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***ANTIOCH PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS***

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

eder, casella & co

ANTIOCH PUBLIC LIBRARY DISTRICT

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JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Antioch Public Library District
Antioch, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of

ANTIOCH PUBLIC LIBRARY DISTRICT

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 and each major fund of Antioch Public Library District as of June 30, 2020, and the respective changes in financial position for

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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 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 Library's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
December 21, 2020

REQUIRED SUPPLEMENTARY INFORMATION

**ANTIOCH PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

As management of Antioch Public Library District (Library), we offer readers of the Library's statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2020.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,059,641 (net position). Of this amount, \$(601,835) (unrestricted net position) would be available (if the balance was positive) to be used to meet the Library's ongoing obligations to citizens and creditors.

The Library's total net position decreased by \$161,930.

As of the close of the current fiscal year, the Library's governmental funds reported combined ending fund balances of \$595,563, a decrease of \$28,664 in comparison with the prior year.

The Library's total long-term debt decreased by \$217,951 during the current fiscal year due mainly to scheduled payments on existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements present functions of the Library that are principally supported by taxes and intergovernmental revenues (governmental activities). The Library does not have any functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Library include general government and library operations.

The government-wide financial statements can be found as listed in the table of contents.

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

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

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

The Library maintains two individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Debt Service Fund, both of which are considered to be major funds.

The Library adopts an annual appropriated budget for both the General Fund and the Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and the Debt Service Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as listed in table of contents.

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 as listed in the table of contents.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,059,641 at the close of the most recent fiscal year.

By far, the largest portion of the Library's net position reflects its investment in capital assets (e.g., land, works of art and historical books, building, land improvements, equipment and shelving, and library materials) less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed version of the Statement of Net Position at June 30, 2020 and June 30, 2019 follows:

Antioch Public Library District's Net Position

	Governmental Activities	
	2020	2019
Assets		
Current and Other Assets	\$ 3,522,363	\$ 3,388,954
Capital Assets	3,798,917	3,848,016
Total Assets	\$ 7,321,280	\$ 7,236,970
Deferred Outflows of Resources		
Deferred Pension Expense	\$ 470,829	\$ 722,635
Deferred Employer Contributions	79,608	67,447
Total Deferred Outflows of Resources	\$ 550,437	\$ 790,082
Liabilities		
Long-Term Liabilities Outstanding	\$ 1,304,007	\$ 1,802,042
Other Liabilities	162,949	69,421
Total Liabilities	\$ 1,466,956	\$ 1,871,463
Deferred Inflows of Resources		
Unearned Revenue - Property Taxes	\$ 2,731,212	\$ 2,662,667
Unearned Revenue - Per Capita Grant	32,639	32,639
Deferred Pension Revenue	581,269	238,712
Total Deferred Inflows of Resources	\$ 3,345,120	\$ 2,934,018
Net Position		
Net Investment in Capital Assets	\$ 3,583,917	\$ 3,415,065
Restricted	77,559	126,124
Unrestricted/(Deficit)	(601,835)	(319,618)
Total Net Position	\$ 3,059,641	\$ 3,221,571

An additional portion of the Library's net position, \$77,559, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a negative balance of \$601,835.

At the end of the current fiscal year, the Library is able to report positive balances in two categories of net position.

The Library's net position decreased by \$161,930 during the current fiscal year.

Governmental Activities - Governmental activities decreased the Library's net position by \$161,930. Key elements of this decrease are as follows:

Antioch Public Library District's Change in Net Position

	Governmental Activities	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 38,457	\$ 34,325
Operating Grants and Contributions	14,549	13,799
Capital Grants and Contributions	32,639	33,535
General Revenues		
Property Taxes	2,683,857	2,611,994
Personal Property Replacement Taxes	15,561	15,583
Investment Earnings	24,925	30,402
Other Revenues	611	295
Total Revenues	\$ 2,810,599	\$ 2,739,933
Expenses		
General Government	\$ 150,228	\$ 144,040
Library Operations	2,811,416	2,519,437
Interest on Long-Term Debt	10,885	17,872
Total Expenses	\$ 2,972,529	\$ 2,681,349
Increase/(Decrease) in Net Position	\$ (161,930)	\$ 58,584
Net Position - Beginning	3,221,571	3,162,987
Net Position - Ending	\$ 3,059,641	\$ 3,221,571

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

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

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

As of June 30, 2020, the Library's governmental funds reported combined ending fund balances of \$595,563, a decrease of \$28,664 in comparison with the prior year.

The General Fund is the chief operating fund of the Library. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$160,727, while total fund balance was \$355,977.

The fund balance of the Library's General Fund decreased by \$29,810 during the current fiscal year.

The Debt Service Fund has a total fund balance of \$239,586, all of which is assigned for the payment of debt service. The net increase in fund balance during the current year in the Debt Service Fund was \$1,146.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was passed on July 30, 2019 and was amended on August 27, 2019. There were no significant differences between the original and final budget, the total difference is \$1,250.

Significant differences between the final budget and the actual revenues and expenditures are summarized as follows:

The difference between the budgeted revenues and the actual revenues was \$21,412 (unfavorable) and was mostly due to receiving lower property taxes than budgeted for.

The difference between the budgeted expenditures and the actual expenditures was \$94,095 (favorable) and was mostly due to lower salaries, employee benefits, insurance and marketing costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The Library's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$3,798,917 (net of accumulated depreciation). This investment in capital assets includes land, works of art and historical books, building, land improvements, equipment and shelving, and library materials. The total decrease in the Library's investment in capital assets for the current fiscal year was 1%.

Antioch Public Library District's Capital Assets
(net of depreciation)

	Governmental Activities	
	2020	2019
Land	\$ 185,000	\$ 185,000
Works of Art and Historical Books	70,087	70,031
Assets Not in Service	155,389	-
Building	2,608,150	2,691,496
Land Improvements	176,084	191,244
Equipment and Shelving	267,599	278,361
Library Materials	336,608	431,883
Total	<u>\$ 3,798,917</u>	<u>\$ 3,848,015</u>

For more detail on the Library's capital assets, see Note 4 in the notes to the financial statements.

Long-Term Debt - At the end of the current fiscal year, the Library had total bonded debt outstanding of \$215,000. All of this debt is backed by the full faith and credit of the Library.

For more detail on the Library's long-term debt, see Note 5 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

There were no significant economic factors that have been noted that would affect the Library's fiscal year 2021 budget.

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various governments and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the Library is uncertain and cannot be reasonably estimated at this time.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Antioch Public Library District's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer, Antioch Public Library District, 757 Main Street, Antioch, IL 60002.

BASIC FINANCIAL STATEMENTS

ANTIOCH PUBLIC LIBRARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 1,815,376
Investments	8,091
Property Taxes Receivables, Net of Allowance of \$27,587	1,518,308
Per Capita Grant Receivable	32,639
Fines Receivable, Net of Allowance of \$37,176	30,258
Prepaid Items	117,691
Capital Assets	
Land	185,000
Works of Art and Historical Books	70,087
Assets Not in Service	155,389
Depreciable Building, Land Improvements, Equipment and Shelving, and Library Materials, Net of Depreciation	3,388,441
Total Assets	\$ 7,321,280
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Expense	\$ 470,829
Deferred Employer Pension Contributions	79,608
Total Deferred Outflows of Resources	\$ 550,437
LIABILITIES	
Accounts Payable	\$ 95,518
Accrued Payroll	64,974
Accrued Expenses	2,457
Non-Current Liabilities	
Due in Less Than One Year	215,000
Due in More Than One Year	1,089,007
Total Liabilities	\$ 1,466,956
DEFERRED INFLOWS OF RESOURCES	
Unearned Revenue - Property Taxes	\$ 2,731,212
Unearned Revenue - Per Capita Grant	32,639
Deferred Pension Revenue	581,269
Total Deferred Inflows of Resources	\$ 3,345,120
NET POSITION	
Net Investment in Capital Assets	\$ 3,583,917
Restricted for:	
Building	55,237
Tort Immunity	22,322
Unrestricted/(Deficit)	(601,835)
Total Net Position	\$ 3,059,641

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

ANTIOCH PUBLIC LIBRARY DISTRICT
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions		
Governmental Activities					
General Government	\$ 150,228	\$ -	\$ -	\$ -	\$ (150,228)
Library Operations	2,811,416	38,457	14,549	32,639	(2,725,771)
Interest on Long-Term Debt	10,885	-	-	-	(10,885)
Total Governmental Activities	<u>\$ 2,972,529</u>	<u>\$ 38,457</u>	<u>\$ 14,549</u>	<u>\$ 32,639</u>	<u>\$ (2,886,884)</u>
General Revenues					
Taxes					
Property Taxes					
				\$ 2,683,857	
Personal Property Replacement Taxes					
				15,561	
Unrestricted Investment Earnings					
				24,925	
Other Income					
				611	
Total General Revenues					
				<u>\$ 2,724,954</u>	
Change in Net Position					
				\$ (161,930)	
Net Position - Beginning of Year					
				<u>3,221,571</u>	
Net Position - End of Year					
				<u>\$ 3,059,641</u>	

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

ANTIOCH PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET - GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,575,790	\$ 239,586	\$ 1,815,376
Investments	8,091	-	8,091
Property Taxes Receivable, Net of Allowance of \$27,587	1,518,308	-	1,518,308
Per Capita Grant Receivable	32,639	-	32,639
Fines Receivable, Net of Allowance of \$37,176	30,258	-	30,258
Prepaid Items	117,691	-	117,691
Total Assets	\$ 3,282,777	\$ 239,586	\$ 3,522,363
LIABILITIES			
Accounts Payable	\$ 95,518	\$ -	\$ 95,518
Accrued Payroll	64,974	-	64,974
Accrued Expenditures	2,457	-	2,457
Total Liabilities	\$ 162,949	\$ -	\$ 162,949
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue - Property Taxes	\$ 2,731,212	\$ -	\$ 2,731,212
Unearned Revenue - Per Capita Grant	32,639	-	32,639
Total Deferred Inflows of Resources	\$ 2,763,851	\$ -	\$ 2,763,851
FUND BALANCES			
Non-Spendable			
Prepaid Items	\$ 117,691	\$ -	\$ 117,691
Restricted for:			
Building	55,237	-	55,237
Tort Immunity	22,322	-	22,322
Assigned			
Debt Service	-	239,586	239,586
Unassigned	160,727	-	160,727
Total Fund Balances	\$ 355,977	\$ 239,586	\$ 595,563
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,282,777	\$ 239,586	\$ 3,522,363

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

ANTIOCH PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 YEAR ENDED JUNE 30, 2020

Fund Balances - Total Governmental Funds \$ 595,563

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets	\$ 9,398,960	
Less: Accumulated Depreciation	<u>(5,600,043)</u>	
		3,798,917

Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.

Pension Deferred Outflows	\$ 550,437	
Pension Deferred Inflows	<u>(581,269)</u>	
		(30,832)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds Payable	\$ (215,000)	
Compensated Absences	(108,136)	
Net Pension Liability - IMRF	<u>(980,871)</u>	
		<u>(1,304,007)</u>

Net Position of Governmental Activities \$ 3,059,641

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

ANTIOCH PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Property Taxes	\$ 2,683,857	\$ -	\$ 2,683,857
Personal Property Replacement Taxes	15,561	-	15,561
Fines	30,724	-	30,724
Interest	22,273	2,652	24,925
Copier and Reader-Printer	7,733	-	7,733
Gifts and Memorials	14,549	-	14,549
Per Capita Grant	32,639	-	32,639
Other Income	611	-	611
Total Revenues	\$ 2,807,947	\$ 2,652	\$ 2,810,599
EXPENDITURES			
Current			
General Government	\$ 150,228	\$ -	\$ 150,228
Library Operations	2,102,979	-	2,102,979
Capital Outlay	355,171	-	355,171
Debt Service			
Principal	-	220,000	220,000
Interest and Fees	-	10,885	10,885
Total Expenditures	\$ 2,608,378	\$ 230,885	\$ 2,839,263
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 199,569	\$ (228,233)	\$ (28,664)
OTHER FINANCING SOURCES/(USES)			
Interfund Transfers	(229,379)	229,379	-
NET CHANGE IN FUND BALANCES	\$ (29,810)	\$ 1,146	\$ (28,664)
FUND BALANCES - JULY 1, 2019	385,787	238,440	624,227
FUND BALANCES - JUNE 30, 2020	\$ 355,977	\$ 239,586	\$ 595,563

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

ANTIOCH PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (28,664)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Capital Outlays	\$ 182,327	
Depreciation Expense	<u>(231,426)</u>	
		(49,099)

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		220,000
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Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Bond Discount Amortization	\$ (2,049)	
Compensated Absences	(35,828)	
Pension Expense	<u>(417,918)</u>	
		(455,795)

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

		<u>151,628</u>
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Change in Net Position of Governmental Activities		<u><u>\$ (161,930)</u></u>
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The Notes to Financial Statements are an integral part of this statement.

ANTIOCH PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Antioch Public Library District (Library) is a public library organized under Chapter 75 of the Illinois Compiled Statutes. It operates under the direction of a Board of Trustees and provides library facilities in an area generally described as Antioch Township and part of upper Newport Township.

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

A. Reporting Entity

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

B. Basic Financial Statements – Government-Wide Financial Statements

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Library's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, other income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues must be directly associated with the function (general government and library operations). Operating grants include operating specific grants and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants. The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, other income, etc.). The Library does not allocate indirect costs.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Library are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The Library electively made all funds major.

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 – The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund. Building, IMRF, Social Security, and Tort Immunity are included in this fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal, interest, and related fees on general-long term debt.

D. *Basis of Accounting*

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

1. Accrual

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

2. Modified Accrual

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

Expenditures are recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due and payable.

NOTES TO FINANCIAL STATEMENTS (Continued)

E. *Cash and Cash Equivalents and Investments*

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

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

No Library fund had a cash overdraft at June 30, 2020.

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

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

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Items*

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

H. *Interfund Activity*

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

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

I. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Building	50 years
Land Improvements	15 years
Equipment and Shelving	5-50 years
Library and Materials	3-15 years

NOTES TO FINANCIAL STATEMENTS (Continued)

J. *Deferred Outflows and Inflows of Resources*

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

K. *Compensated Absences*

The Library has a policy to pay employees for accumulated unused vacation time and compensatory time ("paid time off") upon termination. The amount estimated to be used in subsequent fiscal years for governmental funds is reported only as a general non-current liability in the government-wide Statement of Net Position and represents a reconciling item between the fund and government-wide presentations.

L. *Long-Term Obligations*

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

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

M. *Government-Wide Net Position*

Government-wide net position is divided into three components:

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

N. *Governmental Fund Balances*

Governmental fund balances are divided between non-spendable and spendable.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

O. *Property Tax Calendar and Revenues*

The Library's property tax is levied each calendar year on all taxable real property located in the Library's district on or before the last Tuesday in December. The 2019 levy was passed by the Board on October 29, 2019. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Library receives significant distributions of tax receipts approximately one month after these dates.

P. *Estimates*

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

NOTE 2 - DEPOSITS

The Library's deposits are fully insured or collateralized by securities held in the Library's name.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - FAIR VALUE MEASUREMENT

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

	6/30/2020	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
Certificates of Deposit	\$ 8,091	\$ -	\$ 8,091
Total Investments by fair value level	\$ 8,091	\$ -	\$ 8,091

Certificates of deposit 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.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 185,000	\$ -	\$ -	\$ 185,000
Works of Art and Historical Books	70,031	56	-	70,087
Assets Not in Service	-	155,389	-	155,389
Total Capital Assets not being depreciated	\$ 255,031	\$ 155,445	\$ -	\$ 410,476
Other Capital Assets				
Building	\$ 4,284,365	\$ -	\$ -	\$ 4,284,365
Land Improvements	229,631	-	-	229,631
Equipment and Shelving	736,911	18,699	-	755,610
Library Materials	3,783,750	8,183	73,055	3,718,878
Total Other Capital Assets at Historical Cost	\$ 9,034,657	\$ 26,882	\$ 73,055	\$ 8,988,484
Less Accumulated Depreciation for:				
Building	\$ 1,592,869	\$ 83,346	\$ -	\$ 1,676,215
Land Improvements	38,386	15,161	-	53,547
Equipment and Shelving	458,550	29,461	-	488,011
Library Materials	3,351,867	103,458	73,055	3,382,270
Total Accumulated Depreciation	\$ 5,441,672	\$ 231,426	\$ 73,055	\$ 5,600,043
Other Capital Assets, Net	\$ 3,592,985	\$ (204,544)	\$ -	\$ 3,388,441
Governmental Activities Capital Assets, Net	\$ 3,848,016	\$ (49,099)	\$ -	\$ 3,798,917

Depreciation expense charged to library operations was \$231,426 for the year ended June 30, 2020.

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2020 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance			Amounts	
	July 1, 2019	Additions	Retirements	Balance	Due Within
				June 30, 2020	One Year
Governmental Activities:					
Long-Term Debt					
Bonds Series 2010 dated 10/1/2010	\$ 435,000	\$ -	\$ 220,000	\$ 215,000	\$ 215,000
Discount on Series 2010 Bonds	(2,049)	-	(2,049)	-	-
Total Long-Term Debt	\$ 432,951	\$ -	\$ 217,951	\$ 215,000	\$ 215,000
Other Long-Term Obligations					
Compensated Absences	\$ 72,308	\$ 35,828	\$ -	\$ 108,136	\$ -
Net Pension Liability - IMRF	1,296,783	-	315,912	980,871	-
Total Other Long-Term Obligations	\$ 1,369,091	\$ 35,828	\$ 315,912	\$ 1,089,007	\$ -
Governmental Activities Long-Term Obligations	\$ 1,802,042	\$ 35,828	\$ 533,863	\$ 1,304,007	\$ 215,000

Bonds and notes payable consisted of the following at June 30, 2020:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities:				
General Obligation Library Building				
Refunding Bonds Series 2010 dated 10/1/2010	1/1/2021	2.0% -3.4%	\$ 2,135,000	\$ 215,000

At June 30, 2020 the annual debt service requirements to service long-term debt attributable to governmental activities are:

Year Ending June 30	Principal	Interest	Total
2021	\$ 215,000	\$ 3,654	\$ 218,654

NOTE 6 - DEFICIT FUND BALANCE

At June 30, 2020, no Library fund had a deficit fund balance.

NOTE 7 - PROPERTY TAXES REVENUE

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2019 tax levy. The unavailable revenue is 100% of the 2019 tax levy. These taxes are unavailable as only a portion of the taxes (approximately 50%) are collected before the end of the fiscal year and the Library does not consider the amounts to be available and does not budget for their use in fiscal year 2020. The Library has determined that 100% of the amounts collected for the 2018 levy is allocable for use in fiscal year 2020. Therefore, 100% of the amounts collected for the 2018 levy (\$2,683,857) is recorded in these financial statements as property taxes revenue. A summary of the assessed valuations and extensions for the tax years 2019, 2018 and 2017 is as follows:

Tax Year	2019		2018		2017	
Assessed Valuation	\$738,148,154		\$692,509,764		\$658,752,400	
	Rate	Extension	Rate	Extension	Rate	Extension
General	0.319868	\$ 2,361,100	0.334872	\$ 2,319,021	0.340621	\$ 2,243,849
Building	0.016799	124,002	0.017328	119,998	0.017795	117,225
Illinois Municipal Retirement	0.021208	156,546	0.020327	140,766	0.021140	139,260
Social Security	0.014504	107,061	0.014408	99,777	0.014953	98,503
Tort Immunity	0.001355	10,001	0.001444	10,000	0.003036	20,000
	0.373734	\$ 2,758,710	0.388379	\$ 2,689,562	0.397545	\$ 2,618,837

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - OPERATING LEASES

The Library leases copier equipment under an operating lease. Annual requirements to cover this outstanding operating lease agreement are:

Year Ending June 30	Total Payments
2021	\$ 4,680
2022	4,680
2023	1,560
	<u>\$ 10,920</u>

Total rental expense for the year ended June 30, 2020 was \$5,144.

NOTE 9 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2020, no Library fund had expenditures that exceeded budget.

NOTE 10 - RETIREMENT FUND COMMITMENTS

A. Illinois Municipal Retirement Fund

Plan Description

The Library’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Library’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

Employees hired **on or after** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual

NOTES TO FINANCIAL STATEMENTS (Continued)

retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	43
Active plan members	39
Total	<u>105</u>

Contributions

As set by statute, the Library's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library's annual contribution rate for calendar year 2019 was 11.53%. For the fiscal year ended June 30, 2020, the Library contributed \$151,628 to the plan. The Library also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2019, and a measurement date as of December 31, 2019, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 4,921,268
IMRF Fiduciary Net Position	3,940,397
Library's Net Pension Liability	980,871
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	80.07%

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

Actuarial Assumptions

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

NOTES TO FINANCIAL STATEMENTS (Continued)

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.75%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2018	\$ 4,791,394	\$ 3,494,611	\$ 1,296,783
Changes for the year:			
Service Cost	\$ 120,485	\$ -	\$ 120,485
Interest on the Total Pension Liability	344,892	-	344,892
Differences Between Expected and Actual Experience of the Total Pension Liability	(146,487)	-	(146,487)
Contributions - Employer	-	139,468	(139,468)
Contributions - Employee	-	54,432	(54,432)
Net Investment Income	-	648,978	(648,978)
Benefit Payments, Including Refunds of Employee Contributions	(189,016)	(189,016)	-
Other (Net Transfer)	-	(208,076)	208,076
Net Changes	\$ 129,874	\$ 445,786	\$ (315,912)
Balances at December 31, 2019	\$ 4,921,268	\$ 3,940,397	\$ 980,871

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability	\$ 1,723,921	\$ 980,871	\$ 380,359

Pension Expense and 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 \$417,919. At June 30, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 115,093	\$ (108,324)	\$ 6,769
Changes of Assumptions	76,922	(44,792)	32,130
Net difference between projected and actual earnings on pension plan investments	278,814	(428,153)	(149,339)
Total deferred amounts to be recognized in pension expense in future periods	\$ 470,829	\$ (581,269)	\$ (110,440)
Pension contributions made subsequent to the measurement date	79,608	-	79,608
Total deferred amounts related to pensions	\$ 550,437	\$ (581,269)	\$ (30,832)

NOTES TO FINANCIAL STATEMENTS (Continued)

The deferred outflows of resources related to pensions resulting from the Library’s contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ 5,055
2021	(13,997)
2022	(20,902)
2023	(80,596)
	<u>\$ (110,440)</u>

B. Social Security

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

NOTE 11 - INTERFUND TRANSFERS

An interfund transfer during the year ended June 30, 2020 was as follows:

Transfer from General Fund to Debt Service Fund	<u>\$ 229,379</u>
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The purpose of the transfer was to fund the Debt Service Fund to pay General Obligation Building Bond payments for the year.

NOTE 12 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library purchases commercial insurance to handle these risks of loss. During fiscal year 2020 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Library is insured under a retrospectively-rated policy for workers’ compensation coverage, whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2020, there were no significant adjustments in premiums based on actual experience.

NOTE 13 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of governmental activities indebtedness to 2.875% of the most recent available equalized valuation (EAV) of the Library. The Library’s legal debt limitation is as follows:

2019 EAV	\$ 738,148,154
Rate	<u>2.875%</u>
Debt Margin	\$ 21,221,759
Current Debt	<u>215,000</u>
Remaining Debt Margin	<u>\$ 21,006,759</u>

NOTE 14 - SUBSEQUENT EVENTS

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various governments and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the Library is uncertain and cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

ANTIOCH PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
TOTAL PENSION LIABILITY						
Service Cost	\$ 120,485	\$ 116,923	\$ 134,658	\$ 120,116	\$ 121,717	\$ 119,090
Interest on the Total Pension Liability	344,892	317,598	295,633	274,694	256,216	223,040
Differences Between Expected and Actual Experience	(146,487)	109,173	196,456	24,977	(35,750)	99,630
Changes of Assumptions	-	158,372	(141,773)	(17,984)	11,002	119,049
Benefit Payments, Including Refunds of Member Contributions	(189,016)	(173,707)	(192,758)	(96,432)	(95,299)	(143,075)
Net Change in Total Pension Liability	<u>\$ 129,874</u>	<u>\$ 528,359</u>	<u>\$ 292,216</u>	<u>\$ 305,371</u>	<u>\$ 257,886</u>	<u>\$ 417,734</u>
Total Pension Liability - Beginning	<u>4,791,394</u>	<u>4,263,035</u>	<u>3,970,819</u>	<u>3,665,448</u>	<u>3,407,562</u>	<u>2,989,828</u>
Total Pension Liability - Ending	<u>\$ 4,921,268</u>	<u>\$ 4,791,394</u>	<u>\$ 4,263,035</u>	<u>\$ 3,970,819</u>	<u>\$ 3,665,448</u>	<u>\$ 3,407,562</u>
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 139,468	\$ 133,815	\$ 138,717	\$ 137,853	\$ 133,329	\$ 123,437
Contributions - Member	54,432	56,408	52,227	52,042	50,647	49,032
Net Investment Income	648,978	(185,721)	495,840	193,647	14,053	155,593
Benefit Payments, Including Refunds of Member Contributions	(189,016)	(173,707)	(192,758)	(96,432)	(95,299)	(143,075)
Other (Net Transfers)	(208,076)	71,073	24,212	6,068	(87,578)	45,174
Net Change in Plan Fiduciary Net Position	<u>\$ 445,786</u>	<u>\$ (98,132)</u>	<u>\$ 518,238</u>	<u>\$ 293,178</u>	<u>\$ 15,152</u>	<u>\$ 230,161</u>
Plan Net Position - Beginning	<u>3,494,611</u>	<u>3,592,743</u>	<u>3,074,505</u>	<u>2,781,327</u>	<u>2,766,175</u>	<u>2,536,014</u>
Plan Net Position - Ending	<u>\$ 3,940,397</u>	<u>\$ 3,494,611</u>	<u>\$ 3,592,743</u>	<u>\$ 3,074,505</u>	<u>\$ 2,781,327</u>	<u>\$ 2,766,175</u>
District's Net Pension Liability	<u>\$ 980,871</u>	<u>\$ 1,296,783</u>	<u>\$ 670,292</u>	<u>\$ 896,314</u>	<u>\$ 884,121</u>	<u>\$ 641,387</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.07%	72.94%	84.28%	77.43%	75.88%	81.18%
Covered-Valuation Payroll	\$ 1,209,601	\$ 1,168,685	\$ 1,153,093	\$ 1,156,482	\$ 1,116,665	\$ 1,082,804
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	81.09%	110.96%	58.13%	77.50%	79.18%	59.23%

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

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

See Accompanying Independent Auditor's Report

ANTIOCH PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2020

	<u>6/30/2020 *</u>	<u>6/30/2019 *</u>	<u>6/30/2018 *</u>	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Actuarially-Determined Contribution	\$ 139,467	\$ 133,814	\$ 138,717	\$ 137,853	\$ 133,330	\$ 122,898
Contributions in Relation to Actuarially-Determined Contribution	<u>139,468</u>	<u>133,815</u>	<u>138,717</u>	<u>137,853</u>	<u>133,329</u>	<u>123,437</u>
Contribution Deficiency/(Excess)	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (539)</u>
Covered-Valuation Payroll	\$ 1,252,455	\$ 1,168,685	\$ 1,153,093	\$ 1,156,482	\$ 1,116,665	\$ 1,082,804
Contributions as a Percentage of Covered-Valuation Payroll	11.14%	11.45%	12.03%	11.92%	11.94%	11.40%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2019 Contribution Rate *

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

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 24-year closed period

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

Wage Growth: 3.25%

Price Inflation: 2.50%

Salary Increases: 3.35% to 14.25%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality: 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 Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for 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.

*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

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

See Accompanying Independent Auditor's Report

ANTIOCH PUBLIC LIBRARY DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property Taxes	\$ 2,703,010	\$ 2,703,010	\$ 2,683,857
Personal Property Replacement Taxes	10,000	10,000	15,561
Fines	21,500	21,500	30,724
Interest	29,610	29,610	22,273
Copier and Reader-Printer	12,100	12,100	7,733
Gifts and Memorials	18,000	18,000	14,549
Per Capita Grant	32,639	32,639	32,639
Other Grants	2,100	2,100	-
Other Income	400	400	611
TOTAL REVENUES	\$ 2,829,359	\$ 2,829,359	\$ 2,807,947
EXPENDITURES			
Current			
General Government			
Legal	\$ 39,800	\$ 39,800	\$ 35,382
Publishing	2,500	2,500	1,008
Printing	3,000	3,000	1,385
Office Supplies	10,000	10,000	7,204
Travel	3,575	3,575	3,392
Postage	9,000	9,000	8,984
Accounting	13,000	13,000	11,960
Insurance	16,210	16,210	5,632
Dues and Memberships	3,100	3,100	2,580
Staff Development	9,000	9,300	7,626
Human Resource Activities	9,100	9,100	6,459
Marketing	37,949	37,949	25,911
Computer Programs	7,700	7,700	4,166
Collection Agency Fees	3,500	3,500	1,285
Copier Supplies	2,000	2,000	2,165
Computer Supplies	8,000	8,000	6,714
Processing Supplies	9,500	9,500	9,842
AV Repair Supplies	3,500	3,500	3,080
Bank Charges	3,900	3,900	4,892
Reciprocal Borrowing Losses	1,400	1,400	161
Refunds	500	500	400
	\$ 196,234	\$ 196,534	\$ 150,228
Library Operations			
Salaries	\$ 1,295,000	\$ 1,295,000	\$ 1,256,836
Temporary Employees	87,000	87,000	96,909
Employer Paid Benefits - Insurance	215,000	215,000	191,529
IMRF	155,000	155,000	151,628
Social Security	106,000	106,000	97,929
Book Binding	2,500	2,500	235
Shelf Management	6,000	6,000	4,885
Equipment Rental	4,680	4,680	5,128
Equipment and Furniture Repair	2,500	2,500	1,978
Computer Maintenance	42,800	42,800	45,286
Maintenance Agreement	54,000	54,000	49,468
Network Consultants	10,400	10,400	4,065
Video License	1,120	1,120	1,094

See Accompanying Independent Auditor's Report

ANTIOCH PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual
	Original	Final	
EXPENDITURES (Continued)			
Current (Continued)			
Library Operations (Continued)			
Reference Services	\$ 34,000	\$ 34,950	\$ 35,779
Adult Programs	13,500	13,500	9,864
Young Adult Programs	11,000	11,000	7,942
Children's Programs	15,600	15,600	10,835
Periodicals	6,300	6,300	7,990
Playaway Views	3,000	3,000	-
Developmental Games	400	400	-
Contingency	5,000	5,000	1,238
Building Operations			
Telephone	17,500	17,500	17,133
Disposal Service	1,700	1,700	2,183
Building and Grounds Maintenance	38,600	38,600	45,420
Heat/Gas	9,000	9,000	7,110
Electricity	42,000	42,000	38,152
Water	2,000	2,000	1,754
Custodial Supplies	4,500	4,500	5,651
Other Grants	1,000	1,000	-
Expenditures, Dev. Contributions	5,000	5,000	4,888
Contingency	1,000	1,000	70
	<u>\$ 2,193,100</u>	<u>\$ 2,194,050</u>	<u>\$ 2,102,979</u>
Total Current	<u>\$ 2,389,334</u>	<u>\$ 2,390,584</u>	<u>\$ 2,253,207</u>
Capital Outlay			
Books	\$ 201,450	\$ 198,950	\$ 147,597
Equipment	3,500	3,500	846
Furniture	2,000	2,000	1,019
Per Capita Grant	32,639	32,639	32,251
Building	2,900	2,900	2,620
Grounds	3,900	3,900	2,443
Other Grants	18,000	18,000	13,006
Future Development	50,000	50,000	155,389
Total Capital Outlay	<u>\$ 314,389</u>	<u>\$ 311,889</u>	<u>\$ 355,171</u>
TOTAL EXPENDITURES	<u>\$ 2,703,723</u>	<u>\$ 2,702,473</u>	<u>\$ 2,608,378</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 125,636	\$ 126,886	\$ 199,569
OTHER FINANCING SOURCES/(USES)			
Interfund Transfers	(224,379)	(224,379)	(229,379)
NET CHANGE IN FUND BALANCE	<u>\$ (98,743)</u>	<u>\$ (97,493)</u>	\$ (29,810)
FUND BALANCES - JULY 1, 2019			<u>385,787</u>
FUND BALANCES - JUNE 30, 2020			<u>\$ 355,977</u>

See Accompanying Independent Auditor's Report

ANTIOCH PUBLIC LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

NOTE 1 - BUDGETARY PROCESS

Annual budgets are legally adopted and separately reported for all funds of the Library. The budget was passed on July 30, 2019 and amended on August 27, 2019. The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Library Director requests input on the needs of the different departments of the Library.
2. The Library Director uses this input to prepare a preliminary budget.
3. The staff and Library Director go over the preliminary budget and make any necessary adjustments.
4. The revised budget is submitted to the budget committee for review. Recommended changes are discussed with Library Director.
5. The budget is presented to and reviewed by the Board at a public hearing.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2020, no fund presented as Required Supplementary Information had expenditures that exceeded the budget.

SUPPLEMENTAL FINANCIAL INFORMATION

ANTIOCH PUBLIC LIBRARY DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 DEBT SERVICE FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts Original and Final	Actual
REVENUES		
Interest	\$ 3,233	\$ 2,652
EXPENDITURES		
Debt Service		
Principal	\$ 230,885	\$ 220,000
Interest	-	10,885
	\$ 230,885	\$ 230,885
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (227,652)	\$ (228,233)
OTHER FINANCING SOURCES/(USES)		
Interfund Transfers	224,379	229,379
NET CHANGE IN FUND BALANCE	\$ (3,273)	\$ 1,146
FUND BALANCES - JULY 1, 2019		238,440
FUND BALANCES - JUNE 30, 2020		\$ 239,586

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