenditures in the Special Reserve Fund during the year. Restricted fund balances at year end totaled \$117,967. Ending fund balance in the General Fund was \$160,108 of which \$147,624 was unassigned, an increase of 80.5% over the prior year.

Table 3
General Fund Budgetary Highlights
for the year ended June 30, 2018

	Final Appropriated Budget	Actual
Revenues		
Property Taxes	\$ 600,941	\$ 599,221
Intergovernmental	17,350	19,838
Fines	10,000	10,754
Charges for Services	5,360	4,253
Other	7,400	66,184
Total Revenues	641,051	700,250
Expenditures		
Personnel	406,500	367,999
Library material and programs	140,000	82,121
Contractual Services	81,500	34,371
Other Operating Expenses	202,200	148,176
Total Expenditures	830,200	632,667
Change in Fund Balance	\$ (189,149)	\$ 67,583

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2018

Actual revenues in 2018 exceeded budgeted revenues in the General Fund by \$59,199. Total expenditures were less than the budgeted amount by \$197,533. Budgeted expenditures are typically higher than expected results as the District adopts a combined budget and appropriation ordinance that provides the legal limits of spending for the fiscal year and expenditure of unexpected revenues if received.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2018, the District had \$7,553,207 invested in capital assets including land, buildings, furniture, fixtures and equipment, net of accumulated depreciation. This amount decreased \$191,881 due to the current year depreciation expense. There were no additions to capital assets during the current year. The District does not report collection materials as capital assets. Details of the District's capital assets by asset classification and the related accumulated depreciation can be found in Note 5 to the financial statements on page 24.

Debt

At June 30, 2018 the District had total debt outstanding from general obligation bonds of \$4,205,000. The District paid \$560,000 in principal on the bonds during the year ended June 30, 2018. Annual maturities of debt and the related interest expense is financed with property tax revenues. See Note 6 to the financial statements on page 25 for more detailed information.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

The District's management, elected and appointed officials consider many factors when developing the fiscal year budget and appropriation and property tax rates. The equalized assessed valuation (EAV) of property in the District increased approximately 4.4% for the tax levy year 2017 compared to an increase of 5.8% in EAV for tax levy year 2016. The 2017 tax levy will be used to fund operations for the District's year ending June 30, 2019. For the current year, the overall increase in property tax revenue recognized for the District as a whole amounted to \$31,702 of which \$24,644 was attributable to the increase in the bond and interest levy restricted to payment of the District's general obligation refunding bonds. Although the District received the fiscal year 2017 Illinois Public Library Per Capita Grant, receipt of the fiscal year 2018 Illinois per capita grant proceeds may be delayed as in prior years due to the state's continued payment backlog.

The District continues to carefully monitor expenditures and consider additional funding sources including public support and grants as a result of the limited increases in revenues available.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
for the year ended June 30, 2018

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 987,631
Property taxes receivable	660,441
Prepaid expenses	7,485
Capital assets not being depreciated	2,016,260
Capital assets being depreciated, net	5,536,947
TOTAL ASSETS	9,208,764
LIABILITIES	
Accounts payable	14,708
Accrued payroll and withholdings payable	21,448
Accrued interest payable	52,563
Long-term liabilities, due within one year:	
Compensated absences	17,981
Bonds payable	595,000
Long-term liabilities, due in more than one year:	
Bonds payable	3,610,000
Unamortized premium on bonds	110,236
TOTAL LIABILITIES	4,421,936
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for a future year	1,346,325
Unamortized gain on refunding of debt	19,024
TOTAL DEFERRED INFLOWS OF RESOURCES	1,365,349
NET POSITION	
Net investment in capital assets	3,224,155
Restricted for:	
Debt service	1,086
Capital projects	59,319
Library books	4,999
Unrestricted	131,920
TOTAL NET POSITION	\$ 3,421,479

See accompanying notes to financial statements.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
STATEMENT OF ACTIVITIES
for the year ended June 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
PRIMARY GOVERNMENT					
Governmental Activities:					
Culture and recreation	\$ 826,014	\$ 15,007	\$ 17,236	\$ -	\$ (793,771)
Interest on long-term debt	98,620	-	-	-	(98,620)
Total Governmental Activities	<u>924,634</u>	<u>15,007</u>	<u>17,236</u>	<u>-</u>	<u>(892,391)</u>
TOTAL PRIMARY GOVERNMENT	<u><u>\$ 924,634</u></u>	<u><u>\$ 15,007</u></u>	<u><u>\$ 17,236</u></u>	<u><u>\$ -</u></u>	<u><u>(892,391)</u></u>
General revenues:					
Property taxes					1,307,093
Intergovernmental					2,602
Investment income					255
Miscellaneous					61,543
Donations not restricted to specific programs					<u>4,386</u>
Total					<u>1,375,879</u>
CHANGE IN NET POSITION					483,488
NET POSITION, BEGINNING					<u>2,937,991</u>
NET POSITION, ENDING					<u><u>\$ 3,421,479</u></u>

See accompanying notes to financial statements.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General	Debt Service	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 503,601	\$ 424,711	\$ 59,319	\$ 987,631
Property taxes receivable	303,144	357,297	-	660,441
Prepaid items	7,485	-	-	7,485
TOTAL ASSETS	<u>\$ 814,230</u>	<u>\$ 782,008</u>	<u>\$ 59,319</u>	<u>\$ 1,655,557</u>
LIABILITIES				
Accounts payable	\$ 14,708	\$ -	\$ -	\$ 14,708
Accrued payroll and withholdings payable	21,448	-	-	21,448
Total liabilities	<u>36,156</u>	<u>-</u>	<u>-</u>	<u>36,156</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	617,966	728,359	-	1,346,325
Total deferred inflows of resources	<u>617,966</u>	<u>728,359</u>	<u>-</u>	<u>1,346,325</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	7,485	-	-	7,485
Restricted for:				
Debt service	-	53,649	-	53,649
Library books	4,999	-	-	4,999
Capital projects	-	-	59,319	59,319
Unassigned	147,624	-	-	147,624
Total fund balances	<u>160,108</u>	<u>53,649</u>	<u>59,319</u>	<u>273,076</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 814,230</u>	<u>\$ 782,008</u>	<u>\$ 59,319</u>	<u>\$ 1,655,557</u>

See accompanying notes to financial statements.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2018

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 273,076
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation of \$2,219,851 used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.	7,553,207
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Some liabilities reported in the statement of net position do not require the use of current financial resources, and therefore, are not reported as liabilities in governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

General obligation bonds	(4,205,000)
Unamortized premium on bonds sold	(110,236)
Interest payable on bonds	(52,563)
Compensated absences	(17,981)

Gains and losses on debt refunding are capitalized as deferred inflows or outflows and amortized on the government-wide statements.	<u>(19,024)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 3,421,479</u></u>
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See accompanying notes to financial statements.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
for the year ended June 30, 2018

	General	Debt Service	Non-major Governmental Fund	Total Governmental Funds
REVENUES				
Property taxes	\$ 599,221	\$ 707,872	\$ -	\$ 1,307,093
Intergovernmental	19,838	-	-	19,838
Fines	10,754	-	-	10,754
Charges for services	4,253	-	-	4,253
Interest income	255	-	-	255
Donations	4,386	-	-	4,386
Miscellaneous	61,543	-	-	61,543
Total revenues	<u>700,250</u>	<u>707,872</u>	<u>-</u>	<u>1,408,122</u>
EXPENDITURES				
Current:				
Culture and recreation	618,219	-	-	618,219
Debt service:				
Principal retirement	-	560,000	-	560,000
Interest	-	142,950	-	142,950
Capital outlay	14,448	-	-	14,448
Total expenditures	<u>632,667</u>	<u>702,950</u>	<u>-</u>	<u>1,335,617</u>
NET CHANGE IN FUND BALANCES	67,583	4,922	-	72,505
FUND BALANCES, BEGINNING OF YEAR	<u>92,525</u>	<u>48,727</u>	<u>59,319</u>	<u>200,571</u>
FUND BALANCES, END OF YEAR	<u>\$ 160,108</u>	<u>\$ 53,649</u>	<u>\$ 59,319</u>	<u>\$ 273,076</u>

See accompanying notes to financial statements.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 for the year ended June 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 72,505

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

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

Depreciation expense	(191,881)
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Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported in the governmental funds:

Increase in compensated absences	(1,466)
Decrease in accrued interest payable on bonds	7,000

The repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	560,000
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Certain amounts relating to bond issues are reported in the statement of net position. These items are amortized and reported as a component of interest expense in the statement of activities but not in the governmental funds:

Amortization of gain on refunding	3,408
Amortization of premium on debt	<u>33,922</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 483,488</u></u>
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See accompanying notes to financial statements.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The District has considered all potential component units. Criteria for including a component unit in the District's reporting entity principally consists of the potential component unit's financial independency and accountability to the District. Based upon those criteria, there are no potential component units to be included in the reporting entity.

Government-Wide and Fund Financial Statements

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

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

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Fund Financial Statements (continued)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. The District reports only governmental funds.

Governmental Funds

The District uses governmental funds to report on its financial position and the changes in its financial position. Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of long-term debt. The District reports the following major governmental funds:

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Property taxes are recognized as revenue in the fiscal year for which the taxes are levied (see Note 3).

SUGAR GROVE PUBLIC LIBRARY DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Interest associated with the current fiscal period is considered to be susceptible to accrual and is recognized as revenues of the current fiscal period. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements, including time requirements, have been satisfied. Amounts received before the eligibility requirements are met are reported as deferred inflows of resources by the District. All other revenue items are considered to be measurable and available only when cash is received by the District.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Cash and Investments

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

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

Capital Assets

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

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

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

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Activity

Interfund activity is reported as either loans, reimbursements or transfers. Loans are reported as interfund receivables (due from other funds) in lender funds and interfund payables (due to other funds) in borrower funds and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund activity is treated as transfers. Interfund transfers are reported as other financing sources/uses in the governmental funds and are netted as part of the reconciliation to the government-wide financial statements.

Compensated Absences

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

Earned paid leave is paid at termination or retirement. A liability and expenditure is reported in the General Fund for the portion that is currently due and payable to retirees or terminated employees. The remainder is reported in long-term liabilities and represents a reconciling item between the fund and government-wide presentations. The liability recorded in both the government-wide and fund financial statements includes payroll related payments for Social Security and Medicare taxes.

Net Position/Fund Balances

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

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

Restricted - net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external sources such as state statute, bond covenants or grants. None of the District's net position is restricted as a result of enabling legislation adopted by the District.

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position/Fund Balances (continued)

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

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

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

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

Assigned - resources that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the Library Director based on the Board's direction.

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

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

Use of Estimates

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

2. DEPOSITS AND INVESTMENTS

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

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

Deposits

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

At June 30, 2018, the carrying value of the District's deposits was \$987,381 and the bank balance was \$996,019. All of the deposits were covered by FDIC insurance or by collateral held by the bank's agent in the District's name.

Investments

The District had no investments at June 30, 2018.

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

3. PROPERTY TAXES

On or before the last Tuesday in December of each year, the District's property tax is levied on the assessed value of all taxable real property located in the district. The 2017 tax levy was passed by the Board of Trustees on October 25, 2017. Property taxes attach as an enforceable lien on property as of January 1. Tax bills are prepared by the County and issued on or about May 1 and are payable in two installments which are generally due in June and September. The County collects such taxes and remits them periodically.

Property taxes are recorded as a receivable and unavailable revenue in the year the District is notified by the County of the amount extended. Revenue is recognized in the period in which the levy is intended to finance. The 2017 tax levy is intended to fund the operations of the year ending June 30, 2019.

4. DEFERRED INFLOWS OF RESOURCES

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

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

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$2,016,260	\$ -	\$ -	\$ 2,016,260
Total capital assets not being depreciated	<u>2,016,260</u>	<u>-</u>	<u>-</u>	<u>2,016,260</u>
Capital assets being depreciated				
Building and improvements	6,713,096	-	-	6,713,096
Land improvements	426,326	-	-	426,326
Furniture, fixtures, and equipment	<u>617,376</u>	<u>-</u>	<u>-</u>	<u>617,376</u>
Total capital assets being depreciated	<u>7,756,798</u>	<u>-</u>	<u>-</u>	<u>7,756,798</u>
Less accumulated depreciation for:				
Building and improvements	(1,258,703)	(167,827)	-	(1,426,530)
Land improvements	(159,870)	(21,316)	-	(181,186)
Furniture, fixtures, and equipment	<u>(609,397)</u>	<u>(2,738)</u>	<u>-</u>	<u>(612,135)</u>
Total accumulated depreciation	<u>(2,027,970)</u>	<u>(191,881)</u>	<u>-</u>	<u>(2,219,851)</u>
Total capital assets being depreciated, net	<u>5,728,828</u>	<u>(191,881)</u>	<u>-</u>	<u>5,536,947</u>
GOVERNMENTAL ACTIVITIES				
Capital assets, net	<u>\$7,745,088</u>	<u>\$ (191,881)</u>	<u>\$ -</u>	<u>\$ 7,553,207</u>

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

GOVERNMENTAL ACTIVITIES	
Culture and recreation - library	<u>\$ 191,881</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

6. LONG-TERM LIABILITIES

At June 30, 2018, long-term debt consisted of the following:

General Obligation Refunding Bonds, Series 2014A

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

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

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
General Obligation Library					
Refunding Bonds,					
Series 2014A	\$ 4,765,000	\$ -	\$ (560,000)	\$ 4,205,000	\$ 595,000
Subtotal bonds payable	4,765,000	-	(560,000)	4,205,000	595,000
Unamortized premium					
Series 2014A	144,158	-	(33,922)	110,236	-
Total bonds payable	4,909,158	-	(593,922)	4,315,236	595,000
Compensated absences	16,515	17,981	(16,515)	17,981	17,981
Totals	<u>\$ 4,925,673</u>	<u>\$ 17,981</u>	<u>\$ (610,437)</u>	<u>\$ 4,333,217</u>	<u>\$ 612,981</u>

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

The annual debt service requirements to maturity, including principal and interest, for general obligation bonds as of June 30, 2018, are as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$ 595,000	\$ 126,150	\$ 721,150
2020	635,000	108,300	743,300
2021	675,000	89,250	764,250
2022	720,000	69,000	789,000
2023	765,000	47,400	812,400
2024	815,000	24,450	839,450
	<u>\$4,205,000</u>	<u>\$ 464,550</u>	<u>\$ 4,669,550</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

7. LEASE COMMITMENT

On June 23, 2014 the District executed a noncancellable operating lease for a copier expiring in June, 2019. The lease requires monthly payments of \$299. Future minimum lease payments under the copier lease amount to \$3,594 for the year ended June 30, 2019.

Rent expense recorded for the year ended June 30, 2018 was \$3,594.

8. RETIREMENT PLAN

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

9. CONTINGENCIES AND COMMITMENTS

Litigation

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

Grants

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

10. RISK MANAGEMENT

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

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

11. LEGAL DEBT MARGIN

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

Following is the District's legal debt margin:

Assessed valuation - 2017 tax year	\$ 469,757,513
Statutory debt limitation at 2.875% of assessed valuation	\$ 13,505,528
Less debt not excluded by statute	\$ -
Legal debt margin	\$ 13,505,528

REQUIRED SUPPLEMENTARY INFORMATION

SUGAR GROVE PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
 for the year ended June 30, 2018

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes:			
Corporate	\$ 573,424	\$ 571,785	\$ (1,639)
Audit	6,241	6,223	(18)
Liability insurance	6,129	6,111	(18)
Social Security	15,147	15,102	(45)
	<u>600,941</u>	<u>599,221</u>	<u>(1,720)</u>
Intergovernmental:			
Replacement tax	350	176	(174)
Grants	13,000	17,236	4,236
Impact fees	4,000	2,426	(1,574)
	<u>17,350</u>	<u>19,838</u>	<u>2,488</u>
Fines	<u>10,000</u>	<u>10,754</u>	<u>754</u>
			-
Charges for services	<u>5,360</u>	<u>4,253</u>	<u>(1,107)</u>
Interest income	<u>200</u>	<u>255</u>	<u>55</u>
Donations	<u>7,200</u>	<u>4,386</u>	<u>(2,814)</u>
Other revenue:			
Miscellaneous	-	61,543	61,543
	<u>-</u>	<u>61,543</u>	<u>61,543</u>
Total revenues	<u>641,051</u>	<u>700,250</u>	<u>59,199</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL, continued
 GENERAL FUND
 for the year ended June 30, 2018

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
EXPENDITURES			
Current:			
Culture and recreation:			
Personnel:			
Salaries	345,000	325,541	(19,459)
Employee benefits	18,000	14,108	(3,892)
Payroll taxes	35,000	24,823	(10,177)
Miscellaneous benefits	2,500	1,263	(1,237)
Professional development	6,000	2,264	(3,736)
	<u>406,500</u>	<u>367,999</u>	<u>(38,501)</u>
Library materials and programs:			
Adult	66,800	44,922	(21,878)
Teen	13,800	8,113	(5,687)
Youth	26,000	16,311	(9,689)
Newspapers and periodicals	3,400	2,243	(1,157)
Programs and supplies	20,000	8,287	(11,713)
Administration materials and supplies	10,000	2,245	(7,755)
	<u>140,000</u>	<u>82,121</u>	<u>(57,879)</u>
Contractual services:			
Consortium/bibliographic support	20,000	15,631	(4,369)
Equipment leasing and supplies	7,500	7,506	6
Consultants	10,000	-	(10,000)
Legal counsel	30,000	-	(30,000)
Accounting and audit	13,000	10,774	(2,226)
Bank fee and merchant charges	1,000	460	(540)
	<u>81,500</u>	<u>34,371</u>	<u>(47,129)</u>
Building and grounds:			
Building/system maintenance and repair	20,000	13,871	(6,129)
Custodial/trash removal	16,000	11,467	(4,533)
Equipment maintenance and repair	15,000	10,947	(4,053)
Grounds and parking lot	10,000	3,693	(6,307)
Lawn care and snow removal	16,000	12,580	(3,420)
	<u>77,000</u>	<u>52,558</u>	<u>(24,442)</u>

SUGAR GROVE PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL, continued
GENERAL FUND
for the year ended June 30, 2018

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
EXPENDITURES, continued			
Current, continued:			
Culture and recreation, continued:			
Liability insurance	15,000	9,429	(5,571)
Technology/automation			
Software, licenses and subscriptions	12,000	5,983	(6,017)
General administration/facility			
Telecommunications	10,000	10,639	639
Utilities	40,000	44,638	4,638
Memberships and development	2,000	1,098	(902)
Public relations, marketing and information	8,000	4,334	(3,666)
Supplies	6,000	4,171	(1,829)
Postage	1,200	878	(322)
Other miscellaneous	2,000	-	(2,000)
	<u>69,200</u>	<u>65,758</u>	<u>(3,442)</u>
Contingency	10,000	-	(10,000)
	<u>811,200</u>	<u>618,219</u>	<u>(192,981)</u>
Capital outlay:			
Furniture and equipment	5,000	2,778	(2,222)
Server/LAN/infrastructure equipment	14,000	11,670	(2,330)
	<u>19,000</u>	<u>14,448</u>	<u>(4,552)</u>
Total expenditures	<u>830,200</u>	<u>632,667</u>	<u>(197,533)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (189,149)</u>	67,583	<u>\$ 256,732</u>
FUND BALANCE, BEGINNING OF YEAR		<u>92,525</u>	
FUND BALANCE, END OF YEAR		<u>\$ 160,108</u>	

SUGAR GROVE PUBLIC LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Annual appropriated budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The annual appropriated budget is legally enacted and provides for a legal level of control (level at which expenditures may not exceed appropriations) at the fund level. All annual appropriations lapse at fiscal year end.

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

1. The Board prepares a Combined Annual Budget and Appropriation Ordinance by fund and itemized by object and purpose.
2. Budget hearings are conducted.
3. The appropriation is legally enacted through passage of an ordinance.
4. During the fiscal year, transfers made between line items within the same fund must be approved by the Board. Amendments to the budget may be made using the same procedures followed to adopt the original combined annual budget and appropriations ordinance.
5. Budgeted amounts presented in the financial statements are the final appropriated budget amounts as originally adopted by the Board on August 23, 2017.

OTHER SUPPLEMENTARY INFORMATION

SUGAR GROVE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
 for the year ended June 30, 2018

	Original and Final Appropriated Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 709,891	\$ 707,872	\$ (2,019)
Total revenues	<u>709,891</u>	<u>707,872</u>	<u>(2,019)</u>
EXPENDITURES			
Debt Service			
Principal retirement	715,000	560,000	(155,000)
Interest	-	142,950	142,950
Total expenditures	<u>715,000</u>	<u>702,950</u>	<u>(12,050)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,109)</u>	4,922	<u>\$ 10,031</u>
FUND BALANCE, BEGINNING OF YEAR		<u>48,727</u>	
FUND BALANCE, END OF YEAR		<u>\$ 53,649</u>	

SUGAR GROVE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL RESERVE FUND
 for the year ended June 30, 2018

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

STATISTICAL SECTION

SUGAR GROVE PUBLIC LIBRARY DISTRICT
 ASSESSED VALUATIONS, PROPERTY TAX RATES, EXTENSIONS,
 AND COLLECTIONS
 June 30, 2018

Tax Levy Year	2017		2016	
Assessed Valuation	\$469,757,513		\$447,728,669	
	Rate	Amount	Rate	Amount
Tax Extensions				
Corporate	0.125254	\$ 588,390	0.128074	\$ 573,423
Social Security	0.003452	16,216	0.003383	15,147
Audit	0.001422	6,680	0.001394	6,241
Liability Insurance	0.001422	6,680	0.001369	6,129
Bonds and interest	0.155050	728,359	0.158574	709,981
	0.286600	\$ 1,346,325	0.292794	\$ 1,310,921
Tax collections:				
year ended June 30, 2018		\$ 685,884		\$ 653,255
Previous years		-		\$ 653,838
		\$ 685,884		\$ 1,307,093
Percent collected		50.9%		99.7%

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