



**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

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ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



SIKICH.COM

**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
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**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
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## **INDEPENDENT AUDITOR'S REPORT**

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## **INDEPENDENT AUDITOR'S REPORT**

Members of the Public Library Board  
Addison Public Library  
Addison, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of the Addison Public Library (the Library) as of and for the year ended April 30, 2019, and the related notes to 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 of 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 Library'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 Library'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 basic financial statements, present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Addison Public Library, as of April 30, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The supplemental data and supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental data is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities and each major fund of the Library as of and for the year ended April 30, 2018, and we expressed unmodified opinions on those basic financial statements. The audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The schedules of revenues, expenditures, and changes in fund balance - budget and actual for each fund and the schedules of expenditures - budget and actual with comparative actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

*Sikich LLP*

Naperville, Illinois  
October 29, 2019

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**



## ADDISON PUBLIC LIBRARY

### MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED APRIL 30, 2019

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#### Introduction

This discussion and analysis of the Addison Public Library's financial performance provides a narrative overview of the Library's financial activities for the fiscal year ending April 30, 2019. Readers are encouraged to consider the information presented in conjunction with the financial statements as a whole.

#### Financial Highlights

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by \$17,592,803. Of this amount, \$13,592,803 in unrestricted funds may be used to meet the Library's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Library's governmental funds reported an ending fund balance of \$15,497,774. Of this amount, \$12,420,295 is committed for capital projects, \$65,841 is committed for pre-paid items in FY2020 and \$2,441,877 in unrestricted funds is available for spending at the Library's discretion. \$569,761 is restricted for special levies.

#### Overview of the Financial Statements

The Library's basic financial statements include three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This dual focus on both the Library as a whole (government-wide) and the major individual funds allows the reader to broaden the basis for comparison (year to year or government to government) and enhances the Library's accountability.

**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. There are two government-wide financial statements: **The Statement of Net Position** and **The Statement of Activities**.

The **Statement of Net Position** presents information on all of the Library's assets, deferred outflows and liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The **Statement of Activities** presents information showing how the Library's net position changed during the most recent fiscal year.

(See independent auditor's report)

**Fund financial statements** tell how services were paid for as well as what remains for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide financial statements.

**Notes to the financial statements** provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

### Financial Analysis

As noted above, net position may serve, over time, as a useful indicator of a government's financial position. The following table indicates that in the case of the Addison Public Library, assets exceed liabilities by \$17,592,803. A large portion of the Library's net position reflects its investment in capital assets (e.g. building, books, furniture and fixtures, equipment, and improvements). The Library uses these capital assets to provide service to our patrons and consequently these assets are not available to liquidate liabilities or for future spending.

For the year ended April 30, 2019, the Library's net position increased by \$1,468,366. A complete comparative analysis is presented below.

**Table 1**  
**Statement of Net Position**  
**April 30, 2018 and 2019**

	2018	2019
Current and Other Assets	\$ 19,424,236	21,000,102
Capital Assets, net of accumulated depreciation	\$ 3,089,394	3,094,762
Deferred Outflows	172,925	809,484
<b>Total Assets</b>	<b>\$ 22,686,555</b>	<b>24,904,348</b>
Current Liabilities	\$ 158,792	192,727
Noncurrent Liabilities	\$ 668,163	1,700,374
Deferred Inflows	\$ 5,735,163	5,418,444
<b>Total Liabilities and Deferred Inflows</b>	<b>\$ 6,562,118</b>	<b>7,311,545</b>
<b>Net Position:</b>		
Net investment in capital assets	\$ 3,089,394	3,094,762
Restricted for special levies	\$ 561,285	569,761
Unrestricted	\$ 12,473,758	13,928,280
<b>Total Net Position</b>	<b>\$ 16,124,437</b>	<b>17,592,803</b>

(See independent auditor's report)

## **Governmental Activities**

The governmental activities of the Library reflect the Library's basic services, including materials collections, reference and reader's services, programming, interlibrary loan and outreach services. The following table summarizes the revenues and expenses of the Library's governmental activities for fiscal years ended 2018 and 2019.

**Table 2**  
**Changes in Net Position**  
**Year ended April 30, 2018 and 2019**

	<b>2018</b>	<b>2019</b>
<b>Revenues</b>		
Program Revenues		
Fines and Fees	\$ 38,437	35,614
Intergovernmental	\$ 101,039	57,772
General Revenues		
Property Taxes	\$ 5,208,798	5,245,947
Investment Income	\$ (63,944)	462,837
Miscellaneous	\$ 7,787	6,369
<b>Total Revenues</b>	<b>\$ 5,292,117</b>	<b>5,808,539</b>
<b>Expenses</b>		
Culture and Recreation	\$ 4,107,016	4,340,173
<b>Total Expenses</b>	<b>\$ 4,107,016</b>	<b>4,340,173</b>
<b>Change in Net Position</b>	<b>\$ 1,185,101</b>	<b>1,468,366</b>
<b>Total Net Position, May 1</b>	<b>\$ 14,939,336</b>	<b>16,124,437</b>
<b>Total Net Position, April 30</b>	<b>\$ 16,124,437</b>	<b>17,592,803</b>

## **Governmental Funds Analysis**

At the end of the current fiscal year, the Library had an overall excess of revenue over expenditures.

(See independent auditor's report)

**Table 3**  
**Statement of General Fund Revenues and Expenditures**  
**Year ended April 30, 2018 and 2019**

	<b>2018</b>	<b>2019</b>
<b>Revenues</b>		
Taxes	\$ 5,208,798	5,245,947
Fines and Fees	\$ 38,437	35,614
Intergovernmental	\$ 54,861	57,772
Investment Income	\$ (83,885)	450,922
Miscellaneous	\$ 7,787	6,369
<b>Total</b>	<b>\$ 5,225,998</b>	<b>5,796,624</b>
<b>Expenditures</b>		
Salaries and Benefits	\$ 2,684,741	2,708,775
Library Materials	\$ 581,170	608,491
All Other Operating Expenditures*	\$ 810,731	875,763
<b>Total</b>	<b>\$ 4,076,642</b>	<b>4,193,029</b>

\*Building insurance, general office supplies, processing costs, audit, utilities, professional fees, contractual services, program expenses, automation/technology, etc.

**Capital Assets**

The Library's investment in capital assets for governmental activities on April 30, 2018, net of \$1,891,715 of accumulated depreciation, was \$3,089,394.

The Library's investment in capital assets for governmental activities on April 30, 2019, net of \$1,822,804 of accumulated depreciation, was \$3,094,762.

**Table 4**  
**Capital Assets**  
**Year ended April 30, 2018 and 2019**

	<b>2018</b>	<b>2019</b>
<b>Assets</b>		
Buildings and Improvements	\$ 1,049,126	1,049,126
Operating Equipment	\$ 2,562,226	2,731,333
Office Equipment	\$ 1,369,757	1,137,107
Less – Accumulated Depreciation	\$ (1,891,715)	(1,822,804)
<b>TOTAL (net of depreciation)</b>	<b>\$ 3,089,394</b>	<b>3,094,762</b>

**See Note 4 in the notes to the financial statements for additional capital asset information.**

(See independent auditor's report)

**Table 5**  
**General Fund Balances**  
**Year ended April 30, 2018 and 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Revenues</b>				
Taxes	\$ 5,233,580	5,233,580	5,245,947	5,208,798
Intergovernmental	\$ 50	50	57,772	54,861
Fines and Fees	\$ 33,500	33,500	35,614	38,437
Interest Income	\$ 2,650	2,650	450,922	(83,885)
Miscellaneous	\$ 7,000	7,000	6,369	7,787
<b>Total Revenues</b>	<b>\$ 5,276,780</b>	<b>5,276,780</b>	<b>5,796,624</b>	<b>5,225,998</b>
<b>Expenditures</b>				
Culture & Recreation	\$ 5,226,284	5,226,284	4,193,029	4,076,642
<b>Total Expenditures</b>	<b>\$ 5,226,284</b>	<b>5,226,284</b>	<b>4,193,029</b>	<b>4,076,642</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ 50,496</b>	<b>50,496</b>	<b>1,603,595</b>	<b>1,149,356</b>
<b>Transfers (out) Capital Projects Fund</b>	<b>\$ (500,000)</b>	<b>(500,000)</b>	<b>-</b>	<b>(8,500,000)</b>
<b>Net Change</b>	<b>\$ (449,504)</b>	<b>(449,504)</b>	<b>1,603,595</b>	<b>(7,350,644)</b>
			<b>Fund Balance (beginning, as reported)</b>	<b>\$1,473,884</b>
			<b>Fund Balance (ending)</b>	<b>\$3,077,479</b>

**Requests for Information**

This financial report is designed to provide a general overview of the Addison Public Library's finances. Questions and comments concerning any information provided in this report should be addressed to Mary Medjo Me Zengue, Director, Addison Public Library, 4 Friendship Plaza, Addison, Illinois, 60101.

(See independent auditor's report)



**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2019

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Culture and recreation	\$ 4,340,173	\$ 35,614	\$ 57,772	\$ -	\$ (4,246,787)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 4,340,173</b>	<b>\$ 35,614</b>	<b>\$ 57,772</b>	<b>\$ -</b>	<b>(4,246,787)</b>
			General Revenues		
			Taxes		
			Property and replacement	5,245,947	
			Investment income	462,837	
			Miscellaneous	6,369	
			Total	5,715,153	
			CHANGE IN NET POSITION		1,468,366
			NET POSITION, MAY 1		16,124,437
			<b>NET POSITION, APRIL 30</b>		<b>\$ 17,592,803</b>

See accompanying notes to financial statements.

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

April 30, 2019

	<b>General</b>	<b>Capital Projects</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 3,195,691	\$ 12,428,969	\$ 15,624,660
Property taxes receivable	5,263,423	-	5,263,423
Prepaid items	65,841	-	65,841
Due from other governments	46,178	-	46,178
<b>TOTAL ASSETS</b>	<b>\$ 8,571,133</b>	<b>\$ 12,428,969</b>	<b>\$ 21,000,102</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 83,702	\$ 8,674	\$ 92,376
Accrued payroll	100,351	-	100,351
Total liabilities	184,053	8,674	192,727
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	5,263,423	-	5,263,423
Unavailable revenue - grants	46,178	-	46,178
Total deferred inflows of resources	5,309,601	-	5,309,601
<b>FUND BALANCES</b>			
Nonspendable in form - prepaid items	65,841	-	65,841
Restricted for special levies	569,761	-	569,761
Committed for capital projects	-	12,420,295	12,420,295
Unrestricted, unassigned			
General Fund	2,441,877	-	2,441,877
Total fund balances	3,077,479	12,420,295	15,497,774
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 8,571,133</b>	<b>\$ 12,428,969</b>	<b>\$ 21,000,102</b>

See accompanying notes to financial statements.



**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

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

April 30, 2019

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 15,497,774</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	3,094,762
Grant revenue appropriated by the state, but not yet issued to the local government are reported as deferred revenues at the fund level, but on the government-wide level they are reported as revenues	46,178
Deferred outflows of resources related to the Library's participation in IMRF are not financial resources and, therefore, are not reported in the governmental funds	809,484
Deferred inflows of resources related to the Library's participation in IMRF are not financial resources and, therefore, are not reported in the governmental funds	(155,021)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Net pension liability	(1,585,038)
Compensated absences are not a current liability and, therefore, is not reported in the governmental funds	<u>(115,336)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 17,592,803</u></u></b>

See accompanying notes to financial statements.

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2019

	<b>General</b>	<b>Capital Projects</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes	\$ 5,245,947	\$ -	\$ 5,245,947
Intergovernmental	57,772	-	57,772
Fines and fees	35,614	-	35,614
Investment income	450,922	11,915	462,837
Miscellaneous	6,369	-	6,369
<b>Total revenues</b>	<b>5,796,624</b>	<b>11,915</b>	<b>5,808,539</b>
<b>EXPENDITURES</b>			
Culture and recreation	4,193,029	128,810	4,321,839
<b>Total expenditures</b>	<b>4,193,029</b>	<b>128,810</b>	<b>4,321,839</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,603,595</b>	<b>(116,895)</b>	<b>1,486,700</b>
<b>FUND BALANCES, MAY 1</b>	<b>1,473,884</b>	<b>12,537,190</b>	<b>14,011,074</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 3,077,479</b>	<b>\$ 12,420,295</b>	<b>\$ 15,497,774</b>

See accompanying notes to financial statements.

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

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

For the Year Ended April 30, 2019

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 1,486,700</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	659,523
The change in the net other postemployment benefit obligation/asset is shown as a functional expense on the statement of activities	15,632
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds	(654,155)
The change in deferred outflows for the Illinois Municipal Retirement Fund is reported as an expense on the statement of activities	636,559
The change in deferred inflows for the Illinois Municipal Retirement Fund is reported as an expense on the statement of activities	371,950
The change in the net pension liability is reported as an expense on the statement of activities	(1,047,572)
The change in compensated absences is shown as a functional expense on the statement of activities	<u>(271)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 1,468,366</u></u></b>

See accompanying notes to financial statements.

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

a. Reporting Entity

The Library is a municipal corporation governed by an elected president and six-member board of trustees. As required by GAAP, these financial statements present the Library and any existing component units. Currently, the Library does not have any component units and based on criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the Library has been determined not to be a component unit of the Village of Addison, Illinois (the Village).

b. Fund Accounting

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified as governmental funds.

Governmental funds are used to account for all or most of a government's general activities, including the acquisition or construction of capital assets (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Library. The effect of material interfund activity has been eliminated from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for major governmental funds.

The Library reports the following major governmental funds:

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

The Capital Projects Fund is used to account for capital asset acquisitions.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means

**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days. The Library recognizes property taxes when they become both measurable and available or earned in the year intended to finance. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes and interest revenue. Fine revenue is not susceptible to accrual because generally it is not measurable until received in cash. The Library reports unavailable/deferred revenue and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the deferred inflow for unavailable/deferred revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Investments

Investments are stated at fair value.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Capital Assets (Continued)

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

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

Assets	Years
Building improvements	5-40
Operating equipment	3-5
Office equipment	5-30

g. Prepaid Items/Expenses

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

h. Compensated Absences

Vested or accumulated vacation leave, including related Social Security and Medicare, that is owed to retirees or terminated employees, is reported as expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation leave of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to active employees.

i. Interfund Transactions

Interfund services transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j. Fund Balances/Net Position

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

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

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the net position is restricted as a result of enabling legislation adopted by the Library. Net investment in capital assets, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

k. Accounting Estimates

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



**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

1. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**2. DEPOSITS AND INVESTMENTS**

The Library categorizes the fair value measurements within the fair value hierarchy established by GAAP. 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 inputs; and Level 3 inputs are significant unobservable inputs.

The Library maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments."

Deposits and Investments

The Library's investment policy authorizes the Library to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The Library's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**2. DEPOSITS AND INVESTMENTS (Continued)**

Deposits and Investments (Continued)

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity, and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Library or an independent third party and evidenced by a safekeeping agreement.

Investments

The following table presents the investments and maturities of the Library's debt securities as of April 30, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
IMET	\$ 163,323	\$ -	\$ 163,323	\$ -	\$ -
U.S. agency obligations	9,482,203	914,397	8,567,806	-	-
U.S. Treasury obligations	622,864	622,864	-	-	-
Negotiable CDs	2,814,318	1,385,235	1,429,083	-	-
<b>TOTAL</b>	<b>\$ 13,082,708</b>	<b>\$ 2,922,496</b>	<b>\$ 10,160,212</b>	<b>\$ -</b>	<b>\$ -</b>

**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The Library has the following recurring fair value measurements as of April 30, 2018. The U.S. Treasury Obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs), the U.S. agency obligations and negotiable certificates for deposit are valued using quoted matrix pricing models (Level 2 inputs). The IMET 1 to 3 Year Fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Library limits its exposure to credit risk by primarily investing in external investment pools and U.S. agency obligations. The Illinois Funds and IMET are rated AAA. The U.S. agency obligations are rated AA+ and negotiable CD's are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. The Library's investment policy does not address this risk. The Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Library has a high percentage of its investments invested in one type of investment. The Library's investment policy requires diversification of investments to avoid unreasonable risk. No financial institution shall hold investments greater than 50% of its capital stock and surplus.

**3. RECEIVABLES - TAXES**

Property taxes for 2018 attach as an enforceable lien on January 1, 2018 on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2019 and are payable in two installments, on or about June 1, 2019 and September 1, 2019. The County collects such taxes and remits them periodically. As the 2018 tax levy is collected to fund the expenditures for the 2019-2020 fiscal year, these taxes are deferred as of April 30, 2019.

The 2019 tax levy, which attached as an enforceable lien on property as of January 1, 2019, has not been recorded as a receivable as of April 30, 2019, as the tax has not yet been levied by the Library and will not be levied until December 2019 and, therefore, the levy is not yet measurable at April 30, 2019.

**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**4. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2019 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
None	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated				
Building improvements	1,049,126	-	-	1,049,126
Operating equipment	2,562,226	608,491	439,384	2,731,333
Office equipment	1,369,757	51,032	283,682	1,137,107
Total capital assets being depreciated	4,981,109	659,523	723,066	4,917,566
Less accumulated depreciation for				
Building improvements	122,794	51,669	-	174,463
Operating equipment	966,523	512,445	439,384	1,039,584
Office equipment	802,398	90,041	283,682	608,757
Total accumulated depreciation	1,891,715	654,155	723,066	1,822,804
Total capital assets being depreciated, net	3,089,394	5,368	-	3,094,762
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 3,089,394</b>	<b>\$ 5,368</b>	<b>\$ -</b>	<b>\$ 3,094,762</b>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
Culture and recreation	<u>\$ 654,155</u>

**5. RISK MANAGEMENT**

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

**6. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the Library provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the Library and can be amended by the Library through its personnel manual. The plan does not issue a separate report. The activity of the plan is reported in the Library's governmental activities. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

b. Benefits Provided

The Library provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under the Library's retirement plan or meet COBRA requirements.

All health care benefits are provided through the Library's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Eligibility in library sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits. Retirees pay the full premium to continue in the plan, however the premium is a blended premium, not an age adjusted premium, which creates an implicit benefit as defined by GASB Statement No. 75.

c. Total OPEB Liability

Based on the size of the Library, the number of active plan members, the lack of any retirees participating in the plan and comparison of actuarial valuations for similar entities with similar benefits, the Library's total OPEB liability as of April 30, 2019 is immaterial and, therefore, not recorded by the Library and no further disclosure is deemed necessary.

**7. DEFINED BENEFIT PENSION PLAN**

The Library contributes, through the Village, to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. However, the Library's participation in IMRF is equivalent to a cost sharing multiple-employer pension plan since only one actuarial valuation is performed for both the Village and the Library combined. All disclosures for an agent plan can be found in the Village's comprehensive annual financial report.

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

a. Plan Description

Illinois Municipal Retirement Fund

*Plan Administration*

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable. Investments are reported at fair value.

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

*Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village and the Library are required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended 2018 was 10.51% of covered payroll. For the year ended April 30, 2019, salaries totaling \$1,552,447 were paid that required employer contributions of \$186,972, which was equal to the Library's actual contributions.

**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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

a. Plan Description (Continued)

Illinois Municipal Retirement Fund (Continued)

*Net Pension Liability*

At April 30, 2019, the Library reported a liability of \$1,585,038 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on the Library's actual contribution to the plan for the year ended April 30, 2019 relative to the contributions of the Village, actuarially determined. At April 30, 2019, the Library's proportion was 8.88% of the total contribution.

*Actuarial Assumptions*

The Library's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Market value

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Description (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was used to determine the total pension liability.



**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Description (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2019, the Library recognized pension expense of \$225,566. At April 30, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>          </u>	<u>          </u>
Difference between expected and actual experience	\$ 88,127	\$ 2,718
Changes in assumption	197,276	152,303
Net difference between projected and actual earnings on pension plan investments	474,152	-
Contributions subsequent to measurement date	49,929	-
	<u>          </u>	<u>          </u>
TOTAL	<u>\$ 809,484</u>	<u>\$ 155,021</u>

\$49,929 reported as deferred outflows of resources related to pensions resulting from library contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending April 30, 2020. Other amounts reported as deferred outflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending <u>April 30,</u>	
2020	\$ 191,895
2021	96,702
2022	103,678
2023	212,259
2024	-
Thereafter	-
	<u>          </u>
TOTAL	<u>\$ 604,534</u>

**ADDISON PUBLIC LIBRARY**  
**ADDISON, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Description (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Library calculated using the discount rate of 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 2,741,033	\$ 1,585,038	\$ 630,031

**8. LONG-TERM DEBT**

The following is a summary of changes in long-term liabilities for the year ended April 30, 2019:

	Balances				
	May 1, Restated	Issuances/ Increases	Reductions	Balances April 30	Due Within One Year
Compensated absences	\$ 115,065	\$ 17,531	\$ 17,260	\$ 115,336	\$ 17,300
Net pension liability	537,466	1,047,572	-	1,585,038	-
<b>TOTAL</b>	<b>\$ 652,531</b>	<b>\$ 1,065,103</b>	<b>\$ 17,260</b>	<b>\$ 1,700,374</b>	<b>\$ 17,300</b>

Compensated absences and net pension liability is retired by the Library's General Fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2019  
(with prior year actual)

	2019			2018
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 5,203,580	\$ 5,203,580	\$ 5,199,266	\$ 5,143,872
Replacement taxes	30,000	30,000	46,681	64,926
Intergovernmental				
Per capita grant	-	-	46,178	28,683
E-rate	-	-	11,594	25,178
Other	50	50	-	1,000
Fines	10,000	10,000	9,426	10,157
Fees	23,500	23,500	26,188	28,280
Investment income	2,650	2,650	450,922	(83,885)
Miscellaneous				
Other	7,000	7,000	6,369	7,787
Total revenues	5,276,780	5,276,780	5,796,624	5,225,998
<b>EXPENDITURES</b>				
Culture and recreation				
Personnel	3,363,440	3,363,440	2,708,775	2,684,741
Library books and materials	659,300	659,300	608,491	581,170
General contractual services	106,500	106,500	92,150	85,844
Physical services	339,000	339,000	235,693	258,710
Automation	302,500	302,500	167,930	142,376
Professional services	53,350	53,350	22,648	24,441
Programs and communications	113,000	113,000	96,865	88,149
Other operating expenditures	206,050	206,050	160,140	158,395
Grants	27,644	27,644	44,677	4,609
Insurance	55,500	55,500	55,660	48,207
Total expenditures	5,226,284	5,226,284	4,193,029	4,076,642
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50,496	50,496	1,603,595	1,149,356
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)				
Capital Projects Fund	(500,000)	(500,000)	-	(8,500,000)
NET CHANGE IN FUND BALANCE	\$ (449,504)	\$ (449,504)	1,603,595	(7,350,644)
FUND BALANCE, MAY 1			1,473,884	8,824,528
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 3,077,479</b>	<b>\$ 1,473,884</b>

(See independent auditor's report.)

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Four Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Contractually required contribution	\$ 176,277	\$ 181,921	\$ 194,765	\$ 186,972
Contributions in relation to the contractually required contribution	<u>176,277</u>	<u>181,921</u>	<u>194,765</u>	<u>186,972</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,364,411	\$ 1,380,687	\$ 1,523,741	\$ 1,552,447
Contributions as a percentage of covered payroll	12.92%	13.18%	12.78%	12.04%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 25 years; the asset valuation method was at smoothed market value, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

April 30, 2019

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**BUDGETS**

The Library Board of Trustees has the authority to approve the budget for the General (Public Library) and Capital Projects Funds; the Village Board of Trustees passes the tax levy for the General Fund.

Budgets are adopted on a basis consistent with generally accepted accounting principles. The budget is prepared for the General Fund and the Capital Projects Fund by function and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. The proposed budget is presented to the Library Board of Trustees for review. This governing body holds public meetings and may add to, subtract from, or change appropriations. The budget may be amended by the governing body. State statutes and local ordinances require that the budget be approved before the beginning of the fiscal year.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no supplementary appropriations were necessary.

## **SUPPLEMENTAL DATA**

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2019  
(with prior year actual)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
<b>PERSONNEL</b>				
Administrator and staff salaries	\$ 2,504,000	\$ 2,504,000	\$ 2,076,419	\$ 2,052,679
Employee benefits	428,440	428,440	345,531	351,525
Health insurance	430,000	430,000	286,205	280,462
Recruiting	1,000	1,000	620	75
Total personnel	3,363,440	3,363,440	2,708,775	2,684,741
<b>LIBRARY BOOKS AND MATERIALS</b>				
Books - children	75,000	75,000	74,455	68,556
Books - adult	156,000	156,000	152,789	144,368
Periodicals	15,300	15,300	13,995	4,040
Online databases	185,000	185,000	141,802	156,444
E-Books	58,000	58,000	57,808	51,975
Other expenditures	170,000	170,000	167,642	155,787
Total library books and materials	659,300	659,300	608,491	581,170
<b>GENERAL CONTRACTUAL SERVICES</b>				
Legal fees	6,500	6,500	5,889	5,476
Collection agency fees	6,000	6,000	5,128	4,672
Equipment rental and fees	12,000	12,000	7,822	11,058
Accounting service fees	25,000	25,000	19,880	19,565
Payroll service fees	17,500	17,500	12,416	12,357
Audit service fees	7,500	7,500	7,950	6,694
Rebillable services	-	-	471	118
Contractual service fees	32,000	32,000	32,594	25,904
Total general contractual services	106,500	106,500	92,150	85,844
<b>PHYSICAL SERVICES</b>				
Utilities and maintenance	97,000	97,000	81,975	80,677
Telecommunications	73,000	73,000	29,920	38,199
Maintenance and repair	169,000	169,000	123,798	139,834
Total physical services	339,000	339,000	235,693	258,710
<b>AUTOMATION</b>				
System development	55,000	55,000	29,806	32,985
Innovative millennium maintenance	137,500	137,500	81,546	48,284
OCLS	15,000	15,000	13,858	13,452
Software/licenses	95,000	95,000	42,720	47,655
Total automation	302,500	302,500	167,930	142,376

(This schedule is continued on the following page.)



**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2019  
(with prior year actual)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
<b>PROFESSIONAL DEVELOPMENT</b>				
Organization memberships	\$ 7,500	\$ 7,500	\$ 3,917	\$ 6,532
Programs and meetings	28,850	28,850	13,644	11,555
Travel	17,000	17,000	5,087	6,354
Total professional development	53,350	53,350	22,648	24,441
<b>PROGRAMS AND COMMUNICATIONS</b>				
Programming	70,500	70,500	59,644	59,176
PR/marketing	42,500	42,500	37,221	28,973
Total programs and communications	113,000	113,000	96,865	88,149
<b>OTHER OPERATING EXPENDITURES</b>				
Supplies	109,000	109,000	82,167	85,419
Hardware	65,000	65,000	58,408	53,379
Furniture/equipment	15,000	15,000	10,292	9,284
Reciprocal borrowing	450	450	206	433
Recording for cable broadcast	3,600	3,600	3,600	4,500
Friends of the library	5,000	5,000	3,448	1,988
FUNshine committee	2,000	2,000	1,425	1,553
Contingency	1,000	1,000	13	25
Gifts	5,000	5,000	581	1,814
Total other operating expenditures	206,050	206,050	160,140	158,395
<b>GRANTS</b>				
Per capita grant	27,644	27,644	44,677	4,609
Total grants	27,644	27,644	44,677	4,609
<b>INSURANCE</b>				
Liability insurance	3,500	3,500	3,583	1,154
Unemployment compensation	10,000	10,000	11,562	6,681
Workers' compensation insurance	42,000	42,000	40,515	40,372
Total insurance	55,500	55,500	55,660	48,207
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,226,284</b>	<b>\$ 5,226,284</b>	<b>\$ 4,193,029</b>	<b>\$ 4,076,642</b>

(See independent auditor's report.)

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2019  
(with prior year actual)

	2019			2018 Actual
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Investment income	\$ 12,000	\$ 12,000	\$ 11,915	\$ 19,941
Total revenues	12,000	12,000	11,915	19,941
<b>EXPENDITURES</b>				
Culture and recreation Capital outlay	185,000	185,000	128,810	3,465
Total expenditures	185,000	185,000	128,810	3,465
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(173,000)	(173,000)	(116,895)	16,476
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in General Fund	-	-	-	8,500,000
NET CHANGE IN FUND BALANCE	<u>\$ (173,000)</u>	<u>\$ (173,000)</u>	(116,895)	8,516,476
FUND BALANCE, MAY 1			<u>12,537,190</u>	4,020,714
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 12,420,295</u>	<u>\$ 12,537,190</u>

(See independent auditor's report.)

**SUPPLEMENTARY INFORMATION**

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES, EXTENSIONS, AND COLLECTIONS

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2018</b>		<b>2017</b>		<b>2016</b>		<b>2015</b>	
<b>ASSESSED VALUATION</b>	\$	1,194,498,063	\$	1,141,152,957	\$	1,061,279,248	\$	984,832,704
	<b>Rate*</b>	<b>Amount</b>	<b>Rate*</b>	<b>Amount</b>	<b>Rate*</b>	<b>Amount</b>	<b>Rate*</b>	<b>Amount</b>
<b>TAX EXTENSIONS</b>								
General library	0.4054	\$ 4,838,530	0.4199	\$ 4,789,575	0.4509	\$ 4,759,948	0.4684	\$ 4,591,846
IMRF	0.0222	264,961	0.0229	261,208	0.0244	257,580	0.0261	255,865
Social Security tax	0.0087	103,836	0.0090	102,658	0.0096	101,343	0.0078	76,465
Audit	0.0007	8,355	0.0007	7,985	0.0005	5,278	0.0003	980
Unemployment insurance	0.0002	2,387	0.0002	2,281	0.0004	4,223	0.0004	3,921
Workers' compensation insurance	0.0017	20,290	0.0025	28,516	0.0023	24,280	0.0021	20,587
Liability insurance	0.0021	25,064	0.0014	15,969	0.0001	1,056	0.0002	1,961
<b>TOTAL TAX EXTENSIONS</b>	0.441	\$ 5,263,423	0.4566	\$ 5,208,192	0.4882	\$ 5,153,708	0.5053	\$ 4,951,625
<b>TOTAL COLLECTIONS</b>		\$ -		\$ 5,199,266		\$ 5,143,872		\$ 4,937,082
<b>PERCENT COLLECTED</b>		0.00%		99.83%		99.81%		99.71%

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

2014		2013		2012		2011		2010		2009	
\$	955,289,150	\$	972,414,422	\$	1,045,262,655	\$	1,188,757,153	\$	1,302,337,989	\$	1,428,714,562
Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
0.4514	\$ 4,300,419	0.4312	\$ 4,141,377	0.3894	\$ 4,015,509	0.3293	\$ 3,850,555	0.2908	\$ 3,702,888	0.2561	\$ 3,569,493
0.0260	247,698	0.0258	247,791	0.0221	227,896	0.0191	223,339	0.0147	187,182	0.0127	177,011
0.0160	152,430	0.0158	151,748	0.0151	155,712	0.0130	152,011	0.0112	142,615	0.0096	133,804
0.0003	2,858	0.0003	2,881	0.0004	4,125	0.0003	3,508	0.0004	5,093	0.0005	6,969
0.0005	4,763	0.0005	4,802	0.0004	4,125	0.0003	3,508	0.0006	7,640	0.0005	6,969
0.0014	13,338	0.0013	12,486	0.0012	12,374	0.0010	11,693	0.0008	10,187	0.0007	9,756
0.0032	30,486	0.0028	26,892	0.0030	30,936	0.0026	30,402	0.0036	45,840	0.0033	45,995
0.4988	\$ 4,751,992	0.4777	\$ 4,587,977	0.4316	\$ 4,450,677	0.3656	\$ 4,275,016	0.3221	\$ 4,101,445	0.2834	\$ 3,949,997
	<u>\$ 4,713,494</u>		<u>\$ 4,567,919</u>		<u>\$ 4,409,027</u>		<u>\$ 4,253,596</u>		<u>\$ 4,093,183</u>		<u>\$ 3,938,570</u>
	<u>99.19%</u>		<u>99.56%</u>		<u>99.06%</u>		<u>99.50%</u>		<u>99.80%</u>		<u>99.71%</u>

(See independent auditor's report.)

**ADDISON PUBLIC LIBRARY  
ADDISON, ILLINOIS**

SCHEDULE OF RESTRICTIONS OF FUND BALANCE FOR SPECIAL LEVIES

April 30, 2019

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<b>Fund</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
FICA	\$ 140,065	\$ 102,413	\$ 158,559	\$ 83,919
IMRF	356,746	260,584	186,972	430,358
Unemployment compensation	14,720	2,276	3,583	13,413
Liability insurance	32,201	15,931	40,515	7,617
Audit	(1,426)	9,391	7,950	15
Workers' compensation	17,553	28,448	11,562	34,439
<b>TOTAL ALL FUNDS</b>	<b>\$ 559,859</b>	<b>\$ 419,043</b>	<b>\$ 409,141</b>	<b>\$ 569,761</b>

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(See independent auditor's report.)