

VILLAGE OF WOODRIGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

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FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

May 28, 2019

Members of the Board of Trustees
Woodridge Public Library
Woodridge, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Woodridge Public Library, Woodridge, Illinois, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Woodridge Public Library, Woodridge, Illinois, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodridge Public Library, Illinois' basic financial statements. The individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison 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 individual fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

WOODRIDGE PUBLIC LIBRARY MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ending December 31, 2018

The discussion and analysis of the Woodridge Public Library provides a general review of the financial activities for the fiscal year ended December 31, 2018. The information presented should be considered in conjunction with additional information furnished in the notes to financial statements.

Background Statements

The Woodridge Public Library has been in existence since 1967. The form of governance of the Library and its pertinent legal basis are found in the Illinois Local Library Act as amended, currently 75 ILCS 5.

The Board of Trustees of the Woodridge Public Library is given statutory authority over the Library by the Illinois Local Library Act.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government Wide Financial Statements

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

The Statement of Net Position presents information on the Library's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the differences between the two reported as net position. Over time, increases or decreases in net position are an indicator of whether the financial position of the Library is improving or deteriorating, respectively.

The Statement of Activities presents information showing how the Library's net position changed during the most recent fiscal year. The government-wide financial statements show functions of the library that are principally supported by taxes, fees, and other revenues (governmental activities.) The Library does not conduct functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Library include providing general library services and general governmental administrative services.

The government-wide financial statements can be found on pages 9 and 11 of this report.

Fund Financial Statements

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

The Woodridge Public Library's two current funds are: The General Fund and the Building and Site Reserve Fund. The General Fund is used to account for funds received from general property taxes and other general revenue, and to account for expenditures made for general library purposes. The Building and Site Fund is assigned for expenditures associated with periodic activities such as computer network upgrades, building and property improvements, and other major projects.

The fund financial statements can be found on pages 12 through 15 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 16 through 37 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,887,402 at December 31, 2018.

A significant portion of the Library's net position (74%) reflects investment in capital assets (e.g. land, building, and equipment). The Library uses these assets to provide service to citizens; consequently, these assets are not available for future spending.

Woodridge Public Library's Net Position at Year End

	2018	2017
Current and Other Assets	\$ 7,470,360	6,722,865
Capital Assets	8,032,836	8,507,241
Total Assets	15,503,196	15,230,106
Deferred Outflows	325,529	675,447
Total Assets/Deferred Outflows	15,828,725	15,905,553
Long-Term Debt Outstanding	456,280	1,267,203
Other Liabilities	69,774	66,243
Total Liabilities	526,054	1,333,446
Deferred Inflows	4,415,269	3,712,599
Total Liabilities/Deferred Inflows	4,941,323	5,046,045
Net Position		
Investment in Capital Assets	8,032,836	8,507,241
Restricted	17,815	12,407
Unrestricted	2,836,751	2,339,860
Total Net Position	10,887,402	10,859,508

The restricted portion of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$2,836,751) may be used to meet the Library's ongoing obligations to citizens and creditors.

The Library's beginning net position was restated due to the implementation of GASB Statement No. 75. Due to this implementation, the beginning net position decreased \$97,313.

The Library's net position increased by \$125,207 during the year ended December 31, 2018.

The key elements of this increase are as follows:

Woodridge Public Library's Change in Net Position

	2018	2017
Revenues		
Program Revenues		
Charges for Services	\$ 39,070	44,604
Operating Grants/Contributions	41,214	25,600
General Revenues		
Property Taxes	3,701,967	3,635,275
Replacement Taxes	5,644	6,220
Interest	57,284	26,385
Miscellaneous	15,173	15,065
Total Revenues	3,860,352	3,753,149
Expenses		
General Government	3,735,145	3,596,815
Change in Net Position	125,207	156,334
Net Position-Beginning as Restated	10,762,195	10,703,174
Net Position-Ending	10,887,402	10,859,508

Financial Analysis of the Library's Funds

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unassigned fund balances may serve as a useful measure of the Library's net resources available for spending at the end of the fiscal year.

As of December 31, 2018 the Library's governmental funds reported ending unassigned fund balance of \$3,470,507.

General Fund Appropriation and Actual Comparison

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

The difference between the estimated revenues and the actual revenues was \$84,259 (favorable) due mainly to interest coming in \$46,232 over budget.

The difference between the estimated expenditures and the actual expenditures was \$616,884 (favorable) due, in part, to the contractual services coming in under budget by \$332,590.

General Fund Revenues and Expenditures

	2018		2017
	Budget	Actual	Actual
Revenues			
Taxes	\$ 3,681,641	3,701,967	3,641,495
Intergovernmental	30,400	46,858	25,600
Charges for Services	19,500	19,990	18,430
Fines and Penalties	17,000	19,080	26,174
Interest	8,000	54,232	22,816
Miscellaneous	16,500	15,173	15,065
Total Revenues	3,773,041	3,857,300	3,749,580
Expenditures			
Personnel Services	2,307,000	2,122,909	2,068,316
Commodities	495,900	465,047	430,028
Contractual Services	904,141	571,551	603,536
Capital Outlay	75,000	5,650	3,493
Total Expenditures	3,782,041	3,165,157	3,105,373
Excess (Deficiency) of Revenues Over Expenditures	(9,000)	692,143	644,207
Other Financing Sources (Uses)			
Transfers In (Out)	-	(1,893)	1,997
Net Change in Fund Balance	(9,000)	690,250	646,204

Capital Assets

At the end of FY18, Woodridge Public Library had total capital assets, net of depreciation, of \$8,032,836 invested in a large collection of library materials, computers and other electronics and the building which houses the Library operations.

Debt Administration

At December 31, 2018, the Library had no outstanding notes or other contractual debt.

Financial Outlook

The Library's fiscal year is January - December, which affects cash flow. No tax revenue is received for the first five months of each fiscal year, meaning an appropriate fund balance must be maintained to fund operations for January through May. Tax receipts begin to come in during June of each year.

Requests for Information

This financial report is designed to provide a general overview of the Library's finances. If you have questions concerning any of the information provided in this report or requests for additional information, contact the Library.

Pamela Dubé, Director
Woodridge Public Library
3 Plaza Drive
Woodridge, IL 60517

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Statement of Net Position
December 31, 2018

ASSETS	
Current Assets	
Cash and Investments	\$ 3,659,752
Receivables - Net of Allowances	
Property Taxes	3,720,861
Other	5,644
Accrued Interest	65,000
Prepays	19,103
Total Current Assets	<u>7,470,360</u>
Noncurrent Assets	
Capital Assets	
Land	389,420
Depreciable Capital Assets	14,522,635
Accumulated Depreciation	<u>(6,879,219)</u>
Total Noncurrent Assets	<u>8,032,836</u>
Total Assets	15,503,196
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>325,529</u>
Total Assets and Deferred Outflows of Resources	<u>15,828,725</u>

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

LIABILITIES

Current Liabilities	
Accounts Payable	55,155
Accrued Payroll	7,418
Compensated Absences Payable	7,201
Total Current Liabilities	<u>69,774</u>
Long-Term Liabilities	
Compensated Absences Payable	28,805
Net Pension Liability - IMRF	340,680
Total OPEB Liability - RBP	86,795
Total Long-Term Liabilities	<u>456,280</u>
Total Liabilities	<u>526,054</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	3,720,861
Deferred Items - IMRF	691,989
Deferred Items - RBP	2,419
Total Deferred Inflows of Resources	<u>4,415,269</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>4,941,323</u>

NET POSITION

Investment in Capital Assets	8,032,836
Restricted for IMRF	17,815
Unrestricted	2,836,751
 Total Net Position	 <u><u>10,887,402</u></u>

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Statement of Activities
For the Year Ended December 31, 2018

	Expenses	Program Revenues Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Public Library	\$ 3,735,145	39,070	41,214	(3,654,861)
General Revenues				
Taxes				
Property Taxes				3,701,967
Replacement Taxes				5,644
Interest				57,284
Miscellaneous				15,173
				<u>3,780,068</u>
Change in Net Position				125,207
Net Position - Beginning as Restated				<u>10,762,195</u>
Net Position - Ending				<u>10,887,402</u>

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Balance Sheet
December 31, 2018

	General	Capital Projects Building and Site	Total
ASSETS			
Cash and Investments	\$ 3,489,251	170,501	3,659,752
Receivables - Net of Allowances			
Property Taxes	3,720,861	-	3,720,861
Other	5,644	-	5,644
Deposits	65,000	-	65,000
Prepays	19,103	-	19,103
Total Assets	7,299,859	170,501	7,470,360
LIABILITIES			
Liabilities			
Accounts Payable	55,155	-	55,155
Accrued Payroll	7,418	-	7,418
Total Liabilities	62,573	-	62,573
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,720,861	-	3,720,861
Total Liabilities and Deferred Inflows of Resources	3,783,434	-	3,783,434
FUND BALANCE			
Fund Balances			
Nonspendable	19,103	-	19,103
Restricted	17,815	-	17,815
Assigned	9,000	170,501	179,501
Unassigned	3,470,507	-	3,470,507
Total Fund Balances	3,516,425	170,501	3,686,926
Total Liabilities and Liabilities	7,299,859	170,501	7,470,360

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

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Reconciliation of Total Fund Balances to the
Statement of Net Position**

December 31, 2018

Total Fund Balances	\$ 3,686,926
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	8,032,836
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(366,460)
Deferred Items - RBP	(2,419)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(36,006)
Net Pension Liability - IMRF	(340,680)
Total OPEB Liability - RBP	<u>(86,795)</u>
Net Position	<u><u>10,887,402</u></u>

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2018

	General	Capital Projects Building and Site	Total
Revenues			
Taxes	\$ 3,701,967	-	3,701,967
Intergovernmental	46,858	-	46,858
Charges for Services	19,990	-	19,990
Fines and Penalties	19,080	-	19,080
Interest	54,232	3,052	57,284
Miscellaneous	15,173	-	15,173
Total Revenues	3,857,300	3,052	3,860,352
Expenditures			
Public Library			
Personnel Services	2,122,909	-	2,122,909
Commodities	465,047	-	465,047
Contractual Services	571,551	-	571,551
Capital Outlay	5,650	22,886	28,536
Total Expenditures	3,165,157	22,886	3,188,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	692,143	(19,834)	672,309
Other Financing Sources (Uses)			
Transfers In	-	1,893	1,893
Transfer Out	(1,893)	-	(1,893)
	(1,893)	1,893	-
Net Change in Fund Balances	690,250	(17,941)	672,309
Fund Balances - Beginning	2,826,175	188,442	3,014,617
Fund Balances - Ending	3,516,425	170,501	3,686,926

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

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

For the Year Ended December 31, 2018

Net Change in Fund Balances	\$ 672,309
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Amounts reported in the Statement of Activities
are different because:

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

Capital Outlays	230,397
Depreciation Expense	(704,802)
Disposals - Cost	(457,987)
Disposals - Accumulated Depreciation	457,987

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

Change in Deferred Items - IMRF	(973,638)
Change in Deferred Items - RBP	(2,419)

The increases to long-term liabilities provides current financial resources to
governmental funds, while the reduction of the balances
consumes the current financial resources of the governmental funds.

Reduction to Compensated Absences Payable	473
Reduction to Net Pension Liability - IMRF	897,340
Reduction to Total OPEB Liability - RBP	<u>5,547</u>

Changes in Net Position	<u><u>125,207</u></u>
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The notes to the financial statements are in integral part of this statement.

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Woodridge Public Library operates and maintains the public library within the Library of Woodridge. The government-wide financial statements are prepared in accordance with generally accepted accounting principles in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP in the United States for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Library's accounting policies established in GAAP in the United States and used by the Library are described below.

REPORTING ENTITY

The Library is governed by a seven-member Library Board of Trustees that is separately elected. The Library Board of Trustees selects management staff and directs the affairs of the Library. As required by GAAP, these financial statements include all funds of the Library. Management has also considered all potential component units. Criteria for including a component unit in the Library's reporting entity principally consist of the potential component unit's financial interdependency and accountability to the Library. Based upon those criteria, there are no potential component units to be included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide and Fund Financial Statements

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements. The Library reports only governmental activities, which include the provision of library services and general administrative services.

The government-wide Statement of Net Position is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net assets are reported in three parts: invested in capital assets, net of related debt, restricted net assets, and unrestricted net assets. The Library first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of the Library's functions. The Library's activities are supported by taxes and intergovernmental revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The net costs are then normally covered by general revenues.

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government–Wide and Fund Financial Statements – Continued

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

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

The following governmental funds are used by the Library:

General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund and is accounted for as a major fund.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and assets. The Library maintains one major capital projects fund, the Building and Site Fund, which is used to account for the acquisition of Library assets and construction of Library improvements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

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

Basis of Accounting

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

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

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

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

**ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS, AND
NET POSITION**

Cash and Investments

For the purpose of the Statement of Net Position, the Library's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Library's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Capital Assets

Capital assets purchases or acquired with an original cost of \$10,000 or more (except that all books are capitalized) are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

Buildings and Improvements	20 - 50 Years
Furniture and Fixtures	5 - 15 Years
Library Materials	5 - 10 Years

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

**ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS, AND
NET POSITION – Continued**

Interfund Receivables, Payables and Activity

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

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 receivables balances include property taxes.

Deferred Outflows/Inflows of Resources

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

Compensated Absences

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

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

**ASSETS AND DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS, AND
NET POSITION – Continued**

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities.

Net Position

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

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

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested budgets for the next fiscal year. The proposed budget is presented to the Library Board of Trustees for review. The governing body holds public meetings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget. Any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. All appropriations lapse at fiscal year-end.

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

Illinois Funds is an investment pool managed by the Illinois public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

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

Deposits. At year-end the carrying amount of the Library's deposits totaled \$81,352 and the bank balances totaled \$122,287. The Library also had funds invested in the Illinois Funds of \$5,156 and \$3,573,244 invested in the IMET at year-end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Library limits its exposure to interest rate risk by diversifying its investment portfolio to the best of its ability based on the nature of the funds invested and the cash flow needs of those funds. A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce risk or interest rate volatility and loss of principal. The Library's investment in the Illinois Funds and IMET have an average maturity of less than one year.

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library limits its exposure to credit risk by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. However, the Library's investment policy does not specifically limit the Library to these types of investments. At year-end, the Library's investment in the Illinois Funds is rated AAAM by Standard and Poor's and the Library's investment in the IMET Convenience Fund is not rated.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy states that funds shall be reasonably diversified to avoid incurring unreasonable risks from concentrating investments in specific security types and/or particular financial institutions. At year-end, the Library's does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires that collateral be provided at a fair market value of not less than 100% of the net amount of public funds secured. Furthermore, pledged collateral will be held by an independent third party in the name of the Library. At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Library's investment in the Illinois Funds and IMET are not subject to custodial credit risk.

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically to the Library. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 389,420	-	-	389,420
Depreciable Capital Assets				
Buildings and Improvements	9,150,655	-	-	9,150,655
Furniture and Fixtures	1,504,622	-	-	1,504,622
Library Materials	4,094,948	230,397	457,987	3,867,358
	14,750,225	230,397	457,987	14,522,635
Less Accumulated Depreciation				
Buildings and Improvements	3,286,585	310,885	-	3,597,470
Furniture and Fixtures	1,424,992	9,954	-	1,434,946
Library Materials	1,920,827	383,963	457,987	1,846,803
	6,632,404	704,802	457,987	6,879,219
Total Net Depreciable Capital Assets	8,117,821	(474,405)	-	7,643,416
Total Net Capital Assets	8,507,241	(474,405)	-	8,032,836

Depreciation expense of \$704,802 was charged to governmental activities.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Building and Site	General	\$ 1,893

The transfer from the General Fund to the Building and Site Fund relates to the transferring of unrestricted revenues collected in the General Fund to finance various capital improvements and asset acquisitions in the Building and Site Fund in accordance with budgetary authorizations.

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Long-Term Liability Activity

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 36,479	473	946	36,006	7,201
Net Pension Liability - IMRF	1,238,020	-	897,340	340,680	-
Total OPEB Liability - RBP	92,342	-	5,547	86,795	-
	1,366,841	473	903,833	463,481	7,201

Compensated absences, net pension liability and total OPEB liability are generally liquidated by the General Fund.

NET POSITION RESTATEMENT

Beginning net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

Fund Equity	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 10,859,508	10,762,195	(97,313)

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 8,032,836</u>

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

	General	Capital Projects <u>Building and Site</u>	Total
Fund Balances			
Nonspendable	\$ 19,103	-	19,103
Restricted			
Property Tax Levies			
IMRF	17,815	-	17,815
Assigned			
Subsequent Year Budget	9,000	-	9,000
Building and Equipment Costs	-	170,501	170,501
	9,000	170,501	179,501
Unassigned	3,470,507	-	3,470,507
Total Fund Balances	3,516,425	170,501	3,686,926

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

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

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

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

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

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

Minimum Fund Balance Policy. The Library's policy manual states that the General Fund should maintain a minimum fund balance equal to 40% - 60% of operating expenditures.

NOTE 4 – OTHER INFORMATION

Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Library's employees. These risks are provided for through insurance from private insurance companies. The Library currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Library contributes, through the Village of Woodridge, Illinois (the Village), to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. However, the Library's participation in IMRF is equivalent to a cost sharing multiple-employer pension plan since only one actuarial valuation is performed for both the Village and the Library combined. All disclosures for an agent plan can be found in the Village's comprehensive annual financial report.

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

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

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

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

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

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

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Active Plan Members	<u>40</u>
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Contributions. As set by statute, the Library's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2018, the Library's contribution was 11.88% of covered payroll.

Net Pension Liability. The Library's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Library contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	\$ 1,689,642	340,680	(764,779)

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 9,494,092	8,256,072	1,238,020
Changes for the Year:			
Service Cost	165,082	-	165,082
Interest on the Total Pension Liability	800,606	-	800,606
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	173,347	-	173,347
Changes of Assumptions	(327,856)	-	(327,856)
Contributions - Employer	-	189,790	(189,790)
Contributions - Employees	-	69,085	(69,085)
Net Investment Income	-	1,501,758	(1,501,758)
Benefit Payments, including Refunds of Employee Contributions	(461,037)	(461,037)	-
Other (Net Transfer)	-	(52,114)	52,114
Net Changes	350,142	1,247,482	(897,340)
Balances at December 31, 2017	9,844,234	9,503,554	340,680

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

For the year ended December 31, 2018, the Library recognized pension expense of \$265,719. At December 31, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 133,501	(33,496)	100,005
Change in Assumptions	2,607	(251,374)	(248,767)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(407,119)	(407,119)
	136,108	(691,989)	(555,881)
Payments Subsequent to Measurement Date	189,421	-	189,421
Total Deferred Amounts Related to IMRF	325,529	(691,989)	(366,460)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2019	\$ (83,936)
2020	(108,685)
2021	(191,169)
2022	(172,091)
2023	-
Thereafter	-
Total	(555,881)

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Library's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Library. RBP is a single-employer defined benefit OPEB plan administered by the Library. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Library Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare benefits for retirees and their dependents. Employees may continue on Library insurance in retirement. They are responsible for the full cost of coverage including coverage for any eligible spouse/dependent. Eligible spouse/dependent coverage may continue should the retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The spouse/dependent would be responsible for the full cost of coverage. Library coverage is secondary once Medicare eligible.

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>16</u>
Total	<u>18</u>

Total OPEB Liability

The Library's total OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.10%
Healthcare Cost Trend Rates	7.10% for 2019, decreasing to an ultimate rate of 5.0% for 2028 and later years
Retirees' Share of Benefit-Related Costs	100% of Benefit Costs

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

General Information about the OPEB Plan – Continued

Actuarial Assumptions and Other Inputs – Continued. The discount rate was based on municipal bond 20 year GO bond index

Mortality rates were based on the IMRF Mortality. Rates follow the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2017	<u>\$ 92,342</u>
Changes for the Year:	
Service Cost	2,224
Interest on the Total Pension Liability	3,042
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(2,842)
Benefit Payments	<u>(7,971)</u>
Net Changes	<u>(5,547)</u>
Balance at December 31, 2018	<u><u>86,795</u></u>

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 4.10%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB Liability	\$ 91,237	86,795	82,797

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 81,363	86,795	92,763

**LIBRARY OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

**Notes to the Financial Statements
December 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Library recognized an OPEB expense of \$4,843. At December 31, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	-	(2,419)	(2,419)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	-	(2,419)	(2,419)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2019	\$ (423)
2020	(423)
2021	(423)
2022	(423)
2023	(423)
Thereafter	(304)
Total	(2,419)

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Library's Proportionate Share of the Net Pension Liability
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability
Retiree Benefits Plan
- Budgetary Comparison Schedule
General Fund
Recreation – Special Revenue Fund

Notes to the Required Supplementary Information

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

**VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY**

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 187,170	\$ 187,170	\$ -	\$ 1,472,620	12.71%
2016	192,545	192,545	-	1,542,829	12.48%
2017	185,375	185,375	-	1,518,223	12.21%
2018	189,421	189,421	-	1,594,449	11.88%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012)

Note:

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Library's Proportionate Share of the Net Pension Liability
December 31, 2018

	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Employer's Proportion of Net Pension Liability	19.41%	19.41%	19.41%	20.40%
Employer's Proportionate Share of Net Pension Liability	\$ 733,590	1,326,796	1,238,020	340,680
Employer's Covered Payroll	\$ 1,398,968	1,472,620	1,518,223	1,535,215
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	52.44%	90.10%	81.54%	22.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.43%	85.40%	86.96%	96.54%

Note:

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

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Retiree Benefits Plan

Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
December 31, 2018

	2018
Total OPEB Liability	
Service Cost	\$ 2,224
Interest	3,042
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions or Other Inputs	(2,842)
Benefit Payments	(7,971)
Net Change in Total OPEB Liability	(5,547)
Total OPEB Liability - Beginning	92,342
Total OPEB Liability - Ending	86,795
Covered Payroll	\$ 1,777,943
Total OPEB Liability as a Percentage of Covered Payroll	4.88%

Notes:

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

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	Medical
2019	7.10%
2020	6.87%
2021	6.63%
2022	6.40%
2023	6.17%
2024	5.93%
2025	5.70%
2026	5.47%
2027	5.23%
2028	5.00%
Ultimate	5.00%

In 2018, there was no change in the healthcare trend rates from the prior year.

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

General Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 3,681,641	3,681,641	3,701,967
Intergovernmental	30,400	30,400	46,858
Charges for Services	19,500	19,500	19,990
Fines and Penalties	17,000	17,000	19,080
Interest	8,000	8,000	54,232
Miscellaneous	16,500	16,500	15,173
Total Revenues	3,773,041	3,773,041	3,857,300
Expenditures			
Public Library			
Personnel Services	2,307,000	2,307,000	2,122,909
Commodities	495,900	495,900	465,047
Contractual Services	904,141	904,141	571,551
Capital Outlay	75,000	75,000	5,650
Total Expenditures	3,782,041	3,782,041	3,165,157
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,000)	(9,000)	692,143
Other Financing (Uses)			
Transfers Out	-	-	(1,893)
Net Change in Fund Balance	(9,000)	(9,000)	690,250
Fund Balance - Beginning			2,826,175
Fund Balance - Ending			3,516,425

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

BUILDING AND EQUIPMENT FUND

The Building and Equipment Fund is used to account for the financial resources to be used for acquisition, construction, equipment purchases and maintenance of library facilities.

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

General Fund

Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 3,681,641	3,681,641	3,701,967
Intergovernmental			
Illinois State Replacement Tax	5,000	5,000	5,644
Grants	25,400	25,400	41,214
	30,400	30,400	46,858
Charges for Services			
Fees - Non-Resident	4,000	4,000	3,637
Fees - Interlibrary Loan	500	500	590
Fees - Collection	1,000	1,000	913
Fees - Printing	10,000	10,000	8,243
Photocopier	4,000	4,000	6,607
	19,500	19,500	19,990
Fines and Forfeitures			
Fines and Penalties	17,000	17,000	19,080
Interest			
Investment Income	8,000	8,000	54,232
Miscellaneous			
Contributions	1,000	1,000	467
Reimbursements	15,000	15,000	14,317
Other	500	500	389
	16,500	16,500	15,173
Total Revenues	3,773,041	3,773,041	3,857,300

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

General Fund

Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Public Library			
Personnel Services			
Professional Managerial	\$ 1,089,000	1,089,000	982,112
Support Staff	777,000	777,000	754,944
Pages	101,000	101,000	64,136
IMRF	200,000	200,000	189,176
FICA	140,000	140,000	132,541
	<u>2,307,000</u>	<u>2,307,000</u>	<u>2,122,909</u>
Commodities			
Books - AD and YA	170,000	170,000	150,326
Books - CD	83,000	83,000	80,072
Electronic Reference	80,000	80,000	94,448
Programs - AD and YA	27,000	27,000	24,665
Programs - CD	20,000	20,000	15,562
Periodicals	24,000	24,000	22,191
Per Capita Materials	25,400	25,400	41,214
Professional Materials	500	500	203
Supplies - Office and Cataloging	25,000	25,000	20,042
Supplies - Toner and Software	26,000	26,000	8,569
Supplies - Custodial	15,000	15,000	7,755
	<u>495,900</u>	<u>495,900</u>	<u>465,047</u>
Contractual Services			
SWAN Computer Fund	60,000	60,000	43,194
Reimbursement Expense	1,000	1,000	416
Email Service	6,000	6,000	2,303
Comcast Internet	5,000	5,000	3,995
Bank Charges	2,000	2,000	2,414
Audit Fees	5,700	5,700	6,488
Telephone	13,000	13,000	12,452
Postage	13,000	13,000	8,501
Natural Gas	1,000	1,000	-
Photocopier	25,000	25,000	19,130
Custodial Services	40,000	40,000	31,625
Data Processing	16,000	16,000	9,439
Water	3,000	3,000	3,662

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
Public Library - Continued			
Contractual Services - Continued			
Sewer	\$ 2,300	2,300	772
Printing	16,000	16,000	12,584
LAN Maintenance	70,000	70,000	30,000
Web Site Services	5,000	5,000	2,095
Technology	60,000	60,000	55,391
Maintenance and Repair	200,000	200,000	54,660
Maintenance Contracts - Building and Equipment	50,000	50,000	25,102
Maintenance - Office	15,000	15,000	5,880
Landscaping Services	10,000	10,000	13,750
Health Insurance	170,000	170,000	153,849
Insurance - Building	15,000	15,000	16,625
Workers Compensations	12,000	12,000	4,866
Unemployment Compensation	4,000	4,000	2,037
Surety Bonds	2,500	2,500	1,700
Officer's Liability	3,000	3,000	1,101
E&O Employment Practices	2,000	2,000	-
Conference and Training	15,000	15,000	10,185
Dues	7,000	7,000	6,162
Local Transportation	-	-	232
Board Expenses	2,000	2,000	585
Staff Supplies	4,000	4,000	2,994
Legal Notice	7,000	7,000	3,022
Recruitment	2,000	2,000	415
Public Information	15,000	15,000	6,896
Community Outreach	15,000	15,000	14,923
Other	7,141	7,141	7
Collection Agency Fee	2,000	2,000	1,980
Interlibrary Loan	500	500	119
	904,141	904,141	571,551
Capital Outlay			
Furniture	75,000	75,000	5,650
Total Expenditures	3,782,041	3,782,041	3,165,157

VILLAGE OF WOODRIDGE, ILLINOIS
WOODRIDGE PUBLIC LIBRARY

Building and Site - Capital Projects Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018**

	Budget		
	Original	Final	Actual
Revenues			
Interest	\$ -	-	3,052
Expenditures			
Capital Outlay			
Maintenance and Repair	100,000	100,000	22,886
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(100,000)	(19,834)
Other Financing Sources			
Transfers In	-	-	1,893
Net Change in Fund Balance	<u>(100,000)</u>	<u>(100,000)</u>	(17,941)
Fund Balance - Beginning			<u>188,442</u>
Fund Balance - Ending			<u><u>170,501</u></u>