

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Library's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

October 30, 2020

Members of the Board of Trustees
Lake Villa Public Library District
Lindenhurst, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake Villa Public Library District, Illinois, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, each major fund, and the aggregate remaining fund information of the Lake Villa Public Library District, Illinois, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as 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 Lake Villa Public Library District, Illinois' basic financial statements. The other supplementary information and supplemental schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

Our discussion and analysis of the Lake Villa Public Library District's financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Library's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The Library's net position increased from \$31,526,889 to \$33,393,958, an increase of \$1,867,069 or 5.9 percent.
- During the year, government-wide revenues totaled \$6,002,982, while government-wide expenses totaled \$4,135,913, resulting in an increase to net position of \$1,867,069.
- Total fund balances for the governmental funds were \$9,676,837 at June 30, 2020 compared to \$11,147,908 in the prior year, a decrease of \$1,471,071 or 13.2 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 - 14) provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.

Fund financial statements begin on page 15. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operation in more detail than the government-wide statements by providing information about the Library's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 12 - 14 of this report.

The Statement of Net Position reports information on all of the Library's assets/deferred outflows and liabilities/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. Consideration of other nonfinancial factors, such as changes in the Library's property tax base, is needed to assess the overall health of the Library.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements report functions of the Library that are principally supported by taxes and charges for services revenues (governmental activities). The governmental activities of the Library include the cultural function.

Fund Financial Statements

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

Governmental Funds

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

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

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The Library maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Bond and Interest Fund, and Special Reserve Fund, all of which are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Library adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 - 18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 - 39 of this report.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by \$33,393,958.

	Net Position	
	2020	2019
Current Assets	\$ 15,899,522	18,650,577
Capital Assets	30,174,390	26,772,881
Total Assets	46,073,912	45,423,458
Deferred Outflows	426,118	1,093,161
Total Assets/Deferred Outflows	46,500,030	46,516,619
Long-Term Debt Outstanding	6,244,797	7,180,804
Other Liabilities	1,065,316	2,109,672
Total Liabilities	7,310,113	9,290,476
Deferred Inflows	5,795,959	5,699,254
Total Liabilities/Deferred Inflows	13,106,072	14,989,730
Net Position		
Investment in Capital Assets	24,334,390	20,807,881
Restricted	484,898	530,729
Unrestricted	8,574,670	10,188,279
Total Net Position	33,393,958	31,526,889

A large portion of the Library's net position, \$24,334,390, or 72.9 percent, reflects its investment in capital assets (for example, land, buildings, equipment and furniture), less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion, \$484,898, or 1.5 percent, of the Library's net position represents resources that are subject to external restrictions on how they may be used, including \$219,139 for working cash, \$964 restricted for IMRF, \$7,884 restricted for social security, \$7,576 restricted for audit, and \$249,335 restricted for site and building. The remaining \$8,574,670 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 9,124	20,600
Operating Grants/Contributions	50,345	50,345
General Revenues		
Property and Replacement Taxes	5,571,088	5,115,895
Interest	297,402	451,388
Miscellaneous	75,023	18,944
Total Revenues	<u>6,002,982</u>	<u>5,657,172</u>
Expenses		
Culture and Recreation	3,926,718	3,719,845
Interest on Long-Term Debt	209,195	214,113
	<u>4,135,913</u>	<u>3,933,958</u>
Change in Net Position	1,867,069	1,723,214
Net Position-Beginning	<u>31,526,889</u>	<u>29,803,675</u>
Net Position-Ending	<u>33,393,958</u>	<u>31,526,889</u>

Net position of the Library's governmental activities increased from \$31,526,889 to \$33,393,958.

Revenues of \$6,002,982 exceeded expenses of \$4,135,913, resulting in the increase to net position in the current year of \$1,867,069.

Governmental Activities

In the current year, governmental net position increased \$1,867,069, an increase of 5.9 percent. Property and Replacement taxes increased \$455,193 over the prior year (\$5,115,895 in 2019 compared to \$5,571,088 in 2020). The Library received a grant of \$50,345 to help with the new library building.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

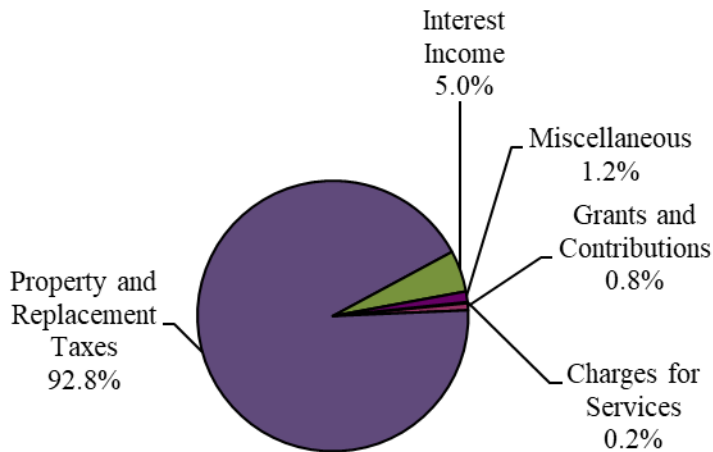
**Management’s Discussion and Analysis
June 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

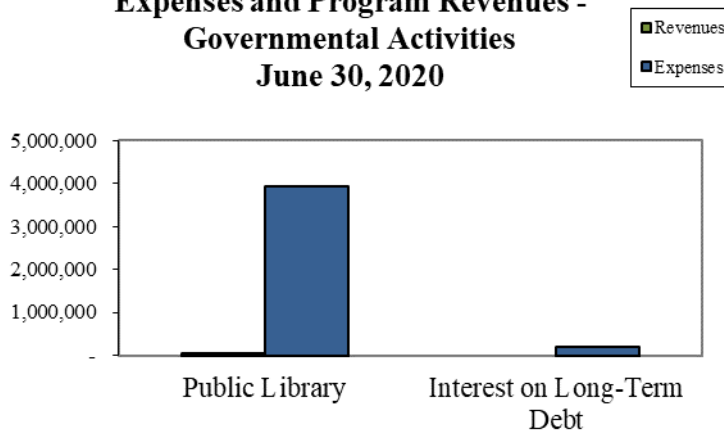
The following table graphically depicts the major revenue sources of the Library. It depicts very clearly the reliance of property taxes to fund governmental activities.

**Revenues by Source - Governmental Activities
June 30, 2020**



The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues. The public library functions charge user fees for services provided. The user fees charged do not cover the expenses, which furthermore signifies the Library’s reliance on general revenues such as property taxes and personal property replacement taxes to fund operations.

**Expenses and Program Revenues -
Governmental Activities
June 30, 2020**



LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$9,676,837 which is 13.2 percent less than last year's ending fund balance of \$11,147,908.

In the current year, governmental fund balances decreased by \$1,471,071. The General Fund reported an increase of \$296,492, due primarily to the debt service payments no longer being paid out of the General fund and taxes increased \$91,005 compared to prior year. The Bond and Interest Fund had an increase of \$5,062, due primarily to interest revenue. The Special Reserve Fund reported a decrease of \$1,726,551, due primarily to \$3,747,487 from the ongoing planned capital spending on the construction of the new library.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, no supplemental amendments were made to the budget for the General Fund.

The General Fund actual revenues were lower than budgeted revenues. Actual revenues for the current year were \$5,248,282, compared to budgeted revenues of \$5,213,340. This resulted primarily from fines and forfeitures received being \$30,876 less than expected and taxes being \$18,928 less than expected.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$2,945,790, while budgeted expenditures totaled \$3,461,075. This was due primarily to substantial savings realized versus the budgeted expenditures in all culture and recreation areas.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

CAPITAL ASSETS

The Library's investment in capital assets for its governmental activities as of June 30, 2020 was \$30,174,390 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, computers, furniture and equipment, and library materials.

	Capital Assets - Net of Depreciation	
	2020	2019
Land	\$ 3,232,884	3,232,884
Construction in Progress	23,062,238	19,333,015
Land Improvements	40,503	46,009
Buildings	2,365,970	2,518,975
Computers, Furniture and Equipment	44,129	73,909
Library Materials	1,428,666	1,568,089
Total	<u>30,174,390</u>	<u>26,772,881</u>

This year's additions to capital assets included:

Construction in Progress	\$ 3,729,223
Library Materials	<u>188,831</u>
	<u>3,918,054</u>

Additional information on the Library's capital assets can be found in Note 3 of this report.

LONG-TERM DEBT

At year-end, the Library had total outstanding general obligation bonds of \$5,840,000. The Library issued this debt in the prior year to fund the shortfall in the Special Reserve – Capital Projects Fund to pay for the building of the new facility. Additional information on the Library's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

On August 1, 2019, the library achieved substantial completion of the building project and opened the new Lake Villa District Library located at 140 N. Munn Rd., Lindenhurst, IL on August 5, 2019. The building was constructed with existing funds in the Special Reserve Fund and bond proceeds that will continue to be paid for from the Library's operating tax rate.

As of the date of this report, the extent of the impact of COVID-19 on the Library's operations and financial position cannot be determined.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Library Director, Lake Villa Public Library District, 140 North Munn Road, Lindenhurst, Illinois 60046.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Net Position
June 30, 2020**

ASSETS	
Current Assets	
Cash and Investments	\$ 12,919,047
Receivables - Net of Allowances	
Property Taxes	<u>2,980,475</u>
Total Current Assets	<u>15,899,522</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	26,295,122
Depreciable Capital Assets	11,218,195
Accumulated Depreciation	<u>(7,338,927)</u>
Total Capital Assets	<u>30,174,390</u>
Total Assets	46,073,912
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>426,118</u>
Total Assets and Deferred Outflows of Resources	<u>46,500,030</u>

The notes to the financial statements are an integral part of this statement.

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 318,873
Retainage Payable	475,844
Accrued Payroll	90,716
Accrued Interest Payable	17,222
Current Portion of Long-Term Debt	162,661
Total Current Liabilities	<u>1,065,316</u>
Noncurrent Liabilities	
Compensated Absences Payable	130,643
Net Pension Liability - IMRF	404,154
General Obligation Bonds	5,710,000
Total Noncurrent Liabilities	<u>6,244,797</u>
Total Liabilities	<u>7,310,113</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	5,337,252
Deferred Items - IMRF	458,707
Total Deferred Inflows of Resources	<u>5,795,959</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>13,106,072</u>

NET POSITION

Net Investment in Capital Assets	24,334,390
Restricted	
Property Tax Levies	
Working Cash	219,139
Illinois Municipal Retirement	964
Social Security	7,884
Audit	7,576
Site and Building	249,335
Unrestricted	<u>8,574,670</u>
Total Net Position	<u>33,393,958</u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended June 30, 2020**

	Expenses	Program Revenues Charges for Services	Operating Grants	Net (Expenses)/ Revenues and Changes in Net Position
Governmental Activities				
Culture and Recreation	\$ 3,926,718	9,124	50,345	(3,867,249)
Interest on Long-Term Debt	209,195	-	-	(209,195)
Total Governmental Activities	<u>4,135,913</u>	<u>9,124</u>	<u>50,345</u>	<u>(4,076,444)</u>
		General Revenues		
		Taxes		
		Property Taxes		5,546,902
		Intergovernmental - Unrestricted		
		Personal Property		
		Replacement Taxes		24,186
		Interest		297,402
		Miscellaneous		75,023
				<u>5,943,513</u>
		Change in Net Position		1,867,069
		Net Position - Beginning		<u>31,526,889</u>
		Net Position - Ending		<u><u>33,393,958</u></u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Balance Sheet - Governmental Funds
June 30, 2020**

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
ASSETS					
Cash and Investments	\$ 3,614,194	5,067	8,998,568	301,218	12,919,047
Receivables - Net of Allowances					
Property Taxes	2,980,475	-	-	-	2,980,475
Total Assets	6,594,669	5,067	8,998,568	301,218	15,899,522
LIABILITIES					
Accounts Payable	117,640	-	179,331	21,902	318,873
Retainage Payable	-	-	475,844	-	475,844
Accrued Payroll	77,159	-	-	13,557	90,716
Total Liabilities	194,799	-	655,175	35,459	885,433
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	5,337,252	-	-	-	5,337,252
Total Liabilities and Deferred Inflows of Resources	5,532,051	-	655,175	35,459	6,222,685
FUND BALANCES					
Restricted	219,139	5,067	-	265,759	489,965
Assigned	-	-	8,343,393	-	8,343,393
Unassigned	843,479	-	-	-	843,479
Total Fund Balances	1,062,618	5,067	8,343,393	265,759	9,676,837
Total Liabilities, Deferred Inflows of Resources and Fund Balances	6,594,669	5,067	8,998,568	301,218	15,899,522

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities**

June 30, 2020

Total Fund Balances	\$ 9,676,837
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	30,174,390
Deferred (Inflows)/Outflows of Resources related to IMRF not reported in the funds. Deferred Items - IMRF	(32,589)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(163,304)
Net Pension Liability - IMRF	(404,154)
General Obligation Bonds Payable	(5,840,000)
Accrued Interest Payable	<u>(17,222)</u>
Net Position	<u><u>33,393,958</u></u>

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2020**

	General	Debt Service Bond and Interest	Capital Projects Special Reserve	Nonmajor	Totals
Revenues					
Taxes	\$ 5,033,267	336,392	-	177,243	5,546,902
Intergovernmental	65,531	-	-	9,000	74,531
Fines and Forfeitures	9,124	-	-	-	9,124
Interest	70,269	3,282	216,004	7,847	297,402
Miscellaneous	70,091	-	4,932	-	75,023
Total Revenues	5,248,282	339,674	220,936	194,090	6,002,982
Expenditures					
Current					
Culture and Recreation	2,945,790	-	3,747,487	446,164	7,139,441
Debt Service					
Principal Retirement	-	125,000	-	-	125,000
Interest and Fiscal Charges	-	209,612	-	-	209,612
Total Expenditures	2,945,790	334,612	3,747,487	446,164	7,474,053
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,302,492	5,062	(3,526,551)	(252,074)	(1,471,071)
Other Financing Sources (Uses)					
Transfers In	-	-	1,800,000	206,000	2,006,000
Transfers Out	(2,006,000)	-	-	-	(2,006,000)
	(2,006,000)	-	1,800,000	206,000	-
Net Change in Fund Balances	296,492	5,062	(1,726,551)	(46,074)	(1,471,071)
Fund Balances - Beginning	766,126	5	10,069,944	311,833	11,147,908
Fund Balances - Ending	1,062,618	5,067	8,343,393	265,759	9,676,837

The notes to the financial statements are an integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances \$ (1,471,071)

Amounts reported in the Statement of Activities
are different because:

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

Capital Outlays	3,918,054
Depreciation Expense	(516,545)
Disposal - Cost	(376,415)
Disposal - Accumulated Depreciation	376,415

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	(994,053)
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The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	(3,700)
Change in Net Pension Liability - IMRF	808,967
Retirement of Debt	125,000
Change in Accrued Interest Payable	417

Changes in Net Position

1,867,069

The notes to the financial statements are in integral part of this statement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lake Villa Public Library District (Library) of Illinois is located in Lake Villa, Illinois. The purpose of the Library is to provide and ensure access to materials and services to meet the lifelong learning needs of residents and organizations, as well as to create a welcoming place to gather, exchange ideas and participate in cultural events.

REPORTING ENTITY

In determining the financial reporting entity, the Library complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the Library. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Library’s basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library’s major funds). The Library only reports governmental activities.

In the government-wide Statement of Net Position, the governmental activities is (a) presented on a consolidated basis, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Library’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Library first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Library’s functions. The functions are supported by general government revenues (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.).

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

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Library are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Library electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a single column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Library or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Library:

Governmental Funds

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

General fund is the general operating fund of the Library. It accounts for all revenues and expenditures of the Library which are not accounted for in other funds. The General Fund is a major fund and includes the Library Account, the Working Cash Account and the Public Library Insurance Account.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Library maintains three nonmajor special revenue funds, which include the Illinois Municipal Retirement Fund, the Social Security Fund, and the Audit Fund.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Bond and Interest Fund is treated as a major fund and is used to account for the proceeds of tax revenues to retire general obligation debt and make the required payments therefrom.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Library maintains one major capital projects fund, the Special Reserve Fund, which is used to account for capital improvements at the Library. The Library also maintains one nonmajor capital projects fund, the Site and Building Fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental funds are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is utilized.

The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Library recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$500 are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	10 Years
Buildings	40 Years
Computers, Furniture and Equipment	5 - 7 Years
Library Materials	10 Years

Compensated Absences

The Library accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

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 Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2020**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Library establishes the budgetary data reflected in the financial statements by the passage of a combined budget and appropriation and levy ordinance prior to the statutory deadline. The amounts presented in the statements reflect the budgeted amounts. Expenditures for any fund should not exceed the amount appropriated for the fund.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Audit	\$ 400

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Library's funds.

Permitted Deposits and Investments – Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$5,037,359 and the bank balances totaled \$5,274,687.

Investments. The Library has the following investment fair values and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Securities	\$ 3,610,054	3,610,054	-	-	-
U.S. Agency Securities	3,790,089	-	441,782	1,214,792	2,133,515
State and Local Obligations	481,545	268,471	213,074	-	-
	<u>7,881,688</u>	<u>3,878,525</u>	<u>654,856</u>	<u>1,214,792</u>	<u>2,133,515</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk – Continued

The Library has the following recurring fair value measurements as of June 30, 2020:

- U.S. Treasury Securities of \$3,610,054 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency Securities of \$3,790,089 are valued using a matrix pricing model (Level 2 inputs)
- State and Local Obligations of \$481,545 are valued using a matrix pricing model (Level 2 inputs)

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy does not specifically limit the maximum maturity length of investments.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in securities authorized by State statute, the Library's investment policy does not further mitigate credit risk. At year-end, the Library's investments in the U.S. Agency securities were rated AA to Aa by Moody's. The Library's investments in state and local obligations were not rated.

Concentration Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy does not mitigate concentration risk. At year-end, the Library does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires that deposit with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the Library. At year-end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

PROPERTY TAXES

Property taxes for the 2019 levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are collected in two installments in June and September. The County collects such taxes and remits them periodically.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 3,232,884	-	-	3,232,884
Construction in Progress	19,333,015	3,729,223	-	23,062,238
	<u>22,565,899</u>	<u>3,729,223</u>	<u>-</u>	<u>26,295,122</u>
Depreciable Capital Assets				
Land Improvements	303,872	-	-	303,872
Buildings	6,605,280	-	-	6,605,280
Computers, Furniture and Equipment	1,214,093	-	-	1,214,093
Library Materials	3,282,534	188,831	376,415	3,094,950
	<u>11,405,779</u>	<u>188,831</u>	<u>376,415</u>	<u>11,218,195</u>
Less Accumulated Depreciation				
Land Improvements	257,863	5,506	-	263,369
Buildings	4,086,305	153,005	-	4,239,310
Computers, Furniture and Equipment	1,140,184	29,780	-	1,169,964
Library Materials	1,714,445	328,254	376,415	1,666,284
	<u>7,198,797</u>	<u>516,545</u>	<u>376,415</u>	<u>7,338,927</u>
 Total Depreciable Capital Assets	 <u>4,206,982</u>	 <u>(327,714)</u>	 <u>-</u>	 <u>3,879,268</u>
 Total Capital Assets	 <u>26,772,881</u>	 <u>3,401,509</u>	 <u>-</u>	 <u>30,174,390</u>

Depreciation expense of \$516,545 was charged to the culture and recreation function.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Special Reserve	General	\$ 1,800,000
Nonmajor Governmental	General	<u>206,000</u>
		<u>2,006,000</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND TRANSFERS – Continued

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LONG-TERM DEBT

General Obligation Bonds

The Library issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Library. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Bonds of 2017, due in annual installments of \$120,000 to \$330,000 plus interest at 3.00% to 4.00% through June 1, 2047.	Bond and Interest	\$ 5,965,000	-	125,000	5,840,000

LONG-TERM LIABILITY ACTIVITY

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 159,604	7,400	3,700	163,304	32,661
Net Pension Liability - IMRF	1,213,121	-	808,967	404,154	-
General Obligation Bonds	5,965,000	-	125,000	5,840,000	130,000
	<u>7,337,725</u>	<u>7,400</u>	<u>937,667</u>	<u>6,407,458</u>	<u>162,661</u>

Payments on the compensated absences and the net pension liability are generally made by the General Fund. Payments on the general obligation bonds are made by the Bond and Interest Fund.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2021	\$ 130,000	204,062
2022	135,000	198,763
2023	140,000	193,262
2024	145,000	187,562
2025	150,000	181,662
2026	155,000	175,562
2027	165,000	169,162
2028	170,000	162,462
2029	180,000	156,362
2030	185,000	150,887
2031	190,000	145,262
2032	195,000	139,487
2033	200,000	133,312
2034	210,000	126,650
2035	215,000	119,744
2036	225,000	112,453
2037	235,000	104,691
2038	240,000	96,676
2039	245,000	88,338
2040	255,000	79,588
2041	265,000	70,488
2042	275,000	61,038
2043	285,000	51,238
2044	295,000	40,793
2045	305,000	29,693
2046	320,000	18,130
2047	330,000	6,105
Total	<u>5,840,000</u>	<u>3,203,432</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCES

Net Position Classifications

Net investment in capital assets was comprised of the following as of the year end:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 30,174,390
Less Capital Related Debt:	
General Obligation Bonds	<u>(5,840,000)</u>
Net Investment in Capital Assets	<u>24,334,390</u>

Fund Balance Classifications

In the governmental funds financial statements, the Library considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Library first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Library's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCES – Continued

Fund Balance Classifications – Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Library’s policy states that the General Fund should maintain a minimum fund balance equal to two to three months of budgeted operating expenditures, excluding transfers and capital expenditures. Fund balances in excess of said levels may be transferred to other funds at the discretion of the Board.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Capital Projects Special Reserve	Nonmajor	Totals
Restricted					
Working Cash	\$ 219,139	-	-	-	219,139
Illinois Municipal Retirement	-	-	-	964	964
Social Security	-	-	-	7,884	7,884
Audit	-	-	-	7,576	7,576
Site and Building	-	-	-	249,335	249,335
Debt Service	-	5,067	-	-	5,067
	<u>219,139</u>	<u>5,067</u>	<u>-</u>	<u>265,759</u>	<u>489,965</u>
Assigned					
Other Purposes	-	-	8,343,393	-	8,343,393
	<u>843,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>843,479</u>
Unassigned					
Total Fund Balances	<u>1,062,618</u>	<u>5,067</u>	<u>8,343,393</u>	<u>265,759</u>	<u>9,676,837</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION

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; natural disasters; and injuries to the Library's employees. These risks are provided for through insurance from private insurance companies. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Grants

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

Litigation

The Library is currently not involved in any litigation.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Library's operations and financial position cannot be determined.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

The Library contributes to one defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF). IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement System

Plan Description

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.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Benefits Provided – Continued. Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	34
Inactive Plan Members Entitled to but not yet Receiving Benefits	21
Active Plan Members	<u>36</u>
Total	<u><u>91</u></u>

Contributions. As set by statute, the Library’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended June 30, 2020, the District’s contribution was 9.24% of covered payroll.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Net Pension Liability. The Library’s net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-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 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 adjustment that were applied for non-disabled 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.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

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

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the District calculated using the discount rate as well as what the District’s net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 1,572,056	404,154	(575,439)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2018	\$ 9,335,599	8,122,478	1,213,121
Changes for the year:			
Service Cost	165,073	-	165,073
Interest on the Total Pension Liability	665,899	-	665,899
Difference Between Expected and Actual Experience of the Total Pension Liability	106,094	-	106,094
Contributions - Employer	-	120,551	(120,551)
Contributions - Employees	-	73,407	(73,407)
Net Investment Income	-	1,587,234	(1,587,234)
Benefit Payments, including Refunds of Employee Contributions	(466,655)	(466,655)	-
Other (Net Transfer)	-	(35,159)	35,159
Net Changes	470,411	1,279,378	(808,967)
Balances at December 31, 2019	9,806,010	9,401,856	404,154

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

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

For the year ended June 30, 2020, the Library recognized pension expense of \$337,125. At June 30, 2020, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 240,229	(4,285)	235,944
Changes of Assumptions	100,899	(39,475)	61,424
Net difference Between Projected and Actual Earnings on Pension Plan Investments	-	(414,947)	(414,947)
Total Pension Expense			
to be Recognized in Future Periods	341,128	(458,707)	(117,579)
Pension Contributions Made Subsequent to the Measurement Date	84,990	-	84,990
Total Deferred Amounts Related to Pensions	<u>426,118</u>	<u>(458,707)</u>	<u>(32,589)</u>

\$84,990 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ 64,242
2022	(21,411)
2023	41,492
2024	(201,902)
2025	-
Thereafter	-
	<u>(117,579)</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

POST-EMPLOYMENT BENEFITS

The Library has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Library are required to pay 100% of the current premium. However, there is minimal participation. As the Library provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Library has not recorded a liability as of June 30, 2020.

LAKE VILLA DISTRICT LIBRARY FOUNDATION

As of June 30, 2020, the Lake Villa District Library Foundation (Foundation) has a total balance of \$82,629 that is held for the benefit of the Library. These funds are designated for the use of projects at the Library and are not available to the Library until eligible expenditures are submitted to the Foundation for approval and reimbursement. The Foundation is formed as a 501(c)3 nonprofit organization and is only required to have an audit conducted when annual contributions exceed \$300,000, therefore a separate audit for the Foundation has not been performed and has not been disclosed as a discretely presented component unit. There were no reimbursements made from the Foundation to the Library in the current year.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

June 30, 2020

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 172,236	\$ 175,107	\$ 2,871	\$ 1,512,168	11.58%
2016	150,440	150,440	-	1,511,957	9.95%
2017	150,325	150,325	-	1,551,343	9.69%
2018	153,709	153,709	-	1,535,689	10.01%
2019	129,641	129,641	-	1,506,746	8.60%
2020	152,039	152,039	-	1,645,461	9.24%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market, 20% Corridor
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP 2017 (base year 2015)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2020**

	<u>12/31/14</u>
Total Pension Liability	
Service Cost	\$ 194,748
Interest	487,736
Differences Between Expected and Actual Experience	(91,045)
Change of Assumptions	292,153
Benefit Payments, Including Refunds of Member Contributions	<u>(214,652)</u>
Net Change in Total Pension Liability	668,940
Total Pension Liability - Beginning	<u>6,513,092</u>
Total Pension Liability - Ending	<u><u>7,182,032</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 175,107
Contributions - Members	69,182
Net Investment Income	411,033
Benefit Payments, Including Refunds of Member Contributions	(214,652)
Other (Net Transfer)	<u>33,903</u>
Net Change in Plan Fiduciary Net Position	474,573
Plan Net Position - Beginning	<u>6,723,435</u>
Plan Net Position - Ending	<u><u>7,198,008</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ (15,976)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.22%
Covered Payroll	\$ 1,512,168
Employer's Net Pension Liability as a Percentage of Covered Payroll	(1.06%)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
177,509	172,179	173,730	159,321	165,073
536,349	572,763	602,930	614,353	665,899
30,126	(55,725)	(25,420)	405,725	106,094
18,602	(19,225)	(234,250)	247,525	-
(238,932)	(269,041)	(308,872)	(406,080)	(466,655)
523,654	400,951	208,118	1,020,844	470,411
7,182,032	7,705,686	8,106,637	8,314,755	9,335,599
7,705,686	8,106,637	8,314,755	9,335,599	9,806,010
150,440	150,325	157,362	147,409	120,551
68,038	69,810	69,561	67,481	73,407
35,939	482,770	1,327,878	(508,114)	1,587,234
(238,932)	(269,041)	(308,872)	(406,080)	(466,655)
(186,353)	33,137	(112,543)	194,255	(35,159)
(170,868)	467,001	1,133,386	(505,049)	1,279,378
7,198,008	7,027,140	7,494,141	8,627,527	8,122,478
7,027,140	7,494,141	8,627,527	8,122,478	9,401,856
678,546	612,496	(312,772)	1,213,121	404,154
91.19%	92.44%	103.76%	87.01%	95.88%
1,511,957	1,551,343	1,545,791	1,499,579	1,631,267
44.88%	39.48%	(20.23%)	80.90%	24.78%

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes	\$ 5,052,195	5,033,267
Intergovernmental	60,345	65,531
Fines and Forfeitures	40,000	9,124
Interest	60,800	70,269
Miscellaneous	-	70,091
Total Revenues	<u>5,213,340</u>	<u>5,248,282</u>
Expenditures		
Culture and Recreation		
Contractual Services	386,125	282,428
Personnel	2,324,000	2,061,576
Library Materials	502,750	466,162
Operations	248,200	135,624
Total Expenditures	<u>3,461,075</u>	<u>2,945,790</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,752,265	2,302,492
Other Financing (Uses)		
Transfers Out	<u>(1,759,965)</u>	<u>(2,006,000)</u>
Net Change in Fund Balance	<u>(7,700)</u>	296,492
Fund Balance - Beginning		<u>766,126</u>
Fund Balance - Ending		<u><u>1,062,618</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements - General Fund - by Account
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

- Budgetary Comparison Schedules - General Fund - by Account
 - Library Account
 - Working Cash Account
 - Public Library Insurance Account

- Budgetary Comparison Schedules - Major Governmental Funds
 - Bond and Interest - Debt Service Fund
 - Special Reserve - Capital Projects Fund

- Combining Statements - Nonmajor Governmental Funds

- Budgetary Comparison Schedules - Nonmajor Governmental Funds
 - Illinois Municipal Retirement - Special Revenue Fund
 - Social Security - Special Revenue Fund
 - Audit - Special Revenue Fund
 - Site and Building - Capital Projects Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund is used to account for the Library's participation in the Illinois Municipal Retirement Fund. Financing is provided by a specific annual property tax levy which produces a sufficient amount to pay the Library's contributions to the fund on behalf of its employees.

Social Security Fund

The Social Security Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for payment of the employer's portion of Federal Social Security and Medicare taxes.

Audit Fund

The Audit Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the annual audit of the Library.

DEBT SERVICE FUND

The Debt Service Fund is used to account for proceeds of tax revenues to retire general obligation debt and make the required payments therefrom.

INDIVIDUAL FUND DESCRIPTIONS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

Special Reserve Fund

The Special Reserve Fund is used to account for capital improvements at the library.

Site and Building Fund

The Site and Building Fund is used to account for maintenance costs on the Library's facility.

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

**Combining Balance Sheet - General Fund - by Account
June 30, 2020**

	Library	Working Cash	Public Liability Insurance	Totals
ASSETS				
Cash and Investments	\$ 3,395,055	219,139	-	3,614,194
Receivables - Net of Allowances				
Property Taxes	2,980,475	-	-	2,980,475
Due from Other Funds	232	-	-	232
Total Assets	<u>6,375,762</u>	<u>219,139</u>	<u>-</u>	<u>6,594,901</u>
LIABILITIES				
Accounts Payable	117,640	-	-	117,640
Accrued Payroll	77,159	-	-	77,159
Due to Other Funds	-	-	232	232
Total Liabilities	<u>194,799</u>	<u>-</u>	<u>232</u>	<u>195,031</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	<u>5,337,252</u>	<u>-</u>	<u>-</u>	<u>5,337,252</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,532,051</u>	<u>-</u>	<u>232</u>	<u>5,532,283</u>
FUND BALANCES				
Restricted	-	219,139	-	219,139
Unassigned	843,711	-	(232)	843,479
Total Fund Balances	<u>843,711</u>	<u>219,139</u>	<u>(232)</u>	<u>1,062,618</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>6,375,762</u>	<u>219,139</u>	<u>-</u>	<u>6,594,901</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - by Account

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Library Account	
	Budget	
	Original and Final	Actual
Revenues		
Taxes	\$ 5,052,195	5,033,267
Intergovernmental	60,345	65,531
Fines and Forfeitures	40,000	9,124
Interest	60,000	66,247
Miscellaneous	-	70,091
Total Revenues	<u>5,212,540</u>	<u>5,244,260</u>
Expenditures		
Culture and Recreation		
Contractual Services	366,125	266,917
Personnel	2,324,000	2,061,576
Library Materials	502,750	466,162
Operations	248,200	135,624
Total Expenditures	<u>3,441,075</u>	<u>2,930,279</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,771,465</u>	<u>2,313,981</u>
Other Financing Sources (Uses)		
Transfers In	-	-
Transfers Out	(1,771,465)	(2,017,500)
	<u>(1,771,465)</u>	<u>(2,017,500)</u>
Net Change in Fund Balance	<u>-</u>	296,481
Fund Balance - Beginning		<u>547,230</u>
Fund Balance - Ending		<u><u>843,711</u></u>

<u>Working Cash Account</u>		<u>Public Liability Insurance</u>		<u>Total</u>	
<u>Budget</u>		<u>Budget</u>		<u>Budget</u>	
<u>Original</u>		<u>Original</u>		<u>Original</u>	
<u>and Final</u>	<u>Actual</u>	<u>and Final</u>	<u>Actual</u>	<u>and Final</u>	<u>Actual</u>
-	-	-	-	5,052,195	5,033,267
-	-	-	-	60,345	65,531
-	-	-	-	40,000	9,124
400	3,948	400	74	60,800	70,269
-	-	-	-	-	70,091
<u>400</u>	<u>3,948</u>	<u>400</u>	<u>74</u>	<u>5,213,340</u>	<u>5,248,282</u>
-	-	20,000	15,511	386,125	282,428
-	-	-	-	2,324,000	2,061,576
-	-	-	-	502,750	466,162
-	-	-	-	248,200	135,624
-	-	<u>20,000</u>	<u>15,511</u>	<u>3,461,075</u>	<u>2,945,790</u>
400	3,948	(19,600)	(15,437)	1,752,265	2,302,492
-	-	11,500	11,500	11,500	11,500
-	-	-	-	(1,771,465)	(2,017,500)
-	-	<u>11,500</u>	<u>11,500</u>	<u>(1,759,965)</u>	<u>(2,006,000)</u>
<u>400</u>	3,948	<u>(8,100)</u>	(3,937)	<u>(7,700)</u>	296,492
	<u>215,191</u>		<u>3,705</u>		<u>766,126</u>
	<u>219,139</u>		<u>(232)</u>		<u>1,062,618</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Library Account

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Taxes	\$ 5,052,195	5,033,267
Intergovernmental	60,345	65,531
Fines and Forfeitures	40,000	9,124
Interest	60,000	66,247
Miscellaneous	-	70,091
Total Revenues	<u>5,212,540</u>	<u>5,244,260</u>
Expenditures		
Culture and Recreation		
Contractual Services	366,125	266,917
Personnel	2,324,000	2,061,576
Library Materials	502,750	466,162
Operations	248,200	135,624
Total Expenditures	<u>3,441,075</u>	<u>2,930,279</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,771,465	2,313,981
Other Financing (Uses)		
Transfers Out	<u>(1,771,465)</u>	<u>(2,017,500)</u>
Net Change in Fund Balance	<u>-</u>	296,481
Fund Balance - Beginning		<u>547,230</u>
Fund Balance - Ending		<u>843,711</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Library Account

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>	
	Original and Final	Actual
Taxes		
Property Taxes	\$ 5,052,195	5,033,267
Intergovernmental		
Replacement Taxes	10,000	15,186
Per Capita Grant	50,345	50,345
	<u>60,345</u>	<u>65,531</u>
Fines and Forfeitures	<u>40,000</u>	<u>9,124</u>
Interest	<u>60,000</u>	<u>66,247</u>
Miscellaneous		
Photocopies	-	7,299
Lost Materials	-	1,959
Miscellaneous	-	60,833
	<u>-</u>	<u>70,091</u>
Total Revenues	<u>5,212,540</u>	<u>5,244,260</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Library Account

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>	
	Original	Actual
	and Final	
Culture and Recreation		
Contractual Services		
Equipment Maintenance	\$ 16,375	15,205
Information Technology	200,000	172,104
Legal	11,000	7,196
Other Consultants	30,000	8,345
Other Contractual	10,000	7,562
Printing	28,000	19,284
Programs and Promotions	70,750	37,221
	<u>366,125</u>	<u>266,917</u>
Personnel		
Continuing Education	37,000	20,469
Benefits	170,000	111,516
Salaries	2,100,000	1,924,744
Recruitment	2,000	280
Staff Development	15,000	4,567
	<u>2,324,000</u>	<u>2,061,576</u>
Library Materials		
Interlibrary Loan	500	(298)
Nonprint	109,800	84,678
Online	186,250	192,951
Print	206,200	188,831
	<u>502,750</u>	<u>466,162</u>
Operations		
Equipment and Furniture	45,000	39,894
Insurance	23,000	13,660
Postage	14,700	12,806
Supplies	50,000	28,865
Utilities	115,500	40,399
	<u>248,200</u>	<u>135,624</u>
Total Expenditures	<u><u>3,441,075</u></u>	<u><u>2,930,279</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Working Cash Account

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>	
	Original and Final	Actual
	<hr/>	
Revenues		
Interest	\$ 400	3,948
Expenditures		
Culture and Recreation	-	-
	<hr/>	
Net Change in Fund Balance	<u>400</u>	3,948
Fund Balance - Beginning		<u>215,191</u>
Fund Balance - Ending		<u>219,139</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Public Liability Insurance Account

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ 400	74
Expenditures		
Culture and Recreation		
Contractual Services		
Liability Insurance and Unemployment Premiums	<u>20,000</u>	<u>15,511</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,600)	(15,437)
Other Financing Sources		
Transfers In	<u>11,500</u>	<u>11,500</u>
Net Change in Fund Balance	<u>(8,100)</u>	(3,937)
Fund Balance - Beginning		<u>3,705</u>
Fund Balance - Ending		<u>(232)</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Bond and Interest - Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>	
	Original and Final	Actual
Revenues		
Property Taxes	\$ 337,511	336,392
Interest	3,000	3,282
Total Revenues	<u>340,511</u>	<u>339,674</u>
Expenditures		
Debt Service		
Principal Payments	125,000	125,000
Interest and Fiscal Charges	209,613	209,612
Total Expenditures	<u>334,613</u>	<u>334,612</u>
Net Change in Fund Balance	<u>5,898</u>	5,062
Fund Balance - Beginning		<u>5</u>
Fund Balance - Ending		<u>5,067</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Special Reserve - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest		
Interest Income	\$ 50,000	216,004
Miscellaneous	-	4,932
Total Revenues	<u>50,000</u>	<u>220,936</u>
Expenditures		
Culture and Recreation		
Operations		
Building Repair and Maintenance	<u>6,000,000</u>	<u>3,747,487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,950,000)	(3,526,551)
Other Financing Sources		
Transfers In	<u>1,378,965</u>	<u>1,800,000</u>
Net Change in Fund Balance	<u>(4,571,035)</u>	(1,726,551)
Fund Balance - Beginning		<u>10,069,944</u>
Fund Balance - Ending		<u>8,343,393</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
June 30, 2020**

	Special Revenue			Capital Projects	Total
	Illinois Municipal Retirement	Social Security	Audit	Site and Building	
ASSETS					
Cash and Investments	\$ 31,171	13,136	7,576	249,335	301,218
LIABILITIES					
Accounts Payable	21,902	-	-	-	21,902
Accrued Payroll	8,305	5,252	-	-	13,557
Total Liabilities	30,207	5,252	-	-	35,459
FUND BALANCES					
Restricted	964	7,884	7,576	249,335	265,759
Total Liabilities and Fund Balances	31,171	13,136	7,576	249,335	301,218

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020**

	Special Revenue			Capital Projects	Totals
	Illinois Municipal Retirement	Social Security	Audit	Site and Building	
Revenues					
Taxes	\$ -	-	-	177,243	177,243
Intergovernmental	-	-	-	9,000	9,000
Interest	1,167	1,022	219	5,439	7,847
Total Revenues	<u>1,167</u>	<u>1,022</u>	<u>219</u>	<u>191,682</u>	<u>194,090</u>
Expenditures					
Culture and Recreation					
Contractual Services	-	-	8,650	-	8,650
Personnel	152,039	143,824	-	-	295,863
Operations	-	-	-	141,651	141,651
Total Expenditures	<u>152,039</u>	<u>143,824</u>	<u>8,650</u>	<u>141,651</u>	<u>446,164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,872)	(142,802)	(8,431)	50,031	(252,074)
Other Financing Sources					
Transfers In	<u>121,000</u>	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>206,000</u>
Net Change in Fund Balances	(29,872)	(57,802)	(8,431)	50,031	(46,074)
Fund Balances - Beginning	<u>30,836</u>	<u>65,686</u>	<u>16,007</u>	<u>199,304</u>	<u>311,833</u>
Fund Balances - Ending	<u><u>964</u></u>	<u><u>7,884</u></u>	<u><u>7,576</u></u>	<u><u>249,335</u></u>	<u><u>265,759</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ 400	1,167
Expenditures		
Culture and Recreation		
Personnel		
Illinois Municipal Retirement	<u>175,000</u>	<u>152,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(174,600)	(150,872)
Other Financing Sources		
Transfers In	<u>121,000</u>	<u>121,000</u>
Net Change in Fund Balance	<u>(53,600)</u>	(29,872)
Fund Balance - Beginning		<u>30,836</u>
Fund Balance - Ending		<u>964</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Social Security - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ 1,000	1,022
Expenditures		
Culture and Recreation		
Personnel		
Social Security	<u>175,000</u>	<u>143,824</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(174,000)	(142,802)
Other Financing Sources		
Transfers In	<u>85,000</u>	<u>85,000</u>
Net Change in Fund Balance	<u>(89,000)</u>	(57,802)
Fund Balance - Beginning		<u>65,686</u>
Fund Balance - Ending		<u>7,884</u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Audit - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u> <u>Original</u> <u>and Final</u>	<u>Actual</u>
Revenues		
Interest	\$ 400	219
Expenditures		
Culture and Recreation		
Contractual Services		
Audit	<u>8,250</u>	<u>8,650</u>
Net Change in Fund Balance	<u>(7,850)</u>	(8,431)
Fund Balance - Beginning		<u>16,007</u>
Fund Balance - Ending		<u><u>7,576</u></u>

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Site and Building - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>	
	Original and Final	<u>Actual</u>
Revenues		
Taxes		
Property Taxes	\$ 175,000	177,243
Intergovernmental		
Personal Property Replacement Tax	-	9,000
Interest	4,000	5,439
Total Revenues	<u>179,000</u>	<u>191,682</u>
Expenditures		
Culture and Recreation		
Operations		
Building and Grounds Improvement and Maintenance	<u>269,000</u>	<u>141,651</u>
Net Change in Fund Balance	<u>(90,000)</u>	50,031
Fund Balance - Beginning		<u>199,304</u>
Fund Balance - Ending		<u><u>249,335</u></u>

SUPPLEMENTAL SCHEDULE

LAKE VILLA PUBLIC LIBRARY DISTRICT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Bonds of 2017
June 30, 2020**

Date of Issue	November 16, 2017
Date of Maturity	June 1, 2047
Authorized Issue	\$6,085,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	June 1
Payable at	Mesirow Financial, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 130,000	204,062	334,062
2022	135,000	198,763	333,763
2023	140,000	193,262	333,262
2024	145,000	187,562	332,562
2025	150,000	181,662	331,662
2026	155,000	175,562	330,562
2027	165,000	169,162	334,162
2028	170,000	162,462	332,462
2029	180,000	156,362	336,362
2030	185,000	150,887	335,887
2031	190,000	145,262	335,262
2032	195,000	139,487	334,487
2033	200,000	133,312	333,312
2034	210,000	126,650	336,650
2035	215,000	119,744	334,744
2036	225,000	112,453	337,453
2037	235,000	104,691	339,691
2038	240,000	96,676	336,676
2039	245,000	88,338	333,338
2040	255,000	79,588	334,588
2041	265,000	70,488	335,488
2042	275,000	61,038	336,038
2043	285,000	51,238	336,238
2044	295,000	40,793	335,793
2045	305,000	29,693	334,693
2046	320,000	18,130	338,130
2047	330,000	6,105	336,105
	5,840,000	3,203,432	9,043,432