



# MUELLER & CO., LLP

*Certified Public Accountants – Business & Financial Advisors*

ASSURANCE

## **COOK MEMORIAL PUBLIC LIBRARY DISTRICT LAKE COUNTY, ILLINOIS**

### **AUDITED FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

MUELLER

Elgin/Orland Park/Chicago  
www.muellercpa.com  
847.888.8600 Phone  
847.888.0635 Fax

## CONTENTS

	<u>PAGE</u>
<b>Introductory Section</b>	
Principal Officials	
<b>Annual Financial Report</b>	
Independent Auditor's Report .....	1-3
<b>General Purpose Financial Statements</b>	
Management's Discussion and Analysis .....	4-11
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position .....	12
Statement of Activities.....	13
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	15
Notes to Financial Statements .....	16-38
<b>Required Supplementary Information</b>	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Appropriation, Budget and Actual.....	39-40
Special Reserve Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Appropriation, Budget and Actual.....	41

**CONTENTS**

	<b><u>PAGE</u></b>
<b>Required Supplementary Information, Continued</b>	
Illinois Municipal Retirement Fund (IMRF) and Social Security Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Appropriation, Budget and Actual.....	42
Schedule of Changes in Net Pension Liability and Related Ratios.....	43
Schedule of Contributions.....	44
Schedule of Employer Contributions .....	45-46
<b>Non-major Governmental Fund Schedules</b>	
Working Cash Fund	
Balance Sheet .....	47
Schedule of Revenues, Expenditures and Changes in Fund Balances - Appropriation, Budget and Actual.....	48
<b>Other Information</b>	
Property Tax, Assessed Valuations and Rates Last Three Tax Levy Years.....	49

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**PRINCIPAL OFFICIALS**

**JUNE 30, 2020**

**LEGISLATIVE  
BOARD OF TRUSTEES**

Wendy Vieth, President

Ann Oakley, Trustee

Jim Larson, Vice President

Laura Valenziano, Trustee

Jennifer Banek, Secretary

Karen Singer, Trustee

Phyllis Dobbs, Treasurer

**ADMINISTRATIVE**

David Archer, Library Director

Russ Cerqua, Business Manager

**ANNUAL FINANCIAL REPORT**



1707 N. Randall Road, Suite 200 ■ Elgin, Illinois ■ 60123  
Ph: 847.888.8600 ■ Fax: 847.888.0635 ■ www.muellercpa.com

## **INDEPENDENT AUDITOR'S REPORT**

Library Director and  
Board of Trustees  
Cook Memorial Public Library District  
Lake County, Illinois  
Libertyville, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cook Memorial Public Library District, Lake County, Illinois (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 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 representation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

## **Auditor's Responsibility, Continued**

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 Cook Memorial Public Library District, Lake County, Illinois as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As described in Note 12 to the financial statements, the 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### **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 District's basic financial statements. The introductory section, non-major fund governmental schedules and other information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

## Other Matters, Continued

### *Other Information, Continued*

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

The introductory and other information sections 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.

*Muller & Co., LLP*

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As the management of Cook Memorial Public Library District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of Cook Memorial Public Library District for the fiscal year ended June 30, 2020 ("FY2020").

**FINANCIAL HIGHLIGHTS**

- The net position of the Cook Memorial Public Library District at the the close of the most recent fiscal year was \$14,575,369. Of this amount, \$4,175,619 may be used to meet the District's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$6,589,139. Of this amount, \$2,981,810 may be used to meet the District's ongoing obligations to citizens and creditors.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to Cook Memorial Public Library District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The **Statement of Net Position** presents information on all of the District's assets and liabilities, with the difference between the two reported as **Net Position**. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The **Statement of Activities** presents information showing how the District'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).

**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. Cook Memorial Public Library District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The governmental funds of the District are the General Fund, the Special Reserve Fund, the IMRF and Social Security Fund, and the Working Cash Fund.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)**

**OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED**

**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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Cook Memorial Public Library District maintains four individual funds. Information is presented separately in the governmental statement of assets, liabilities and fund balances and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Special Reserve Fund, and the IMRF and Social Security Fund, which are considered to be major funds. Individual fund data for the Working Cash Fund, which is considered a non-major governmental fund, is included as other governmental funds on these statements.

The District adopts an annual appropriated budget for the General Fund, the Special Revenue Fund and the IMRF Fund and Social Security. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with this budget.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 37 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the 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. Required supplementary information on pensions can be found on pages 38 to 45 of this report.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)**

**OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED**

The individual financial statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. The individual fund schedules of non-major governmental funds can be found on pages 46 to 47 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 Cook Memorial Public Library District, net position was \$14,575,369 at the close of the most recent fiscal year. A significant portion of the District's net position, 70.2%, reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, vehicles, and library materials), less any related debt used to acquire those assets that is still outstanding. The District uses these assets to provide services to citizens; consequently, these assets are not available for future spending.

The restricted portion of the District's net position, totaling \$167,937 as of June 30, 2020, represents resources that are subject to external restrictions on how they may be used. Of the \$167,937 total, \$152,463 is restricted for employee retirement and \$15,474 is restricted for specific purposes by a donor. The remaining balance of unrestricted net position of \$4,175,619 may be used to meet the District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its governmental activities. The same situation held true for the prior fiscal year.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

The following summarized information was derived from the Statement of Net Position as of June 30, 2020:

<u>Assets:</u>	
Current and other assets	\$ 16,253,612
Capital assets, net of accumulated depreciation	<u>20,829,813</u>
Total Assets	<u>37,083,425</u>
 <u>Deferred Outflows of Resources:</u>	
Pension related items	<u>676,596</u>
 <u>Liabilities:</u>	
Current liabilities	1,047,074
Non-current liabilities	<u>11,680,675</u>
Total Liabilities	<u>12,727,749</u>
 <u>Deferred Inflows of Resources:</u>	
Property taxes levied for future period	9,478,235
Pension related items	<u>978,668</u>
Total Deferred Inflows of Resources	<u>10,456,903</u>
 <u>Net Position:</u>	
Invested in capital assets, net of related debt	10,231,813
Restricted	167,937
Unrestricted	<u>4,175,619</u>
Total Net Position	\$ <u>14,575,369</u>

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

The following summarized information was derived from the Statement of Activities for the year ending June 30, 2020:

<b>Revenues:</b>	
Property taxes	\$ 9,336,580
Personal property replacement tax	91,371
Interest income	191,306
Per Capita Grant	74,803
Donations and gifts	4,118
Fines, fees, and other	<u>95,123</u>
Total revenues	<u>9,793,301</u>
<b>Expenses:</b>	
Personnel	4,909,327
Library materials	592,052
Operating expenses	1,105,301
Debt service, interest and fees	282,369
Social Security and IMRF	753,226
Depreciation and amortization	1,365,589
Change in deferred pension inflows and (outflows)	1,977,976
Current year pension liability decrease	( <u>1,937,685</u> )
Total expenses	<u>9,048,155</u>
Change in net position	<u>745,146</u>
Net position, beginning of year	18,309,333
Prior period restatement, see Note 12	( <u>4,479,110</u> )
Net position, beginning of year, as restated	<u>13,830,223</u>
Net position, end of year	\$ <u>14,575,369</u>

**Governmental activities.** Governmental activities increased the District's net assets by \$745,146. This increase was primarily attributable to significant positive net change in deferred pension inflows and outflows, which was offset by an increase in the net pension liability for the District's IMRF pension fund as well as an increase in property tax revenues in FY2020.

Personnel costs increased approximately 1.4% over FY2019 personnel costs. This increase was due primarily to a 1.9% COLA increase in July 2019 and merit increases of approximately 1.5% administered in January 2020. These increases were partially offset by savings from restructuring some staff positions after some retirements and other staff departures.

Library materials increased approximately 8.73% partially due to increased costs from vendors, both print and digital copies, in addition to an expansion of the types of items being circulated by the Library such as Roku and mobile hotspots.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

Operating expenses remained relatively stable. Debt service costs increased approximately 80.3% due to interest due on the \$4,433,000 general obligation debt certificate which was issued in FY2019 to help fund the expansion/renovation project for the Aspen Drive Library location in Vernon Hills, Illinois. The Library continues to pay down the principal on the outstanding debt certificates. Social Security and IMRF expenses increased by approximately 2.2% due primarily to an increase in the contribution rate for the Library's IMRF contributions for its employees.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

As of the end of the current fiscal year, the District's governmental funds had combined ending fund balances of \$6,589,139. Approximately 45.3% of this total amount, \$2,981,810 constitutes unassigned fund balance, which is available for spending during the 2020-2021 fiscal year. Of the restricted fund balance of \$167,937, \$15,474 represents amounts that have been received from donors for specific use purposes that had not been totally expended as of the end of the fiscal year. The remaining restricted fund balance of \$152,463 is for use in the IMRF and Social Security Fund to cover the cost of those respective benefits for District employees. The assigned portion of the District's net position, \$280,000 as of June 30, 2020, represent amounts set aside by the District to cover the estimated cost of computer replacements in approximately three years and to establish a reserve for the possible replacement of the bookmobile at the end of its useful life. The committed fund balances of \$3,139,620 are not available for general operational spending because they have been committed for the specific purpose of each special revenue and working cash funds. The majority of the committed fund balances, \$2,583,844, has been assigned for capital projects by legislative action of the Board of Trustees. The remaining \$555,776 in committed fund balances is in the Working Cash Fund and is to be used to cover cash shortfalls in other funds in the event of any unexpected expenditures or delays in receiving property tax or other revenues. The nonspendable fund balance of \$19,772 relates to prepaid expenditures paid prior to June 30, 2020.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS, CONTINUED**

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,981,810. Unassigned fund balance represents 36.9% of the total General Fund expenditures for the current year. For the District's General Fund, revenues exceeded expenditures by \$914,563 for fiscal year 2020. The fund balances of the District's General Fund increased by \$99,563 after a \$815,000 transfer from the General Fund to the Special Reserve Fund during the current fiscal year.

Property tax revenues totaled \$9,336,580 for the year ended June 30, 2020 which includes \$110,762 of revenue recognized due to a TIF surplus payment. The District received 99.77% of the 2018 tax levy. Revenue recognized from personal property replacement tax, interest income, per capita grant income, donations and gifts and fines and fees during FY2020 was consistent with the revenue recognized in FY2019.

Personnel costs incurred during FY2020 of \$4,860,247, remained consistent with FY2019, as the change in personnel costs was an increase of less than 1%.

All other operating expenses remained relatively stable with a \$6,438 decrease (less than 1%)

Improvements and capital projects expenditures was \$3,596,827 in FY2020 and \$2,845,718 in FY2019. This significant amount of capital project expenditures was due to the expansion/renovation project at the Vernon Hills location which was completed in FY2020. The Library added approximately 15,000 square feet and renovated the majority of the existing building. The completed project offers the patrons a new dedicated children's area, a quiet study room for adults and a flex/maker space that will allow the library to offer expanded programming and services.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's General Fund expended \$8,082,938 during FY2020, which was significantly less than the budget appropriation of \$9,292,000. The appropriation sets the maximum spending limits for the fiscal year.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District's investment in capital assets for governmental activities as of June 30, 2020 amounts to \$20,829,813, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, vehicles, furniture and equipment, and library materials. The total increase net of depreciation in the District's investment in capital assets for the current fiscal year was \$2,815,481, which is primarily due to the expansion/renovation project at the Vernon Hills location which was started in January 2019. The District also increased its library materials by \$529,800. These increases were partially offset by the current year's depreciation expense. Details of the District's capital assets are contained in Note 5 of the accompanying financial statements.

As of June 30, 2020, the District had general obligation debt certificates outstanding of \$10,598,000. Additional information regarding the District's debt can be found in Note 6 of the accompanying financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Management currently is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future. The operating budget for the General Fund and the IMRF and Social Security Fund for the fiscal year ending June 30, 2021 has increased \$168,739, or 1.74%. This increase is due primarily to an increase of \$70,000 in Employee Benefits due to a 15% increase in health insurance premiums and an increase of \$84,000 in debt service due to the additional debt certificates issued for the Aspen Drive Library expansion/renovation.

Due to COVID-19 and its possible impact on the economy, there could be some delays with regards to the timing of the collection of the District's property tax revenues. Management does not believe that any issues will result in permanent reductions in property tax revenues. But to be conservative, the allowance for uncollectible property taxes in the FY2021 budget was tripled. The General Fund has \$2,981,810 of unassigned fund balance that would be more than able to cover any temporary or permanent shortfalls, if any.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Cook Memorial Public Library District's finances for those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Library Director, Cook Memorial Public Library District, 413 N. Milwaukee Avenue, Libertyville, IL 60048.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**STATEMENT OF NET POSITION**

**JUNE 30, 2020**

**ASSETS**

		<u>GOVERNMENTAL ACTIVITIES</u>
Cash and cash equivalents	\$	8,850,654
Investments		1,809,000
Property taxes receivable		5,467,141
Other receivables		107,045
Prepaid expenses		19,772
Capital assets:		
Nondepreciable		1,008,500
Depreciable, net of accumulated depreciation		19,821,313
		<u>37,083,425</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related items		<u>676,596</u>
-----------------------	--	----------------

**LIABILITIES**

Accounts payable and other liabilities		4,068
Payroll liabilities		182,170
Noncurrent liabilities:		
Due within one year		860,836
Due in more than one year		11,680,675
		<u>12,727,749</u>

**DEFERRED INFLOWS OF RESOURCES**

Property taxes levied for future period		9,478,235
Pension related items		978,668
		<u>10,456,903</u>

**NET POSITION**

Net investment in capital assets		10,231,813
Restricted for		
Employee retirement		152,463
Specific purpose by donor		15,474
Unrestricted		4,175,619
		<u>14,575,369</u>
	\$	<u>14,575,369</u>

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

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2020**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSES) REVENUES & CHANGE IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Primary government				
Governmental activities -				
General government	\$ 9,048,155	85,544	78,921	(8,883,690)
General revenues:				
Taxes:				
Property				\$ 9,336,580
Personal property replacement tax				91,371
Interest income				191,306
Other income				9,579
				9,628,836
Total general revenues				
				745,146
Change in net position				
Net position, beginning of year				18,309,333
Prior period restatement, see Note 12				(4,479,110)
Net position, beginning of year as restated				13,830,223
Net position, end of year				\$ 14,575,369

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

**FUND FINANCIAL STATEMENTS**

COOK MEMORIAL PUBLIC LIBRARY DISTRICT, LAKE COUNTY, ILLINOIS

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2020

	MAJOR FUNDS			OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
	GENERAL	SPECIAL RESERVE	IMRF AND SOCIAL SECURITY		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,413,882	1,745,393	474,603	216,776	8,850,654
Investments	735,000	735,000	-	339,000	1,809,000
Property taxes receivable	5,028,066	-	439,075	-	5,467,141
Other receivables	3,594	103,451	-	-	107,045
Prepaid expenditures	19,772	-	-	-	19,772
	<u>\$ 12,200,314</u>	<u>2,583,844</u>	<u>913,678</u>	<u>555,776</u>	<u>16,253,612</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and other liabilities	\$ 4,068	-	-	-	4,068
Payroll liabilities	182,170	-	-	-	182,170
	<u>186,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,238</u>
Deferred inflows of resources - Property taxes levied for future period	8,717,020	-	761,215	-	9,478,235
Fund balances:					
Nonspendable - Prepaid expenditures	19,772	-	-	-	19,772
Restricted:					
Employee retirement	-	-	152,463	-	152,463
Specific purpose by donor	15,474	-	-	-	15,474
Committed:					
Special reserve	-	2,583,844	-	-	2,583,844
Working cash	-	-	-	555,776	555,776
Assigned - Capital projects	280,000	-	-	-	280,000
Unassigned	2,981,810	-	-	-	2,981,810
	<u>3,297,056</u>	<u>2,583,844</u>	<u>152,463</u>	<u>555,776</u>	<u>6,589,139</u>
	<u>\$ 12,200,314</u>	<u>2,583,844</u>	<u>913,678</u>	<u>555,776</u>	<u>16,253,612</u>

Amounts reported for governmental activities in the statement of net position are different because:

Fund balance (above).	\$ 6,589,139
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	20,829,813
Net pension liability is not reported in the governmental funds.	(1,738,716)
Compensated absences are not reported in the governmental funds.	(204,795)
Long-term debt obligations are not reported in the governmental funds.	(10,598,000)
Net deferred inflows and outflows of resources related to pensions are not reported in the governmental funds.	(302,072)
Net position of governmental activities.	<u>\$ 14,575,369</u>

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

COOK MEMORIAL PUBLIC LIBRARY DISTRICT, LAKE COUNTY, ILLINOIS

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

YEAR ENDED JUNE 30, 2020

	MAJOR FUNDS			OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
	GENERAL	SPECIAL RESERVE	IMRF AND SOCIAL SECURITY		
<b>Revenues:</b>					
Property taxes	\$ 8,597,609	-	738,971	-	9,336,580
Personal property replacement tax	91,371	-	-	-	91,371
Interest income	134,477	56,829	-	-	191,306
Per Capita Grant	74,803	-	-	-	74,803
Donations and gifts	4,118	-	-	-	4,118
Fines and fees	76,679	-	-	-	76,679
Program fees	8,865	-	-	-	8,865
Other income	9,579	-	-	-	9,579
	<u>8,997,501</u>	<u>56,829</u>	<u>738,971</u>	<u>-</u>	<u>9,793,301</u>
<b>Expenditures:</b>					
Current -					
Culture and recreation	7,141,843	-	753,226	-	7,895,069
Capital outlay	43,726	3,553,101	-	-	3,596,827
Debt service					
Principal	615,000	-	-	-	615,000
Interest and fees	282,369	-	-	-	282,369
	<u>8,082,938</u>	<u>3,553,101</u>	<u>753,226</u>	<u>-</u>	<u>12,389,265</u>
Excess (deficiency) of revenues over expenditures	914,563	(3,496,272)	(14,255)	-	(2,595,964)
<b>Other financing sources (uses) -</b>					
Transfers in (out)	(815,000)	815,000	-	-	-
Net increase (decrease) in fund balances	<u>99,563</u>	<u>(2,681,272)</u>	<u>(14,255)</u>	<u>-</u>	<u>(2,595,964)</u>
Fund balances, beginning of year, as originally stated	7,575,624	5,954,702	529,918	555,776	14,616,020
Prior period restatement, see Note 12	(4,378,131)	(689,586)	(363,200)	-	(5,430,917)
Fund balances, beginning of year as restated	<u>3,197,493</u>	<u>5,265,116</u>	<u>166,718</u>	<u>555,776</u>	<u>9,185,103</u>
Fund balances, end of year	<u>\$ 3,297,056</u>	<u>2,583,844</u>	<u>152,463</u>	<u>555,776</u>	<u>6,589,139</u>
<b>Reconciliation to statement of activities, change in net position:</b>					
Net change in fund balances - total governmental funds (above).				\$	(2,595,964)
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds capital depreciation.					2,815,481
Change in the net pension liability is not reported in governmental funds.					1,937,685
Debt certificates proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of changes in fund balance. This is the amount by which proceeds exceed repayments					615,000
Change in compensated absences is not reported in governmental funds.					(49,080)
Change in deferred inflows and outflows of resources related to pensions not reported as expenditures in the governmental funds.					(1,977,976)
Change in net position of governmental activities				\$	<u>745,146</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - NATURE OF OPERATIONS**

Cook Memorial Public Library District (District) is an Illinois local government. The District maintains two facilities, the Aspen Drive Library, Vernon Hills, and the Cook Park Library, Libertyville and operates a traveling bookmobile. The District's mission is to provide and promote open access to information, ideas, and creative expression and to encourage life-long learning and personal growth.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The more significant accounting policies are described below.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

The Reporting Entity

The District is a body and politic established under Illinois Compiled Statutes governed by an elected Board of Trustees. These financial statements present the District's reporting entity as required by accounting principles generally accepted in the United States of America. The District is considered to be a primary government since its Board of Trustees is separately elected and the District is fiscally independent.

The District has developed criteria to determine whether organizations with separate governing boards meet the criteria of a component unit. The criteria include whether the potential component unit is legally separate, and whether the District is financially accountable for the organization. There is no entity included as a component unit, and the District is not considered to be a component unit of any other government unit.

Fund Accounting

The accounts of the District are organized and operated on the basis of funds, each of which is considered a separate self-balancing accounting entity. Government resources are allocated to and accounted for by individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Fund Accounting, Continued

Governmental Funds

Governmental funds are used to account for all of the District's general activities, including the collection and disbursement of restricted, committed or assigned monies (Special Revenue Fund) and the funds committed restricted or assigned for the acquisition of construction of general capital assets (Capital Projects Fund). The General Fund is used to account for all activities of the District not accounted for in another fund.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material inter-fund activity has been eliminated from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program 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 standard revenues 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.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Government-wide and Fund Financial Statements, Continued

The District reports the following major governmental funds:

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

The Special Reserve Fund, a Capital Projects Fund, is used to account for capital projects of the District.

The IMRF/Social Security Fund, a Special Revenue Fund, is used to account for the accumulation of resources that are restricted or assigned for the payment of FICA, Medicare and IMRF in the governmental funds.

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 and additions are recorded when earned, and expenses and deductions 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.

The governmental fund financial statements are accounted for using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liabilities are incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, personal property replacement taxes, interest income and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

The District reports deferred/unavailable revenues and unearned revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the District 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 revenue recognition criteria are met, or when the District has a legal claim to the resources, the deferred inflow for deferred or unavailable revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

Cash and Cash Equivalents

The District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Deposits and Investments

State statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, certificates of deposits, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. The state of Illinois provides regulatory oversight of The Illinois Funds. The Illinois Funds is not registered with the Securities and Exchange Commission as an investment company. The Illinois Funds operates as a qualified external investment pool in accordance with the criteria established in Government Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost.

Investments with maturity greater than one year at time of purchase are stated at fair value.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Deposits and Investments, Continued

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's investment advisor uses Level 2 inputs to determine the fair value of the negotiable certificates of deposit at June 30, 2020.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for governmental activities include property taxes. As of June 30, 2020, an allowance for uncollectible accounts receivable was not deemed necessary.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000, except for library materials, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost 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 and equipment are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15 - 20 years
Building and improvements	40 years
Furniture and equipment	5 - 20 years
Vehicles	8 years
Automated library system	5 years
Library materials	7 years

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Compensated Absences

The District provides paid vacation for all full-time employees based on their job classification or the number of years of service, with one or two weeks' carryover allowed for unused vacation, depending on how much vacation each employee earns annually, as follows:

Full-time librarians with an MLS degree and department managers	4 paid weeks
1 - 5 years	2 paid weeks
6 - 13 years	3 paid weeks
14 - 20 years	4 paid weeks
Over 20 years	5 paid weeks

The District uses the employee's vacation year for vacation accrual calculation purposes. Vacation pay is accrued for at year end in the government-wide financial statements.

In addition, all full-time employees accrue sick leave at the rate of one day per month to a maximum of 240 working days. Since these accumulated sick days are not payable when the employee leaves employment there is no sick pay accrued at year end.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position. Bond premiums and discounts, as well as gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Gains (losses) on refundings are reported as deferred inflows (outflows) of resources. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate category called deferred outflows of resources, which represents a consumption of net position or fund balance that applies to a future period. Deferred outflows of resources are considered by GASB to be separate and distinct from assets. The District reports deferred outflows of resources related to pension related items.

In addition to liabilities, the statement of net position includes a separate category called deferred inflows of resources, which represents an acquisition of net position that applies to a future period. Deferred inflows of resources are considered by GASB to be separate and distinct from liabilities. The District reports deferred inflows of resources related to pension related items and property taxes levied for a future period.

Net Position

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

- Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and less any long-term debt principal outstanding issued to construct or purchase capital assets.
- Restricted – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted – all other net position balances that do not meet the definition of “restricted.”

Net Position Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Fund Balances

Fund balances of government funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

- Nonspendable 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 the highest level of decision-making authority (the Board of Trustees); to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the General Fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through the 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 the adoption or amendment of the budget as intended for specific purpose.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unassigned fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Budgets

The District's budget is prepared on the modified accrual basis of accounting. As prescribed by the statutes, the District in its budgeting process includes as a resource (amount available for current expenditures) a portion of the fund balance that has been accumulated in prior years. The budgets must be approved within 90 days after the beginning of the fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Board of Trustees adopts a Budget Resolution.
2. Notice is published in the paper that the tentative Annual Budget and Appropriation Ordinance are available for public inspection.
3. Budget hearings are conducted, 30 days after publication.
4. The budget is legally enacted through passage of an ordinance by the Board of Trustees.
5. The budget may be amended by the Board of Trustees.
6. Budgets are adopted on a basis consistent with the prior year.
7. A certified copy of the Annual Budget and Appropriation Ordinance must be filed with the County Clerk within 30 days of adoption.

During the year ended June 30, 2020, there were no amendments to the operating budget. The original and final budget amounts presented within the required supplementary information represent the original operating budget and the final operating budget. The budget was approved on August 20, 2019.

Interfund Transactions

Interfund services are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

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

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Accounting Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets, liabilities, and deferred outflows/inflows of resources; the disclosure of contingent assets and liabilities; and the reported revenues and expenses/expenditures. Significant estimates used in preparing the government-wide financial statements include the assumptions used to determine the net pension liability and the related deferred outflows/inflows of resources. It is at least reasonably possible that the significant estimates used will change within the next year.

Subsequent Events

Subsequent events have been evaluated through November 18, 2020, the date that the financial statements were available for issue.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Cash and cash equivalents as of June 30, 2020 was comprised of the following:

Cash on hand	\$	685
Deposits with financial institutions		8,560,366
The Illinois Funds		<u>289,603</u>
	\$	<u>8,850,654</u>

Deposits

Custodial credit risk for deposits with financial institutions is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District's deposit policy for custodial credit risk requires that funds in excess of Federal Deposit Insurance Corporation (FDIC) limits be collateralized. As of June 30, 2020, \$4,522,757 of the District's bank balances of \$8,726,274 was exposed to custodial credit risk and classified as follows.

Uninsured and collateralized by:

Securities held by the pledging financial institutions	\$	4,123,291
Irrevocable letter of credit		<u>399,466</u>
	\$	<u>4,522,757</u>

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 3 - DEPOSITS AND INVESTMENTS, CONTINUED**

Investments

As of June 30, 2020, the District had the following investments:

<u>TYPE OF INVESTMENT</u>	<u>FAIR VALUE</u>	<u>AVERAGE CREDIT/ QUALITY RATINGS (1)</u>	<u>WEIGHTED AVERAGE DAYS TO MATURITY (2)</u>
Certificates of deposit - negotiable	\$ <u>1,809,000</u>	N/A	< 1 year

(1) Ratings are provided where applicable to indicate associated Credit Risk.

(2) Interest Rate Risk is estimated using weighted average days to maturity.

Investment Policies

The District's investments are subject to the following risks:

*Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment.

*Credit risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

*Concentration of credit risk* is the risk of loss attributed to the magnitude of the District's investment in a single issuer.

*Custodial credit risk* is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party.

The District does not have a specific policy to address the above risks. The District has considered these risks in the District's investments and does not believe it is exposed to any significant interest rate or credit risks.

The investments in money market accounts held in The Illinois Funds are rated AAAM by Standards & Poor's.

The negotiable certificates of deposit are covered by federal depository insurance.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 4 - REVENUE RECOGNITION - PROPERTY TAXES**

The District's property tax is levied each year on all taxable real property located in the District on or before the last day in December. The lien date for the levy is January 1. The Board of Library Trustees approved the 2019 tax levy on November 19, 2019. The tax levy is divided into two billings: the first billing is made on or about June 1 of the following year and the second billing is made on or about September 1 of the following year.

The District receives significant distributions of tax receipts approximately one month after these due dates. Revenue is recognized on the current year's levy in conjunction with the amount budgeted by the Board for the current year with the unrecognized amount being recorded as a deferred inflow of resources.

**NOTE 5 - CAPITAL ASSETS**

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

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>TRANSFERS</u>	<u>ENDING BALANCE</u>
<b><u>Governmental Activities:</u></b>					
Capital assets not being depreciated:					
Construction in progress	\$ 2,926,238	-	-	( 2,926,238)	-
Aspen Drive land	<u>1,008,500</u>	-	-	-	<u>1,008,500</u>
	<u>\$ 3,934,738</u>	<u>-</u>	<u>-</u>	<u>( 2,926,238)</u>	<u>1,008,500</u>
Capital assets being depreciated:					
Buildings and improvements	\$ 15,571,809	3,129,642	-	2,926,238	21,627,689
Furniture and equipment	2,081,648	464,840	-	-	2,546,488
Vehicles	224,914	-	-	-	224,914
Automated library system and other software	278,374	56,788	-	-	335,162
Library materials	<u>8,730,274</u>	<u>529,800</u>	-	-	<u>9,260,074</u>
	<u>26,887,019</u>	<u>4,181,070</u>	<u>-</u>	<u>2,926,238</u>	<u>33,994,327</u>

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 5 - CAPITAL ASSETS, CONTINUED**

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>TRANSFERS</u>	<u>ENDING BALANCE</u>
<b><u>Governmental Activities:</u></b>					
Less accumulated depreciation for:					
Buildings and improvements	\$ 4,416,523	509,171	-	-	4,925,694
Furniture and equipment	1,292,565	234,368	-	-	1,526,933
Vehicles	194,761	7,033	-	-	201,794
Automated library system and other software	254,630	8,146	-	-	262,776
Library materials	<u>6,648,946</u>	<u>606,871</u>	<u>-</u>	<u>-</u>	<u>7,255,817</u>
	<u>12,807,425</u>	<u>1,365,589</u>	<u>-</u>	<u>-</u>	<u>14,173,014</u>
Capital assets, net	\$ <u>18,014,332</u>	<u>2,815,481</u>	<u>-</u>	<u>-</u>	<u>20,829,813</u>

The land at the Cook Park facility is owned by the municipality and not the District.

**NOTE 6 - LONG-TERM LIABILITIES**

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

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING BALANCE</u>	<u>DUE WITHIN ONE YEAR</u>
<b><u>Governmental Activities:</u></b>					
Long-term debt	\$ 11,213,000	-	( 615,000)	10,598,000	697,000
Net pension liability	3,676,401	-	( 1,937,685)	1,738,716	-
Compensated absences	<u>155,715</u>	<u>173,652</u>	<u>( 124,572)</u>	<u>204,795</u>	<u>163,836</u>
	<u>\$ 15,045,116</u>	<u>173,652</u>	<u>( 2,677,257)</u>	<u>12,541,511</u>	<u>860,836</u>

The long-term debt obligations, net pension liability and compensated absences will be liquidated by the General Fund of the District.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 6 - LONG-TERM LIABILITIES, CONTINUED**

Long-term debt at June 30, 2020 consisted of the following general obligation debt certificates:

Twelve-year debt certificates, \$3,390,000 original issue, dated November 4, 2015 with interest rate of 2.313%, maturing February 2028	\$ 2,325,000
Twelve-year debt certificates, \$4,845,000 original issue, dated November 15, 2016 with interest rate of 1.84%, maturing February 2029	3,840,000
Twenty-year debt certificates, \$4,433,000 original issue, dated February 19, 2019 with interest rate of 3.62%, maturing February 2039	<u>4,433,000</u>
Outstanding principal at June 30, 2020	10,598,000
Less current portion	<u>697,000</u>
	\$ <u><u>9,901,000</u></u>

Principal and interest payments due on long-term debt during each of the next five years and to maturity are as follows:

	PRINCIPAL	INTEREST	TOTAL
2021	\$ 697,000	284,908	981,908
2022	712,000	269,453	981,453
2023	728,000	253,629	981,629
2024	744,000	237,426	981,426
2025	761,000	220,792	981,792
2026 - 2030	3,312,000	845,939	4,157,939
2031 - 2035	1,879,000	528,342	2,407,342
2036 - 2039	<u>1,765,000</u>	<u>162,578</u>	<u>1,927,578</u>
	<u>\$ 10,598,000</u>	<u>2,803,067</u>	<u>13,401,067</u>

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 6 - LONG-TERM LIABILITIES, CONTINUED**

The District's legal debt margin at June 30, 2020 is calculated as follows:

Assessed valuation – 2019 tax year	\$ <u>3,343,941,545</u>
Statutory debt limitation (2.875% of assessed valuation)	\$ <u>96,138,319</u>

Under Chapter 50, Section 405-1.21 of the Illinois Compiled Statutes, the District's general obligation debt at June 30, 2020 in the amount of \$10,598,000 is considered exempt from the legal debt margin calculation.

**NOTE 7 - OPERATING LEASES**

The District leases copiers and computer equipment under various operating leases which require monthly rental payments from \$16 to \$511 and expire at various dates through June 2024. Rent expense included in operations under these lease agreements totaled \$8,155 during the fiscal year ended June 30, 2020.

The aggregate future minimum lease commitment on these leases as of June 30, 2020 was as follows:

2021	\$ 8,155
2022	4,576
2023	2,019
2024	<u>2,019</u>
	\$ <u>16,769</u>

**NOTE 8 - RISK MANAGEMENT**

The District purchases commercial insurance to minimize its risk from loss relating to thefts or damage to property, and liability and workers' compensation claims. There were no significant reductions in insurance coverage from the prior year and no settlements exceeded the insurance coverage for each of the past three years.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 9 - DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This deferred compensation plan, available to all District employees, permits employees 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. According to GASB 32, the District does not report these funds in its financial statements.

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS**

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

**NOTE 11 - DEFINED BENEFIT PENSION PLAN**

**Plan Description**

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

**Benefits Provided**

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

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN, CONTINUED**

Benefits Provided, Continued

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for each of the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Employees Covered by Benefit Terms

The Plan contains the following number and classes of employees:

Retirees and beneficiaries	84
Inactive, non-retired members	42
Active members	<u>87</u>
Total	<u><u>213</u></u>

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN, CONTINUED**

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2019 was 10.39%. For the fiscal year ended June 30, 2020, the District contributed \$428,737 to the Plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retirees, an IMRF-specific Mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN, CONTINUED**

Actuarial Assumptions, Continued

- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

	<b>Portfolio</b>	<b>Long-Term</b>
	<b>Target</b>	<b>Expected</b>
<b>Asset Class</b>	<b>Percentage</b>	<b>Real Rate</b>
		<b>of Return</b>
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	7%	5.20%
Alternative Investments	9%	3.60-7.60%
Cash Equivalents	1%	1.85%
Total	100%	

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability as of December 31, 2019. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN, CONTINUED**

Single Discount Rate, Continued

2. The tax-exempt municipal bond rate based on an index of twenty-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	PENSION LIABILITY (A)	PLAN NET POSITION (B)	NET PENSION LIABILITY (A) – (B)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances at December 31, 2018	\$ 21,356,786	17,680,385	3,676,401
Changes for the year:			
Service cost	385,145	-	385,145
Interest on the total pension liability	1,521,640	-	1,521,640
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	196,732	-	196,732
Changes of assumptions	-	-	-
Contributions – District	-	386,561 (	386,561)
Contributions – employees	-	174,408 (	174,408)
Net investment income	-	3,371,907 (	3,371,907)
Benefit payments, including refunds of employee contributions	( 1,122,454)	( 1,122,454)	-
Other (net transfer)	-	108,326 (	108,326)
Net changes	<u>981,063</u>	<u>2,918,748</u> (	<u>1,937,685)</u>
Balances at December 31, 2019	\$ <u>22,337,849</u>	<u>20,599,133</u>	<u>1,738,716</u>

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN, CONTINUED**

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

The following presents the District's net pension liability calculated using the discount rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

	<u>1 % Decrease (6.25%)</u>	<u>Current (7.25%)</u>	<u>1 % Increase (8.25%)</u>
Net pension liability	\$ <u>4,283,955</u>	<u>1,738,716</u>	( <u>385,040</u> )

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

For the year ended June 30, 2020, the District recognized pension expenses of \$469,030. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
Deferred amounts to be recognized in pension expense in future periods:			
Differences between expected and actual experience	\$ 228,796	-	228,796
Assumption changes	214,894	( 85,778)	129,116
Net differences between projected and actual earnings on pension plan investments	<u>-</u>	( <u>892,890</u> )	( <u>892,890</u> )
Total deferred amounts to be recognized in pension expense in future periods	<u>443,690</u>	( <u>978,668</u> )	( <u>534,978</u> )
Pension contributions made subsequent to the measurement date	<u>232,906</u>	<u>-</u>	<u>232,906</u>
Total deferred amounts related to pensions	\$ <u>676,596</u>	( <u>978,668</u> )	( <u>302,072</u> )

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN, CONTINUED**

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

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

<u>Year ending December 31,</u>	<u>Net Deferred Inflows of Resources</u>
2020	\$ ( 45,035)
2021	( 158,379)
2022	89,738
2023	( 421,302)
2024	-
Thereafter	_____ -
	\$ ( <u>534,978</u> )

**NOTE 12 - PRIOR PERIOD RESTATEMENTS**

For the year ended June 30, 2020, management elected to adjust the presentation of the financial statements to correct the presentation of items that were not in accordance with accounting principles generally accepted in the United States of America (GAAP).

The presentation of the fund financial statements was changed from a cash basis presentation to the modified accrual basis of accounting to be in accordance with GAAP. This resulted in a restatement to decrease fund balances by \$5,430,917 as of July 1, 2019 and is presented on the statement of revenues, expenditures and changes in fund balances – governmental funds.

Additionally, management performed an analysis of net position as of July 1, 2019 and determined that bond issuance costs were improperly included as an asset in the prior year, property tax revenues were not recorded in accordance with the tax levy awarded to the District and deferred outflows related to pension contributions made subsequent to the measurement date were not properly included in the government-wide financial statements. This resulted in a restatement to decrease net position by \$4,479,110 as of the beginning of the year and is presented on the statement of activities.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**NOTE 13 - COVID-19 IMPACT**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States of America. The extent of the impact of COVID-19 on the operational and financial performance of the District will depend on certain developments, including the duration and spread of the outbreak, impact on the contributors, employees and vendors of the District, all of which are uncertain and cannot be predicted. At this time, the extent to which COVID-19 may impact the financial condition or results of operations of the District is uncertain.

**REQUIRED SUPPLEMENTARY INFORMATION**

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

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

**YEAR ENDED JUNE 30, 2020**

	<u>APPROPRIATION</u>	<u>BUDGET</u>	<u>ACTUAL</u>
<b>Revenues:</b>			
Taxes:			
Property taxes	\$ 8,560,000	8,597,609	8,597,609
Personal property replacement tax	65,000	91,371	91,371
Interest income	50,000	134,477	134,477
Per Capita Grant	55,000	74,803	74,803
Donations and gifts	-	4,118	4,118
Fines and fees	111,100	76,679	76,679
Program fees	4,000	8,865	8,865
Other income	8,400	9,579	9,579
Total revenues	8,853,500	8,997,501	8,997,501
 <b>Expenditures:</b>			
Current:			
Personnel:			
Salaries	\$ 4,650,000	4,537,000	4,396,162
Benefits	510,000	471,000	440,275
Staff development	72,000	67,000	23,810
	5,232,000	5,075,000	4,860,247
Library materials	1,230,000	1,180,000	1,121,852
 Operating expenses:			
Processing	39,000	37,000	36,991
Supplies	140,000	121,000	103,476
Vehicle operation	36,000	28,000	9,190
Computer operation	512,000	442,000	416,972
Utilities	215,000	194,000	167,860
Telephone	35,000	27,000	24,981
Postage	15,000	11,500	6,466
Maintenance	210,000	190,000	114,172
Repairs	150,000	130,000	72,456
Insurance	65,000	58,000	47,029
Professional services	82,000	69,000	39,197
Community relations	185,000	176,000	120,954
Rent	5,000	-	-
	1,689,000	1,483,500	1,159,744
Contingencies	\$ 50,000	50,000	-

Continued on page 40

See independent auditor's report.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

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

**YEAR ENDED JUNE 30, 2020  
(CONTINUED)**

	<u>APPROPRIATION</u>	<u>BUDGET</u>	<u>ACTUAL</u>
Capital outlay	\$ <u>181,000</u>	<u>165,000</u>	<u>43,726</u>
Debt service:			
Principal	910,000	615,000	615,000
Interest and fees	<u>-</u>	<u>285,000</u>	<u>282,369</u>
	<u>910,000</u>	<u>900,000</u>	<u>897,369</u>
Total expenditures	\$ <u><u>9,292,000</u></u>	<u>8,853,500</u>	<u>8,082,938</u>
Excess of revenues over expenditures		\$ <u><u>-</u></u>	914,563
<b>Other financing sources -</b>			
Transfers out			<u>(815,000)</u>
Net increase in fund balance			<u>99,563</u>
Fund balances, beginning of year, as originally stated			7,575,624
Prior period restatement, see Note 12			<u>(4,378,131)</u>
Fund balances, beginning of year as restated			<u>3,197,493</u>
Fund balances, end of year			\$ <u><u>3,297,056</u></u>

See independent auditor's report.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - APPROPRIATION, BUDGET AND ACTUAL  
SPECIAL RESERVE FUND**

**YEAR ENDED JUNE 30, 2020**

	<u>APPROPRIATION</u>	<u>BUDGET</u>	<u>ACTUAL</u>
<b>Revenues -</b>			
Interest		\$ -	56,829
Total revenues		-	56,829
<b>Expenditures -</b>			
Capital outlay	\$ 5,600,000	-	3,553,101
Total expenditures	<u>\$ 5,600,000</u>	-	3,553,101
Deficiency of revenues over expenditures		\$ -	(3,496,272)
<b>Other financing uses:</b>			
Transfers in			815,000
Net decrease in fund balance			(2,681,272)
Fund balances, committed, beginning of year, as originally stated			5,954,702
Prior period restatement, see Note 12			(689,586)
Fund balances, committed, beginning of year as restated			5,265,116
Fund balances, committed, end of year			\$ <u>2,583,844</u>

See independent auditor's report.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - APPROPRIATION, BUDGET AND ACTUAL  
IMRF AND SOCIAL SECURITY FUND**

**YEAR ENDED JUNE 30, 2020**

	<u>APPROPRIATION</u>	<u>BUDGET</u>	<u>ACTUAL</u>
<b>Revenues -</b>			
Taxes -			
Property taxes		\$ <u>736,000</u>	<u>738,971</u>
<b>Expenditures -</b>			
Culture and recreation -			
Social Security and IMRF	\$ <u>860,000</u>	<u>822,638</u>	<u>753,226</u>
Total expenditures	\$ <u><u>860,000</u></u>	<u>822,638</u>	<u>753,226</u>
Deficiency of revenue over expenditures		\$ <u><u>(86,638)</u></u>	<u>(14,255)</u>
Fund balances, committed, beginning of year, as originally stated			529,918
Prior period restatement, see Note 12			<u>(363,200)</u>
Fund balances, committed, beginning of year as restated			<u>166,718</u>
Fund balances, committed, end of year		\$	<u><u>152,463</u></u>

See independent auditor's report.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
(LAST 10 CALENDAR YEARS, AS AVAILABLE)  
YEARS ENDED DECEMBER 31, 2019, 2018, 2017, 2016, 2015 AND 2014**

	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 385,145	363,495	373,662	372,295	360,561	380,529
Interest on the total pension liability	1,521,640	1,462,915	1,441,133	1,373,230	1,283,279	1,198,261
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience of the total pension liability	196,732	183,515	155,880	157,308	496,699	(352,253)
Changes of assumptions	-	548,580	(646,775)	(85,881)	40,855	770,231
Benefit payments, including refunds of employee contributions	(1,122,454)	(1,051,008)	(1,005,786)	(1,015,082)	(855,893)	(801,683)
Net change in total pension liability	981,063	1,507,497	318,114	801,870	1,325,501	1,195,085
Total pension liability, beginning	21,356,786	19,849,289	19,531,175	18,729,305	17,403,804	16,208,719
Total pension liability, ending	22,337,849	21,356,786	19,849,289	19,531,175	18,729,305	17,403,804
Plan fiduciary net position:						
Contribution - employer	386,561	450,110	432,283	416,346	423,441	384,647
Contribution - employee	174,408	164,407	157,512	165,846	156,355	143,830
Net investment income	3,371,907	(1,070,126)	3,004,996	1,076,486	77,567	914,607
Benefit payments, including refunds of employee contributions	(1,122,454)	(1,051,008)	(1,005,786)	(1,015,082)	(855,893)	(801,683)
Other (net transfer)	108,326	368,105	(423,675)	225,414	331,609	(120,083)
Net change in plan fiduciary net position	2,918,748	(1,138,512)	2,165,330	869,010	133,079	521,318
Plan fiduciary net position, beginning	17,680,385	18,818,897	16,653,567	15,784,557	15,651,478	15,130,160
Plan fiduciary net position, ending	20,599,133	17,680,385	18,818,897	16,653,567	15,784,557	15,651,478
Net pension liability	\$ 1,738,716	3,676,401	1,030,392	2,877,608	2,944,748	1,752,326
Plan fiduciary net position as a percentage of the total pension liability	92.22%	82.79%	94.81%	85.27%	84.28%	89.93%
Covered payroll	\$ 3,720,514	3,653,494	3,500,269	3,365,768	3,315,165	3,178,852
Net pension liability as a percentage of covered payroll	46.73%	100.63%	29.44%	85.50%	88.83%	55.12%

See independent auditor's report.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF CONTRIBUTIONS  
(LAST 10 FISCAL YEARS, AS AVAILABLE)**

**YEARS ENDED JUNE 30, 2020, 2019, 2018, 2017, 2016, AND 2015**

Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered
2020	\$ 428,737	428,737	-	3,769,155	11.37%
2019	417,133	417,133	-	3,673,393	11.36%
2018	443,390	443,390	-	3,594,612	12.33%
2017	420,868	420,868	-	3,405,116	12.36%
2016	421,959	421,959	-	3,332,884	12.66%
2015	414,499	414,499	-	3,287,096	12.61%

See independent auditor's report.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**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 is 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:	Non-taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 24-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method:	5 year smoothed market; 20% corridor
Wage Growth:	3.25%
Price Inflation:	2.50%
Salary Increases:	3.35% to 14.25%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

See independent auditor's report.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(CONTINUED)**

Methods and Assumptions Used to Determine 2019 Contribution Rates, Continued:

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

**Other Information:**

**Notes** There were no benefit changes during the year.

\* Based on valuation assumptions used in the December 31, 2017, actuarial valuation.

See independent auditor's report.

**NON-MAJOR GOVERNMENTAL  
FUND SCHEDULES**

COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS

BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUND  
WORKING CASH FUND

JUNE 30, 2020

ASSETS

Cash and cash equivalents	\$	216,776
Investments		<u>339,000</u>
Total assets	\$	<u><u>555,776</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	\$	-
Fund balances, committed		<u>555,776</u>
	\$	<u><u>555,776</u></u>

See independent auditor's report.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - APPROPRIATION, BUDGET AND ACTUAL  
NON-MAJOR GOVERNMENTAL FUND  
WORKING CASH FUND**

**YEAR ENDED JUNE 30, 2020**

	<u>APPROPRIATION</u>	<u>BUDGET</u>	<u>ACTUAL</u>
<b>Revenues</b>		\$ <u>          -</u>	<u>          -</u>
<b>Expenditures</b>	\$ <u>          -</u>	<u>          -</u>	<u>          -</u>
Excess of revenues over expenditures		\$ <u>          -</u>	<u>          -</u>
Fund balances, committed:			
Beginning of year			<u>555,776</u>
End of year			\$ <u>555,776</u>

See independent auditor's report.

## **OTHER INFORMATION**

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT  
LAKE COUNTY, ILLINOIS**

**PROPERTY TAX, ASSESSED VALUATIONS AND RATES  
LAST THREE TAX LEVY YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assessed valuations	\$ <u>3,343,941,545</u>	<u>3,255,010,721</u>	<u>3,167,967,599</u>
Date adopted	11/19/2019	11/27/2018	11/14/2017
Tax rates (per one-hundred dollars of assessed value)			
General	0.260681	0.261597	0.262156
Social Security and IMRF	<u>0.022764</u>	<u>0.022482</u>	<u>0.022211</u>
	<u>0.283445</u>	<u>0.284079</u>	<u>0.284367</u>
Total extension	\$ <u>9,478,235</u>	<u>9,246,802</u>	<u>9,008,654</u>
Collected through June 30, 2020	\$ <u>4,011,093</u>	<u>9,225,731</u>	<u>9,004,135</u>
Percentage collected	<u>42.32%</u>	<u>99.77%</u>	<u>99.95%</u>

See independent auditor's report.