



**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

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ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



SIKICH.COM

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
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## **INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Trustees  
Itasca Community Library  
Itasca, Illinois

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Itasca Community Library, Itasca, Illinois (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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Itasca Community Library, Itasca, Illinois, as of April 30, 2019, 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 described in Note 11, the Library adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses for OPEB liabilities; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

## **Emphasis of Matter**

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the 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 basic financial statements that collectively comprise the Library's basic financial statements. The supplemental data are presented for purposes of additional analysis and are 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.

*Sikich LLP*

Naperville, Illinois  
December 9, 2019

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

STATEMENT OF NET POSITION

April 30, 2019

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 1,204,386
Receivables	
Property taxes	2,484,251
Due from other governments	12,898
Capital assets being depreciated (net of accumulated depreciation)	<u>3,767,593</u>
Total assets	<u>7,469,128</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension items - IMRF	399,163
OPEB items	<u>1,093</u>
Total deferred outflows of resources	<u>400,256</u>
Total assets and deferred outflows of resources	<u>7,869,384</u>
<b>LIABILITIES</b>	
Accounts payable	20,252
Accrued payroll	20,606
Noncurrent liabilities	
Due in one year	925,000
Due after one year	<u>719,885</u>
Total liabilities	<u>1,685,743</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension items - IMRF	113,714
Deferred property taxes	<u>2,484,251</u>
Total deferred inflows of resources	<u>2,597,965</u>
Total liabilities and deferred inflows of resources	<u>4,283,708</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,842,593
Restricted	
Debt service	11,077
Specific purposes	208,078
Unrestricted	<u>523,928</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 3,585,676</u></u>

See accompanying notes to financial statements.



**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2019

FUNCTIONS/PROGRAMS	Program Revenue				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, recreation, and education	\$ 1,423,558	\$ 19,632	\$ 10,811	\$ -	\$ (1,393,115)
Interest and fiscal charges	3,198	-	-	-	(3,198)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,426,756</b>	<b>\$ 19,632</b>	<b>\$ 10,811</b>	<b>\$ -</b>	<b>(1,396,313)</b>
					General revenue
					Property taxes 1,682,364
					Replacement taxes 29,584
					Gifts 16,798
					Fundraisers 4,200
					Investment income 31,974
					Miscellaneous 93,419
					Total 1,858,339
					CHANGE IN NET POSITION 462,026
					NET POSITION, MAY 1 3,154,673
					Change in accounting principle (31,023)
					NET POSITION, MAY 1, RESTATED 3,123,650
					NET POSITION, APRIL 30 \$ 3,585,676

See accompanying notes to financial statements.

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

April 30, 2019

	<b>General Fund</b>	<b>Debt Service (Nonmajor)</b>	<b>Total Governmental</b>
<b>ASSETS</b>			
Cash and investments	\$ 1,204,386	\$ -	\$ 1,204,386
Receivables			
Property taxes	1,536,977	947,274	2,484,251
Due from other funds	-	11,077	11,077
Due from Village	12,898	-	12,898
<b>TOTAL ASSETS</b>	<b>\$ 2,754,261</b>	<b>\$ 958,351</b>	<b>\$ 3,712,612</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 20,252	\$ -	\$ 20,252
Accrued payroll	20,606	-	20,606
Due to other funds	11,077	-	11,077
Total liabilities	51,935	-	51,935
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property taxes	1,536,977	947,274	2,484,251
Total liabilities and deferred inflows of resources	1,588,912	947,274	2,536,186
<b>FUND BALANCES</b>			
Restricted			
Debt service	-	11,077	11,077
Specific purpose	208,078	-	208,078
Unrestricted			
Unassigned	957,271	-	957,271
Total fund balances	1,165,349	11,077	1,176,426
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,754,261</b>	<b>\$ 958,351</b>	<b>\$ 3,712,612</b>

See accompanying notes to financial statements.

**ITASCA COMMUNITY LIBRARY  
ITASCA, 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>	\$ 1,176,426
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	3,767,593
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings and contributions after the measurement date for the net other postemployment liability are recognized as deferred outflows of resources on the statement of net position	1,093
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings and contributions after the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	285,449
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Due to the Village	(925,000)
Compensated absences	(202)
Net pension liability	(660,721)
Total OPEB liability	<u>(58,962)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 3,585,676</u></u>

See accompanying notes to financial statements.

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	<b>General</b>	<b>Debt Service (Nonmajor)</b>	<b>Total Governmental</b>
<b>REVENUES</b>			
Property taxes	\$ 1,478,746	\$ 203,618	\$ 1,682,364
Intergovernmental			
Replacement taxes	29,584	-	29,584
Grants	10,811	-	10,811
Charges for services	19,632	-	19,632
Gifts	16,798	-	16,798
Fundraisers	4,200	-	4,200
Investment income	31,974	-	31,974
Miscellaneous	93,419	-	93,419
Total revenues	<u>1,685,164</u>	<u>203,618</u>	<u>1,888,782</u>
<b>EXPENDITURES</b>			
Current			
Personnel	941,266	-	941,266
Contractual services	275,872	-	275,872
Supplies	92,766	-	92,766
Capital outlay	77,011	-	77,011
Debt service			
Principal	17,381	155,000	172,381
Interest	137	47,250	47,387
Total expenditures	<u>1,404,433</u>	<u>202,250</u>	<u>1,606,683</u>
<b>NET CHANGE IN FUND BALANCES</b>	280,731	1,368	282,099
<b>FUND BALANCES, MAY 1</b>	<u>884,618</u>	<u>9,709</u>	<u>894,327</u>
<b>FUND BALANCES, APRIL 30</b>	<u>\$ 1,165,349</u>	<u>\$ 11,077</u>	<u>\$ 1,176,426</u>

See accompanying notes to financial statements.

**ITASCA COMMUNITY LIBRARY  
ITASCA, 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>\$ 282,099</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	37,515
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(90,674)
Intergovernmental revenue to the Village is not revenue on the statement of activities	(30,000)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	172,381
The change in the total OPEB liability is reported as an expense on the statement of activities	(4,847)
The change in deferred outflows for the net other postemployment benefit liability is reported only on the statement of activities	1,093
The change in the Illinois Municipal Retirement Fund net pension liability is not a source or use of a financial resource	(526,721)
The change in deferred outflows for the Illinois Municipal Retirement Fund is reported only on the statement of activities	576,991
The amortization of costs included in the liability to the Village are deferred and amortized over the life of the liability on the statement of activities	<u>44,189</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 462,026</u></u></b>

See accompanying notes to financial statements.

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Itasca Community Library, Itasca, Illinois (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 as 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 governed by a seven-member Library Board of Trustees that is separately elected. The Library Board of Trustees selects management staff and directs the affairs of the Library. As required by GAAP, these financial statements include all funds of the Library. Management has also considered all potential component units. Criteria for including a component unit in the Library's reporting entity principally consist of the potential component unit's financial interdependency and accountability to the Library. Based upon those criteria, there are no potential component units to be included in the reporting entity.

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 is maintained consistent with legal and managerial requirements.

Funds are classified as governmental funds.

The General Fund is used to account for all general activities of the Library not accounted for in some other fund.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**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. Governmental activities are normally supported by taxes, fees, 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 revenue 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 revenue 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 revenue are reported instead as general revenue.

The Library reports the following major governmental fund:

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

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, revenue 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 collectible within the current period (60 days) or soon enough thereafter to be used to pay liabilities of the current period. The Library recognizes property taxes when they become both measurable and available in the year intended to finance operations. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

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

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

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 deferred revenue, unearned revenue, and unavailable revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period, under the modified accrual basis of accounting. Deferred and unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Library before it has a legal claim to them or prior to the provision of services, 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 liability or deferred inflows of resource for deferred, unearned, or unavailable revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

The Library's cash and cash equivalents include 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 fair value.

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 did not have any investments measured at fair value as of April 30, 2019.

f. Capital Assets

Capital assets, which include property, equipment, and computers are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Library as assets having a useful life greater than one year with an initial, individual cost of more than \$10,000 for buildings and improvements and \$5,000 for other capital assets. 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.



**ITASCA COMMUNITY LIBRARY**  
**ITASCA, 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. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-50
Equipment, furniture, and fixtures	7-20
Computers	5

g. Compensated Absences

The Library's employees earn vacation leave pay, which generally must be taken within the year granted. Ten paid holidays are granted to employees. Employees also earn personal leave pay, which must be taken in the calendar year granted. Accumulated unpaid vacation and holiday, are accrued when earned. Vested or accumulated vacation of governmental activities are recorded as an expense and liability as the benefits accrue to employees.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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.

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

i. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or 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 ordinances approved by the Library 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's Director through the Library's fund balance policy. Any residual fund balance of the General Fund is reported as unassigned. Deficit fund balances in any other governmental funds are also 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 considers committed funds to be expended first followed 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 Library's restricted net position is restricted as a result of enabling legislation adopted by the Library. Net investment in capital assets is the book value of the capital assets less the outstanding principal balance of long-term debt issued to construct or acquire the capital assets.

j. Long-Term Obligations

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the governmental activities column.

k. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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

k. Interfund Receivables/Payables (Continued)

If applicable, advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

l. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount 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.

**2. DEPOSITS AND INVESTMENTS**

Deposits and Investments

The Library's investment policy authorizes the Library to invest in all investments allowed by Illinois Compiled Statutes (ILCS). 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, The Illinois Funds, and the Illinois Metropolitan Investment Fund. 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.

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 fair 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.

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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

Deposits and Investments (Continued)

Illinois Metropolitan Investment Fund (IMET) is 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.

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, safety of principal, liquidity, and yield.

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 with the collateral held by an independent third party custodian appointed by the Library's Board of Trustees.

Investments

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 cash requirements for ongoing operations and investing in shorter-term securities, money market funds, or similar investment pools. The Library Board of Trustees attempts to meet the liquidity needs of the Library by matching investments with maturity dates that anticipate the cash flow needs of the Library's operations. No maximum maturity date is established for potential library investments.

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 limiting investments to the safest types of securities; pre-qualifying the financial institutions, intermediaries, and advisors with which the Library will conduct business; and diversifying the investment portfolio so that potential losses on individual investments will be minimized.

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 specify how they limit their exposure to custodial credit risk.

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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

Investments (Continued)

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, to the best of its ability to avoid unreasonable risk based on investing in securities with varying maturities.

**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 by passage of a Tax Levy Ordinance. Tax bills are prepared by the County 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. The 2018 levy has been reported as a receivable and deferred/unavailable revenue 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 measurable at April 30, 2019.

**4. CAPITAL ASSETS**

	Balances May 1	Additions	Retirements	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated				
Buildings and improvements	5,924,143	17,950	-	5,942,093
Equipment, furniture, and fixtures	177,940	19,565	-	197,505
Computers	25,802	-	-	25,802
Total capital assets being depreciated	6,127,885	37,515	-	6,165,400
Less accumulated depreciation for				
Buildings and improvements	2,141,686	78,611	-	2,220,297
Equipment, furniture, and fixtures	149,620	8,489	-	158,109
Computers	15,827	3,574	-	19,401
Total accumulated depreciation	2,307,133	90,674	-	2,397,807
Total capital assets being depreciated, net	3,820,752	(53,159)	-	3,767,593
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 3,820,752</b>	<b>\$ (53,159)</b>	<b>\$ -</b>	<b>\$ 3,767,593</b>

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**4. CAPITAL ASSETS (Continued)**

Certain reclassifications were made to beginning of the year balances.

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

GOVERNMENTAL ACTIVITIES	
Culture, recreation, and education	<u>\$ 90,674</u>

**5. LONG-TERM DEBT**

a. Long-Term Liabilities - Governmental Activities

Changes in long-term liabilities reported in the governmental activities are as follows:

	Balances May 1, Restated	Additions	Reductions/ Refundings	Balances April 30	Current Portion
Due to Village	\$ 1,094,215	\$ 925,000	\$ 1,094,215	\$ 925,000	\$ 925,000
Note payable	17,358	-	17,358	-	-
Compensated absences payable	202	-	-	202	-
Net pension liability	134,000	526,721	-	660,721	-
Total OPEB liability	54,115	4,847	-	58,962	-
<b>TOTAL</b>	<u>\$ 1,299,890</u>	<u>\$ 1,456,568</u>	<u>\$ 1,111,573</u>	<u>\$ 1,644,885</u>	<u>\$ 925,000</u>

General obligation bonds are direct obligations and pledge the full faith and credit of the Village of Itasca (the Village). The Library is responsible for repayment on behalf of the Village. The liability to the Village consists of the following issuance: General Obligation Refunding Bond, Series 2019, due in an installment of \$925,000 on December 15, 2019 plus interest of 1.67%.

The Library entered into a promissory note agreement dated August 20, 2008 in the amount of \$432,000. The note is secured by the Library building. Amounts outstanding accrue interest at 3.95% per annum. The note matures on August 20, 2018. Amount outstanding under the note agreement was \$0 at April 30, 2019.

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**5. LONG-TERM DEBT (Continued)**

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity on the general obligation bonds are as follows:

Fiscal Year Ending April 30,	General Obligation Refunding Bonds Series 2019		
	Principal	Interest	Total
2020	\$ 925,000	\$ 12,315	\$ 937,315
<b>TOTAL</b>	<b>\$ 925,000</b>	<b>\$ 12,315</b>	<b>\$ 937,315</b>

**6. INTERFUND ACCOUNTS**

Amounts due from/to other funds at April 30, 2019 consisted of the following:

	Due From	Due To
General Fund	\$ -	\$ 11,077
Debt Service Fund	11,077	-
<b>TOTAL</b>	<b>\$ 11,077</b>	<b>\$ 11,077</b>

The purpose of the amounts due from/to other funds are as follows:

- \$11,077 due from the General Fund to the Debt Service Fund is for funding of operating expenses. The amount will be repaid within one year.

**7. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the Library provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions, and employer contributions are governed by the Library and can be amended by the Library through its personnel manual. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Library's governmental activities.

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

b. Benefits Provided

The Library provides continued health insurance to retirees, their spouses, and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under the Library's retirement plan. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Library's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

c. Membership

At April 30, 2019, the most recent valuation performed, library membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>11</u>
<b>TOTAL</b>	<u><u>11</u></u>
Participating employers	<u>1</u>

d. Total OPEB Liability

The Library's total OPEB liability of \$58,962 was measured as of April 30, 2019, determined by an actuarial valuation as of April 30, 2018 and was rolled forward to April 30, 2019.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry-age
Actuarial value of assets	N/A
Inflation	2.50%
Salary increases	3.00%
Discount rate	3.79%
Healthcare cost trend rates	7.10% Initial 5.00% Ultimate
Retirees share of benefit-related costs	100% Regular Plan



**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at April 30, 2019. The discount rate at April 30, 2019 was 3.79%.

IMRF mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. Police mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. Spousal mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates. Disabled mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study for Disabled Pensioners. These Rates are Improved Generationally using MP-2016 Improvement Rates.

The actuarial assumptions used in the April 30, 2019 valuation are based on 33% participation assumed, with 50% electing spouse coverage.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2018	\$ 54,115
Changes for the period	
Service cost	1,551
Interest	2,148
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	1,148
Benefit payments	-
Net changes	<u>4,847</u>
BALANCES AT APRIL 30, 2019	<u>\$ 58,962</u>

The discount rate was changed from 3.97% to 3.79%.

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**7. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Library calculated using the discount rate of 3.79% as well as what the Library total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.79%) or 1 percentage point higher (4.79%) than the current rate:

	1% Decrease (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB liability	\$ 66,216	\$ 58,962	\$ 53,103

The table below presents the total OPEB liability of the Library calculated using the healthcare rate of 5.00% to 7.10% as well as what the Library's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.00% to 6.10%) or 1 percentage point higher (6.00% to 8.10%) than the current rate:

	1% Decrease (4.00% to 6.10%)	Current Healthcare Rate (5.00% to 7.10%)	1% Increase (6.00% to 8.10%)
Total OPEB liability	\$ 52,034	\$ 58,962	\$ 67,460

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the Library recognized OPEB expense of \$3,754. At April 30, 2019, the Library reported deferred outflows of resources of \$1,093 and did not report deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	1,093	-
<b>TOTAL</b>	<b>\$ 1,093</b>	<b>\$ -</b>

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending April 30,</u>	
2020	\$ 55
2021	55
2022	55
2023	55
2024	55
Thereafter	<u>818</u>
 TOTAL	 <u>\$ 1,093</u>

**8. 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.

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.

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

Illinois Municipal Retirement Fund (Continued)

*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 fiscal year ended 2019 was 13.10% of covered payroll. For the year ended April 30, 2019, salaries totaling \$569,208 were paid that required employer contributions of \$74,549, which was equal to the Library's actual contributions.

*Net Pension Liability*

At April 30, 2019, the Library reported a liability of \$660,816 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 in the Library's actual contribution to the plan for the year ended December 31, 2018 relative to the contributions of the Village, actuarially determined. At April 30, 2019, the Library's proportion was 16.80% of the total contribution.

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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

Illinois Municipal Retirement Fund (Continued)

*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%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments 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). The 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 IMRF 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's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. DEFINED BENEFIT PENSION PLAN (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 \$19,457. 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
Difference between expected and actual experience	\$ 58,670	\$ 61,287
Changes in assumption	87,120	52,427
Contributions made after measurement date	20,796	-
Net difference between projected and actual earnings on pension plan investments	232,577	-
<b>TOTAL</b>	<u>\$ 399,163</u>	<u>\$ 113,714</u>

The contributions of \$20,796 were made after the plan's measurement date and will be recognized in pension expense for the fiscal year ending April 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	
2020	\$ 76,395
2021	48,790
2022	41,604
2023	97,864
2024	-
Thereafter	-
<b>TOTAL</b>	<u>\$ 264,692</u>

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. DEFINED BENEFIT PENSION PLAN (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	\$ 1,231,868	\$ 660,721	\$ 193,759

**9. RISK MANAGEMENT**

The Library is exposed to various risks of loss including, but not limited to, general liability, property casualty, illnesses of employees, workers' compensation, and public official liability. To limit exposure to these risks, the Library has purchased third party indemnity insurance to limit its exposure. Claims incurred have not exceeded purchased coverage during the current and three previous fiscal years. The Library participates in the Village insurance program with respect to employee health risks.

**10. RESTRICTED NET POSITION/FUND BALANCE**

The restricted net position and fund balances of \$208,078 consists of the following:

Liability insurance	\$ 18,649
Audit	-
IMRF	52,544
FICA	81,257
Workers' compensation	15,732
Unemployment compensation	18,982
Gift	20,914
	<hr/>
TOTAL	<u>\$ 208,078</u>

**ITASCA COMMUNITY LIBRARY**  
**ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**11. CHANGE IN ACCOUNTING PRINCIPLE**

In 2019, the Library implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. With the implementation, the Library is required to retroactively record the total post employment benefit liability.

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in accounting principle	
To write-off the net OPEB obligation	\$ 23,092
To record the total OPEB liability	<u>(54,115)</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	 <u>\$ (31,023)</u>



**REQUIRED SUPPLEMENTARY INFORMATION**

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Property taxes	\$ 1,457,942	\$ 1,478,746
Intergovernmental		
Replacement taxes	20,000	29,584
Grants	-	10,811
Charges for services	17,000	19,632
Gifts	3,000	16,798
Fundraisers	2,000	4,200
Investment income	4,000	31,974
Miscellaneous	6,150	93,419
	1,510,092	1,685,164
Total revenues		
<b>EXPENDITURES</b>		
Current		
Personnel	990,594	941,266
Contractual services	362,716	275,872
Supplies	101,450	92,766
Capital outlay	187,320	77,011
Debt service		
Principal	17,600	17,381
Interest	415	137
	1,660,095	1,404,433
Total expenditures		
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (150,003)</b>	<b>280,731</b>
<b>FUND BALANCE, MAY 1</b>		<b>884,618</b>
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 1,165,349</b>

(See independent auditor's report.)

**ITASCA COMMUNITY LIBRARY  
ITASCA, 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	\$ 72,928	\$ 73,076	\$ 75,970	\$ 74,549
Contributions in relation to the contractually required contribution	<u>72,928</u>	<u>73,076</u>	<u>75,970</u>	<u>74,549</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 618,718	\$ 608,527	\$ 625,302	\$ 569,208
Contributions as a percentage of covered payroll	11.79%	12.01%	12.15%	13.10%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of the fiscal years referenced above. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.39% to 14.25% compounded annually, and postretirement benefit increases of 3% 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.)

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

SCHEDULE OF THE LIBRARY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Four Calendar Years

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<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Employer's proportion of net pension liability	16.61%	17.28%	16.80%	16.80%
Employer's proportionate share of net pension liability	\$ 522,773	\$ 600,083	\$ 134,000	\$ 660,816
Employer's covered payroll	595,248	610,151	590,489	575,105
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	87.82%	98.35%	22.69%	114.90%
Plan fiduciary net position as a percentage of the total pension liability	86.14%	85.70%	96.67%	84.96%

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.)

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Fiscal Year

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<b>MEASUREMENT DATE APRIL 30,</b>	<b>2019</b>
<b>TOTAL PENSION LIABILITY</b>	
Service cost	\$ 1,551
Interest	2,148
Differences between expected and actual experience	-
Changes of benefit terms	-
Changes of assumptions	1,148
Benefit payments	<u>-</u>
Net change in total OPEB liability	4,847
Total OPEB liability - beginning	<u>54,115</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b><u>\$ 58,962</u></b>
Covered payroll	N/A
Employer's total OPEB liability as a percentage of covered payroll	0.00%

Notes to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The change in assumptions in 2019 relate to the discount rate.

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

(See independent auditor's report.)

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2019

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**1. BUDGETS**

Budgets are adopted on a basis consistent with generally accepted accounting principles. The budget is prepared for the General Fund and Debt Service 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. Budgetary control is at the fund level. The appropriation ordinance is passed and approved by the Library Board of Trustees and submitted to the Village Board of Trustees. The Library Board of Trustees may modify the appropriations through a supplemental appropriation submitted to the Village. During the year, no supplementary appropriations were necessary.

## **SUPPLEMENTAL DATA**

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2019

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>PERSONNEL</b>		
Salaries - regular	\$ 728,013	\$ 696,668
Payroll taxes/benefits		
FICA	54,407	52,157
IMRF	79,811	74,549
Group insurance	123,393	112,266
Vision insurance	150	546
Unemployment compensation	1,620	2,495
Workers' compensation	3,200	2,585
Total payroll taxes/benefits	262,581	244,598
Total personnel	990,594	941,266
<b>CONTRACTUAL SERVICES</b>		
Operating		
Heating	7,000	6,662
Water	4,800	3,811
Maintenance		
Building	65,000	59,135
Grounds	15,000	9,946
Contractual services	119,963	87,907
Contingency	27,504	5,456
Postage	5,000	3,521
Office supplies	5,000	4,733
Processing materials	3,000	1,471
Computer supplies	3,200	4,270
Copier	1,000	598
Dues, subscriptions, and meetings	11,200	8,070
Legal	3,500	6,961
Audit	6,350	7,650
Events	1,500	2,612
Outreach service	17,000	9,643
Promotion	19,399	15,732
Janitorial	38,000	29,775
Total operating	353,416	267,953

(This schedule is continued on the following page.)



**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>CONTRACTUAL SERVICES (Continued)</b>		
Insurance		
Insurance - buildings and contents	\$ 9,300	\$ 7,919
Total insurance	9,300	7,919
Total contractual services	362,716	275,872
<b>SUPPLIES</b>		
Books, periodicals, and software		
Books		
Adult	62,800	56,711
Personal	500	234
Gifts	3,000	8,470
Periodicals - adult and youth	3,800	360
Newspaper	4,500	7,095
Computer software and games	3,000	-
Media materials - tapes and discs	21,850	18,980
Standing orders	2,000	916
Total supplies	101,450	92,766
<b>CAPITAL OUTLAY</b>		
Equipment	1,500	536
Automation equipment	17,000	15,229
Building and improvements	168,820	61,246
Total capital outlay	187,320	77,011
<b>DEBT SERVICE</b>		
Principal	17,600	17,381
Interest	415	137
Total debt service	18,015	17,518
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,660,095</b>	<b>\$ 1,404,433</b>

(See independent auditor's report.)

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND**

For the Year Ended April 30, 2019

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Property taxes	\$ 203,050	\$ 203,618
Total revenues	<u>203,050</u>	<u>203,618</u>
<b>EXPENDITURES</b>		
Debt service		
Principal	155,000	155,000
Interest and fiscal charges	48,050	47,250
Total expenditures	<u>203,050</u>	<u>202,250</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	1,368
FUND BALANCE, MAY 1		<u>9,709</u>
<b>FUND BALANCE, APRIL 30</b>		<u><u>\$ 11,077</u></u>

(See independent auditor's report.)

**ITASCA COMMUNITY LIBRARY  
ITASCA, ILLINOIS**

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019**

April 30, 2019

Date of Issue	February 28, 2019
Date of Maturity	December 15, 2029
Authorized Issue	\$ 925,000
Denomination of Bonds	\$ 5,000
Interest Rates	1.67%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Trust Company

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Interest Due On</b>			
				<b>June 15</b>	<b>Amount</b>	<b>December 15</b>	<b>Amount</b>
2020	\$ 925,000	\$ 12,315	\$ 937,315	2019	\$ 4,591	2019	\$ 7,724
	<u>\$ 925,000</u>	<u>\$ 12,315</u>	<u>\$ 937,315</u>		<u>\$ 4,591</u>		<u>\$ 7,724</u>

(See independent auditor's report.)