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**ZION-BENTON PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

eder, casella & co.

ZION-BENTON PUBLIC LIBRARY DISTRICT
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Zion-Benton Public Library District
Zion, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

ZION-BENTON PUBLIC LIBRARY DISTRICT

as of and for the year ended June 30, 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 from material misstatement.

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

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

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 Zion-Benton Public Library District, as of June 30, 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, Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contribution, and budgetary comparison information on pages 3 through 7 and 26 through 33 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 Zion-Benton Public Library District's basic financial statements. The supplemental information as listed in the table of content is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information as listed in the table of content is 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 nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
November 7, 2018

REQUIRED SUPPLEMENTARY INFORMATION

ZION-BENTON PUBLIC LIBRARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018

As management of Zion-Benton Public Library District (Library), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Please find below highlights of fiscal year 2018:

- The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,832,601 (net position). Of this amount, \$1,307,239 (unrestricted net position) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position decreased by \$334,955.
- At the close of the current fiscal year, the Library's governmental funds reported combined ending fund balances of \$1,545,831, a decrease of \$73,152 in comparison with the prior year. \$1,189,483 is available for spending at the Library's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,190,820 or 62% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements include government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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 governmental administrative services and library operations.

The government-wide financial statements can be found on pages 8 and 9 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. All of the funds of the Library are governmental funds.

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

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

The Library maintains seven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Building Maintenance Fund, and the Special Reserve Fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of budgetary comparison schedules elsewhere in this report.

The Library adopts an annual budget and appropriation ordinance that includes all of the funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the adopted budget and appropriation ordinance.

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

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 14 through 25 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 Library's progress in meeting its obligation to provide as fully adequate as possible library services to all of its residents.

Required supplementary information can be found on pages 26 through 33 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 \$3,832,601 at the close of the most recent fiscal year.

One of the largest portions of the Library's net position (61%) reflects its investment in capital assets (e.g., land, construction in progress, buildings, equipment, furniture and fixtures, and library materials,); less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of changes in net position for the years ended June 30, 2018 and 2017:

Zion-Benton Public Library District's Net Position at Year End

	Governmental Activities	
	6/30/2018	6/30/2017
Assets		
Current and Other Assets	\$ 4,359,769	\$ 3,833,190
Capital Assets	2,346,675	2,516,130
Total Assets	\$ 6,706,444	\$ 6,349,320
Deferred Outflows of Resources		
Pension Expense/Revenue - Illinois Municipal Retirement Fund	\$ 243,290	\$ 412,212
Liabilities		
Long-Term Liabilities Outstanding	\$ -	\$ 338,640
Other Liabilities	121,970	54,519
Total Liabilities	\$ 121,970	\$ 393,159
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	\$ 2,251,706	\$ 2,159,688
Pension Liabilities	743,457	41,129
Total Deferred Inflows of Resources	\$ 2,995,163	\$ 2,200,817
Net Position		
Net Investment in Capital Assets	\$ 2,346,675	\$ 2,516,130
Restricted	178,687	446,752
Unrestricted	1,307,239	1,204,674
Total Net Position	\$ 3,832,601	\$ 4,167,556

An additional portion of the Library's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,307,239) may be used to meet the Library's ongoing obligations to citizens and creditors.

The Library's net position decreased by \$334,955 during the current fiscal year.

Governmental activities - Governmental activities decreased the Library's net position by \$334,955. Key elements of this decrease are as follows:

Zion-Benton Public Library District's Change in Net Position

	Governmental Activities	
	6/30/2018	6/30/2017
Revenues		
Program Revenues		
Charges for Services	\$ 14,622	\$ 31,136
Operating Grants and Contributions	37,894	18,104
General Revenues		
Property Taxes	2,141,021	2,077,439
Other Taxes	78,009	93,229
Investment Earnings	16,624	16,966
Gain/(Loss) on Sale of Capital Assets	-	(3,370)
Other	26,187	17,092
Total Revenues	\$ 2,314,357	\$ 2,250,596
Expenses		
Personnel Expenses	\$ 1,575,940	\$ 1,451,591
Library Materials	83,008	53,654
Contractual Services	187,143	131,978
Materials and Supplies	304,868	423,343
Unallocated Depreciation	498,353	503,478
Total Expenses	\$ 2,649,312	\$ 2,564,044
Increase/(Decrease) in Net Position	\$ (334,955)	\$ (313,448)
Net Position - Beginning of Year	4,167,556	4,481,004
Net Position - End of Year	\$ 3,832,601	\$ 4,167,556

- Overall, revenues remained relatively stable between 2017 and 2018. The most significant revenue increase was in Property Taxes – an increase of \$63,582 (3%).
- Overall, total expenses increased by \$85,268 in comparison with the prior year. This change was mostly due to an increase in Library Personnel expenses, caused by wage increases and higher IMRF pension expenses recognized during the current year.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

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

At the end of the current fiscal year, the Library’s governmental funds reported combined ending fund balances of \$1,545,831, a decrease of \$73,152 in comparison with the prior year. Of this amount, \$1,189,483 constitutes unassigned fund balance, which is available for spending at the Library’s discretion.

The General Fund is the chief operating fund of the Library. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,190,820. As a measure of the General Fund’s liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 62% of total General Fund expenditures.

The Special Reserve Fund has a total fund balance of \$110,337. All Special Reserve Fund funds are committed for future construction.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Library did not amend its budget during the year ended June 30, 2018. Total library operations expenditures were \$37,603 less than budgeted expenditures (favorable).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Library’s investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$2,346,675 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, furniture and fixtures, library materials, and periodicals.

Zion-Benton Public Library District's Capital Assets
(net of depreciation)

	Governmental Activities	
	6/30/2018	6/30/2017
Land	\$ 93,896	\$ 93,896
Buildings	1,081,795	1,280,918
Equipment	112,709	141,365
Furniture and Fixtures	18,911	21,047
Library Materials	862,805	978,904
Construction in Progress	176,559	-
Total	<u>\$ 2,346,675</u>	<u>\$ 2,516,130</u>

Major capital asset events during the current fiscal year included the following:

- Library Materials and Periodicals were purchased during the year for \$152,339.

- Library Materials and Periodicals were disposed of which originally cost \$148,624.
- Construction in Progress at year end totaled \$176,559.
- Depreciation expense for the year ended June 30, 2018 was \$498,353.

Additional information on the Library's capital assets can be found in note 4 on pages 19 and 20 of this report.

Long-term debt - At the end of the current fiscal year, the Library did not have any bonded debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As a tax-supported body in a tax-cap county, the District faces the issue of availability of funds to pay the necessary staff and to provide services to its patrons. Due to the efforts of management, the impact of this issue was lessened to some extent in the current year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Zion-Benton Public Library District's finances for all those with an interest in the Library's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Mikael Jacobsen, Library Director at 2400 Gabriel Avenue, Zion, IL 60099.

BASIC FINANCIAL STATEMENTS

ZION-BENTON PUBLIC LIBRARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,523,966
Investments, at Fair Value	1,244,259
Property Taxes Receivable, net of allowance of \$0	1,096,003
Accrued Interest	1,765
Prepaid Expenses	53,514
Net Pension Asset	440,262
Capital Assets (Note 4):	
Land	93,896
Depreciable Buildings, Equipment, Furniture and Fixtures	
Library Materials, Periodicals, net of depreciation	<u>2,252,779</u>
Total Assets	<u>\$ 6,706,444</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Expense - Illinois Municipal Retirement Fund	<u>\$ 243,290</u>
Total Deferred Outflows of Resources	<u>\$ 243,290</u>
LIABILITIES	
Accounts Payable	\$ 50,756
Accrued Payroll	22,496
Accrued Compensated Absences	<u>48,718</u>
Total Liabilities	<u>\$ 121,970</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	\$ 2,251,706
Pension Revenue - Illinois Municipal Retirement Fund	<u>743,457</u>
Total Deferred Inflows of Resources	<u>\$ 2,995,163</u>
NET POSITION	
Net Investment in Capital Assets	\$ 2,346,675
Restricted	
Building Maintenance	70,970
Capital Projects	-
Social Security	25,418
IMRF	52,050
Insurance Liability	30,249
Unrestricted/(Deficit)	<u>1,307,239</u>
Total Net Position	<u><u>\$ 3,832,601</u></u>

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

ZION-BENTON PUBLIC LIBRARY DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs				
Library Services				
Personnel Expenses	\$ 1,575,940	\$ -	\$ -	\$ (1,575,940)
Library Materials	83,008	-	-	(83,008)
Contractual Services	187,143	-	-	(187,143)
Materials and Supplies	304,868	14,622	37,894	(252,352)
Unallocated Depreciation	498,353	-	-	(498,353)
	\$ 2,649,312	\$ 14,622	\$ 37,894	\$ (2,596,796)
General Revenues				
Taxes				
Property Taxes				\$ 2,141,021
Personal Property Replacement Taxes				78,009
Unrestricted Investment Earnings				16,624
Other Income				26,187
Total General Revenues				\$ 2,261,841
Change in Net Position				\$ (334,955)
Net Position - July 1, 2017				4,167,556
Net Position - June 30, 2018				\$ 3,832,601

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

ZION-BENTON PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 AS OF JUNE 30, 2018

	General Fund	Building and Maintenance Fund	Special Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,118,420	\$ 128,722	\$ 110,337	\$ 166,487	\$ 1,523,966
Investments, at Fair Value	1,244,259	-	-	-	1,244,259
Property Taxes Receivable, net of allowance of \$0	968,472	50,623	-	76,908	1,096,003
Accrued Interest	1,765	-	-	-	1,765
Prepaid Expenses	53,514	-	-	-	53,514
Total Assets	\$ 3,386,430	\$ 179,345	\$ 110,337	\$ 243,395	\$ 3,919,507
LIABILITIES					
Accounts Payable	\$ 50,756	\$ -	\$ -	\$ -	\$ 50,756
Accrued Payroll	22,496	-	-	-	22,496
Accrued Compensated Absences	48,718	-	-	-	48,718
Total Liabilities	\$ 121,970	\$ -	\$ -	\$ -	\$ 121,970
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	\$ 1,989,695	\$ 104,004	\$ -	\$ 158,007	\$ 2,251,706
Total Deferred Inflows of Resources	\$ 1,989,695	\$ 104,004	\$ -	\$ 158,007	\$ 2,251,706
FUND BALANCES					
Non-Spendable	\$ 53,514	\$ -	\$ -	\$ -	\$ 53,514
Restricted					
Building Maintenance	-	70,970	-	-	70,970
Social Security	-	-	-	25,418	25,418
IMRF	-	-	-	52,050	52,050
Insurance Liability	30,249	-	-	-	30,249
Committed					
Special Reserve	-	-	110,337	-	110,337
Assigned					
Building Maintenance	-	4,371	-	-	4,371
Per Capita	-	-	-	4,450	4,450
Social Security	-	-	-	1,742	1,742
IMRF	-	-	-	3,065	3,065
Insurance Liability	182	-	-	-	182
Unassigned	1,190,820	-	-	(1,337)	1,189,483
Total Fund Balances	\$ 1,274,765	\$ 75,341	\$ 110,337	\$ 85,388	\$ 1,545,831
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,386,430	\$ 179,345	\$ 110,337	\$ 243,395	\$ 3,919,507

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

ZION-BENTON PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2018

Fund Balances - Total Governmental Funds		\$	1,545,831
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>			
<p>Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds</p>			
Pension Expenses/Contributions - IMRF			(500,167)
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>			
Capital Assets	\$	9,461,103	
Less: Accumulated Depreciation		<u>(7,114,428)</u>	
			2,346,675
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>			
Net Pension (Liability) Asset			<u>440,262</u>
Net Position of Governmental Activities		\$	<u><u>3,832,601</u></u>

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

ZION-BENTON PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2018

	General Fund	Building and Maintenance Fund	Special Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 1,876,929	\$ 89,325	\$ -	\$ 174,767	\$ 2,141,021
Replacement Taxes	74,109	-	-	3,900	78,009
TIF Rebate Tax Income	14,437	-	-	-	14,437
Fines	12,192	-	-	-	12,192
Fees and Other Charges	2,430	-	-	-	2,430
Book Sales	5,244	-	-	-	5,244
Interest	17,452	-	-	-	17,452
Gifts & Donations	971	-	-	-	971
Supplies	1,473	-	-	-	1,473
Grant Income	4,000	-	-	32,923	36,923
Miscellaneous Income	5,033	-	-	-	5,033
Total Revenues	<u>\$ 2,014,270</u>	<u>\$ 89,325</u>	<u>\$ -</u>	<u>\$ 211,590</u>	<u>\$ 2,315,185</u>
EXPENDITURES					
Current					
Personnel Expenses	\$ 1,314,115	\$ -	\$ -	\$ 169,477	\$ 1,483,592
Library Materials	235,347	-	-	-	235,347
Contractual Services	121,434	57,709	-	8,000	187,143
Materials, Supplies, and Repairs	263,320	33,143	156,491	28,473	481,427
Total Expenditures	<u>\$ 1,934,216</u>	<u>\$ 90,852</u>	<u>\$ 156,491</u>	<u>\$ 205,950</u>	<u>\$ 2,387,509</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 80,054	\$ (1,527)	\$ (156,491)	\$ 5,640	\$ (72,324)
OTHER FINANCING SOURCES/(USES)					
Unrealized Gains & Losses	<u>(828)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(828)</u>
NET CHANGE IN FUND BALANCES	\$ 79,226	\$ (1,527)	\$ (156,491)	\$ 5,640	\$ (73,152)
FUND BALANCE - JULY 1, 2017	<u>1,195,539</u>	<u>76,868</u>	<u>266,828</u>	<u>79,748</u>	<u>1,618,983</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 1,274,765</u>	<u>\$ 75,341</u>	<u>\$ 110,337</u>	<u>\$ 85,388</u>	<u>\$ 1,545,831</u>

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

ZION-BENTON PUBLIC LIBRARY DISTRICT
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (73,152)

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

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

Capital Outlays	\$ 328,898	
Depreciation Expense	<u>(498,353)</u>	
		(169,455)

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

Illinois Municipal Retirement Fund Contributions	<u>(92,348)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (334,955)</u></u>
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The Notes to Financial Statements are an integral part of this statement.

ZION-BENTON PUBLIC LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Zion-Benton Public Library District (Library) is a public library organized under Chapter 75 of the Illinois Compiled Statutes. It operates under the direction of a Board of Trustees and provides library facilities in the Zion area.

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

A. Reporting Entity

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

B. Basic Financial Statements – Government-Wide Financial Statements

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Library's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, other income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (general government and library operations). Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific grants and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, other income, etc.).

NOTES TO FINANCIAL STATEMENTS (Continued)

The Library does not allocate indirect costs.

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

C. *Basic Financial Statements – Fund Financial Statements*

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

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth the minimum criteria (percentage of assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements.

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The Library reports these major governmental funds:

1. The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund. The Library Fund, and the Liability Insurance Fund are included in this fund.
2. The Building Maintenance Fund is used to account for funds for the purpose of maintaining the building and grounds of the Library
3. The Special Reserve Fund is used to account for the accumulation of funds to be used for future capital asset projects.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

D. *Basis of Accounting*

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

1. Accrual

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

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e.,

NOTES TO FINANCIAL STATEMENTS (Continued)

both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation, which are recognized when due and payable.

E. *Cash and Cash Equivalents and Investments*

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

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

No Library fund had a cash overdraft at June 30, 2018.

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

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

F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

G. *Prepaid Items*

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

H. *Interfund Activity*

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

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

I. *Capital Assets*

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

NOTES TO FINANCIAL STATEMENTS (Continued)

Buildings	25 years
Equipment	10 years
Furniture and Fixtures	25 years
Library Materials	10 years

J. *Deferred Outflows and Inflows of Resources*

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

K. *Compensated Absences*

The Library accrues accumulated unpaid vacation when earned by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide Statement of Net Position and represents a reconciling item between the fund and government-wide presentations.

L. *Long-Term Obligations*

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

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

M. *Government-Wide Net Position*

Net position is divided into three components:

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

N. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

- **Restricted** – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
- **Committed** – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. The Board has committed 100% of the fund balance in the Special Reserve Fund to be used for future capital asset projects.
- **Assigned** – Assigned fund balances are amounts that are constrained by the Library's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

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

- **Unassigned** – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash.

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

O. *Property Tax Calendar and Revenues*

The Library's property tax is levied each calendar year on all taxable real property located in the Library's district on or before the last Tuesday in December. The 2017 levy was passed by the Board on October 24, 2017. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Library receives significant distributions of tax receipts approximately one month after these dates.

P. *Estimates*

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the Library's name.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Investments

As of June 30, 2018, the Library had the following investments and maturities:

Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
State Investment Pool	\$ 213,140	\$ 213,140	\$ -	\$ -	\$ -

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered, but does have regulatory oversight through the State of Illinois.

Interest Rate Risk. The Library has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The Library has an investment policy that would further limit its investment choices. As of June 30, 2018, the Library's investments were rated as follows:

Investments	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's

NOTE 3 - FAIR VALUE MEASUREMENT

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

The Library has the following recurring fair value measurements as of June 30, 2018:

- State Investment Pools of \$213,140 are valued using quoted market prices (Level 1 inputs).

NOTE 4 - CAPITAL ASSETS

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

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 93,896	\$ -	\$ -	\$ 93,896
Total Capital Assets not being depreciated	\$ 93,896	\$ -	\$ -	\$ 93,896
Other Capital Assets				
Buildings	\$ 5,478,074	\$ -	\$ -	\$ 5,478,074
Equipment	1,762,965	-	-	1,762,965
Furniture and Fixtures	71,598	-	-	71,598
Library Materials	1,874,296	152,339	(148,624)	1,878,011
Construction in Progress	-	176,559	-	176,559
Total Other Capital Assets at Historical Cost	\$ 9,186,933	\$ 328,898	\$ (148,624)	\$ 9,367,207
Less Accumulated Depreciation for:				
Buildings	\$ 4,197,156	\$ 199,123	\$ -	\$ 4,396,279
Equipment	1,621,600	28,656	-	1,650,256
Furniture and Fixtures	50,551	2,136	-	52,687
Library Materials	895,392	268,438	(148,624)	1,015,206
Total Accumulated Depreciation	\$ 6,764,699	\$ 498,353	\$ (148,624)	\$ 7,114,428
Other Capital Assets, Net	\$ 2,422,234	\$ (169,455)	\$ -	\$ 2,252,779
Governmental Activities Capital Assets, Net	\$ 2,516,130	\$ (169,455)	\$ -	\$ 2,346,675

NOTES TO FINANCIAL STATEMENTS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Unallocated	\$ 498,353
	<u>\$ 498,353</u>

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities:					
Other Long-Term Liabilities					
Compensated Absences	\$ 18,481	\$ 30,237	\$ -	\$ 48,718	\$ -
	<u>\$ 18,481</u>	<u>\$ 30,237</u>	<u>\$ -</u>	<u>\$ 48,718</u>	<u>\$ -</u>

NOTE 6 - DEFICIT FUND BALANCES

The Audit Fund had a deficit fund balance of \$1,337 at June 30, 2018.

NOTE 7 - PROPERTY TAXES REVENUE

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2017 tax levy. The unavailable revenue is 100% of the 2017 tax levy. These taxes are unavailable as only a portion of the taxes (approximately 51%) are collected before the end of the fiscal year and the Library does not consider the amounts to be available and does not budget for their use in fiscal year 2018. The Library has determined that 100% of the amounts collected for the 2016 levy are allocable for use in fiscal year 2018. Therefore, 100% of the amounts collected for the 2016 levy and prior levies (\$2,141,021) are recorded in these financial statements as property taxes revenue. A summary of assessed valuations, rates, and extensions for tax years 2017, 2016, and 2015 is as follows:

Assessed Valuation	2017 \$569,292,609		2016 \$521,729,267		2015 \$472,160,253	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
General	0.348624	\$ 1,984,691	0.360635	\$ 1,881,538	0.381606	\$ 1,801,792
Social Security	0.011418	65,002	0.015956	83,247	0.013931	65,777
Municipal Retirement	0.014931	85,001	0.016895	88,146	0.025609	120,916
Site and Buildings	0.018269	104,004	0.017270	90,103	0.019346	91,344
Audit	0.001406	8,004	0.000939	4,899	0.001080	5,099
Liability Insurance	0.000879	5,004	0.002253	11,755	0.003241	15,303
	<u>0.395527</u>	<u>\$ 2,251,706</u>	<u>0.413948</u>	<u>\$ 2,159,688</u>	<u>0.444813</u>	<u>\$ 2,100,231</u>

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended June 30, 2018, the following funds had expenditures that exceeded its budget.

Fund	Budget	Actual	Excess of Actual Over Budget
Special Reserve	\$ 67,900	\$ 156,491	\$ 88,591

NOTES TO FINANCIAL STATEMENTS (Continued)

The Special Reserve fund over expended its budget due to the start of a capital improvement project at year end. The Per Capita Fund over expended its budget due to uncertainty if any money would be received from the State at the time the budget was prepared.

NOTE 9 - RETIREMENT FUND COMMITMENTS

A. *Illinois Municipal Retirement Fund*

Plan Description

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

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2017, the following employees were covered by the benefit terms:

NOTES TO FINANCIAL STATEMENTS (Continued)

Retirees and beneficiaries currently receiving benefits	38
Inactive plan members entitled to but not yet receiving benefits	17
Active plan members	<u>25</u>
Total	<u><u>80</u></u>

Contributions

As set by statute, the Library's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library's annual contribution rate for calendar year 2017 was 9.03%. For the fiscal year ended June 30, 2018, the Library contributed \$83,717 to the Plan. The Library also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF as of December 31, 2017, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 6,353,327
IMRF Fiduciary Net Position	6,793,589
Library's Net Pension Liability	(440,262)
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	106.93%

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

Actuarial Assumptions

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

Assumptions	
Inflation	2.50%
Salary Increases	3.39% - 14.25% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market value of assets
Projected Retirement Age	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. 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

Long-Term Expected Rate of Return

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, 2017:

Asset Class	Target Allocation	Projected Return
Equities	37.0%	6.85%
International Equities	18.0%	6.75%
Fixed Income	28.0%	3.00%
Real Estate	9.0%	5.75%
Alternatives	7.0%	
Private Equity		7.35%
Hedge Funds		5.05%
Commodities		2.65%
Cash	1.0%	2.25%
	100.0%	

Single Discount Rate

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
2. The tax-exempt municipal bond rate based on an index of 20-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 this discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (A)-(B)
Balance at December 31, 2016	\$ 6,487,023	\$ 6,148,383	\$ 338,640
Changes for the year:			
Service Cost	\$ 97,913	\$ -	\$ 97,913
Interest on the Total Pension Liability	473,921	-	473,921
Difference Between Expected and Actual	(79,567)	-	(79,567)
Changes of Assumptions	(191,907)	-	(191,907)
Contributions-Employer	-	85,516	(85,516)
Contributions-Employee	-	42,616	(42,616)
Net Investment Income	-	1,108,912	(1,108,912)
Benefit Payments, including Refunds of			
Employee Contributions	(434,056)	(434,056)	-
Other (Net Transfers)	-	(157,782)	157,782
Net Changes	\$ (133,696)	\$ 645,206	\$ (778,902)
Balance at December 31, 2017	\$ 6,353,327	\$ 6,793,589	\$ (440,262)

NOTES TO FINANCIAL STATEMENTS (Continued)

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 190,075	\$ (440,262)	\$ (970,029)

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

For the year ended June 30, 2018, the Library recognized pension expense of \$160,314. At June 30, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ (70,621)	\$ (70,621)
Assumption changes	-	(140,698)	(140,698)
Net difference between projected and actual earnings on pension investments	201,398	(532,138)	(330,740)
Total deferred amounts to be recognized in pension expense in future periods	\$ 201,398	\$ (743,457)	\$ (542,059)
Pension contributions made subsequent to the measurement date	41,892	-	41,892
Total deferred amounts related to pensions	<u>\$ 243,290</u>	<u>\$ (743,457)</u>	<u>\$ (500,167)</u>

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

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ (119,829)
2019	(121,256)
2020	(167,938)
2021	(133,036)
2022	-
Thereafter	-
	<u>\$ (542,059)</u>

B. Social Security

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

NOTE 10 - INTERFUND TRANSFERS

There were no Interfund transfers for the year ended June 30, 2018.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library purchases commercial insurance to handle these risks of loss. During fiscal year 2018 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Library is insured under a retrospectively-rated policy for workers' compensation coverage, whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2018, there were no significant adjustments in premiums based on actual experience.

NOTE 12 - CONTINGENCIES

The Library is not aware of any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 13 - CALCULATION OF LEGAL DEBT MARGIN

Assessed Valuation - 2017	<u>\$ 569,292,609</u>
Legal Debt Margin - 2.875% of Assessed Valuation	\$ 16,367,163
Amount of Debt Applicable to Debt Limit	<u>-</u>
Legal Debt Margin	<u>\$ 16,367,163</u>

NOTE 14 - CHANGE IN ACCOUNTING PRINCIPLE

Effective for the year ended June 30, 2018, the Library has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus 2017*. This Statement establishes financial reporting standards for postemployment benefits other than pension agreements offered by the Library. The Statement also requires additional disclosures about the postemployment benefits other than pensions offered by the Library. However, since the net amount of the future benefits was deemed immaterial, no disclosure is included.

REQUIRED SUPPLEMENTARY INFORMATION

ZION-BENTON PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
TOTAL PENSION LIABILITY				
Service Cost	\$ 97,913	\$ 109,731	\$ 116,564	\$ 123,030
Interest on the Total Pension Liability	473,921	460,888	449,032	407,963
Differences Between Expected and Actual Experience	(79,567)	(1,433)	(81,869)	18,145
Changes in Assumptions	(191,907)	(6,022)	-	272,644
Benefit Payments, Including Refunds of Member Contributions	(434,056)	(349,311)	(294,735)	(231,200)
Net Change in Total Pension Liability	<u>\$ (133,696)</u>	<u>\$ 213,853</u>	<u>\$ 188,992</u>	<u>\$ 590,582</u>
Total Pension Liability - Beginning	<u>6,487,023</u>	<u>6,273,170</u>	<u>6,084,178</u>	<u>5,493,596</u>
Total Pension Liability - Ending	<u>\$ 6,353,327</u>	<u>\$ 6,487,023</u>	<u>\$ 6,273,170</u>	<u>\$ 6,084,178</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 85,516	\$ 119,981	\$ 368,378	\$ 126,833
Contributions - Member	42,616	44,917	46,282	54,321
Net Investment Income	1,108,912	394,569	28,902	330,258
Benefit Payments, Including Refunds of Member Contributions	(434,056)	(349,311)	(294,735)	(231,200)
Other (Net Transfers)	(157,782)	79,535	(10,487)	1,058
Net Change in Plan Fiduciary Net Position	<u>\$ 645,206</u>	<u>\$ 289,691</u>	<u>\$ 138,340</u>	<u>\$ 281,270</u>
Plan Net Position - Beginning	<u>6,148,383</u>	<u>5,858,692</u>	<u>5,720,352</u>	<u>5,439,082</u>
Plan Net Position - Ending	<u>\$ 6,793,589</u>	<u>\$ 6,148,383</u>	<u>\$ 5,858,692</u>	<u>\$ 5,720,352</u>
Library's Net Pension Liability	<u>\$ (440,262)</u>	<u>\$ 338,640</u>	<u>\$ 414,478</u>	<u>\$ 363,826</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.93%	94.78%	93.39%	94.02%
Covered-Valuation Payroll	\$ 947,029	\$ 998,484	\$ 1,028,482	\$ 994,854
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	-46.49%	33.92%	40.30%	36.57%

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

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

ZION-BENTON PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
JUNE 30, 2018

	6/30/2018 *	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 85,517	\$ 120,018	\$ 118,378	\$ 124,456
Contributions in relation to Actuarially-Determined Contribution	85,516	119,981	368,378	126,833
Contribution deficiency/(excess)	<u>\$ 1</u>	<u>\$ 37</u>	<u>\$ (250,000)</u>	<u>\$ (2,377)</u>
Covered-Valuation Payroll	\$ 947,029	\$ 998,484	\$ 1,028,482	\$ 994,854
Contributions as a percentage of Covered-Valuation Payroll	9.03%	12.02%	35.82%	12.75%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2017 Contribution Rate *

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

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 26-year closed period

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

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, 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 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: RP-2014 Blue Collar Healthy Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation; note two year lag between valuation and rate setting.

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

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUES			
Property Taxes	\$ 1,816,918	\$ 1,876,929	\$ 1,798,453
TIF Rebate Tax Income	-	14,437	2,516
Personal Property Replacement Tax	65,000	74,109	75,586
Fines & Fees	25,000	12,192	18,852
Photocopy Income	12,500	2,430	12,284
Book Sales	3,500	5,244	3,319
Interest	22,270	17,452	16,588
Gifts & Donations	1,000	971	729
Supplies	1,500	1,473	774
Grant Income	17,325	4,000	17,375
Reading Club Incentives	5,275	505	1,885
E-Rate Rebate	1,500	-	203
Retail Income	300	-	1,193
Vending Income	1,000	2,120	(43)
Meeting Room Income	500	638	1,231
Public Fax Income	7,000	520	4,247
Rebates Income	4,000	767	1,200
Miscellaneous Income	1,500	483	183
Total Revenues	<u>\$ 1,986,088</u>	<u>\$ 2,014,270</u>	<u>\$ 1,956,575</u>
EXPENDITURES			
Current			
Personnel Expenses			
Salaries	\$ 1,170,000	\$ 1,155,119	\$ 1,057,967
Recruitment	1,000	1,192	729
Group Health Insurance	122,000	142,260	122,023
Unemployment Insurance	2,500	1,231	2,010
Worker's Compensation Insurance	-	-	3,180
Liability Insurance	-	-	120
Employee Recognition	2,500	2,269	1,199
Staff Association	1,500	1,025	1,118
Staff Training	12,000	3,677	10,905
Trustee Expenses	3,000	964	2,072
Travel-Staff	8,000	3,089	4,341
Travel-Director	1,200	69	-
Professional Dues	5,650	3,220	4,797
	<u>\$ 1,329,350</u>	<u>\$ 1,314,115</u>	<u>\$ 1,210,461</u>
Utilities			
Electric	\$ 44,100	\$ 49,499	\$ 43,398
Gas	13,500	11,560	9,969
Water	800	1,188	1,145
Waste	600	135	285
Telephone	3,000	2,254	820
Internet	17,500	14,856	14,051
	<u>\$ 79,500</u>	<u>\$ 79,492</u>	<u>\$ 69,668</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
EXPENDITURES (Continued)			
Current (Continued)			
Outside Professional Services			
Legal Services	\$ 4,000	\$ 14,552	\$ 2,153
Accounting Services	7,200	19,776	9,230
Payroll Processing	5,500	4,776	4,270
Investment Services	4,000	2,610	2,853
Collection Services	2,100	2,211	2,971
Consulting Services	3,500	1,990	3,548
Bank Fees	2,500	2,340	2,119
Legal Notices	500	366	13
	<u>\$ 29,300</u>	<u>\$ 48,621</u>	<u>\$ 27,157</u>
Contractual Services			
Insurance	\$ 24,525	\$ 19,792	\$ 24,525
	<u>\$ 24,525</u>	<u>\$ 19,792</u>	<u>\$ 24,525</u>
Library Materials			
Books & Publications	\$ 251,600	\$ 235,347	\$ 188,343
	<u>\$ 251,600</u>	<u>\$ 235,347</u>	<u>\$ 188,343</u>
Promotion & Publicity			
General	\$ 19,044	\$ 15,159	\$ 16,161
Adult	5,000	5,957	3,419
Youth	12,000	9,056	8,877
Young Adult	6,000	6,421	6,462
Circulation	-	-	200
E Services	2,500	-	250
After School Project	500	411	839
Printing & Typesetting	20,000	16,017	19,088
	<u>\$ 65,044</u>	<u>\$ 53,021</u>	<u>\$ 55,296</u>
Supplies			
Office & Library	\$ 53,500	\$ 48,966	\$ 40,740
	<u>\$ 53,500</u>	<u>\$ 48,966</u>	<u>\$ 40,740</u>
Postage			
Regular	\$ 5,500	\$ 5,859	\$ 9,873
Bulk	5,500	-	6,111
	<u>\$ 11,000</u>	<u>\$ 5,859</u>	<u>\$ 15,984</u>
Automation			
CCS	\$ 68,000	\$ 69,839	\$ 68,916
OCLC	5,000	4,583	4,344
Repairs-Equipment	5,000	13,661	7,471
Repairs-LAN	45,000	40,920	44,519
	<u>\$ 123,000</u>	<u>\$ 129,003</u>	<u>\$ 125,250</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
EXPENDITURES (Continued)			
Current (Continued)			
Other Expenses			
Lost Books	\$ -	\$ -	\$ 282
Grant Expenditures	5,000	-	17,848
	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 18,130</u>
 TOTAL EXPENDITURES	 <u>\$ 1,971,819</u>	 <u>\$ 1,934,216</u>	 <u>\$ 1,775,554</u>
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>\$ 14,269</u>	 <u>\$ 80,054</u>	 <u>\$ 181,021</u>
 OTHER FINANCING SOURCES/(USES)			
Unrealized Gains & Losses	\$ -	\$ (828)	\$ (3,370)
Transfers	-	-	36,327
	<u>\$ -</u>	<u>\$ (828)</u>	<u>\$ 32,957</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 14,269</u>	 <u>\$ 79,226</u>	 <u>\$ 213,978</u>
 FUND BALANCE - JULY 1, 2017		 <u>1,195,539</u>	 <u>990,866</u>
 FUND BALANCE - JUNE 30, 2018		 <u><u>\$ 1,274,765</u></u>	 <u><u>\$ 1,204,844</u></u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
	<u>Original and Final</u>		
REVENUES			
Property Taxes	\$ 89,080	\$ 89,325	\$ 88,979
Other Income	24	-	125
Total Revenues	<u>\$ 89,104</u>	<u>\$ 89,325</u>	<u>\$ 89,104</u>
EXPENDITURES			
Current			
Contractual Services	\$ 41,886	\$ 57,709	\$ 17,200
Materials, Supplies, and Repairs	60,948	33,143	85,671
Total Expenditures	<u>\$ 102,834</u>	<u>\$ 90,852</u>	<u>\$ 102,871</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (13,730)	\$ (1,527)	\$ (13,767)
OTHER FINANCING SOURCES/(USES)			
Transfer from Library Fund	<u>-</u>	<u>-</u>	<u>19,490</u>
NET CHANGE IN FUND BALANCE	<u>\$ (13,730)</u>	\$ (1,527)	\$ 5,723
FUND BALANCE - JULY 1, 2017		<u>76,868</u>	<u>71,145</u>
FUND BALANCE - JUNE 30, 2018		<u>\$ 75,341</u>	<u>\$ 76,868</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUES			
Interest	\$ -	\$ -	\$ 98
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98</u>
EXPENDITURES			
Current			
Materials, Supplies, and Repairs	\$ 67,900	\$ 156,491	\$ 67,900
Total Expenditures	<u>\$ 67,900</u>	<u>\$ 156,491</u>	<u>\$ 67,900</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (67,900)	\$ (156,491)	\$ (67,802)
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (67,900)</u>	<u>\$ (156,491)</u>	<u>\$ (67,802)</u>
FUND BALANCE - JULY 1, 2017		<u>266,828</u>	<u>334,630</u>
FUND BALANCE - JUNE 30, 2018		<u>\$ 110,337</u>	<u>\$ 266,828</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2018

NOTE 1 - BUDGETARY PROCESS

Annual budgets are legally adopted and separately reported for all funds of the Library. The budget was passed on October 24, 2017. The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Library Director requests draft budget proposals from the Management Team for staffing, materials, equipment, furnishing, supplies and services for their departments and prepares a budget proposal for library-wide items and the Administration Department.
2. The Library Director compiles this information and creates a preliminary budget.
3. The Library Director and Management Team go over the preliminary budget and make any necessary adjustments.
4. A second draft budget is prepared and is reviewed by the Library Director and Management Team.
5. The revised budget is then submitted to the budget committee, who goes over it and make any changes with the Library Director.
6. The budget is then presented to and reviewed by the Board at a public hearing, and will make any final changes before approving the budget.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

The following funds presented as Required Supplementary Information had expenditures that exceeded the budget for the year ended June 30, 2018.

Fund	Budget	Actual	Excess of Actual Over Budget
Special Reserve	\$ 67,900	\$ 156,491	\$ 88,591

SUPPLEMENTAL FINANCIAL INFORMATION

ZION-BENTON PUBLIC LIBRARY DISTRICT
 COMBINING BALANCE SHEET
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018

	Library Fund	Insurance Liability Fund	Total General Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,085,420	\$ 33,000	\$ 1,118,420
Investments, at Fair Value	1,244,259	-	1,244,259
Property Taxes Receivable, net of allowance of \$0	966,037	2,435	968,472
Accrued Interest	1,765	-	1,765
Prepaid Expenses	53,514	-	53,514
Total Assets	<u>\$ 3,350,995</u>	<u>\$ 35,435</u>	<u>\$ 3,386,430</u>
LIABILITIES			
Accounts Payable	\$ 50,756	\$ -	\$ 50,756
Accrued Payroll	22,496	-	22,496
Accrued Vacation	48,718	-	48,718
Total Liabilities	<u>\$ 121,970</u>	<u>\$ -</u>	<u>\$ 121,970</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$ 1,984,691	\$ 5,004	\$ 1,989,695
Total Deferred Inflows of Resources	<u>\$ 1,984,691</u>	<u>\$ 5,004</u>	<u>\$ 1,989,695</u>
FUND BALANCE			
Non-Spendable			
Prepaid Expenses	\$ 53,514	\$ -	\$ 53,514
Restricted			
Insurance Liability	-	30,249	30,249
Assigned			
Insurance Liability	-	182	182
Unassigned	1,190,820	-	1,190,820
Total Fund Balances	<u>\$ 1,244,334</u>	<u>\$ 30,431</u>	<u>\$ 1,274,765</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,350,995</u>	<u>\$ 35,435</u>	<u>\$ 3,386,430</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018

	Library Fund	Insurance Liability Fund	Total General Fund
REVENUES			
Property Taxes	\$ 1,865,276	\$ 11,653	\$ 1,876,929
TIF Rebate Tax Income	14,437	-	14,437
Personal Property Replacement Tax	71,425	2,684	74,109
Fines & Fees	12,192	-	12,192
Photocopy Income	2,430	-	2,430
Book Sales	5,244	-	5,244
Interest	17,452	-	17,452
Gifts & Donations	971	-	971
Supplies	1,473	-	1,473
Grant Income	4,000	-	4,000
Miscellaneous Income	5,033	-	5,033
Total Revenues	<u>\$ 1,999,933</u>	<u>\$ 14,337</u>	<u>\$ 2,014,270</u>
EXPENDITURES			
Current			
Personnel Expenses	\$ 1,314,115	\$ -	\$ 1,314,115
Library Materials	235,347	-	235,347
Contractual Services	101,642	19,792	121,434
Materials, Supplies, and Repairs	263,320	-	263,320
Total Expenditures	<u>\$ 1,914,424</u>	<u>\$ 19,792</u>	<u>\$ 1,934,216</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 85,509	\$ (5,455)	\$ 80,054
OTHER FINANCING SOURCES/(USES)			
Unrealized Gains & Losses	<u>(828)</u>	<u>-</u>	<u>(828)</u>
NET CHANGE IN FUND BALANCE	\$ 84,681	\$ (5,455)	\$ 79,226
FUND BALANCE - JULY 1, 2017	<u>1,159,653</u>	<u>35,886</u>	<u>1,195,539</u>
FUND BALANCE - JUNE 30, 2018	<u><u>\$ 1,244,334</u></u>	<u><u>\$ 30,431</u></u>	<u><u>\$ 1,274,765</u></u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUES			
Property Taxes	\$ 1,801,792	\$ 1,865,276	\$ 1,783,327
TIF Rebate Tax Income	-	14,437	2,495
Personal Property Replacement Tax	65,000	71,425	75,516
Fines & Fees	25,000	12,192	18,852
Photocopy Income	12,500	2,430	12,284
Book Sales	3,500	5,244	3,319
Interest	22,270	17,452	16,551
Gifts & Donations	1,000	971	729
Supplies	1,500	1,473	774
Grant Income	17,325	4,000	17,375
Reading Club Incentives	5,275	505	1,885
E-Rate Rebate	1,500	-	203
Retail Income	300	-	1,193
Vending Income	1,000	2,120	(43)
Meeting Room Income	500	638	1,231
Public Fax Income	7,000	520	4,247
Rebates Income	4,000	767	1,200
Miscellaneous Income	1,500	483	183
Total Revenues	<u>\$ 1,970,962</u>	<u>\$ 1,999,933</u>	<u>\$ 1,941,321</u>
EXPENDITURES			
Current			
Personnel Expenses			
Salaries	\$ 1,170,000	\$ 1,155,119	\$ 1,057,967
Recruitment	1,000	1,192	729
Group Health & Life Insurance	122,000	142,260	122,023
Unemployment Insurance	2,500	1,231	2,010
Worker's Compensation Insurance	-	-	3,180
Liability Insurance	-	-	120
Employee, Volunteer & Other Recognition	2,500	2,269	1,199
Staff Association	1,500	1,025	1,118
Staff Training	12,000	3,677	10,905
Trustee Expenses	3,000	964	2,072
Travel-Staff	8,000	3,089	4,341
Travel-Director	1,200	69	-
Professional Dues	5,650	3,220	4,797
	<u>\$ 1,329,350</u>	<u>\$ 1,314,115</u>	<u>\$ 1,210,461</u>
Utilities			
Electric	\$ 44,100	\$ 49,499	\$ 43,398
Gas	13,500	11,560	9,969
Water	800	1,188	1,145
Waste	600	135	285
Telephone	3,000	2,254	820
Internet	17,500	14,856	14,051
	<u>\$ 79,500</u>	<u>\$ 79,492</u>	<u>\$ 69,668</u>

See Accompanying Independent Auditors' Report

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
EXPENDITURES (Continued)			
Current (Continued)			
Outside Professional Services			
Legal Services	\$ 4,000	\$ 14,552	\$ 2,153
Accounting Services	7,200	19,776	9,230
Payroll Processing	5,500	4,776	4,270
Investment Services	4,000	2,610	2,853
Collection Services	2,100	2,211	2,971
Consulting Services	3,500	1,990	3,548
Bank Fees	2,500	2,340	2,119
Legal Notices	500	366	13
	<u>\$ 29,300</u>	<u>\$ 48,621</u>	<u>\$ 27,157</u>
Library Materials			
Books & Publications	\$ 251,600	\$ 235,347	\$ 188,343
	<u>\$ 251,600</u>	<u>\$ 235,347</u>	<u>\$ 188,343</u>
Promotion & Publicity			
General	\$ 19,044	\$ 15,159	\$ 16,161
Adult	5,000	5,957	3,419
Youth	12,000	9,056	8,877
Young Adult	6,000	6,421	6,462
Circulation	-	-	200
E Services	2,500	-	250
After School Project	500	411	839
Newsletter & Web Development	20,000	16,017	19,088
	<u>\$ 65,044</u>	<u>\$ 53,021</u>	<u>\$ 55,296</u>
Supplies			
Office & Library	\$ 53,500	48,966	\$ 40,740
	<u>\$ 53,500</u>	<u>\$ 48,966</u>	<u>\$ 40,740</u>
Postage			
Regular	\$ 5,500	\$ 5,859	\$ 9,873
Bulk	5,500	-	6,111
	<u>\$ 11,000</u>	<u>\$ 5,859</u>	<u>\$ 15,984</u>
Automation			
CCS	\$ 68,000	\$ 69,839	\$ 68,916
OCLC	5,000	4,583	4,344
Repairs-Equipment	5,000	13,661	7,471
Repairs-LAN	45,000	40,920	44,519
	<u>\$ 123,000</u>	<u>\$ 129,003</u>	<u>\$ 125,250</u>

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ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
	<u>Original and Final</u>		
EXPENDITURES (Continued)			
Current (Continued)			
Other Expenses			
Lost Books	\$ -	\$ -	\$ 282
Grant Expenditures	5,000	-	17,848
	\$ 5,000	\$ -	\$ 18,130
 TOTAL EXPENDITURES	\$ 1,947,294	\$ 1,914,424	\$ 1,751,029
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 23,668	\$ 85,509	\$ 190,292
 OTHER FINANCING SOURCES/(USES)			
Unrealized Gains & Losses	\$ -	\$ (828)	\$ (3,370)
Transfer from Working Cash Fund	-	-	93,593
Transfer from Construction Fund	-	-	55,817
Transfer to Building Maintenance Fund	-	-	(19,490)
	\$ -	\$ (828)	\$ 126,550
 NET CHANGE IN FUND BALANCE	\$ 23,668	\$ 84,681	\$ 316,842
 FUND BALANCE - JULY 1, 2017		1,159,653	842,811
 FUND BALANCE - JUNE 30, 2018		\$ 1,244,334	\$ 1,159,653

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ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - LIABILITY INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUES			
Property Taxes	\$ 15,126	\$ 11,653	\$ 15,126
TIF Rebate Tax Income	21	-	21
Personal Property Replacement Tax	70	2,684	70
Interest & Dividends	-	-	3
Total Revenues	<u>\$ 15,217</u>	<u>\$ 14,337</u>	<u>\$ 15,220</u>
EXPENDITURES			
Current			
Contractual Services			
Liability Insurance	\$ 1,150	\$ 1,150	\$ 1,150
Workers Compensation Insurance	7,999	5,626	7,999
Business Insurance	15,376	13,016	15,376
Total Expenditures	<u>\$ 24,525</u>	<u>\$ 19,792</u>	<u>\$ 24,525</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,308)</u>	<u>\$ (5,455)</u>	<u>\$ (9,305)</u>
FUND BALANCE - JULY 1, 2017		<u>35,886</u>	<u>45,191</u>
FUND BALANCE - JUNE 30, 2018		<u>\$ 30,431</u>	<u>\$ 35,886</u>

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ZION-BENTON PUBLIC LIBRARY DISTRICT
NON-MAJOR FUND SCHEDULE
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Social Security	IMRF	Audit	Per Capita	Totals
Assets					
Cash	\$ 60,523	\$ 98,743	\$ 2,771	\$ 4,450	\$ 166,487
Taxes Receivable	31,639	41,373	3,896	-	76,908
Total Assets	<u>\$ 92,162</u>	<u>\$ 140,116</u>	<u>\$ 6,667</u>	<u>\$ 4,450</u>	<u>\$ 243,395</u>
Liabilities					
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflow of Resources					
Unavailable Revenue-Property Taxes	\$ 65,002	\$ 85,001	\$ 8,004	\$ -	\$ 158,007
Total Deferred Inflow of Resources	<u>\$ 65,002</u>	<u>\$ 85,001</u>	<u>\$ 8,004</u>	<u>\$ -</u>	<u>\$ 158,007</u>
Fund Balances					
Restricted					
Social Security	\$ 25,418	\$ -	\$ -	\$ -	\$ 25,418
IMRF	-	52,050	-	-	52,050
Assigned					
Social Security	1,742	-	-	-	1,742
IMRF	-	3,065	-	-	3,065
Per Capita	-	-	-	4,450	4,450
Unassigned	-	-	(1,337)	-	(1,337)
Total Fund Balances	<u>\$ 27,160</u>	<u>\$ 55,115</u>	<u>\$ (1,337)</u>	<u>\$ 4,450</u>	<u>\$ 85,388</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 92,162</u>	<u>\$ 140,116</u>	<u>\$ 6,667</u>	<u>\$ 4,450</u>	<u>\$ 243,395</u>

ZION BENTON PUBLIC LIBRARY DISTRICT
NON-MAJOR FUND SCHEDULE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Social Security	IMRF	Audit	Per Capita	Total
Revenues					
Tax Revenue Current	\$ 82,527	\$ 87,384	\$ 4,856	\$ -	\$ 174,767
Personal Property Replacement Tax	-	3,900	-	-	3,900
Per Capita Grant	-	-	-	32,923	32,923
Total Revenue	<u>\$ 82,527</u>	<u>\$ 91,284</u>	<u>\$ 4,856</u>	<u>\$ 32,923</u>	<u>\$ 211,590</u>
Expenditures					
Current					
Personnel	\$ 85,759	\$ 83,718	\$ -	\$ -	\$ 169,477
Contractual Services	-	-	8,000	-	8,000
Materials, Supplies, and Repairs	-	-	-	28,473	28,473
Total Expenditures	<u>\$ 85,759</u>	<u>\$ 83,718</u>	<u>\$ 8,000</u>	<u>\$ 28,473</u>	<u>\$ 205,950</u>
Excess or (Deficiency) of Revenues Over Expenditures	\$ (3,232)	\$ 7,566	\$ (3,144)	\$ 4,450	\$ 5,640
FUND BALANCE - JULY 1, 2017	<u>30,392</u>	<u>47,549</u>	<u>1,807</u>	<u>-</u>	<u>79,748</u>
FUND BALANCE - JUNE 30, 2018	<u>\$ 27,160</u>	<u>\$ 55,115</u>	<u>\$ (1,337)</u>	<u>\$ 4,450</u>	<u>\$ 85,388</u>

ZION-BENTON PUBLIC LIBRARY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUES			
Property Taxes	\$ 65,310	\$ 82,527	\$ 65,310
Replacement Taxes	9,323	-	9,323
TIF Rebate Tax Income	91	-	91
Total Revenue	<u>\$ 74,724</u>	<u>\$ 82,527</u>	<u>\$ 74,724</u>
EXPENDITURES			
Current			
FICA	\$ 85,819	\$ 85,759	\$ 85,819
Total Expenditures	<u>\$ 85,819</u>	<u>\$ 85,759</u>	<u>\$ 85,819</u>
NET CHANGE IN FUND BALANCE	<u>\$ (11,095)</u>	\$ (3,232)	\$ (11,095)
FUND BALANCE - JULY 1, 2017		<u>30,392</u>	<u>41,487</u>
FUND BALANCE - JUNE 30, 2018		<u>\$ 27,160</u>	<u>\$ 30,392</u>

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ZION-BENTON PUBLIC LIBRARY DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 IMRF FUND
 FOR THE YEAR ENDED JUNE 30, 2018
 (With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUES			
Property Taxes	\$ 119,527	\$ 87,384	\$ 119,527
Replacement Taxes	4,661	3,900	4,661
TIF Rebate Tax Income	167	-	167
Total Revenue	<u>\$ 124,355</u>	<u>\$ 91,284</u>	<u>\$ 124,355</u>
EXPENDITURES			
Current			
IMRF	<u>\$ 104,352</u>	<u>\$ 83,718</u>	<u>\$ 104,352</u>
Total Expenditures	<u>\$ 104,352</u>	<u>\$ 83,718</u>	<u>\$ 104,352</u>
NET CHANGE IN FUND BALANCE	<u>\$ 20,003</u>	\$ 7,566	\$ 20,003
FUND BALANCE - JULY 1, 2017		<u>47,549</u>	<u>27,546</u>
FUND BALANCE - JUNE 30, 2018		<u>\$ 55,115</u>	<u>\$ 47,549</u>

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ZION-BENTON PUBLIC LIBRARY DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 AUDIT FUND
 FOR THE YEAR ENDED JUNE 30, 2018
 (With Comparative Amounts for the Year Ended June 30, 2017)

	Budgeted Amounts Original and Final	2018 Actual	2017 Actual
REVENUES			
Property Taxes	\$ 5,175	\$ 4,856	\$ 5,170
Replacement Taxes	3,659	-	3,659
TIF Rebate Tax Income	7	-	1
Total Revenue	\$ 8,841	\$ 4,856	\$ 8,830
EXPENDITURES			
Current			
Contractual Services			
Audit	\$ 7,800	\$ 8,000	\$ 7,800
Total Expenditures	\$ 7,800	\$ 8,000	\$ 7,800
NET CHANGE IN FUND BALANCE	\$ 1,041	\$ (3,144)	\$ 1,030
FUND BALANCE - JULY 1, 2017		1,807	777
FUND BALANCE - JUNE 30, 2018		\$ (1,337)	\$ 1,807

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ZION-BENTON PUBLIC LIBRARY DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 PER CAPITA FUND
 FOR THE YEAR ENDED JUNE 30, 2018
 (With Comparative Amounts for the Year Ended June 30, 2017)

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUES			
Grant Income	\$ -	\$ 32,923	\$ -
Total Revenue	<u>\$ -</u>	<u>\$ 32,923</u>	<u>\$ -</u>
EXPENDITURES			
Materials, Supplies, and Repairs	\$ -	\$ 28,473	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ 28,473</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	\$ 4,450	\$ -
FUND BALANCE - JULY 1, 2017		<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30, 2018		<u><u>\$ 4,450</u></u>	<u><u>\$ -</u></u>

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