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**ZION-BENTON PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

eder, casella & co.

ZION-BENTON PUBLIC LIBRARY DISTRICT
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Zion-Benton Public Library District
Zion, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

ZION-BENTON PUBLIC LIBRARY DISTRICT

as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Library'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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Zion-Benton Public Library District, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 15 to the financial statements, in 2017 the Library adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. 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, Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contribution, and budgetary comparison information on pages 3 through 7 and 26 through 33 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 Zion-Benton Public Library District's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual nonmajor fund financial statements 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 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 individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
January 10, 2018

REQUIRED SUPPLEMENTARY INFORMATION

ZION-BENTON PUBLIC LIBRARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

As management of Zion-Benton Public Library District (Library), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Please find below highlights of fiscal year 2017:

- The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,167,556 (net position). Of this amount, \$1,204,674 (unrestricted net position) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position decreased by \$313,448.
- At the close of the current fiscal year, the Library's governmental funds reported combined ending fund balances of \$1,618,983, an increase of \$106,300 in comparison with the prior year. \$1,115,241 is available for spending at the Library's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,115,241, or 63% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements include government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position presents information on all of the Library's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating when comparing year to year results.

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

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

The government-wide financial statements can be found on pages 8 and 9 of this report.

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

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

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

The Library maintains seven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Special Reserve Fund, both of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of budgetary comparison schedules elsewhere in this report.

The Library adopts an annual budget and appropriation ordinance that includes all of the funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the adopted budget and appropriation ordinance.

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

Notes to the 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 14 through 25 of this report.

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

Required supplementary information can be found on pages 26 through 33 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,167,556 at the close of the most recent fiscal year.

One of the largest portions of the Library's net position (60%) reflects its investment in capital assets (e.g., land, construction in progress, buildings, equipment, furniture and fixtures, and library materials,); less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of changes in net position for the years ended June 30, 2017 and 2016:

Zion-Benton Public Library District's Net Position at Year End

	Governmental Activities	
	6/30/2017	6/30/2016
Assets		
Current and Other Assets	\$ 3,833,190	\$ 3,726,147
Capital Assets	2,516,130	2,884,919
Total Assets	\$ 6,349,320	\$ 6,611,066
Deferred Outflows of Resources		
Pension Expense/Revenue - Illinois Municipal Retirement Fund	\$ 412,212	\$ 556,708
Liabilities		
Long-Term Liabilities Outstanding	\$ 338,640	\$ 414,478
Other Liabilities	54,519	118,489
Total Liabilities	\$ 393,159	\$ 532,967
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	\$ 2,159,688	\$ 2,094,975
Pension Liabilities	41,129	58,828
Total Deferred Inflows of Resources	\$ 2,200,817	\$ 2,153,803
Net Position		
Net Investment in Capital Assets	\$ 2,516,130	\$ 2,884,919
Restricted	446,752	520,005
Unrestricted	1,204,674	1,076,080
Total Net Position	\$ 4,167,556	\$ 4,481,004

An additional portion of the Library's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,204,674) may be used to meet the Library's ongoing obligations to citizens and creditors.

The Library's net position decreased by \$313,448 during the current fiscal year.

Governmental activities - Governmental activities decreased the Library's net position by \$313,448. Key elements of this decrease are as follows:

Zion-Benton Public Library District's Change in Net Position

	Governmental Activities	
	6/30/2017	6/30/2016
Revenues		
Program Revenues		
Charges for Services	\$ 31,136	\$ 43,556
Operating Grants and Contributions	18,104	47,994
General Revenues		
Property Taxes	2,077,439	2,063,922
Other Taxes	93,229	83,926
Investment Earnings	16,966	14,429
Gain/(Loss) on Sale of Capital Assets	(3,370)	764
Other	17,092	33,528
Total Revenues	\$ 2,250,596	\$ 2,288,119
Expenses		
Personnel Expenses	\$ 1,451,591	\$ 1,711,705
Library Materials	53,654	292,104
Contractual Services	131,978	129,499
Materials and Supplies	423,343	162,065
Unallocated Depreciation	503,478	441,884
Total Expenses	\$ 2,564,044	\$ 2,737,257
Increase/(Decrease) in Net Position	\$ (313,448)	\$ (449,138)
Net Position - Beginning of Year	4,481,004	4,930,142
Net Position - End of Year	\$ 4,167,556	\$ 4,481,004

- Overall, revenues remained relatively stable between 2016 and 2017. The most significant revenue decrease was in Operating Grants and Contributions – a decrease of \$29,890 (62%). This decrease is due to the Library not receiving a Per Capita Grant from the state in the current year.
- Overall, total expenses decreased by \$173,213 in comparison with the prior year. This change was mostly due to decrease in Library Personnel expenses, caused by higher IMRF pension expenses recognized during the prior year.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

Governmental funds - The focus of the Library’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library’s financing requirements. In particular, 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.

At the end of the current fiscal year, the Library’s governmental funds reported combined ending fund balances of \$1,618,983, an increase of \$106,300 in comparison with the prior year. Of this amount, \$1,115,241 constitutes unassigned fund balance, which is available for spending at the Library’s discretion.

The General Fund is the chief operating fund of the Library. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,115,241. As a measure of the General Fund’s liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 65% of total General Fund expenditures.

The Special Reserve Fund has a total fund balance of \$266,828. All Special Reserve Fund funds are committed for future construction.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Library did not amend its budget during the year ended June 30, 2017. Total library operations expenditures were \$210,515 less than budgeted expenditures (favorable).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Library’s investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$2,516,130 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, furniture and fixtures, library materials, and periodicals.

Zion-Benton Public Library District's Capital Assets
(net of depreciation)

	Governmental Activities	
	6/30/2017	6/30/2016
Land	\$ 93,896	\$ 93,896
Buildings	1,280,918	1,480,039
Equipment	141,365	171,470
Furniture and Fixtures	21,047	23,427
Library Materials	978,904	1,116,087
Total	<u>\$ 2,516,130</u>	<u>\$ 2,884,919</u>

Major capital asset events during the current fiscal year included the following:

- Library Materials and Periodicals were purchased during the year for \$134,689.

- Library Materials and Periodicals were disposed of which originally cost \$150,958.
- Depreciation expense for the year ended June 30, 2017 was \$503,478.

Additional information on the Library's capital assets can be found in note 4 on pages 19 and 20 of this report.

Long-term debt - At the end of the current fiscal year, the Library did not have any bonded debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As a tax-supported body in a tax-cap county, the District faces the issue of availability of funds to pay the necessary staff and to provide services to its patrons. Due to the efforts of management, the impact of this issue was lessened to some extent in the current year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Zion-Benton Public Library District's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mrs. Linda Stoppenbach, Interim Library Director at 2400 Gabriel Avenue, Zion, IL 60099.

BASIC FINANCIAL STATEMENTS

ZION-BENTON PUBLIC LIBRARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,553,496
Investments, at Fair Value	1,164,875
Property Taxes Receivable, net of allowance of \$0	1,069,416
Accrued Interest	991
Prepaid Expenses	44,412
Capital Assets (Note 4):	
Land	93,896
Depreciable Buildings, Equipment, Furniture and Fixtures	
Library Materials, Periodicals, net of depreciation	<u>2,422,234</u>
Total Assets	<u>\$ 6,349,320</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Expense - Illinois Municipal Retirement Fund	<u>\$ 412,212</u>
Total Deferred Outflows of Resources	<u>\$ 412,212</u>
LIABILITIES	
Accounts Payable	\$ 13,117
Accrued Payroll	22,921
Accrued Compensated Absences	18,481
Net Pension Liability - Illinois Municipal Retirement Fund	<u>338,640</u>
Total Liabilities	<u>\$ 393,159</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	\$ 2,159,688
Pension Revenue - Illinois Municipal Retirement Fund	<u>41,129</u>
Total Deferred Inflows of Resources	<u>\$ 2,200,817</u>
NET POSITION	
Net Investment in Capital Assets	\$ 2,516,130
Restricted	
Audit	135
Building Maintenance	72,497
Social Security	28,650
IMRF	44,484
Insurance Liability	35,704
Special Reserve	265,282
Unrestricted/(Deficit)	<u>1,204,674</u>
Total Net Position	<u><u>\$ 4,167,556</u></u>

The Notes to Financial Statements are an integral part of this statement.

ZION-BENTON PUBLIC LIBRARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs				
Library Services				
Personnel Expenses	\$ 1,451,591	\$ -	\$ -	\$ (1,451,591)
Library Materials	53,654	-	-	(53,654)
Contractual Services	131,978	-	-	(131,978)
Materials and Supplies	423,343	31,136	18,104	(374,103)
Unallocated Depreciation	503,478	-	-	(503,478)
	\$ 2,564,044	\$ 31,136	\$ 18,104	\$ (2,514,804)
General Revenues				
Taxes				
Property Taxes				\$ 2,077,439
Personal Property Replacement Taxes				93,229
Unrestricted Investment Earnings				16,966
Gain/(Loss) on Sale of Capital Assets				(3,370)
Other Income				17,092
Total General Revenues				\$ 2,201,356
Change in Net Position				\$ (313,448)
Net Position - July 1, 2016				4,481,004
Net Position - June 30, 2017				\$ 4,167,556

The Notes to Financial Statements are an integral part of this statement.

ZION-BENTON PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 AS OF JUNE 30, 2017

	General Fund	Building and Maintenance Fund	Special Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 995,772	\$ 122,310	\$ 266,731	\$ 168,683	\$ 1,553,496
Investments, at Fair Value	1,164,875	-	-	-	1,164,875
Property Taxes Receivable, net of allowance of \$0	937,505	44,616	-	87,295	1,069,416
Accrued Interest	787	45	97	62	991
Prepaid Expenses	44,412	-	-	-	44,412
Total Assets	\$ 3,143,351	\$ 166,971	\$ 266,828	\$ 256,040	\$ 3,833,190
LIABILITIES					
Accounts Payable	\$ 13,117	\$ -	\$ -	\$ -	\$ 13,117
Accrued Payroll	22,921	-	-	-	22,921
Accrued Compensated Absences	18,481	-	-	-	18,481
Total Liabilities	\$ 54,519	\$ -	\$ -	\$ -	\$ 54,519
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	\$ 1,893,293	\$ 90,103	\$ -	\$ 176,292	\$ 2,159,688
Total Deferred Inflows of Resources	\$ 1,893,293	\$ 90,103	\$ -	\$ 176,292	\$ 2,159,688
FUND BALANCES					
Non-Spendable	\$ 44,412	\$ -	\$ -	\$ -	\$ 44,412
Restricted					
Audit	-	-	-	135	135
Building Maintenance	-	72,497	-	-	72,497
Social Security	-	-	-	28,650	28,650
IMRF	-	-	-	44,484	44,484
Insurance Liability	35,704	-	-	-	35,704
Special Reserve	-	-	265,282	-	265,282
Assigned					
Audit	-	-	-	1,672	1,672
Building Maintenance	-	4,371	-	-	4,371
Social Security	-	-	-	1,742	1,742
IMRF	-	-	-	3,065	3,065
Insurance Liability	182	-	-	-	182
Special Reserve	-	-	1,546	-	1,546
Unassigned	1,115,241	-	-	-	1,115,241
Total Fund Balances	\$ 1,195,539	\$ 76,868	\$ 266,828	\$ 79,748	\$ 1,618,983
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,143,351	\$ 166,971	\$ 266,828	\$ 256,040	\$ 3,833,190

The Notes to Financial Statements are an integral part of this statement.

ZION-BENTON PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2017

Fund Balances - Total Governmental Funds		\$	1,618,983
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>			
<p>Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds</p>			
Pension Expenses/Contributions - IMRF			371,083
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>			
Capital Assets	\$	9,280,829	
Less: Accumulated Depreciation		<u>(6,764,699)</u>	
			2,516,130
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>			
Net Pension Liability			(338,640)
			<hr/>
Net Position of Governmental Activities		\$	<u><u>4,167,556</u></u>

The Notes to Financial Statements are an integral part of this statement.

ZION-BENTON PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2017

	General Fund	Building and Maintenance Fund	Special Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 1,798,453	\$ 88,979	\$ -	\$ 190,007	\$ 2,077,439
Replacement Taxes	75,586	-	-	17,643	93,229
TIF Rebate Tax Income	2,516	-	-	259	2,775
Fines	18,852	-	-	-	18,852
Fees and Other Charges	12,284	-	-	-	12,284
Book Sales	3,319	-	-	-	3,319
Interest	16,588	-	98	280	16,966
Gifts & Donations	729	-	-	-	729
Supplies	774	-	-	-	774
Other Grant Income	17,375	-	-	-	17,375
Miscellaneous Income	10,099	125	-	-	10,224
	<u>\$ 1,956,575</u>	<u>\$ 89,104</u>	<u>\$ 98</u>	<u>\$ 208,189</u>	<u>\$ 2,253,966</u>
EXPENDITURES					
Current					
Personnel Expenses	\$ 1,210,461	\$ -	\$ -	\$ 190,171	\$ 1,400,632
Library Materials	188,343	-	-	-	188,343
Contractual Services	106,978	17,200	-	7,800	131,978
Materials, Supplies, and Repairs	269,772	85,671	67,900	-	423,343
	<u>\$ 1,775,554</u>	<u>\$ 102,871</u>	<u>\$ 67,900</u>	<u>\$ 197,971</u>	<u>\$ 2,144,296</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>\$ 181,021</u>	<u>\$ (13,767)</u>	<u>\$ (67,802)</u>	<u>\$ 10,218</u>	<u>\$ 109,670</u>
OTHER FINANCING SOURCES/(USES)					
Transfers to Other Funds	\$ 36,327	\$ 19,490	\$ -	\$ (55,817)	\$ -
Unrealized Gains & Losses	(3,370)	-	-	-	(3,370)
	<u>\$ 32,957</u>	<u>\$ 19,490</u>	<u>\$ -</u>	<u>\$ (55,817)</u>	<u>\$ (3,370)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 213,978</u>	<u>\$ 5,723</u>	<u>\$ (67,802)</u>	<u>\$ (45,599)</u>	<u>\$ 106,300</u>
FUND BALANCES - JULY 1, 2016	<u>981,561</u>	<u>71,145</u>	<u>334,630</u>	<u>125,347</u>	<u>1,512,683</u>
FUND BALANCES - JUNE 30, 2017	<u><u>\$ 1,195,539</u></u>	<u><u>\$ 76,868</u></u>	<u><u>\$ 266,828</u></u>	<u><u>\$ 79,748</u></u>	<u><u>\$ 1,618,983</u></u>

The Notes to Financial Statements are an integral part of this statement.

ZION-BENTON PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 106,300

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 these assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Capital Outlays	\$ 134,689	
Depreciation Expense	<u>(503,478)</u>	(368,789)

Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction of the Net Pension Liability on the government-wide financial statements.

Illinois Municipal Retirement Fund Contributions		<u>(50,959)</u>
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Change in Net Position of Governmental Activities		<u><u>\$ (313,448)</u></u>
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The Notes to Financial Statements are an integral part of this statement.

ZION-BENTON PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Zion-Benton Public Library District (Library) is a public library organized under Chapter 75 of the Illinois Compiled Statutes. It operates under the direction of a Board of Trustees and provides library facilities in the Zion area.

The Library's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting principles established in GAAP and used by the Library are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the Library. Component units are legally separate entities for which the Library (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Library's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Library. Using these criteria, the Library has no component units. In addition, the Library is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Financial Statements*

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund (reporting the Library's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the Library as governmental activities. The Library does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is 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's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Library first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Library's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, other income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (general government and library operations). Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific grants and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, other income, etc.).

NOTES TO FINANCIAL STATEMENTS (Continued)

The Library does not allocate indirect costs.

The government-wide focus is more on the sustainability of the Library as an entity and the change in the Library's net position resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Library 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, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth the minimum criteria (percentage of assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements.

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The Library reports these major governmental funds:

1. The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund. The Library Fund, Liability Insurance, and the Working Cash Fund are included in this fund.
2. The Construction Fund is used to account for the accumulation of funds to be used for site and building maintenance.
3. The Special Reserve Fund is used to account for the accumulation of funds to be used for future building construction.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measureable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also

NOTES TO FINANCIAL STATEMENTS (Continued)

available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all Library funds. Instead, the funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Library funds and are, therefore, interfund loans which have not been authorized by Board action.

No Library fund had a cash overdraft at June 30, 2017.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at cost or amortized cost. Gains or losses on the sale of investments are recognized upon realization.

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Items*

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

H. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

I. *Capital Assets*

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

NOTES TO FINANCIAL STATEMENTS (Continued)

Buildings	25 years
Equipment	10 years
Furniture and Fixtures	25 years
Library Materials	10 years

J. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet(s) and Statement(s) of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

K. *Compensated Absences*

The Library accrues accumulated unpaid vacation when earned by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide Statement of Net Position and represents a reconciling item between the fund and government-wide presentations.

L. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt services expenditures.

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

M. *Government-Wide Net Position*

Net position is divided into three components:

- Net Investment in Capital Assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – consists of net position that is restricted by the Library's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions or shared revenue), by grantors (both federal and state), and by other contributors (including those who have contributed impact fees for future capital expansion).
- Unrestricted net position – the remaining net position is reported in this category.

N. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

NOTES TO FINANCIAL STATEMENTS (Continued)

The spendable fund balances are arranged in a hierarchy based on spending constraints.

- **Restricted** – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- **Committed** – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. The Board has committed 100% of the fund balance in the Special Reserve Fund to be used for future construction projects.
- **Assigned** – Assigned fund balances are amounts that are constrained by the Library's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects or debt services fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Library itself. All assigned fund balances are the residual amounts of the fund.

- **Unassigned** – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash.

The Library permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

O. *Property Tax Calendar and Revenues*

The Library's property tax is levied each calendar year on all taxable real property located in the Library's district on or before the last Tuesday in December. The 2016 levy was passed by the Board on October 25, 2016. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Library receives significant distributions of tax receipts approximately one month after these dates.

P. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the Library's name.

The Library is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Sections 235/2 and 235/6.

NOTES TO FINANCIAL STATEMENTS (Continued)

Investments

As of June 30, 2017, the Library had the following investments and maturities:

Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
State Investment Pool	\$ 100,216	\$ 100,216	\$ -	\$ -	\$ -

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered, but does have regulatory oversight through the State of Illinois.

Interest Rate Risk. The Library has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The Library has an investment policy that would further limit its investment choices. As of June 30, 2017, the Library's investments were rated as follows:

Investments	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's

NOTE 3 - FAIR VALUE MEASUREMENT

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable assets; Level 3 inputs are significant unobservable assets.

The Library has the following recurring fair value measurements as of June 30, 2017:

- State Investment Pools of \$100,216 are valued using quoted market prices (Level 1 inputs).

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 93,896	\$ -	\$ -	\$ 93,896
Total Capital Assets not being depreciated	\$ 93,896	\$ -	\$ -	\$ 93,896
Other Capital Assets				
Buildings	\$ 5,478,074	\$ -	\$ -	\$ 5,478,074
Equipment	1,762,965	-	-	1,762,965
Furniture and Fixtures	71,598	-	-	71,598
Library Materials	1,890,566	134,689	(150,958)	1,874,296
Total Other Capital Assets at Historical Cost	\$ 9,203,202	\$ 134,689	\$ (150,958)	\$ 9,488,850
Less Accumulated Depreciation for:				
Buildings	\$ 3,998,033	\$ 199,123	\$ -	\$ 4,197,156
Equipment	1,591,497	30,104	-	1,621,600
Furniture and Fixtures	48,171	2,380	-	50,551
Library Materials	774,479	271,872	(150,958)	895,392
Total Accumulated Depreciation	\$ 6,412,179	\$ 503,478	\$ (150,958)	\$ 6,764,699
Other Capital Assets, Net	\$ 2,791,023	\$ (368,789)	\$ -	\$ 2,422,234
Governmental Activities Capital Assets, Net	\$ 2,884,919	\$ (368,789)	\$ -	\$ 2,516,130

NOTES TO FINANCIAL STATEMENTS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 503,478
	<u>\$ 503,478</u>

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities:					
Other Long-Term Liabilities					
Compensated Absences	\$ 92,882	\$ -	\$ 74,401	\$ 18,481	\$ -
	<u>\$ 92,882</u>	<u>\$ -</u>	<u>\$ 74,401</u>	<u>\$ 18,481</u>	<u>\$ -</u>

NOTE 6 - DEFICIT FUND BALANCES

No Library fund had a deficit fund balance at June 30, 2017.

NOTE 7 - PROPERTY TAXES REVENUE

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2016 tax levy. The unavailable revenue is 100% of the 2016 tax levy. These taxes are unavailable as only a portion of the taxes (approximately 50%) are collected before the end of the fiscal year and the Library does not consider the amounts to be available and does not budget for their use in fiscal year 2017. The Library has determined that 100% of the amounts collected for the 2015 levy are allocable for use in fiscal year 2017. Therefore, 100% of the amounts collected for the 2015 levy (\$2,077,439) are recorded in these financial statements as property taxes revenue. A summary of assessed valuations, rates, and extensions for tax years 2016, 2015, and 2014 is as follows:

Assessed Valuation	2016		2015		2014	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
	\$521,729,267		\$472,160,253		\$471,159,441	
General	0.360635	\$ 1,881,538	0.381606	\$ 1,801,792	0.371866	\$ 1,752,082
Social Security	0.015956	83,247	0.013931	65,777	0.016553	77,991
Municipal Retirement	0.016895	88,146	0.025609	120,916	0.028691	135,180
Site and Buildings	0.017270	90,103	0.019346	91,344	0.019719	92,908
Audit	0.000939	4,899	0.001080	5,099	0.001103	5,197
Liability Insurance	0.002253	11,755	0.003241	15,303	0.003311	15,600
	<u>0.413948</u>	<u>\$ 2,159,688</u>	<u>0.444813</u>	<u>\$ 2,100,231</u>	<u>0.441243</u>	<u>\$ 2,078,958</u>

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2017, no fund had expenditures that exceeded its budget.

NOTE 9 - RETIREMENT FUND COMMITMENTS

A. *Illinois Municipal Retirement Fund*

Plan Description

The Library's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Library's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public

NOTES TO FINANCIAL STATEMENTS (Continued)

pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position and required supplementary information. That report may be obtained on-line at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. At December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	17
Active plan members	27
Total	<u>80</u>

Contributions

As set by statute, the Library's Regular Plan Members are required to contribute 4.5% 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 Library's annual contribution rate for calendar year 2016 was 12.02%. For the fiscal year ended June 30, 2017, the Library contributed \$104,183 to the Plan. The Library 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTES TO FINANCIAL STATEMENTS (Continued)

Net Pension Liability

The components of the net pension liability of the IMRF as of December 31, 2016, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	6,487,023
IMRF Fiduciary Net Position		6,148,383
Library's Net Pension Liability		338,640
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		94.78%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the Plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions.

Assumptions		
Inflation		2.75%
Salary Increases	3.75% - 14.50%	including inflation
Interest Rate		7.50%
Asset Valuation Method		
	Market value of assets	
Projected Retirement Age		
	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.	

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Target Allocation	Projected Return
Equities	38.0%	7.39%
International Equities	17.0%	7.59%
Fixed Income	27.0%	3.00%
Real Estate	8.0%	6.00%
Alternatives	9.0%	
Private Equity		8.15%
Hedge Funds		5.25%
Commodities		2.75%
Cash	1.0%	2.25%
	<u>100.0%</u>	

NOTES TO FINANCIAL STATEMENTS (Continued)

Single Discount Rate

The projection of cash flow used to determine this Single Discount Rate assumed that the Plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (A)-(B)
Balance at December 31, 2015	\$ 6,273,170	\$ 5,858,692	\$ 414,478
Changes for the year:			
Service Cost	\$ 109,731	\$ -	\$ 109,731
Interest on the Total Pension Liability	460,888	-	460,888
Difference Between Expected and Actual	(1,433)	-	(1,433)
Changes of Assumptions	(6,022)	-	(6,022)
Contributions-Employer	-	119,981	(119,981)
Contributions-Employee	-	44,917	(44,917)
Net Investment Income	-	394,569	(394,569)
Benefit Payments, including Refunds of Employee Contributions	(349,311)	(349,311)	-
Other (Net Transfers)	-	79,535	(79,535)
Net Changes	\$ 213,853	\$ 289,691	\$ (75,838)
Balance at December 31, 2016	\$ 6,487,023	\$ 6,148,383	\$ 338,640

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 1,015,086	\$ 338,640	\$ (200,248)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the Library recognized pension expense of \$50,959. At June 30, 2017, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS (Continued)

Expense in Future Periods	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>	<u>Net Outflows of Resources</u>
Differences between expected and actual experience	\$ 2,944	\$ (36,814)	\$ (33,870)
Assumption changes	44,236	(4,315)	39,921
Net difference between projected and actual earnings on pension investments	<u>305,591</u>	<u>-</u>	<u>305,591</u>
Total deferred amounts to be recognized in pension expense in future periods	\$ 352,771	\$ (41,129)	\$ 311,642
Pension contributions made subsequent to the measurement date	59,441	-	59,441
Total deferred amounts related to pensions	<u>\$ 412,212</u>	<u>\$ (41,129)</u>	<u>\$ 371,083</u>

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

Year Ending December 31	<u>Net Deferred Outflows of Resources</u>
2017	\$ 126,219
2018	89,335
2019	87,908
2020	8,180
2021	-
Thereafter	-
	<u>\$ 311,642</u>

A. Social Security

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered “non-participating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under social security. The Library paid the total required contribution for the current fiscal year.

NOTE 10 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2017 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
Construction Fund	Library Fund	\$ 55,817
Working Cash Fund	Library Fund	93,593
Library Fund	Building Maintenance Fund	19,490

Both the Construction and Working Cash Funds were closed by board action and transferred into the Library Fund. The transfer to the Building Maintenance Fund was to cover accrual entries for payroll.

NOTE 11 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library purchases commercial insurance to handle these risks of loss. During fiscal year 2017 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Library is insured under a retrospectively-rated policy for workers’ compensation coverage, whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded

NOTES TO FINANCIAL STATEMENTS (Continued)

when paid or received. During the year ended June 30, 2017, there were no significant adjustments in premiums based on actual experience.

NOTE 12 - CONTINGENCIES

The Library is not aware of any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 13 - CALCULATION OF LEGAL DEBT MARGIN

Assessed Valuation - 2016	<u>\$521,729,267</u>
Legal Debt Margin - 2.875% of Assessed Valuation	14,999,716
Amount of Debt Applicable to Debt Limit	<u>-</u>
Legal Debt Margin	<u>14,999,716</u>

NOTE 14 - SUBSEQUENT EVENTS

The Library has evaluated subsequent events through January 10, 2018, the date on which the financial statements were available to be issued.

NOTE 15 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended June 30, 2017, the Library has implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement further clarifies how the fair value is determined for assets and liabilities. The Statement also requires additional disclosures about the fair value measurement of the investments held by the Library (see Note 3).

REQUIRED SUPPLEMENTARY INFORMATION

ZION-BENTON PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 109,731	\$ 116,564	\$ 123,030
Interest	460,888	449,032	407,963
Differences Between Expected and Actual Experience	(1,433)	(81,869)	18,145
Changes in Assumptions	(6,022)	-	272,644
Benefit Payments, Including Refunds of Member Contributions	<u>(349,311)</u>	<u>(294,735)</u>	<u>(231,200)</u>
Net Change in Total Pension Liability	\$ 213,853	\$ 188,992	\$ 590,582
Total Pension Liability - Beginning	<u>6,273,170</u>	<u>6,084,178</u>	<u>5,493,596</u>
Total Pension Liability - Ending	<u>\$ 6,487,023</u>	<u>\$ 6,273,170</u>	<u>\$ 6,084,178</u>
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 119,981	\$ 368,378	\$ 126,833
Contributions - Member	44,917	46,282	54,321
Net Investment Income	394,569	28,902	330,258
Benefit Payments, Including Refunds of Member Contributions	(349,311)	(294,735)	(231,200)
Other	<u>79,535</u>	<u>(10,487)</u>	<u>1,058</u>
Net Change in Plan Fiduciary Net Position	\$ 289,691	\$ 138,340	\$ 281,270
Plan Net Position - Beginning	<u>5,858,692</u>	<u>5,720,352</u>	<u>5,439,082</u>
Plan Net Position - Ending	<u>\$ 6,148,383</u>	<u>\$ 5,858,692</u>	<u>\$ 5,720,352</u>
Library's Net Pension Liability	<u>\$ 338,640</u>	<u>\$ 414,478</u>	<u>\$ 363,826</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.78%	93.39%	94.02%
Covered-Employee Payroll	\$ 998,484	\$ 1,028,482	\$ 994,854
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	33.92%	40.30%	36.57%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

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

ZION-BENTON PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Actuarially-Determined Contribution	\$ 120,018	\$ 118,378	\$ 124,456
Contributions in relation to Actuarially-Determined Contribution	<u>119,981</u>	<u>368,378</u>	<u>126,833</u>
Contribution deficiency/(excess)	<u>\$ 37</u>	<u>\$ (250,000)</u>	<u>\$ (2,377)</u>
Covered-Employee Payroll	\$ 998,484	\$ 1,028,482	\$ 994,854
Contributions as a percentage of Covered-Employee Payroll	12.02%	35.82%	12.75%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2015 Contribution Rate *

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

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 28-year closed period until remaining period reaches 15 years (then 15-year rolling period)

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 4%

Price Inflation: 3%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 4.40% to 16%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward ten years.

*Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

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

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Property Taxes	\$ 1,817,095	\$ 1,798,453	1,754,896
TIF Rebate Tax Income	-	2,516	-
Personal Property Replacement Tax	65,000	75,586	72,738
Fines & Fees	25,000	18,852	25,642
Photocopy Income	12,500	12,284	12,399
Book Sales	3,500	3,319	3,688
Interest	32,270	16,588	14,308
Gifts & Donations	1,000	729	303
Supplies	1,500	774	1,826
Grant Income	17,325	17,375	9,845
Reading Club Incentives	5,275	1,885	5,160
E-Rate Rebate	1,500	203	2,199
Retail Income	300	1,193	311
Vending Income	1,000	(43)	1,163
Meeting Room Income	500	1,231	535
Public Fax Income	7,000	4,247	6,649
Rebates Income	4,000	1,200	908
Craft Fair Table Fee	-	-	85
Miscellaneous Income	1,500	183	21,679
Total Revenues	\$ 1,996,265	\$ 1,956,575	\$ 1,934,334
EXPENDITURES			
Current			
Personnel Expenses			
Salaries	\$ 1,170,000	\$ 1,057,967	\$ 1,057,750
Recruitment	1,000	729	806
Group Health Insurance	122,000	122,023	139,879
Unemployment Insurance	2,500	2,010	2,344
Worker's Compensation Insurance	-	3,180	3,040
Liability Insurance	1,500	120	1,150
Employee Recognition	2,950	1,199	931
Staff Associations	1,500	1,118	1,378
Staff Training	12,000	10,905	10,477
Trustee Expenses	3,000	2,072	2,045
Travel-Staff	8,000	4,341	13,070
Travel-Director	1,200	-	-
Professional Dues	5,650	4,797	3,889
	\$ 1,331,300	\$ 1,210,461	\$ 1,236,759
Utilities			
Electric	\$ 44,100	\$ 43,398	\$ 40,261
Gas	13,500	9,969	9,827
Water	800	1,145	849
Waste	600	285	218
Telephone	3,000	820	2,576
Internet	17,500	14,051	18,896
	\$ 79,500	\$ 69,668	\$ 72,627

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
EXPENDITURES (Continued)			
Current (Continued)			
Outside Professional Services			
Legal Services	\$ 4,000	\$ 2,153	\$ 2,321
Accounting Services	7,200	9,230	6,608
Payroll Processing	5,500	4,270	3,843
Investment Services	3,000	2,853	2,843
Collection Services	2,100	2,971	2,962
Consulting Services	3,500	3,548	1,059
Bank Fees	2,500	2,119	3,125
Legal Notices	500	13	61
	<u>\$ 28,300</u>	<u>\$ 27,157</u>	<u>\$ 22,822</u>
Contractual Services			
Insurance	\$ 27,000	\$ 24,525	\$ 17,850
	<u>\$ 27,000</u>	<u>\$ 24,525</u>	<u>\$ 17,850</u>
Library Materials			
Books & Publications	\$ 250,100	\$ 188,343	\$ 259,418
	<u>\$ 250,100</u>	<u>\$ 188,343</u>	<u>\$ 259,418</u>
Promotion & Publicity			
General	\$ 18,544	\$ 16,161	\$ 11,635
Adult	5,000	3,419	10,440
Youth	12,000	8,877	9,643
Young Adult	6,000	6,462	6,001
Circulation	500	200	88
E Services	2,500	250	1,607
After School Project	500	839	838
Printing & Typesetting	20,000	19,088	24,770
	<u>\$ 65,044</u>	<u>\$ 55,296</u>	<u>\$ 65,022</u>
Supplies			
Office & Library	\$ 48,500	\$ 40,740	\$ 43,985
	<u>\$ 48,500</u>	<u>\$ 40,740</u>	<u>\$ 43,985</u>
Postage			
Regular	\$ 5,500	\$ 9,873	\$ 4,775
Bulk	5,500	6,111	6,755
	<u>\$ 11,000</u>	<u>\$ 15,984</u>	<u>\$ 11,530</u>
Automation			
CCS	\$ 68,000	\$ 68,916	\$ 73,910
OCLC	5,000	4,344	4,417
Repairs-Equipment	10,000	7,471	11,979
Repairs-LAN	45,000	44,519	37,704
	<u>\$ 128,000</u>	<u>\$ 125,250</u>	<u>\$ 128,010</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
EXPENDITURES (Continued)			
Current (Continued)			
Other Expenses			
Repairs-Grounds	\$ -	\$ -	\$ 26,567
Lost Books	-	282	435
Grant Expenditures	17,325	17,848	10,583
	<u>\$ 17,325</u>	<u>\$ 18,130</u>	<u>\$ 37,585</u>
 TOTAL EXPENDITURES	 <u>\$ 1,986,069</u>	 <u>\$ 1,775,554</u>	 <u>\$ 1,895,608</u>
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>\$ 10,196</u>	 <u>\$ 181,021</u>	 <u>\$ 38,726</u>
 OTHER FINANCING SOURCES/(USES)			
Unrealized Gains & Losses	\$ -	\$ (3,370)	\$ 764
Transfers	-	36,327	(150,000)
	<u>\$ -</u>	<u>\$ 32,957</u>	<u>\$ (149,236)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 10,196</u>	 <u>\$ 213,978</u>	 <u>\$ (110,510)</u>
 FUND BALANCE - JULY 1, 2016		 <u>981,561</u>	 <u>1,092,071</u>
 FUND BALANCE - JUNE 30, 2017		 <u><u>\$ 1,195,539</u></u>	 <u><u>\$ 981,561</u></u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Property Taxes	\$ 91,344	\$ 88,979	\$ 92,236
Interest	-	-	5
Other Income	-	125	-
	<u>\$ 91,344</u>	<u>\$ 89,104</u>	<u>\$ 92,241</u>
EXPENDITURES			
Current			
Salaries	\$ -	\$ -	\$ 134,151
Contractual Services	19,000	17,200	16,005
Materials, Supplies, and Repairs	125,000	85,671	34,852
	<u>\$ 144,000</u>	<u>\$ 102,871</u>	<u>\$ 185,008</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (52,656)	\$ (13,767)	\$ (92,767)
OTHER FINANCING SOURCES/(USES)			
Transfer from Library Fund	-	19,490	-
NET CHANGE IN FUND BALANCE	<u>\$ (52,656)</u>	\$ 5,723	\$ (92,767)
FUND BALANCE - JULY 1, 2016		<u>71,145</u>	<u>163,912</u>
FUND BALANCE - JUNE 30, 2017		<u><u>\$ 76,868</u></u>	<u><u>\$ 71,145</u></u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Interest	\$ -	\$ 98	\$ -
EXPENDITURES			
Current			
Materials, Supplies, and Repairs	\$ 100,000	\$ 67,900	\$ 46,944
Total Expenditures	\$ 100,000	\$ 67,900	\$ 46,944
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (100,000)	\$ (67,802)	\$ (46,944)
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (100,000)	\$ (67,802)	\$ (46,944)
FUND BALANCE - JULY 1, 2016		334,630	381,574
FUND BALANCE - JUNE 30, 2017		<u>\$ 266,828</u>	<u>\$ 334,630</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 1 - BUDGETARY PROCESS

Annual budgets are legally adopted and separately reported for all funds of the Library. The budget was passed on October 25, 2016. The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Library Director requests draft budget proposals from the Management Team for staffing, materials, equipment, furnishing, supplies and services for their departments and prepares a budget proposal for library-wide items and the Administration Department.
2. The Library Director compiles this information and creates a preliminary budget.
3. The Library Director and Management Team go over the preliminary budget and make any necessary adjustments.
4. A second draft budget is prepared and is reviewed by the Library Director and Management Team.
5. The revised budget is then submitted to the budget committee, who goes over it and make any changes with the Library Director.
6. The budget is then presented to and reviewed by the Board at a public hearing, and will make any final changes before approving the budget.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

No funds presented as Required Supplementary Information had expenditures that exceeded the budget for the year ended June 30, 2017.

SUPPLEMENTAL FINANCIAL INFORMATION

ZION-BENTON PUBLIC LIBRARY DISTRICT
 COMBINING BALANCE SHEET
 GENERAL FUND
 YEAR ENDED JUNE 30, 2017

	Library Fund	Insurance Liability Fund	Working Cash Fund	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 953,967	\$ 41,805	\$ -	\$ 995,772
Investments, at Fair Value	1,164,875	-	-	1,164,875
Property Taxes Receivable, net of allowance of \$0	931,684	5,821	-	937,505
Accrued Interest	772	15	-	787
Prepaid Expenses	44,412	-	-	44,412
Total Assets	\$ 3,095,710	\$ 47,641	\$ -	\$ 3,143,351
LIABILITIES				
Accounts Payable	\$ 13,117	\$ -	\$ -	\$ 13,117
Accrued Payroll	22,921	-	-	22,921
Accrued Vacation	18,481	-	-	18,481
Total Liabilities	\$ 54,519	\$ -	\$ -	\$ 54,519
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 1,881,538	\$ 11,755	\$ -	\$ 1,893,293
Total Deferred Inflows of Resources	\$ 1,881,538	\$ 11,755	\$ -	\$ 1,893,293
FUND BALANCE				
Non-Spendable				
Prepaid Expenses	\$ 44,412	\$ -	\$ -	\$ 44,412
Restricted				
Insurance Liability	-	35,704	-	35,704
Assigned				
Insurance Liability	-	182	-	182
Unassigned	1,115,241	-	-	1,115,241
Total Fund Balances	\$ 1,159,653	\$ 35,886	\$ -	\$ 1,195,539
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 3,095,710	\$ 47,641	\$ -	\$ 3,143,351

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2017

	Library Fund	Insurance Liability Fund	Working Cash Fund	Total General Fund
REVENUES				
Property Taxes	\$ 1,783,327	\$ 15,126	\$ -	\$ 1,798,453
TIF Rebate Tax Income	2,495	21	-	2,516
Personal Property Replacement Tax	75,516	70	-	75,586
Fines & Fees	18,852	-	-	18,852
Photocopy Income	12,284	-	-	12,284
Book Sales	3,319	-	-	3,319
Interest	16,551	3	34	16,588
Gifts & Donations	729	-	-	729
Supplies	774	-	-	774
Grant Income	17,375	-	-	17,375
Miscellaneous Income	10,099	-	-	10,099
Total Revenues	<u>\$ 1,941,321</u>	<u>\$ 15,220</u>	<u>\$ 34</u>	<u>\$ 1,956,575</u>
EXPENDITURES				
Current				
Personnel Expenses	\$ 1,210,461	\$ -	\$ -	\$ 1,210,461
Library Materials	188,343	-	-	188,343
Contractual Services	82,453	24,525	-	106,978
Materials, Supplies, and Repairs	269,772	-	-	269,772
Total Expenditures	<u>\$ 1,751,029</u>	<u>\$ 24,525</u>	<u>\$ -</u>	<u>\$ 1,775,554</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 190,292</u>	<u>\$ (9,305)</u>	<u>\$ 34</u>	<u>\$ 181,021</u>
OTHER FINANCING SOURCES/(USES)				
Unrealized Gains & Losses	\$ (3,370)	\$ -	\$ -	\$ (3,370)
Transfers to Library Fund	129,920	-	(93,593)	36,327
	<u>\$ 126,550</u>	<u>\$ -</u>	<u>\$ (93,593)</u>	<u>\$ 32,957</u>
NET CHANGE IN FUND BALANCE	\$ 316,842	\$ (9,305)	\$ (93,559)	\$ 213,978
FUND BALANCE - JULY 1, 2016	<u>842,811</u>	<u>45,191</u>	<u>93,559</u>	<u>981,561</u>
FUND BALANCE - JUNE 30, 2017	<u><u>\$ 1,159,653</u></u>	<u><u>\$ 35,886</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,195,539</u></u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Property Taxes	\$ 1,801,792	\$ 1,783,327	\$ 1,739,409
TIF Rebate Tax Income	-	2,495	-
Personal Property Replacement Tax	65,000	75,516	72,738
Fines & Fees	25,000	18,852	25,642
Photocopy Income	12,500	12,284	12,399
Book Sales	3,500	3,319	3,688
Interest	22,270	16,551	14,306
Gifts & Donations	1,000	729	303
Supplies	1,500	774	1,826
Grant Income	17,325	17,375	9,845
Reading Club Incentives	5,275	1,885	5,160
E-Rate Rebate	1,500	203	2,199
Retail Income	300	1,193	311
Vending Income	1,000	(43)	1,163
Meeting Room Income	500	1,231	535
Public Fax Income	7,000	4,247	6,649
Rebates Income	4,000	1,200	908
Craft Fair Table Fee	-	-	85
Miscellaneous Income	1,500	183	620
	<u>\$ 1,970,962</u>	<u>\$ 1,941,321</u>	<u>\$ 1,897,786</u>
EXPENDITURES			
Current			
Personnel Expenses			
Salaries	\$ 1,170,000	\$ 1,057,967	\$ 1,057,750
Recruitment	1,000	729	806
Group Health & Life Insurance	122,000	122,023	139,879
Unemployment Insurance	2,500	2,010	2,344
Worker's Compensation Insurance	-	3,180	3,040
Liability Insurance	1,500	120	1,150
Employee, Volunteer & Other Recognition	2,950	1,199	931
Staff Associations	1,500	1,118	1,378
Staff Training	12,000	10,905	10,477
Trustee Expenses	3,000	2,072	2,045
Travel-Staff	8,000	4,341	13,070
Travel-Director	1,200	-	-
Professional Dues	5,650	4,797	3,889
	<u>\$ 1,331,300</u>	<u>\$ 1,210,461</u>	<u>\$ 1,236,759</u>
Utilities			
Electric	\$ 44,100	\$ 43,398	\$ 40,261
Gas	13,500	9,969	9,827
Water	800	1,145	849
Waste	600	285	218
Telephone	3,000	820	2,576
Internet	17,500	14,051	18,896
	<u>\$ 79,500</u>	<u>\$ 69,668</u>	<u>\$ 72,627</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
EXPENDITURES (Continued)			
Current (Continued)			
Outside Professional Services			
Legal Services	\$ 4,000	\$ 2,153	\$ 2,321
Accounting Services	7,200	9,230	6,608
Payroll Processing	5,500	4,270	3,843
Investment Services	3,000	2,853	2,843
Collection Services	2,100	2,971	2,962
Consulting Services	3,500	3,548	1,059
Bank Fees	2,500	2,119	3,125
Legal Notices	500	13	61
	<u>\$ 28,300</u>	<u>\$ 27,157</u>	<u>\$ 22,822</u>
Library Materials			
Books & Publications	\$ 250,100	\$ 188,343	\$ 259,418
	<u>\$ 250,100</u>	<u>\$ 188,343</u>	<u>\$ 259,418</u>
Promotion & Publicity			
General	\$ 18,544	\$ 16,161	\$ 11,635
Adult	5,000	3,419	10,440
Youth	12,000	8,877	9,643
Young Adult	6,000	6,462	6,001
Circulation	500	200	88
E Services	2,500	250	1,607
After School Project	500	839	838
Newsletter & Web Development	20,000	19,088	24,770
	<u>\$ 65,044</u>	<u>\$ 55,296</u>	<u>\$ 65,022</u>
Supplies			
Office & Library	\$ 48,500	\$ 40,740	\$ 43,985
	<u>\$ 48,500</u>	<u>\$ 40,740</u>	<u>\$ 43,985</u>
Postage			
Regular	\$ 5,500	\$ 9,873	\$ 4,775
Bulk	5,500	6,111	6,755
	<u>\$ 11,000</u>	<u>\$ 15,984</u>	<u>\$ 11,530</u>
Automation			
CCS	\$ 68,000	\$ 68,916	\$ 73,910
OCLC	5,000	4,344	4,417
Repairs-Equipment	10,000	7,471	11,979
Repairs-LAN	45,000	44,519	37,704
	<u>\$ 128,000</u>	<u>\$ 125,250</u>	<u>\$ 128,010</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
EXPENDITURES (Continued)			
Current (Continued)			
Other Expenses			
Repairs-Grounds	\$ -	\$ -	\$ 26,567
Lost Books	-	282	435
Grant Expenditures	17,325	17,848	10,583
	<u>\$ 17,325</u>	<u>\$ 18,130</u>	<u>\$ 37,585</u>
 TOTAL EXPENDITURES	 <u>\$ 1,959,069</u>	 <u>\$ 1,751,029</u>	 <u>\$ 1,877,758</u>
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>\$ 11,893</u>	 <u>\$ 190,292</u>	 <u>\$ 20,028</u>
 OTHER FINANCING SOURCES/(USES)			
Unrealized Gains & Losses	\$ -	\$ (3,370)	\$ 764
Transfer from Working Cash Fund	-	93,593	-
Transfer from Construction Fund	-	55,817	-
Transfer to Building Maintenance Fund	-	(19,490)	-
Transfer to IMRF Fund	-	-	(150,000)
	<u>\$ -</u>	<u>\$ 126,550</u>	<u>\$ (149,236)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 11,893</u>	 <u>\$ 316,842</u>	 <u>\$ (129,208)</u>
 FUND BALANCE - JULY 1, 2016		 <u>842,811</u>	 <u>972,019</u>
 FUND BALANCE - JUNE 30, 2017		 <u><u>\$ 1,159,653</u></u>	 <u><u>\$ 842,811</u></u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LIABILITY INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Property Taxes	\$ 15,303	\$ 15,126	\$ 15,487
TIF Rebate Tax Income	-	21	-
Personal Property Replacement Tax	-	70	-
Interest & Dividends	10,000	3	2
Insurance Refund	-	-	21,059
	<u>\$ 25,303</u>	<u>\$ 15,220</u>	<u>\$ 36,548</u>
EXPENDITURES			
Current			
Contractual Services			
Liability Insurance	\$ 18,000	\$ 15,376	\$ 17,850
Workers Compensation Insurance	7,500	7,999	-
Directors and Officers Insurance	1,500	1,150	-
	<u>\$ 27,000</u>	<u>\$ 24,525</u>	<u>\$ 17,850</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,697)</u>	<u>\$ (9,305)</u>	<u>\$ 18,698</u>
FUND BALANCE - JULY 1, 2016		<u>45,191</u>	<u>26,493</u>
FUND BALANCE - JUNE 30, 2017		<u>\$ 35,886</u>	<u>\$ 45,191</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - WORKING CASH FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Interest	\$ -	\$ 34	\$ -
EXPENDITURES			
	\$ 43,559	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (43,559)	\$ 34	\$ -
OTHER FINANCING SOURCES/(USES)			
Transfers to Library Fund	-	(93,593)	-
NET CHANGE IN FUND BALANCE	\$ (43,559)	\$ (93,559)	\$ -
FUND BALANCE - JULY 1, 2016		93,559	93,559
FUND BALANCE - JUNE 30, 2017		\$ -	\$ 93,559

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
NON-MAJOR FUND SCHEDULE
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Social Security	IMRF	Audit	Construction	Totals
Assets					
Cash	\$ 72,391	\$ 92,014	\$ 4,278	\$ -	\$ 168,683
Taxes Receivable	41,222	43,647	2,426	-	87,295
Accrued Interest	26	34	2	-	62
Total Assets	<u>\$ 113,639</u>	<u>\$ 135,695</u>	<u>\$ 6,706</u>	<u>\$ -</u>	<u>\$ 256,040</u>
Liabilities					
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflow of Resources					
Unavailable Revenue-Property Taxes	\$ 83,247	\$ 88,146	\$ 4,899	\$ -	\$ 176,292
Total Deferred Inflow of Resources	<u>\$ 83,247</u>	<u>\$ 88,146</u>	<u>\$ 4,899</u>	<u>\$ -</u>	<u>\$ 176,292</u>
Fund Balances					
Restricted					
Social Security	\$ 28,650	\$ -	\$ -	\$ -	\$ 28,650
IMRF	-	44,484	-	-	44,484
Audit	-	-	135	-	135
Assigned					
Social Security	1,742	-	-	-	1,742
IMRF	-	3,065	-	-	3,065
Audit	-	-	1,672	-	1,672
Total Fund Balances	<u>\$ 30,392</u>	<u>\$ 47,549</u>	<u>\$ 1,807</u>	<u>\$ -</u>	<u>\$ 79,748</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 113,639</u>	<u>\$ 135,695</u>	<u>\$ 6,706</u>	<u>\$ -</u>	<u>\$ 256,040</u>

ZION BENTON PUBLIC LIBRARY DISTRICT
NON-MAJOR FUND SCHEDULE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Social Security	IMRF	Audit	Construction	Total
Revenues					
Tax Revenue Current	\$ 65,310	\$ 119,527	\$ 5,170	\$ -	\$ 190,007
TIF Rebate Tax Income	91	167	1	-	259
Personal Property Replacement Tax	9,323	4,661	3,659	-	17,643
Interest Income	-	-	-	280	280
Total Revenue	<u>\$ 74,724</u>	<u>\$ 124,355</u>	<u>\$ 8,830</u>	<u>\$ 280</u>	<u>\$ 208,189</u>
Expenditures					
Current					
Personnel	\$ 85,819	\$ 104,352	\$ -	\$ -	\$ 190,171
Contractual Services	-	-	7,800	-	7,800
	-	-	-	-	-
Total Expenditures	<u>\$ 85,819</u>	<u>\$ 104,352</u>	<u>\$ 7,800</u>	<u>\$ -</u>	<u>\$ 197,971</u>
Other Financing Sources (Uses)					
Transfers to Library Fund	\$ -	\$ -	\$ -	\$ (55,817)	\$ (55,817)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,817)</u>	<u>\$ (55,817)</u>
Excess or (Deficiency) of Revenues Over Expenditures	\$ (11,095)	\$ 20,003	\$ 1,030	\$ (55,537)	\$ (45,599)
FUND BALANCE - JULY 1, 2016	<u>41,487</u>	<u>27,546</u>	<u>777</u>	<u>55,537</u>	<u>125,347</u>
FUND BALANCE - JUNE 30, 2017	<u>\$ 30,392</u>	<u>\$ 47,549</u>	<u>\$ 1,807</u>	<u>\$ -</u>	<u>\$ 79,748</u>

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Property Taxes	\$ 65,777	\$ 65,310	\$ 77,427
Replacement Taxes	7,500	9,323	4,222
TIF Rebate Tax Income	-	91	-
Interest Income	-	-	9
	<u>\$ 73,277</u>	<u>\$ 74,724</u>	<u>\$ 81,658</u>
EXPENDITURES			
Current			
FICA	<u>\$ 89,400</u>	<u>\$ 85,819</u>	<u>\$ 89,907</u>
NET CHANGE IN FUND BALANCE	<u>\$ (16,123)</u>	<u>\$ (11,095)</u>	<u>\$ (8,249)</u>
FUND BALANCE - JULY 1, 2016		<u>41,487</u>	<u>49,736</u>
FUND BALANCE - JUNE 30, 2017		<u><u>\$ 30,392</u></u>	<u><u>\$ 41,487</u></u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
IMRF FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Property Taxes	\$ 120,916	\$ 119,527	\$ 134,203
Replacement Taxes	-	4,661	4,196
TIF Rebate Tax Income	-	167	-
Interest Income	-	-	15
	<u>\$ 120,916</u>	<u>\$ 124,355</u>	<u>\$ 138,414</u>
EXPENDITURES			
Current			
IMRF	<u>\$ 120,700</u>	<u>\$ 104,352</u>	<u>\$ 270,696</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 216	\$ 20,003	\$ (132,282)
OTHER FINANCING SOURCES/(USES)			
Transfer From Library Fund	<u>-</u>	<u>-</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 216</u>	\$ 20,003	\$ 17,718
FUND BALANCE - JULY 1, 2016		<u>27,546</u>	<u>9,828</u>
FUND BALANCE - JUNE 30, 2017		<u><u>\$ 47,549</u></u>	<u><u>\$ 27,546</u></u>

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ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
AUDIT FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Property Taxes	\$ 5,099	\$ 5,170	\$ 5,160
Replacement Taxes	3,000	3,659	2,770
TIF Rebate Tax Income	-	1	1
	<u>\$ 8,099</u>	<u>\$ 8,830</u>	<u>\$ 7,931</u>
EXPENDITURES			
Current			
Contractual Services			
Audit	\$ 7,800	\$ 7,800	\$ 7,800
	<u>\$ 7,800</u>	<u>\$ 7,800</u>	<u>\$ 7,800</u>
NET CHANGE IN FUND BALANCE	<u>\$ 299</u>	\$ 1,030	\$ 131
FUND BALANCE - JULY 1, 2016		<u>777</u>	<u>646</u>
FUND BALANCE - JUNE 30, 2017		<u>\$ 1,807</u>	<u>\$ 777</u>

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ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Amounts for the Year Ended June 30, 2016)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
REVENUES			
Interest	\$ -	\$ 280	\$ 91
EXPENDITURES			
Capital Outlay			
Library Operations	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 280	\$ 91
OTHER FINANCING SOURCES/(USES)			
Transfers to Library Fund	-	(55,817)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (55,537)	\$ 91
FUND BALANCE - JULY 1, 2016		55,537	55,446
FUND BALANCE - JUNE 30, 2017		<u>\$ -</u>	<u>\$ 55,537</u>