

**BARRINGTON PUBLIC  
LIBRARY DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**



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## **Independent Auditor's Report**

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Board of Trustees  
Barrington Public Library  
Barrington, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barrington 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 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 the modified cash basis of accounting described in Note 1C; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 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 entity'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 entity'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.

# Independent Auditor's Report

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## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Barrington Public Library District, as of June 30, 2020, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1C.

## Basis of Accounting

We draw attention to Note 1C of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Barrington Public Library District's basic financial statements. The Management's Discussion and Analysis, Supplementary Information and Other Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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, aforementioned information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Management's Discussion and Analysis and Other Information, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*McClure, Inseerra & Co., Chtd.*

October 12, 2020

## **Management’s Discussion and Analysis**

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Management of the Barrington Public Library District (District) provides this narrative overview and analysis for the fiscal year ending June 30, 2020. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

### **Overview of the Financial Statements**

Management’s discussion and analysis serves as an introduction to the District’s financial statements which are prepared using the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. The statements presented include Governmental Funds Balance Sheet and Statement of Net Position - Modified Cash Basis, Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities - Modified Cash Basis, and notes to the financial statements. The District qualifies as a special-purpose government engaged in only one governmental type activity allowing it to combine the fund and government-wide financial statements. This is done through the use of an adjustment column, on the face of the statements, which reconciles the fund-based accounting policies to the government-wide statements.

### **Financial Highlights**

The District’s total net position as of June 30, 2020 and 2019 was \$23,289,448 and \$22,418,514 respectively. For the years ended June 30, 2020 and 2019, net position increased \$870,934 and \$964,198 respectively, as revenues exceeded expenses. The term “net position” represents the difference between total assets and total liabilities.

### **Required Financial Statements**

The financial statements of the District are intended to provide the reader with an understanding of the financial position of the District as of the close of the fiscal year and the results of activities for the year then ended. The fund financial statements focus on current financial resources while government-wide financial statements are similar to a private-sector business.

The Governmental Funds Balance Sheet and Statement of Net Position – Modified Cash Basis provides information on the District’s assets and liabilities. The difference between these two represents governmental fund balances for the current financial resources reporting and net position for the government-wide reporting. Increases in fund balances and net position occur when revenues exceed expenses. Information is presented for each major fund or group of funds and shows any restrictions on the fund or net position.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities – Modified Cash Basis reflects the results of the District’s revenues, expenditures and activities during the year and the corresponding effect on fund and net asset balances. This statement shows the source of District revenues and how those revenues were used to provide Library services.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements.

### **Financial Analysis**

Net position may serve, over time, as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$23,289,448 at the close of the fiscal year. A large portion of the District’s net position reflects its net investment in capital assets. The District uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending.

# Management's Discussion and Analysis

## Condensed Statement of Net Position - Modified Cash Basis

	June 30,	
	2020	2019
Current Assets	\$ 9,153,136	\$ 9,211,150
Capital Assets, net of accumulated depreciation	14,136,312	13,207,364
Total Assets	<u>23,289,448</u>	<u>22,418,514</u>
Current Liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	14,136,312	13,207,364
Restricted	1,752,261	1,948,794
Unrestricted	7,400,875	7,262,356
Total Net Position	<u>\$ 23,289,448</u>	<u>\$ 22,418,514</u>

## Condensed Statement of Activities - Modified Cash Basis

	For Years Ended June 30,	
	2020	2019
Revenues		
Property and Replacement Taxes	\$ 7,318,339	\$ 7,030,998
Interest Income	187,994	183,636
Fines, Fees and Other	78,634	156,951
Grants	55,196	55,196
Donations	1,135	130,305
Total Revenues	<u>7,641,298</u>	<u>7,557,086</u>
Expenses		
Personnel	3,317,676	3,170,188
Library Materials and Services	661,281	597,435
Administration and Operations	227,592	284,576
Professional Fees and Services	77,139	79,379
Capital Expenditures	398,300	302,094
FICA and IMRF	522,503	490,737
Maintenance and Repairs	411,912	443,942
Other	75,030	59,380
Depreciation	1,057,910	1,152,774
Loss on Disposal of Assets	21,021	12,383
Total Expenses	<u>6,770,364</u>	<u>6,592,888</u>
Change in Net Position	870,934	964,198
Net Position, Beginning of Year	<u>22,418,514</u>	<u>21,454,316</u>
Net Position, End of Year	<u>\$ 23,289,448</u>	<u>\$ 22,418,514</u>

## Management's Discussion and Analysis

The following is a summary of changes in fund balances for the year ended June 30, 2020:

<u>Governmental Funds</u>	<u>Fund Balance June 30, 2019</u>	<u>Increase (Decrease)</u>	<u>Fund Balance June 30, 2020</u>
General	\$ 6,814,193	\$ (1,128,763)	\$ 5,685,430
Special Reserve	458,956	1,256,489	1,715,445
Working Cash	541,237	-	541,237
IMRF (Formerly IMRF/FICA)	785,168	(322,148)	463,020
FICA	-	139,738	139,738
Audit	14,026	(12,000)	2,026
Insurance (Formerly Liability Insurance)	17,952	1,181	19,133
Building Maintenance	561,105	26,002	587,107
Unemployment and Workmen's Compensation	18,513	(18,513)	-
	<u>\$ 9,211,150</u>	<u>\$ (58,014)</u>	<u>\$ 9,153,136</u>

During the fiscal year, \$2,904,866 was transferred out of the General fund to the Special Reserve fund. The District has a strategic spending plan for major repairs and maintenance necessary for upkeep of the facilities. The Social Security/IMRF fund was split into two separate funds requiring an equity transfer of \$223,985 to establish a FICA fund. The former Liability Insurance and Unemployment/Worker's Compensation funds were combined as one Insurance fund.

### Budgetary Highlights and Debt Administration

The District's General Fund expended \$5,001,616 which was \$5,534,457 less than the appropriation of \$10,536,073. The appropriation sets the maximum spending limits for the fiscal year.

### Capital Assets

The following is a summary of capital assets as of June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,219,377	\$ 1,219,377
Construction-In-Progress	1,816,695	-
Land Improvements	765,950	919,159
Building	16,043,584	16,083,584
Furniture, Fixtures and Equipment	2,910,553	2,862,074
Books and Library Materials	2,588,532	2,611,175
Cost of Capital Assets	25,344,691	23,695,369
Less Accumulated Depreciation	11,208,379	10,488,005
Net Capital Assets	<u>\$ 14,136,312</u>	<u>\$ 13,207,364</u>

Significant capital asset additions during the year include parking lot renovation, equipment, and library materials. Additional information regarding the District's capital assets can be found in Note 4 on page 13.

### Description of Current or Expected Conditions

Presently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future, except for the possible effects of the COVID-19 pandemic. See Note 12 on page 16.

## **Management's Discussion and Analysis**

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### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Executive Director, Barrington Public Library District, 505 N. Northwest Highway, Barrington, Illinois 60010.



# Basic Financial Statements

## BARRINGTON PUBLIC LIBRARY DISTRICT

### GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION - MODIFIED CASH BASIS

JUNE 30, 2020

	GENERAL FUND	SPECIAL RESERVE	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF NET POSITION
<b>ASSETS</b>						
Cash and Investments	\$ 5,685,430	\$ 1,715,445	\$ 1,752,261	\$ 9,153,136	\$ -	\$ 9,153,136
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	14,136,312	14,136,312
Total Assets	<u>\$ 5,685,430</u>	<u>\$ 1,715,445</u>	<u>\$ 1,752,261</u>	<u>\$ 9,153,136</u>	14,136,312	23,289,448
<b>LIABILITIES</b>						
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-
<b>FUND BALANCES / NET POSITION</b>						
Fund Balances						
Restricted for Statutory Purposes	-	-	1,752,261	1,752,261	(1,752,261)	-
Committed for Capital Projects	-	1,715,445	-	1,715,445	(1,715,445)	-
Committed for Library Materials	85,907	-	-	85,907	(85,907)	-
Assigned to Next Year	3,282,246	-	-	3,282,246	(3,282,246)	-
Assigned for Future Projects	284,409	-	-	284,409	(284,409)	-
Unassigned	2,032,868	-	-	2,032,868	(2,032,868)	-
Total Fund Balances	<u>5,685,430</u>	<u>1,715,445</u>	<u>1,752,261</u>	<u>9,153,136</u>	<u>(9,153,136)</u>	-
Total Liabilities and Fund Balances	<u>\$ 5,685,430</u>	<u>\$ 1,715,445</u>	<u>\$ 1,752,261</u>	<u>\$ 9,153,136</u>		
Net Position						
Net Investment in Capital Assets					14,136,312	14,136,312
Restricted					1,752,261	1,752,261
Unrestricted					7,400,875	7,400,875
Total Net Position					<u>\$ 23,289,448</u>	<u>\$ 23,289,448</u>

The accompanying notes are an integral part of these financial statements.

# Basic Financial Statements

## BARRINGTON PUBLIC LIBRARY DISTRICT

### GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL FUND	SPECIAL RESERVE	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF ACTIVITIES
<b>REVENUES</b>						
Property Taxes	\$ 6,477,284	\$ -	\$ 790,894	\$ 7,268,178	\$ -	\$ 7,268,178
State Replacement Taxes	50,161	-	-	50,161	-	50,161
Interest Income	115,309	40,511	32,174	187,994	-	187,994
Fines, Fees and Other	78,634	-	-	78,634	-	78,634
Grants	55,196	-	-	55,196	-	55,196
Donations	1,135	-	-	1,135	-	1,135
Total Revenues	<u>6,777,719</u>	<u>40,511</u>	<u>823,068</u>	<u>7,641,298</u>	<u>-</u>	<u>7,641,298</u>
<b>EXPENDITURES / EXPENSES</b>						
Personnel	3,317,676	-	-	3,317,676	-	3,317,676
Library Materials and Services	946,415	-	-	946,415	(285,134)	661,281
Administration and Operations	227,592	-	-	227,592	-	227,592
Professional Fees and Services	77,139	-	-	77,139	-	77,139
Capital Expenditures	432,157	1,688,888	-	2,121,045	(1,722,745)	398,300
IMRF	-	-	298,130	298,130	-	298,130
FICA	-	-	224,373	224,373	-	224,373
Audit	-	-	12,000	12,000	-	12,000
Liability Insurance	-	-	63,030	63,030	-	63,030
Maintenance and Repairs	637	-	411,275	411,912	-	411,912
Depreciation	-	-	-	-	1,057,910	1,057,910
Loss on Disposal of Assets	-	-	-	-	21,021	21,021
Total Expenditures / Expenses	<u>5,001,616</u>	<u>1,688,888</u>	<u>1,008,808</u>	<u>7,699,312</u>	<u>(928,948)</u>	<u>6,770,364</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,776,103	(1,648,377)	(185,740)	(58,014)	58,014	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In (Out)	<u>(2,904,866)</u>	<u>2,904,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,128,763)	1,256,489	(185,740)	(58,014)	58,014	-
Change in Net Position	-	-	-	-	870,934	870,934
<b>FUND BALANCES / NET POSITION</b>						
Beginning of Year	<u>6,814,193</u>	<u>458,956</u>	<u>1,938,001</u>	<u>9,211,150</u>	<u>13,207,364</u>	<u>22,418,514</u>
End of Year	<u>\$ 5,685,430</u>	<u>\$ 1,715,445</u>	<u>\$ 1,752,261</u>	<u>\$ 9,153,136</u>	<u>\$ 14,136,312</u>	<u>\$ 23,289,448</u>

The accompanying notes are an integral part of these financial statements.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

The financial statements of the Barrington Public Library District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units (except for the basis of accounting as described in Note 1C). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### A. Reporting Entity

The District's reporting entity includes all entities for which the District exercised oversight responsibility as defined by the GASB.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the District has not included in its financial statements the activities of any other entity.

#### B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them.

The Governmental Funds Balance Sheet and Statement of Net Position-Modified Cash Basis and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, and Statement of Activities-Modified Cash Basis combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the General and the Special Reserve funds. Following is a description of major and non-major funds.

General Fund Type - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund Type - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds of the District are: FICA, IMRF, Audit, Insurance, Building Maintenance, and Working Cash.

### Note 1: Summary of Significant Accounting Policies (Continued)

Capital Projects Fund Type - The Capital Projects Funds are used to account for the acquisitions of capital assets. The Capital Project Fund of the District is the Special Reserve Fund.

#### C. Basis of Accounting

The government-wide statements (the Statement of Net Position-Modified Cash Basis and the Statement of Activities-Modified Cash Basis) are prepared using the economic resources measurement focus and the fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the current financial measurement focus.

These financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, whereby certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures and the related liabilities are recognized when paid rather than when the obligations are incurred.

#### D. Budgets

Budgets are adopted on a modified cash basis. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

#### E. Cash and Investments

Cash includes amounts in demand and time deposits and certificates of deposit. Investments include money market mutual funds, negotiable certificates of deposit, U.S. Treasury securities and U.S. Government Agency securities.

Illinois Revised Statutes authorize the District to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426.

Investments are carried at fair market value. The District plans to hold the investments to maturity.

#### F. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### *Government-wide Statements*

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land Improvements	15-40 years
Building	15-40 years
Furniture, Fixtures and Equipment	5-20 years
Vehicle	8 years
Books and Library Materials	5-7 years

The minimum capitalization threshold is any item with a total cost greater than \$2,500.

#### *Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### G. Fund Equity

The Library follows GASB statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

## Notes to Financial Statements

### Note 1: Summary of Significant Accounting Policies (Continued)

The board of trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as Special Reserve Fund expenditures). An assigned fund balance is established by the board of trustees through adoption or amendment of the budget as intended for specific purpose (but is neither restricted nor committed).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

#### H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles, or other comprehensive basis of accounting, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Note 2: Deposits and Investments

Deposits. At year-end, the carrying amount of the District's deposits, excluding petty cash of \$800, was \$8,066,023 and the bank balance was \$8,158,046. Of the bank balance, \$3,761,682 was covered by federal depository insurance and \$4,396,364 was collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Investments. At year-end, the District's investment balances were comprised of the following:

INVESTMENT	WEIGHTED AVERAGE MATURITY (IN MONTHS)	WEIGHTED AVERAGE RATE	COST	FAIR VALUE
Government Money Market	N/A	.51%	\$ 5,697	\$ 5,697
U.S. Treasury Securities	2.6	1.31%	59,955	60,148
U.S. Government Agency Securities	2.6	2.04%	115,967	115,402
Negotiable Certificates	19.0	2.56%	<u>877,217</u>	<u>905,066</u>
			<u>\$ 1,058,836</u>	<u>\$ 1,086,313</u>

Interest Rate Risk. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Diversifying and properly balancing investments and maturities, helps to avoid incurring unreasonable interest rate risk in the investment portfolio.

## Notes to Financial Statements

### Note 2: Deposits and Investments (Continued)

Credit Risk. The District limits its exposure to credit risk by primarily investing in obligations guaranteed by the United States Government or its agencies. The U.S. agency obligations are rated AA+. The negotiable certificates of deposit are not rated.

Concentration of Credit Risk. The District has more than five percent of its investments invested in certificates of deposit of Citibank, TIAA FSB Holdings, and Axos Bank. These investments represent 6.9%, 6.9% and 6.6% of the District's total investment.

Custodial Credit Risk. The District's investment policy protects it from custodial credit risk by requiring investment in securities guaranteed by the U.S government or in FDIC insured institutions.

### Note 3: Property Tax Revenue Recognition

Property taxes for 2019 are attached as an enforceable lien on January 1, 2019. They were levied in September and November 2019 by passage of Tax Levy Ordinances. Tax bills are prepared by the Counties and are issued and payable in two installments, in the spring and fall. The Counties collect such taxes and remit them periodically during the period of March through November. Property tax revenues are recognized on the cash basis and consist of tax receipts from the 2018 and 2019 tax levies.

### Note 4: Capital Assets

The following is a summary of changes in the capital assets during the fiscal year:

	Balance June 30, 2019	Increases	(Decreases)	Reclass	Balance June 30, 2020
Capital assets, not being depreciated					
Land	\$ 1,219,377	\$ -	\$ -	\$ -	\$ 1,219,377
Construction-In-Progress	-	1,663,486	-	153,209	1,816,695
Total capital assets, not being depreciated	<u>1,219,377</u>	<u>1,663,486</u>	<u>-</u>	<u>153,209</u>	<u>3,036,072</u>
Capital assets, being depreciated					
Land Improvement	919,159		-	(153,209)	765,950
Building	16,083,584		(40,000)	-	16,043,584
Furniture, Fixtures and Equipment	2,862,074	59,259	(10,780)	-	2,910,553
Books and Library Materials	2,611,175	285,134	(307,777)	-	2,588,532
Total capital assets being depreciated	<u>22,475,992</u>	<u>344,393</u>	<u>(358,557)</u>	<u>(153,209)</u>	<u>22,308,619</u>
Less accumulated depreciation for					
Land Improvement	298,305	51,658	-	-	349,963
Building and Improvements	7,199,324	392,596	(21,000)	-	7,570,920
Furniture, Fixtures and Equipment	1,364,305	194,933	(8,759)	-	1,550,479
Books and Library Materials	1,626,071	418,723	(307,777)	-	1,737,017
Total accumulated depreciation	<u>10,488,005</u>	<u>1,057,910</u>	<u>(337,536)</u>	<u>-</u>	<u>11,208,379</u>
Total capital assets being depreciated, net	<u>11,987,987</u>	<u>(713,517)</u>	<u>(21,021)</u>	<u>(153,209)</u>	<u>11,100,240</u>
Capital assets, net	<u>\$ 13,207,364</u>	<u>\$ 949,969</u>	<u>\$ (21,021)</u>	<u>\$ -</u>	<u>\$ 14,136,312</u>

### **Note 5: Defined Benefit Pension Plan**

*Plan Description:* The District'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 District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy:* As set by statute, the District's Regular plan members are required to contribute 4.50% 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 employer annual required contribution rate for calendar year 2019 was 9.82%. The District 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost:* For fiscal year ended June 30, 2020, the District's required and actual contributions for pension cost for the Regular plan were \$298,130.

If the District's financial statements were presented on the accrual basis of accounting, the financial statements and footnotes would include additional information including:

- a) Actuarial assumptions
- b) Net pension obligation
- c) Deferred outflows and deferred inflows

Since the District presents its financial statements on the modified cash basis of accounting, this information is not included in the financial statements nor disclosed in the footnotes.

### **Note 6: Other Post-Employment Benefits**

The District participates in a cost-sharing multiple employer defined benefit other post-employment benefit plan administered by Wellness Insurance Network (WIN). The District is required to offer employees, who are IMRF vested, continued health insurance participation upon termination of employment. The departing employee pays the entire health insurance premium and therefore there is no explicit subsidy. There is no implicit rate subsidy liability reflected in these financial statements since the District presents its financial statements on the modified cash basis of accounting.

### **Note 7: Deferred Compensation Plan**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees at their option, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation are held in trust (until



## Notes to Financial Statements

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### Note 7: Deferred Compensation Plan (Continued)

paid or made available to the employee or other beneficiary). The deferred compensation is not subject to the claims of the District's creditors.

### Note 8: Risk Management

The District 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. As such, the District participates in the Libraries of Illinois Risk Agency Cooperative (LIRA) for all risks of loss with the exception of unemployment insurance. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

The District also participates in the Library Insurance Management and Risk Control Combination, LIMRCC, which is a public entity risk pool (the pool), for unemployment insurance coverage. The District is responsible for quarterly payments and the pool is responsible for administering the program. If funds in the program are insufficient in the judgment of the pool, then the pool may assess the member's additional equal payments.

### Note 9: Fund Balances

The Board of Trustees has committed \$85,907 of the General Fund balance for specific library materials. This designation arose from unrestricted donations to the District.

The General Fund has \$3,282,246 assigned to next year. This amount represents the receipts from the 2019 property tax levy received as of June 30, 2020 that will be used to pay for cash disbursements made after June 30, 2020.

Management tracks all donations and assigns all unspent as available for future projects. The amount of unspent assigned funds at June 30, 2020 is \$284,409.

### Note 10: Adjustments

Amounts reported in the statement of net position are different from the governmental fund balance sheet because:

Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	<u>\$ 14,136,312</u>
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The governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which capital outlay exceeded depreciation is \$949,969 (\$2,007,879 less \$1,057,910). The loss on disposal of assets of \$21,021 is reflected as an expense in the statement of activities.

## **Notes to Financial Statements**

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### **Note 11: Commitments**

As of June 30, 2019, the District had \$1,338,554 remaining on contracts to replace the HVAC system, and make repairs to the lower parking lot and exterior of the building. In February 2020, the Board approved and signed a contract for \$695,291 to make repairs to the upper parking lot. During the year ending June 30, 2020, \$1,661,257 has been paid towards those contracts. As of June 30, 2020, the District has outstanding commitments of \$372,588.

### **Note 12: Contingency**

In 2020, the COVID-19 pandemic struck the world with far reaching effects. Due to this virus, many businesses and individuals have been harmed financially. This may result in a decrease in future tax revenue collections, the amount of which cannot be currently quantified.

# Supplementary Information

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## BARRINGTON PUBLIC LIBRARY DISTRICT

### GENERAL FUND

#### SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2020

	APPROPRIATION- ORIGINAL AND FINAL	ACTUAL	VARIANCE
<b>REVENUES</b>			
Property Taxes	\$ 6,070,457	\$ 6,477,284	\$ 406,827
State Replacement Taxes	30,000	50,161	20,161
Interest Income	97,598	115,309	17,711
Fines, Fees and Other	98,100	78,634	(19,466)
Grants	55,196	55,196	-
Donations	1,250	1,135	(115)
Total Revenues	<u>6,352,601</u>	<u>6,777,719</u>	<u>425,118</u>
<b>EXPENDITURES</b>			
Personnel	4,850,000	3,317,676	1,532,324
Library Materials and Services	1,700,000	946,415	753,585
Administration and Operations	250,000	227,592	22,408
Professional Fees and Services	305,000	77,139	227,861
Capital Expenditures	2,931,073	432,157	2,498,916
Maintenance and Repairs	500,000	637	499,363
Total Expenditures	<u>10,536,073</u>	<u>5,001,616</u>	<u>5,534,457</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (4,183,472)</u>	<u>\$ 1,776,103</u>	<u>\$ 5,959,575</u>

Note: Budgets are adopted on the modified cash basis of accounting. All appropriations lapse at fiscal year end.

## Supplementary Information

### BARRINGTON PUBLIC LIBRARY DISTRICT

#### GENERAL FUND

#### STATEMENT OF CASH DISBURSEMENTS - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

	<u>WORKING BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>PERSONNEL</b>			
Salaries	\$ 3,199,594	\$ 2,988,373	\$ 211,221
Training	20,691	13,096	7,595
Insurance	301,620	255,209	46,411
Staff Meetings and Travel	102,701	60,998	41,703
	<u>3,624,606</u>	<u>3,317,676</u>	<u>306,930</u>
<b>LIBRARY MATERIALS AND SERVICES</b>			
Books	457,000	405,678	51,322
Periodicals	34,975	26,730	8,245
Audiovisual Material	289,467	257,335	32,132
Electronic Information	170,096	160,526	9,570
Special Library Programs	99,325	54,250	45,075
Book Processing Supplies and On-Line Computer Center	50,353	41,279	9,074
Realia	2,000	617	1,383
	<u>1,103,216</u>	<u>946,415</u>	<u>156,801</u>
<b>ADMINISTRATION AND OPERATIONS</b>			
Circulation Supplies	19,920	16,218	3,702
Collection Agency	2,000	814	1,186
Office Expense	7,500	5,614	1,886
Postage	16,825	3,708	13,117
Promotional and Display Materials	16,250	14,837	1,413
Fees and Service Charges	19,077	18,433	644
Security	1,420	1,362	58
Utilities	165,500	131,030	34,470
Telephone	33,480	35,576	(2,096)
Items Purchased and Resold	200	-	200
	<u>282,172</u>	<u>227,592</u>	<u>54,580</u>
<b>PROFESSIONAL FEES AND SERVICES</b>			
Legal Fees and Expense	31,500	12,217	19,283
Architect, Engineer and Consultant	125,840	63,493	62,347
Trustee Expense	3,360	1,429	1,931
	<u>160,700</u>	<u>77,139</u>	<u>83,561</u>

## Supplementary Information

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### GENERAL FUND STATEMENT OF CASH DISBURSEMENTS - BUDGET AND ACTUAL (Continued)

	<u>WORKING BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>CAPITAL EXPENDITURES</b>			
Capital Expenditures	<u>\$ 714,523</u>	<u>\$ 432,157</u>	<u>\$ 282,366</u>
	<u>714,523</u>	<u>432,157</u>	<u>282,366</u>
<b>MAINTENANCE AND REPAIRS</b>			
Maintenance and Repair	-	637	(637)
Piano Expenditures	-	-	-
	<u>-</u>	<u>637</u>	<u>(637)</u>
	<u>\$ 5,885,217</u>	<u>\$ 5,001,616</u>	<u>\$ 883,601</u>

# Supplementary Information

## BARRINGTON PUBLIC LIBRARY DISTRICT

### OTHER FUNDS

#### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2020

	IMRF	FICA	WORKING CASH	BUILDING MAINTENANCE	AUDIT	INSURANCE	UNEMPLOYMENT AND WORKMEN'S COMPENSATION	TOTAL
<b>REVENUES</b>								
Property Taxes	\$ 186,169	\$ 136,895	\$ -	\$ 422,132	\$ -	\$ 45,698	\$ -	\$ 790,894
Interest Income	13,798	3,231	-	15,145	-	-	-	32,174
Total Revenues	199,967	140,126	-	437,277	-	45,698	-	823,068
<b>EXPENDITURES</b>								
IMRF	298,130	-	-	-	-	-	-	298,130
FICA	-	224,373	-	-	-	-	-	224,373
Building Maintenance	-	-	-	411,275	-	-	-	411,275
Audit	-	-	-	-	12,000	-	-	12,000
Liability Insurance	-	-	-	-	-	63,030	-	63,030
Total Expenditures	298,130	224,373	-	411,275	12,000	63,030	-	1,008,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,163)	(84,247)	-	26,002	(12,000)	(17,332)	-	(185,740)
<b>OTHER FINANCING SOURCES (USES)</b>								
Equity Transfers In (Out)	(223,985)	223,985	-	-	-	18,513	(18,513)	-
Net Change in Fund Balances	(322,148)	139,738	-	26,002	(12,000)	1,181	(18,513)	(185,740)
<b>FUND BALANCES</b>								
Beginning of Year	785,168	-	541,237	561,105	14,026	17,952	18,513	1,938,001
End of Year	\$ 463,020	\$ 139,738	\$ 541,237	\$ 587,107	\$ 2,026	\$ 19,133	\$ -	\$ 1,752,261

# Supplementary Information

## BARRINGTON PUBLIC LIBRARY DISTRICT

### SCHEDULE OF GENERAL PROPERTY TAX DATA

JUNE 30, 2020

	Assessed Valuations	Tax Rates	Tax Extensions	Tax Collections
<u>2019 LEVY</u>				
County				
Lake	\$ 1,542,176,406	.222848	\$ 3,436,709	\$ 1,430,134
Cook	1,512,862,990	.244	3,691,386	1,891,321
McHenry	185,793,771	.233628	434,066	177,372
Kane	1,608,548	.23548	3,788	-
			<u>\$ 7,565,949</u>	<u>\$ 3,498,827</u>
<u>2018 LEVY</u>				
County				
Lake	\$ 1,524,930,898	.217899	\$ 3,322,809	\$ 3,305,824
Cook	1,459,915,069	.248	3,620,589	3,529,868
McHenry	180,622,816	.228759	413,191	412,082
Kane	1,576,698	.231922	3,657	3,657
			<u>\$ 7,360,246</u>	<u>\$ 7,251,431</u>
<u>2017 LEVY</u>				
County				
Lake	\$ 1,500,680,253	.216694	\$ 3,251,884	\$ 3,247,346
Cook	1,501,630,309	.230	3,453,750	3,378,098
McHenry	172,084,090	.227299	391,144	390,102
Kane	1,628,176	.217605	3,543	3,543
			<u>\$ 7,100,321</u>	<u>\$ 7,019,089</u>
<u>2016 LEVY</u>				
County				
Lake	\$ 1,454,954,678	.220329	\$ 3,205,687	\$ 3,189,183
Cook	1,443,057,447	.231	3,333,463	3,216,496
McHenry	162,784,129	.222653	362,444	361,945
Kane	1,576,468	.218983	3,452	3,452
			<u>\$ 6,905,046</u>	<u>\$ 6,771,076</u>
<u>2015 LEVY</u>				
County				
Lake	\$ 1,383,922,516	.225412	\$ 3,119,527	\$ 3,115,787
Cook	1,238,107,885	.266	3,293,367	3,227,517
McHenry	152,127,651	.222345	338,248	338,272
Kane	1,477,200	.219863	3,248	3,400
			<u>\$ 6,754,390</u>	<u>\$ 6,684,976</u>
<u>2014 LEVY</u>				
County				
Lake	\$ 1,352,499,860	.230740	\$ 3,120,758	\$ 3,113,352
Cook	1,263,324,516	.258	3,259,060	3,196,395
McHenry	145,800,618	.251769	367,080	366,337
Kane	1,435,406	.231628	3,327	3,328
			<u>\$ 6,750,225</u>	<u>\$ 6,679,412</u>

## Other Information

### BARRINGTON PUBLIC LIBRARY DISTRICT

#### MULTI-YEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

CALENDAR YEAR ENDED DECEMBER 31,

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 256,475	\$ 234,895	\$ 254,423	\$ 251,975	\$ 247,152	\$ 257,275
Interest on the Total Pension Liability	1,240,543	1,185,101	1,163,873	1,125,747	1,082,675	983,312
Benefit Changes		-	-	-	-	-
Difference between Expected and Actual Experience	73,774	413,113	352,968	(22,035)	(8,231)	227,073
Assumption Changes	-	458,303	(522,170)	(35,432)	16,961	581,126
Benefit Payments and Refunds	(1,014,239)	(970,985)	(941,588)	(764,953)	(726,654)	(672,571)
Net Change in Total Pension Liability	556,553	1,320,427	307,506	555,302	611,903	1,376,215
Total Pension Liability - Beginning	17,489,824	16,169,397	15,861,891	15,306,589	14,694,686	13,318,471
Total Pension Liability - Ending (a)	<u>\$ 18,046,377</u>	<u>\$ 17,489,824</u>	<u>\$ 16,169,397</u>	<u>\$ 15,861,891</u>	<u>\$ 15,306,589</u>	<u>\$ 14,694,686</u>
Plan Fiduciary Net Position						
Employer Contributions	\$ 264,641	\$ 291,789	\$ 294,651	\$ 323,136	\$ 306,708	\$ 290,536
Employee Contributions	121,291	114,277	114,206	111,941	117,541	105,823
Pension Plan Net Investment Income	2,828,194	(883,840)	2,423,696	921,391	65,364	760,879
Benefit Payments and Refunds	(1,014,239)	(970,985)	(941,588)	(764,953)	(726,654)	(672,571)
Other	(58,230)	470,201	(150,466)	63,249	275,529	127,782
Net Change in Plan Fiduciary Net Position	2,141,657	(978,558)	1,740,499	654,764	38,488	612,449
Plan Fiduciary Net Position - Beginning	14,679,168	15,657,726	13,917,227	13,262,463	13,223,975	12,611,526
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,820,825</u>	<u>\$ 14,679,168</u>	<u>\$ 15,657,726</u>	<u>\$ 13,917,227</u>	<u>\$ 13,262,463</u>	<u>\$ 13,223,975</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 1,225,552</u>	<u>\$ 2,810,656</u>	<u>\$ 511,671</u>	<u>\$ 1,944,664</u>	<u>\$ 2,044,126</u>	<u>\$ 1,470,711</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.21%	83.93%	96.84%	87.74%	86.65%	89.99%
Covered Valuation Payroll	\$ 2,697,939	\$ 2,539,501	\$ 2,537,908	\$ 2,487,575	\$ 2,407,438	\$ 2,263,821
Net Pension Liability as a Percentage of Covered Valuation Payroll	45.43%	110.68%	20.16%	78.18%	84.91%	64.97%

Note: This is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.



## Other Information

### BARRINGTON PUBLIC LIBRARY DISTRICT

#### SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2019	\$ 264,938	\$ 264,938	\$ -	\$ 2,697,939	9.82%
2018	291,789	291,789	-	2,539,501	11.49%
2017	294,654	294,651	-	2,537,908	11.61%
2016	323,136	323,136	-	2,487,575	12.99%
2015	306,708	306,708	-	2,407,438	12.74%
2014	284,562	290,536	(5,974)	2,263,821	12.83%

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2019 Contribution Rate\*

#### Valuation Date

Notes

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.

#### Methods and Assumptions Used to Determine 2019 Contribution Rates

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%, approximate; No explicit price inflation assumption is used in this valuation.
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 to 2016.
Mortality	RP-2014 Blue Collar Health Annuitant Mortality Table and MP-2017 (base year 2015) Disabled Mortality Table with adjustments to match current IMRF experience.

#### Other Information

Notes

There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017, actuarial valuation. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.