

**INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
DARIEN, ILLINOIS**

ANNUAL FINANCIAL REPORT

**For the Year Ended
June 30, 2018**

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the President and Board of Trustees
Indian Prairie Public Library District
Darien, Illinois

We have audited the accompanying financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the Indian Prairie Public Library District, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain 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 District'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 District'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 Indian Prairie Public Library District, as of June 30, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Indian Prairie Public Library District's basic financial statements. The combining fund financial statements and supplementary information, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 combining nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.


BRIAN ZABEL & ASSOCIATES, P.C.
Certified Public Accountants

Morris, Illinois
October 17, 2018

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

As management of the Indian Prairie 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, 2018. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Library exceeded its liabilities at June 30, 2018 by \$6,511,625 (net position). Of this amount, \$326,301 (unrestricted net position) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position decreased by \$208,795.
- At June 30, 2018, the Library's governmental funds reported combined ending fund balances of \$1,511,647 an increase of \$85,554 in comparison with the prior year.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

This Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

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 private-sector business.

The Statement of Net Position includes all of the Library's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position are an indicator of whether its financial position is improving or deteriorating, respectively.

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).

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

The governmental-wide financial statements can be found on pages 3 and 4 of this report.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

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 can be allocated into two categories: governmental funds 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, 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 one individual major governmental funds. The General Fund (Corporate Fund) is used to account for funds received from general property taxes and other general revenue, and to account for expenditures made for general Library purposes.

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.

The basic governmental fund financial statements can be found on pages 5 through 10 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Library. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Library's own programs. The accounting used for fiduciary funds is in accordance with accounting principles generally accepted in the United States of America.

The basic fiduciary fund financial statements can be found on pages 11 and 12 of this report.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

The notes to financial statements can be found on pages 13 through 28 of this report.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

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 library services to all of its residents.

The Library adopts an annual budget and appropriation ordinance that includes the General Fund, the Special Reserve Fund, and the Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the adopted budget and appropriation ordinance. The budgetary comparison statement and related notes can be found on pages 29 through 35 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by \$6,511,625 at June 30, 2018.

A significant portion of the Library's net position (95%) reflects investment in capital assets (e.g., land, buildings, and vehicles and equipment); 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.

Indian Prairie Public Library District's Net Position at Year End

	Governmental Activities	
	FY 2018	FY 2017
Current and Other Assets	\$ 5,247,412	\$ 5,036,763
Capital Assets	6,171,910	6,347,660
Total Assets	11,419,322	11,384,423
Deferred Outflows of Resources	388,636	543,398
Total Deferred Outflows of Resources	388,636	543,398
Total Assets and Deferred Outflows of Resources	\$ 11,807,958	\$ 11,927,821
Current Liabilities	\$ 54,228	\$ 30,101
Noncurrent Liabilities	888,585	1,689,398
Total Liabilities	942,813	1,719,499
Deferred Inflows of Resources	4,353,520	3,487,902
Total Deferred Inflows of Resources	4,353,520	3,487,902
Total Liabilities and Deferred Inflows of Resources	5,296,333	5,207,401
Net Position		
Invested in Capital Assets, Net of Related Debt	6,171,910	6,347,660
Restricted	13,414	27,184
Unrestricted	326,301	345,576
Total Net Position	\$ 6,511,625	\$ 6,720,420

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

The majority portion of the Library's net position (95%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$326,301) may be used to meet the Library's ongoing obligations to citizens and creditors.

At June 30, 2018, the Library is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The Library's net position decreased by \$208,795 during the year ended June 30, 2018.

Governmental Activities - Governmental activities decreased the Library's net position by \$208,795

Indian Prairie Public Library District's Change in Net Position

	Governmental Activities	
	FY 2018	FY 2017
Revenues		
Program Revenues		
Charges for Services	\$ 198,372	\$ 180,126
Grants and Contributions	62,740	46,179
General Revenues		
Property Taxes	3,475,035	3,397,575
Interest	18,404	11,371
Miscellaneous	3,699	3,963
Total Revenues	<u>3,758,250</u>	<u>3,639,214</u>
Expenses		
General Government	<u>3,967,045</u>	<u>3,980,683</u>
Total Expenses	<u>3,967,045</u>	<u>3,980,683</u>
Increase in Net Position	(208,795)	(341,469)
Net Position-Beginning	<u>6,720,420</u>	<u>7,061,889</u>
Net Position-Ending	<u>\$ 6,511,625</u>	<u>\$ 6,720,420</u>

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, unrestricted fund balance may serve as a useful measure of the Library's net resources available for spending at the end of the fiscal year.

At June 30, 2018 the Library's governmental funds reported combined ending unrestricted fund balances of \$1,498,233.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

The General Fund is the chief operating fund of the Library. At June 30, 2018, unrestricted fund balance of the General Fund was \$1,498,317. The fund balance of the General Fund increased by \$99,408 during the year ended June 30, 2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- The difference between the estimated revenues and the actual revenues was \$63,994 (favorable).
- The difference between the estimated expenditures and the actual expenditures was \$251,948 (favorable).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The Library's investment in capital assets for its governmental activities as of June 30, 2018 amount to \$6,171,910 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and furniture, fixtures, and equipment. The total decrease in the Library's investment in capital assets for the year ended June 30, 2018 was \$175,750 and was due to the depreciation expense being greater than the asset additions.

Indian Prairie Public Library District's Capital Assets
(Net of Depreciation)

	Governmental Activities	
	6/30/2018	6/30/2017
Land	\$ 491,400	\$ 491,400
Building and Improvements	5,659,726	5,815,130
Furniture, Fixtures, and Equipment	20,784	41,130
Total	<u>\$ 6,171,910</u>	<u>\$ 6,347,660</u>

Additional information on the Library's capital assets can be found in Note 4 on page 21 of this report.

Long-Term Debt – At June 30, 2018, the Library had no debt outstanding.

Additional information on the Library's long-term debt can be found in Note 5 on page 21 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The equalized assessed valuation (EAV) for the Library for 2017 is \$2,022,681,576. That represents an increase in EAV of \$110,205,698 over the prior year's EAV.

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 Library's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Board of Trustees, Indian Prairie Public Library District, 401 Plainfield Rd, Darien, IL 60561.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

STATEMENT OF NET POSITION

June 30, 2018

ASSETS

Cash and Investments	\$ 3,497,666
Property Taxes Receivable	1,696,586
Per Capita Grant Receivable	53,160
Capital Assets (net of accumulated depreciation)	6,171,910
Total Assets	<u>11,419,322</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflow, IMRF	388,636
Total Deferred Outflows of Resources	<u>388,636</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 11,807,958</u></u>
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LIABILITIES

Current Liabilities	
Accounts Payable	\$ 3,358
Accrued Payroll	50,870
Total Current Liabilities	<u>54,228</u>
Noncurrent Liabilities	
Net Pension Liability	799,041
Compensated Absences	89,544
Total Noncurrent Liabilities	<u>888,585</u>
Total Liabilities	<u>942,813</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflow, IMRF	761,527
Unearned Property Taxes	3,591,993
Total Deferred Inflows of Resources	<u>4,353,520</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,296,333</u>

NET POSITION

Invested in Capital Assets	6,171,910
Restricted for:	
Future Projects	5,657
Special Revenue	7,757
Working Cash	-
Unrestricted	326,301
Total Net Position	<u>6,511,625</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 11,807,958</u></u>
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See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

STATEMENT OF ACTIVITIES

June 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Total
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Current				
General Government	\$ 3,967,045	\$ 198,372	\$ 62,740	\$ (3,705,933)
TOTAL PRIMARY GOVERNMENT	\$ 3,967,045	\$ 198,372	\$ 62,740	(3,705,933)
General Revenues				
Property Taxes				3,475,035
Interest Income				18,404
Miscellaneous Income				3,699
Total				3,497,138
CHANGE IN NET POSITION				(208,795)
NET POSITION, JULY 1				6,720,420
NET POSITION, JUNE 30				\$ 6,511,625

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2018

	Governmental Fund Types				Total Governmental Funds
	General Fund	Special Reserve Fund	Non-Major Governmental Funds		
ASSETS					
Cash and Investments	\$ 3,381,274	\$ 5,657	\$ 110,735	\$	3,497,666
Property Taxes Receivable	1,607,219	-	89,367		1,696,586
Per Capita Grant Receivable	53,160	-	-		53,160
TOTAL ASSETS	\$ 5,041,653	\$ 5,657	\$ 200,102	\$	5,247,412
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 3,358	\$ -	\$ -	\$	3,358
Accrued Payroll	50,870	-	-		50,870
Compensated Absences	89,544	-	-		89,544
Total Liabilities	143,772	-	-		143,772
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	3,399,564	-	192,429		3,591,993
Total Deferred Inflows of Resources	3,399,564	-	192,429		3,591,993
Total Liabilities and Deferred Inflows of Resources	3,543,336	-	192,429		3,735,765

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2018

	Governmental Fund Types			Total Governmental Funds
	General Fund	Special Reserve Fund	Non-Major Governmental Funds	
(continued)				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
FUND BALANCES				
Restricted				
Future Projects	-	5,657	-	5,657
Special Revenue	-	-	7,757	7,757
Working Cash	-	-	-	-
Unrestricted				
Unassigned	1,498,317	-	(84)	1,498,233
Total Fund Balances	1,498,317	5,657	7,673	1,511,647
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	\$ 5,041,653	\$ 5,657	\$ 200,102	\$ 5,247,412

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

June 30, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,511,647
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	6,171,910
Net pension liabilities are not current financial resources and, therefore, are not reported in the governmental funds	(799,041)
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the governmental funds	(372,891)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<hr/> \$ 6,511,625 <hr/>

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2018

	Governmental Fund Type			
	Major	Non-major		
			Special	Total
	General	Special	Revenue	Governmental
		Reserve Fund	Funds	Funds
REVENUES				
Property taxes	\$ 3,277,492	\$ -	\$ 197,543	\$ 3,475,035
Grants	53,618	-	-	53,618
IL Historical Records Preservation	-	-	-	-
Service Fees	198,372	-	-	198,372
Gifts and Donations	9,122	-	-	9,122
Interest	64,945	95	-	65,040
Realized/Unrealized Gain/(Loss)	(46,636)		-	(46,636)
Collection Agency Fee	190	-	-	190
Miscellaneous	3,509	-	-	3,509
Total Revenues	3,560,612	95	197,543	3,758,250
EXPENDITURES				
Current				
Personnel	2,584,422	-	-	2,584,422
Materials	469,172	-	-	469,172
Building	169,796	-	-	169,796
Automation	102,936	-	-	102,936
Operations	38,194	-	-	38,194
Contractual Services	11,317	-	-	11,317
Insurance	2,150	-	14,483	16,633
Public Information	61,111	-	-	61,111
Maintenance, repair and service	-	-	78,080	78,080
IMRF	-	-	55,795	55,795
Social security	-	-	48,594	48,594
Capital Outlay	2,810	16,671	12,147	31,628
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond Fees	-	-	-	-
Contingencies	5,018	-	-	5,018
Total Expenditures	3,446,926	16,671	209,099	3,672,696

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2018

	Governmental Fund Type			
	Major	Non-major		
	General	Special Reserve Fund	Special Revenue Funds	Total Governmental Funds
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	113,686	(16,576)	(11,556)	85,554
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(14,278)	-	14,278	-
Total other financing sources (uses)	(14,278)	-	14,278	-
NET CHANGE IN FUND BALANCES	99,408	(16,576)	2,722	85,554
FUND BALANCES, JULY 1	1,398,909	22,233	4,951	1,426,093
FUND BALANCES, JUNE 30	\$ 1,498,317	\$ 5,657	\$ 7,673	\$ 1,511,647

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUNDS BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

NET CHANGE IN FUND BALANCES	
TOTAL GOVERNMENTAL FUNDS	\$ 85,554
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the Statement of Activities	-
The change in the net pension liability is reported as an expense on the statement of activities	797,690
The change in the deferred outflow/inflow is reported as an expense on the statement of activities	(916,289)
Some expenses in the Statement of Activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(175,750)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (208,795)</u></u>

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2018

	Deferred Compensation Plan
ASSETS	
Cash and Cash Equivalents	\$ -
Deferred Compensation Plan	<u>1,527,295</u>
 TOTAL ASSETS	 <u><u>\$ 1,527,295</u></u>
LIABILITIES	
Accounts Payable	<u>\$ -</u>
 Total Liabilities	 <u>-</u>
 NET POSITION HELD IN TRUST FOR DEFERRED COMPENSATION	 <u><u>\$ 1,527,295</u></u>

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2018

	Deferred Compensation Plan
ADDITIONS	
Contributions	
Member contributions	\$ 46,562
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	166,417
Less: Investment Expenses	<u>(5,603)</u>
Net Investment Income	<u>160,814</u>
TOTAL ADDITIONS	<u>207,376</u>
DEDUCTIONS	
Withdrawals	4,007
Miscellaneous	<u>-</u>
TOTAL DEDUCTIONS	<u>4,007</u>
NET INCREASE	203,369
NET POSITION - JULY 1, 2017	<u>1,323,926</u>
NET POSITION - JUNE 30, 2018	<u><u>\$ 1,527,295</u></u>

See accompanying notes to financial statements.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Indian Prairie Public Library District (the Library) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Library was organized under the laws of the State of Illinois. The Library is governed by a Board of Trustees (the Board) and the rules and regulations for library districts.

The accounting policies of the Library conform to GAAP as applicable to governmental units. The following is a summary of the more significant policies.

a. Reporting Entity

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will be by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

b. Fund Accounting

The Library uses funds to report on its financial position and the changes in financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental and fiduciary. The Library reports only governmental funds.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the Library's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of capital assets (capital projects funds). The general fund is used to account for all activities of the Library not accounted for in some other fund. The Library has no fiduciary funds.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statement of activities) report information on all of the non-fiduciary activities of the Library. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Library reports the following major governmental funds:

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

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable, available and earned). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Fines and fees revenues are not susceptible to accrual because generally they are not measurable until received in cash. In applying susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Library reports unearned/unavailable revenue on its financial statements. Unearned/unavailable revenues arise when potential revenue does not meet the measurable, available, and earned criteria for recognition in the current period. Unearned/unavailable revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Restricted Cash

The Library has transferred funds to the Special Reserve. Additionally, the Library's special revenue fund balances are restricted.

f. Prepaid Item/Expenses

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

g. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Assets	Years
Buildings and improvements	20-50
Furniture, fixtures and equipment	5-10

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Compensated Absences

Vested or accumulated vacation, compensatory, and holiday time are reported as expenditures and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation, compensatory, or holiday time of proprietary funds and governmental activities are recorded as an expense and liability as the benefits accrue to employees.

In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

i. Long-Term Obligations

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

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 expenditures.

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Library only has no items that qualify for reporting in this category. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Deferred Outflows/Inflows of Resources

This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Library has only one type of time, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

k. Fund Balances/Net Position

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

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

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. None of the Library's restricted net positions are restricted as a result of enabling legislation adopted by the Library. Invested in capital assets, net of related debt is the book value of the capital assets less the outstanding principal balance of long-term debt issued to construct or acquire the capital assets.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

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

m. Accounting Estimates

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

2. DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes and the Library’s investment policy authorize the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund’s share price, which is the price for which the investment could be sold.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

2. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits

To guard against credit risk for deposits with financial institutions, the Library's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of the uninsured deposits with the collateral held by a third party acting as the agent of the Library. Illinois Funds is "AAA" rated and credit risk is very marginal.

b. Investments

At June 30, 2018, the Library had invested \$1,306,965, which is the fair value, in Illinois Funds. These investments are liquid with no maturity date.

GASB 40 – Operating Funds

In accordance with its investment policy, the Library limits its exposure to interest rate risk to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The portfolio that is invested with Illinois Funds, which is completely liquid, is not subject to interest rate risk.

The following table presents the investments and maturities of the District held by MPI Investment Management, Inc.:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Cash and Cash Equivalent	\$ 109,625	\$ 109,625	\$ -	\$ -	\$ -
US Government and Agency Obligations	176,795	123,766	53,029	-	-
Mortgage Pools	1,774,967	415,632	1,064,148	181,259	113,928
Totals	<u>\$2,061,387</u>	<u>\$ 649,023</u>	<u>\$1,117,177</u>	<u>\$ 181,259</u>	<u>\$113,928</u>

3. RECEIVABLES – TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, 2017, on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year (by passage of a Tax Ordinance). Tax bills are prepared by the County and issued on or about June 1, 2018 and September 1, 2018. The County collects such taxes and remits them periodically. Based upon actual collection experience, uncollectible property taxes are immaterial, therefore, an allowance provision has not been recorded. The Library has deferred recognition of the 2017 tax levy as it is intended to fund operations of the 2018 fiscal year.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 491,400	\$ -	\$ -	\$ 491,400
Capital assets being depreciated				
Building and improvements	7,770,268	-	-	7,770,268
Furniture, fixtures, and equipment	371,962	-	-	371,962
Total capital assets being depreciated	<u>8,142,230</u>	<u>-</u>	<u>-</u>	<u>8,142,230</u>
Less accumulated depreciation for				
Building improvements	1,955,138	155,405	-	2,110,543
Furniture, fixtures, and equipment	330,832	20,345	-	351,177
Total accumulated depreciation	<u>2,285,970</u>	<u>175,750</u>	<u>-</u>	<u>2,461,720</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 6,347,660</u>	<u>\$ (175,750)</u>	<u>\$ -</u>	<u>\$ 6,171,910</u>

Depreciation expense was charged to functions of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General Government	<u>\$ 175,750</u>

5. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities during the year ended June 30, 2018:

	Balances July 1	Additions	Reductions	Balances June 30	Current Portion
GOVERNMENTAL ACTIVITIES					
Compensated absences	<u>\$ 92,667</u>	<u>\$ 89,544</u>	<u>\$ 92,667</u>	<u>\$ 89,544</u>	<u>\$ -</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 92,667</u>	<u>\$ 89,544</u>	<u>\$ 92,667</u>	<u>\$ 89,544</u>	<u>\$ -</u>

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

6. RISK MANAGEMENT

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

7. INDIVIDUAL FUND DISCLOSURES

Transfers between funds during the year were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 14,278
Building Fund	14,278	-
TOTAL ALL FUNDS	<u>\$ 14,278</u>	<u>\$ 14,278</u>

8. CONTINGENT LIABILITIES

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. The Library does not expect to have any such liability if any were to arise it would be immaterial.

9. DEFERRED COMPENATION PLAN

The Library offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future year. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in Trust for the exclusive benefit of participants and their beneficiaries.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

10. DEFINED BENEFIT PENSION PLAN

The Library's contributes to a defined benefit pension plan: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions, and employer contributions for all plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF's plan does not issue a separate report for the plan. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2017, IMRF membership consisted of:

Retirees and beneficiaries	63
Inactive, non-retired members	34
Active plan members	31
TOTAL	128

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. The final rate of earnings is the highest total earnings during one consecutive 48 months within the last 10 year of IMRF services divided by 48.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (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 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. The final rate of earnings is the highest total earnings during any consecutive 96 months within the last 10 years of IMRF service, divided by 96.

Contributions

The Library employees participating in IMRF are required to contribute 4.5% of their annual eligible covered salary. The member rate is established by state statute. The Library is required to contribute at an actuarially determined rate. The employer rate for calendar year 2017 was 13.22% of payroll. The Library's contribution requirements are established and may be amended by the IMRF Board of Trustees.

Actuarial Assumptions

The Library's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2017
Actuarial cost method	Aggregate Entry Age Normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Investment rate of return	7.50%
Cost of living adjustments	4.00%
Asset valuation method	5-year smoothed market

Net Pension

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that The Library's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate (continued)

Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2017	\$ 8,557,431	\$ 6,960,700	\$ 1,596,731
Changes for the period			
Service cost	164,587	-	164,587
Interest	633,677	-	633,677
Difference between expected and actual experience	45,908	-	45,908
Changes in assumptions	(273,145)	-	(273,145)
Employer contributions	-	202,413	(202,413)
Employee contributions	-	68,901	(68,901)
Net investment income	-	1,242,933	(1,242,933)
Benefit payments and refunds	(381,397)	(381,397)	-
Other	-	(145,530)	145,530
Net changes	189,630	987,320	(797,690)
Balances at December 31, 2017	\$ 8,747,061	\$ 7,948,020	\$ 799,041

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2018 The Library recognized pension expense of \$324,711. At June 30, 2018, The Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 54,702	\$ -
Changes in assumption	-	177,154
Net difference between projected and actual earnings on pension plan investments	229,250	584,373
Contributions after measurement date	104,684	-
TOTAL	<u>\$ 388,636</u>	<u>\$ 761,527</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ (67,430)
2019	(76,233)
2020	(109,305)
2021	(119,923)
2022	-
Thereafter	-
TOTAL	<u>\$ (372,891)</u>

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

10. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 1,880,953	\$ 799,041	\$ (101,701)

REQUIRED SUPPLEMENTARY INFORMATION

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Property Taxes	\$ 3,274,118	\$ 3,274,118	\$ 3,277,492
Per Capita Grant	32,000	32,000	53,399
Other Grants	-	-	219
IL Historical Records Preservation	700	700	-
Service Fees:			
Copier	4,800	4,800	4,522
Computer Copies	15,000	15,000	14,379
Fines/Fees	49,000	49,000	57,315
Lost Materials	12,000	12,000	7,776
Non-Resident Fees	84,000	84,000	91,717
Video Rental	1,000	1,000	1,520
Book Rental	-	-	191
Meeting Room Rental	200	200	425
Passport Fees	15,000	15,000	20,105
Other Service Fees	800	800	422
Gifts/Donations	500	500	9,122
Collection Agency Fee	300	300	190
Interest	1,500	1,500	64,945
Realized/Unrealized Gain/(Loss) on Investment	-	-	(46,636)
Miscellaneous	5,700	5,700	3,509
Total Revenues	3,496,618	3,496,618	3,560,612
EXPENDITURES			
Current			
Personnel:			
Salaries	2,186,000	2,186,000	2,148,695
Medical/Life Insurance	145,000	145,000	131,795
Staff Development	16,300	16,300	17,244
Recruitment	-	-	-
Benefits - IMRF	206,771	206,771	161,495
Benefits - FICA	167,214	167,214	113,775
Workers Compensation	9,000	9,000	7,717
Unemployment Insurance	3,070	3,070	3,266
Employee Assistance Program	-	-	-
Board Development	1,000	1,000	435
Total Personnel	2,734,355	2,734,355	2,584,422

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
EXPENDITURES (cont)			
Current (cont)			
Materials:			
Books	231,000	231,000	221,155
Periodicals	33,425	33,425	29,937
Audio	46,150	46,150	45,456
Video	65,200	65,200	72,269
Story Boxes	-	-	-
Electronic Reference Resources	62,400	62,400	59,026
Software	7,000	7,000	9,262
Kits	8,000	8,000	7,522
Life Skills/ESL	2,000	2,000	2,510
Processing Supplies	21,200	21,200	22,035
Total Materials	<u>476,375</u>	<u>476,375</u>	<u>469,172</u>
Building:			
Cleaning Service	71,500	71,500	67,916
Maintenance Supplies	17,000	17,000	14,559
Building Maintenance/Repairs	45,000	43,510	43,091
Utilities	92,700	101,200	13,181
Security System Monitoring	800	800	723
Property Maintenance	19,000	19,000	30,326
Total Building	<u>246,000</u>	<u>253,010</u>	<u>169,796</u>
Automation:			
Supplies	13,500	13,500	13,843
Automation-Prof Services	13,800	13,800	2,251
Purchase of Equipment	14,000	13,400	15,528
Automation Equipment Maintenance	4,700	5,660	5,428
Software	14,485	14,485	17,086
SWAN Maintenance	45,620	45,620	45,480
New Technologies	5,000	5,000	-
Telecommunications	2,880	2,880	3,320
Total Automation	<u>113,985</u>	<u>114,345</u>	<u>102,936</u>

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
EXPENDITURES (cont)			
Current (cont)			
Operations:			
Office Supplies	-	-	12,342
Photocopy Supplies	5,000	5,000	4,498
Patron Cards	600	600	451
Postage	7,200	7,200	6,282
Non-Payment Reimbursements	2,000	2,000	945
Travel	500	500	699
Bank and Investment Fees	2,500	2,500	10,429
Organizational Membership	1,900	1,900	2,548
Total Operations	<u>19,700</u>	<u>19,700</u>	<u>38,194</u>
Contractual Services:			
Professional Services	-	-	-
Legal Services	3,000	3,000	2,358
Credit Bureau	1,200	1,200	582
Audit	3,800	3,800	3,850
Equipment Maint./Repair	-	-	-
Equipment Maint. Contracts	-	-	-
Photocopy Maint. Contracts	4,720	4,720	4,527
Total Contractual Services	<u>12,720</u>	<u>12,720</u>	<u>11,317</u>
Insurance:			
Multi-peril Physical Assets	10,305	10,305	-
Bonding & Liability	6,450	6,450	2,150
Total Insurance	<u>16,755</u>	<u>16,755</u>	<u>2,150</u>
Public Information			
Legal Notices	1,000	1,000	904
Marketing	40,200	40,200	37,571
Information Supplies	-	-	-
Special Events	25,400	25,400	22,636
Information Printing	-	-	-
Total Public Information	<u>66,600</u>	<u>66,600</u>	<u>61,111</u>

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
EXPENDITURES (cont)			
Current (cont)			
Capital Outlay	<u>-</u>	<u>-</u>	<u>2,810</u>
Contingencies	<u>5,014</u>	<u>5,014</u>	<u>5,018</u>
Total Expenditures	<u>3,691,504</u>	<u>3,698,874</u>	<u>3,446,926</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(194,886)	(202,256)	113,686
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>(14,278)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (194,886)</u>	<u>\$ (202,256)</u>	99,408
FUND BALANCE, JULY 1			<u>1,398,909</u>
FUND BALANCE, JUNE 30			<u>\$ 1,498,317</u>

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

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

December 31, 2017*

	2017	2016	2015	2014
Actuarially determined contribution	\$ 203,560	\$ 204,630	\$ 192,777	\$ 177,173
Contributions in relation to the actuarially determined contribution	202,413	204,629	192,776	181,305
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ 1,147</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (4,132)</u>
Covered-employee payroll	\$ 1,539,791	\$ 1,501,320	\$ 1,494,393	\$ 1,324,166
Contributions as a percentage of covered-employee payroll	13.15%	13.63%	12.90%	13.69%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percentage of pay, closed and the amortization period was 27 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 4.40% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

*IMRF's measurement date is December 31, 2017; therefore information above is presented for the calendar year ended December 31, 2017.

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY
AND RELATED RATIOS - ILLINOIS MUNICIPAL RETIREMENT FUND**

December 31, 2017*

	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service cost	\$ 164,587	\$ 157,471	\$ 143,721	\$ 146,819
Interest	633,677	594,598	552,904	498,958
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	45,908	126,969	176,829	84,098
Changes of assumptions	(273,145)	(30,692)	9,805	289,894
Benefit payments, including refunds of member contribution:	(381,397)	(343,985)	(300,190)	(276,015)
Net change in total pension liability	189,630	504,361	583,069	743,754
TOTAL PENSION LIABILITY - BEGINNING	8,557,431	8,053,070	7,470,001	6,726,247
TOTAL PENSION LIABILITY - ENDING	\$ 8,747,061	\$ 8,557,431	\$ 8,053,070	\$ 7,470,001
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 202,413	\$ 204,629	\$ 192,776	\$ 181,305
Contributions - member	68,901	69,224	67,248	60,977
Net investment income	1,242,933	434,886	31,989	368,428
Benefit payments, including refunds of member contribution:	(381,397)	(343,985)	(300,190)	(276,015)
Other	(145,530)	109,406	76,845	26,510
Net change in plan fiduciary net position	987,320	474,160	68,668	361,205
PLAN FIDUCIARY NET POSITION - BEGINNING	6,960,700	6,486,540	6,417,872	6,056,667
PLAN FIDUCIARY NET POSITION - ENDING	\$ 7,948,020	\$ 6,960,700	\$ 6,486,540	\$ 6,417,872
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 799,041	\$ 1,596,731	\$ 1,566,530	\$ 1,052,129
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.87%	81.34%	80.55%	85.92%
Covered-employee payroll	\$ 1,539,791	\$ 1,501,320	\$ 1,494,393	\$ 1,324,166
Employer's net pension liability as a percentage of covered-employee payroll	51.89%	106.36%	104.83%	79.46%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

*IMRF's measurement date is December 31, 2017; therefore information above is presented for the calendar year ended December 31, 2017.

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted (at the fund level) for the General, Special Reserve, and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The Library follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Library prepares and submits to the Board a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them. Annual budgets are adopted for the General Fund on a basis consistent with GAAP. The legal level of budgetary control is at the fund level.
2. The proposed operating budget is adopted by the Board at a public meeting.
3. Any amendments to the budget must be adopted by the Board at a public meeting.
4. Budgeted amounts presented in the financial statements are those as originally adopted by the Board and final budgeted amounts after amendments. The budget was approved on September 20, 2017 and amended on June 20, 2018.

NON-MAJOR GOVERNMENTAL FUNDS

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2018

	Special Revenue					Totals
	IMRF	Social Security	Liability Insurance	Building Maintenance	Working Cash	
ASSETS						
Cash and investments	\$ 29,309	\$ 25,268	\$ 8,000	\$ 48,158	\$ -	\$ 110,735
Property tax receivable	25,408	21,904	7,009	35,046	-	89,367
TOTAL ASSETS	\$ 54,717	\$ 47,172	\$ 15,009	\$ 83,204	\$ -	\$ 200,102
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable Property Taxes	54,710	47,164	15,093	75,462	-	192,429
Total Deferred Inflows of Resources	54,710	47,164	15,093	75,462	-	192,429
Total Liabilities and Deferred Inflows of Resources	54,710	47,164	15,093	75,462	-	192,429
FUND BALANCES						
Restricted						
Special Revenue	7	8	-	7,742	-	7,757
Working Cash	-	-	(84)	-	-	(84)
Unrestricted	7	8	(84)	7,742	-	7,673
Total Fund Equities	54,717	47,172	15,009	83,204	\$ -	\$ 200,102
TOTAL LIABILITIES AND FUND BALANCES	\$ 54,717	\$ 47,172	\$ 15,009	\$ 83,204	\$ -	\$ 200,102

(See independent auditor's report.)

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2018

	Special Revenues					Totals
	IMRF	Social Security	Liability Insurance	Building Maintenance	Working Cash	
REVENUES						
Property Taxes	\$ 55,671	\$ 48,488	\$ 14,365	\$ 79,019	\$ -	\$ 197,543
Interest	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-
Total Revenues	55,671	48,488	14,365	79,019	-	197,543
EXPENDITURES						
General Government						
Insurance premiums	-	-	14,483	-	-	14,483
Building maintenance	-	-	-	78,080	-	78,080
IMRF	55,795	-	-	-	-	55,795
FICA	-	48,594	-	-	-	48,594
Capital Outlay	-	-	-	12,147	-	12,147
Investment Expense	-	-	-	-	-	-
Total Expenditures	55,795	48,594	14,483	90,227	-	209,099
NET CHANGES IN FUND BALANCES	(124)	(106)	(118)	(11,208)	-	(11,556)
Other financing sources (uses):						
Transfers from (to) general fund	-	-	-	14,278	-	14,278
FUND BALANCES, JULY 1	131	114	34	4,672	-	4,951
FUND BALANCES, JUNE 30	\$ 7	\$ 8	\$ (84)	\$ 7,742	\$ -	\$ 7,673

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

INDIAN PRAIRIE PUBLIC LIBRARY DISTRICT

PROPERTY TAX ASSESSED VALUATIONS, RATES, EXTENSIONS, AND COLLECTIONS June 30, 2018

Tax Levy Year	2017			2016		
	DuPage County		Cook County	DuPage County		Cook County
Assessed Valuation	1,886,539,864		136,141,712	1,798,960,805		113,515,073
	Rate	Amount	Rate	Rate	Amount	Rate
Tax Extensions						
Corporate	0.1675	\$ 3,159,955	0.1752	0.1714	\$ 3,083,419	0.1813
I.M.R.F.	0.0029	54,710	0.0000	0.0031	55,768	0.0000
Social Security	0.0025	47,164	0.0000	0.0027	48,572	0.0000
Liability Insurance	0.0008	15,092	0.0000	0.0008	14,392	0.0000
Building Maintenance	0.0040	75,462	0.0000	0.0044	79,154	0.0000
	0.1777	3,352,383	0.1752	0.1824	3,281,305	0.1813
Total DuPage Co Extension		\$ 3,352,383			\$ 3,281,305	
Total Cook Co Extension		239,610			206,597	
Total Extensions		\$ 3,591,993			\$ 3,487,902	
Tax Collections:						
year ended June 30, 2018		\$ 1,895,407			\$ 1,669,083	
Previous years		-			1,805,952	
Total Collected		\$ 1,895,407			\$ 3,475,035	
Percent Collected		52.77%			99.63%	

Property tax rates are per \$100 of assessed valuation. Assessed valuation, rates and extended amounts of property taxes levied have been presented for each of the counties for which the District files a property tax levy.

(See independent auditor's report.)