

PARLIN-INGERSOLL PUBLIC LIBRARY
Canton, Illinois

Financial Statements
and
Auditor's Report

For The 11 Months Ended April 30, 2020

PARLIN-INGERSOLL PUBLIC LIBRARY

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PARLIN-INGERSOLL PUBLIC LIBRARY

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Parlin-Ingersoll Public Library
Canton, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities of the Parlin-Ingersoll Public Library (the "Library") as of and for the 11 months ended April 30, 2020, 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 the modified cash basis of accounting described in Note 1E; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities of the Parlin-Ingersoll Public Library as of April 30, 2020, and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1E.

Basis of Accounting

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

Other Matters*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Parlin-Ingersoll Public Library's basic financial statements. The Budgetary Comparison Schedule - General Fund - Modified Cash Basis on page 33 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Budgetary Comparison Schedule - General Fund - Modified Cash Basis on page 33 is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Parlin-Ingersoll Public Library's basic financial statements as a whole. The management's discussion and analysis, the Comparative Statement of Revenues Received and Expenditures Disbursed - Modified Cash Basis, Schedule of Investments, Schedule of Disbursements > \$2,500, and Schedule of Compensation on pages 7 through 13 and 35 through 38, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Comparative Statement of Revenues Received and Expenditures Disbursed - Modified Cash Basis is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Comparative Statement of Revenues Received and Expenditures Disbursed - Modified Cash Basis is fairly stated in all material respects in relation to the basic financial statements as a whole.

The management's discussion and analysis, Schedule of Investments, Schedule of Disbursements > \$2,500, and the Schedule of Compensation on pages 7 through 13 and pages 36 through 38 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited in accordance with auditing standards generally accepted in the United States of America, the modified cash basis financial statements of Parlin-Ingersoll Public Library as of and for the year ended May 31, 2019, not presented herein, and we expressed an unmodified opinion on those financial statements. That audit was conducted for purposes of forming an opinion on the financial statements as a whole. The 2019 financial information in the Comparative Statement of Revenues Received and Expenditures Disbursed - Modified Cash Basis on page 35 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2019 financial statements. The 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 financial information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.



GINOLI & COMPANY LTD
Certified Public Accountants

Peoria, Illinois
September 16, 2020

PARLIN-INGERSOLL PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS: FY20

Our discussion and analysis of the Parlin-Ingersoll Public Library's financial performance provides an overview of the library's financial activities for the 11-month fiscal year ending April 30, 2020. Please review in conjunction with the Library's basic financial statements.

FINANCIAL HIGHLIGHTS AND OVERVIEW OF FINANCIAL STATEMENTS

- **Operations:** In FY20 total library expenditures were under revenue by \$61,107. In FY19 total library expenditures were over revenue by \$66,597 (\$66,663 per audit) for the first time in five years compared to being under \$5,019 (FY18), \$25,299 (FY17--\$36,314 per audit), \$12,677 (FY16--\$798 per audit, \$40,623 (FY15), and \$95,996 (FY14). (These figures include a gain/loss on investments). This is compared to prior expenditures exceeding revenue by \$40,364 (FY13), \$60,311 (FY12), and \$110,456 (FY11).

Revenues are budgeted conservatively. In addition, the library has kept very tight control over operating expenditures the past five years despite larger capital expenses. As we continue to complete the recommended building maintenance upgrades coupled with increases in minimum wage, these trends might not continue.

- **Salary and Benefits:** Our total expenditures for salaries and wages ended more than \$42,833 under budget and the total of payroll taxes, pension and health insurance ended more than \$8,249 under budget. We did have some new hires come in at a slightly lower rate than their predecessors as well as the total being on an 11-month cycle.
- **Utilities, Telephone, and Internet:** The total expenditures for utilities, telephone and internet were \$14,193 under budget. This decrease may partially be attributed to the conversion to LED lighting in the building, and we received eRate funding, which program administrators require not to budget for receipt of disbursements. Again, the total being on an 11-month cycle.
- **Building and Ground Maintenance:** The total expenditures were under budget by \$10,308. We had less use of electricians and less mowing and snow removal in FY20. In addition, our fire alarm system monitoring maintenance is billed in May, so an annual billing did not occur in the 11-month FY20.
- **Insurance:** This billing also occurs in May, so an annual billing did not occur in FY20.
- **Other Expenditures:** Print and non-print materials appear under budget and over budget respectively, but this can be attributed to receiving unanticipated Per Capita Grant monies and donations.

- **Capital Expenditures:** The library budgeted \$105,000 for capital expenditures in FY20. An automation upgrade to our Polaris library system servers and some new PCs were estimated at \$65,000. The work came in under budget at a total of \$61,554. Anticipated sidewalk repairs were not done.
- **Ingersoll Income:** Charles D. Ingersoll Trust quarterly disbursements totaled \$620,320. This represents an increase of 2.3% from the \$606,503 (FY19) and an overall decrease of 6.1% from our FY09 distribution of \$660,340. The revenue decline has been due to lower interest rates and investment losses in the Trust since 2008. The rolling-three-year valuation average used to calculate trust distributions can help spread out the impact of these losses. The higher close on December 31, 2019 helped provide the increase received in calendar year 2020.
- **State Grant:** The Library received an Illinois state per capita grant in FY20 that had been awarded in FY19, administered by the Illinois State Library, in the amount of \$18,380. The state per capita grant monies are drawn from the State of Illinois' general tax fund and the Secretary of State's Live and Learn fees. These tax and fee monies are collected from all taxpayers in Illinois. Library participation in the per capita grant program recaptures tax and fee monies collected from Canton-area citizens. There were no local property taxes collected for library services in FY20. Income from Ingersoll Trust disbursements and accumulated savings represents a per capita value of \$43.69. We would need to levy a property tax averaging \$118.83 per household to replace Ingersoll revenues of FY20.
- **Other Income:** The Library earned a total of \$18,760 in miscellaneous receipts, down from \$22,000 in FY19, \$22,505 (FY18). Overdue fees accounted for \$3,893 in FY20, down from \$6,027 in FY19 and \$6,867 in FY 18. Replacement charges for lost or damaged materials recovered was \$1,662 from \$1,582 in FY19 and \$1,444 in FY 18. The rest of the revenue was generated primarily from cost-recovery assessments, such as photocopies, computer prints, proctoring fees, book sales, donations, etc. The top income generators in these areas in FY20 were photocopies at \$2,179, computer prints at \$3,764, and faxes at \$2,555. The drop in Miscellaneous Income is spread among all categories. A greater drop has been seen in FY20 due to a shortened fiscal year and 6 weeks of closure due to COVID-19.

OVERVIEW OF ASSETS

- **Changes in Savings and Investments:** The library ended the fiscal year with \$981,831.71 in capital reserves at Mid-America National Bank, compared to \$980,751.16 in fiscal year 2019. Due to reduced revenues, our capital reserves have declined from \$1,245,602 at the end of fiscal year 2008. We ended with a balance in our MidAmerica National Bank checking account of \$141,027.08.

- **Capital Asset Investment:** The library budgeted \$105,000 for capital expenditures in FY20. The library updated its suggested maintenance schedule from our architect. Anticipated sidewalk repairs and parking lot crack repairs were not completed in FY20. However, an automation upgrade to the Polaris library system servers and some new PCs were completed last fall. The actual cost for capital expenditures in FY20 was \$61,554.
- **Debt:** The Library has no short-term or long-term debt to service.

FY21 Budget Forecast

The Board approved the FY21 Budget at \$187,502 over in operating expenses and \$347,302 over if also including anticipated capital expenses. Capital expenses in FY21 include replacing a section of the parking lot in concrete. This is the first yearly phase of a five-year plan for the public lot.

Our income for FY20 was up at \$681,416 compared to \$668,635 (\$680,747 per audit) for FY19, compared to \$658,455 (\$683,971 per audit) for FY18, \$646,545 (\$671,421 per audit) for FY17 and \$696,891 (\$685,013 per audit) for FY16. Total income has fallen from a historic high of \$767,391 in FY08 to \$681,416 in FY20, a decline of \$85,975 or about 11.2 percent.

The Charles D. Ingersoll Trust did increase in value from December 31, 2018 to December 31, 2019. The 3-year rolling average used to calculate our income rolled off a slightly lower year than the one brought in.

For FY21 when looking at the 3-year rolling average the Charles D. Ingersoll Trust will use to calculate our income, we will be rolling off Dec. 31, 2017 (\$25,803,835) for the value on December 31, 2020. The close on Dec. 31, 2018 (\$23,345,535) and Dec. 31, 2019 (\$27,002,709) will be averaged in to determine our distributions in calendar year 2021. The stock market dropped considerably in the spring of 2020 due to the COVID-19 pandemic. How the market rebounds by December 31st may have a great impact on our future Trust income.

In addition, we have applied for a Per Capita Grant for 2020 (FY21) but have not yet heard if we have been awarded the grant nor at what level it will be funded. Previous Per Capita Grants were \$18,380 (PCG grant for 2019 received in FY20), \$18,380 in FY19, and \$11,335 in FY18. Since we cannot predict if these monies will be received in FY21, we did not include them in expected revenue. Thus, our estimated income for FY21 is \$548,383.

After operating in as lean a manner as possible for several years, it has become obvious looking to the future the current library's income alone will not sustain it. From 2008 to 2018 the value of the 3-year rolling average has declined 8.8% while the Consumer Price Index has increased 19.5%.

The Board consulted with the library attorney in the fall of 2019 to explore taxing options. In March 2020 the Board sent a formal request to the City to levy a tax for \$306,220 for the library fund. This amount will be levied in December 2020. Here are the requested amounts:

<u>Total tax rates:</u>		
Library Corporate:	.1500	\$203,520 (rounded)
Library IMRF:	.0346	47,000
Library Social Security/Medicare:	.0173	23,500
Library Audit:	.0038	5,100
Library Tort/Liability:	.0200	<u>27,100 (rounded)</u>
Total:	.2257	\$306,220

While these tax revenues will not come to the library until June 2021 in FY22, these funds should help the library absorb the increases in minimum wages and supplement regular income to provide adequate maintenance to the library and its grounds.

A new challenge for everyone will be operating our organizations while under restrictions posed by the pandemic. We will be starting FY21 being closed to the public. It is yet uncertain when the library can re-open. Primary concerns at this time are obtaining adequate PPE (Personal Protective Equipment) such as gloves and sanitizers, managing social distances, and the adequate quarantining of materials. We will be transitioning to new methods of service while maintaining safety and social distancing recommendations.

As stated in our strategic plan, the library’s mission is:

The Parlin-Ingersoll Public Library promotes, develops, and enhances lifelong learning and personal enrichment by meeting the needs of our community **through exceptional, individualized service.**

The library staff and board are ready to take “exceptional, individualized service,” to a new level in FY21.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Library.

The statement of activities demonstrates the degree to which the direct expenses of a given function of segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to patrons or the general public 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. Other items not properly included among program revenues are reported instead as *general revenues*.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. Fund financial statements reported in these sections tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide statements by providing information about the Library's most financially significant funds.

The Parlin-Ingersoll Public Library, being an independent governing and non-tax levying body, only has governmental funds. *Governmental Funds:* The Library's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified cash basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Library's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. We described the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included in Notes 1, 2, and 3 in the Notes to Financial Statements.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found in a following section.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules for the major fund. A comparison of revenues received and expenditures disbursed for the years ended May 31, 2019 and April 30, 2020 can be found in the section titles "Comparative Statement of Revenues and Expenditures Disbursed - Modified Cash Basis." A "Schedule of Investments", "Schedule of Disbursements=>\$2,500" and "Schedule of Compensation" can also be found.

PARLIN-INGERSOLL PUBLIC LIBRARY
FOR THE 11 MONTHS ENDED APRIL 30, 2020 AND THE YEAR ENDED MAY 31, 2019

Financial Analysis of the Library

	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash	\$ 311,250	\$ 203,393
Investments, at Amortized Cost	812,360	859,110
Property and Equipment, net of accumulated depreciation	<u>1,007,642</u>	<u>1,019,918</u>
Total Assets	<u><u>\$ 2,131,252</u></u>	<u><u>\$ 2,082,421</u></u>
NET POSITION:		
Invested in Capital Assets	\$ 1,007,642	\$ 1,019,918
Restricted	1,149	693
Unrestricted	<u>1,122,461</u>	<u>1,061,810</u>
Total Net Position	<u><u>\$ 2,131,252</u></u>	<u><u>\$ 2,082,421</u></u>
Program Revenues:		
Charges for Services	\$ 15,724	\$ 20,760
Grants	18,380	30,492
Donations	4,919	2,831
General Revenues:		
Charles D. Ingersoll Trust	620,320	606,503
Investment Income and Gains/Losses	20,909	20,501
Loss on Disposition of Capital Assets	<u>(3,190)</u>	<u>-</u>
Total Revenues	<u><u>\$ 677,062</u></u>	<u><u>\$ 681,087</u></u>
Program Expenses:		
Current Cultural and Recreation	<u>628,231</u>	<u>735,056</u>
Increase (Decrease) in Net Position	<u><u>\$ 48,831</u></u>	<u><u>\$ (53,969)</u></u>

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report provides our citizens, taxpayers, patrons and creditors with a general overview of the Library's finances and addresses the Library's accountability for the money it receives. If there are any questions about this report or additional information that is needed please feel free to contact the Parlin-Ingersoll Public Library between 9 a.m. and 5 p.m., Monday through Friday.

Respectfully submitted,

Kimberly S. Bunner 8-25-2020
Kimberly S. Bunner, Director Date

PARLIN-INGERSOLL PUBLIC LIBRARY

BASIC FINANCIAL STATEMENTS

PARLIN-INGERSOLL PUBLIC LIBRARY
Statement of Net Position and Governmental Fund Statement of Assets, Liabilities, and Fund
Balance - Modified Cash Basis
April 30, 2020

	<u>Governmental Fund</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Position</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 311,250	\$ -	\$ 311,250
Investments, at Amortized Cost	812,360	-	812,360
Total Current Assets	<u>\$ 1,123,610</u>	<u>\$ -</u>	<u>\$ 1,123,610</u>
Non-Current Assets:			
Capital Assets			
Land	\$ -	\$ 205,328	\$ 205,328
Depreciable	-	2,609,107	2,609,107
Less: Accumulated Depreciation	-	(1,806,793)	(1,806,793)
Total Non-Current Assets	<u>\$ -</u>	<u>\$ 1,007,642</u>	<u>\$ 1,007,642</u>
Total Assets	<u><u>\$ 1,123,610</u></u>	<u><u>\$ 1,007,642</u></u>	<u><u>\$ 2,131,252</u></u>
NET POSITION:			
Invested in Capital Assets	\$ -	\$ 1,007,642	\$ 1,007,642
Restricted	1,149	-	1,149
Unrestricted	<u>1,122,461</u>	<u>-</u>	<u>1,122,461</u>
Total Fund Balance / Net Position	<u><u>\$ 1,123,610</u></u>	<u><u>\$ 1,007,642</u></u>	<u><u>\$ 2,131,252</u></u>

The accompanying notes are an integral part of this financial statement.

PARLIN-INGERSOLL PUBLIC LIBRARY
Statement of Activities - Modified Cash Basis
For The 11 Months Ended April 30, 2020

	<u>Governmental Fund</u>	<u>Adjustments (Note 3)</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES:			
Current Cultural and Recreation	\$ 554,726	\$ 73,505	\$ 628,231
Capital Outlay	64,419	(64,419)	-
	<u>619,145</u>	<u>9,086</u>	<u>628,231</u>
Total Expenditures/Expenses	\$ 619,145	\$ 9,086	\$ 628,231
PROGRAM REVENUES:			
Charges for Services	\$ 15,724	\$ -	\$ 15,724
Operating Contributions	4,919	-	4,919
Operating Grants	18,380	-	18,380
	<u>39,023</u>	<u>-</u>	<u>39,023</u>
Total Program Revenues	\$ 39,023	\$ -	\$ 39,023
			<u>\$ (589,208)</u>
Net Program Expense			
GENERAL REVENUES:			
Charles D. Ingersoll Trust	\$ 620,320	\$ -	\$ 620,320
Investment Income and Gains/Losses	20,909	-	20,909
Loss on Disposition of Capital Assets	-	(3,190)	(3,190)
	<u>641,229</u>	<u>(3,190)</u>	<u>638,039</u>
Total General Revenues	\$ 641,229	\$ (3,190)	\$ 638,039
Change in Fund Balance / Net Position	\$ 61,107	\$ (12,276)	\$ 48,831
Fund Balance / Net Position - Beginning	<u>1,062,503</u>	<u>1,019,918</u>	<u>2,082,421</u>
Fund Balance / Net Position - Ending	<u>\$ 1,123,610</u>	<u>\$ 1,007,642</u>	<u>\$ 2,131,252</u>

The accompanying notes are an integral part of this financial statement.

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations and Organization

The Parlin-Ingersoll Public Library (“Library”) is an information center located in Canton, Illinois, which offers to its patrons, of all ages, a broad range of materials and services. These include books for leisure reading and education, professional reference assistance in person or over the telephone, audiovisual materials, computer and internet access, DVD media and magazines. The Library supplements and enhances its services through membership in the RAILS Library System that provides back-up reference, inter-library loan delivery, and other services.

B. Reporting Entity

The criteria of oversight responsibility, special financing relationships, and the scope of public service were used in determining if any agencies or entities should be included as component units within the Library's reporting entity. Oversight responsibility is determined by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations, and accountability for fiscal matters. Based on these criteria, the Library has no component units.

C. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position – modified cash basis and the statement of activities – modified cash basis) report information on all of the non-fiduciary activities of the Library using the economic resources measurement focus.

The statement of net position – modified cash basis presents the financial position of the Library at the end of the fiscal year. The statement of activities – modified cash basis demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program, function, or segment. Program revenues include 1) charges to patrons or the general public who purchase, use, or directly benefit from goods, services, or privileges provided by the Library and 2) grants and contributions used for the operational or capital requirements of the Library. Other items not properly included among program revenues are reported instead as general revenues.

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Government-Wide Financial Statements - continued

Net Position

Equity for government-wide financial statements is presented as net position and is classified into three components:

1. Net investment in capital assets – This consists of capital assets net of accumulated depreciation and related debt.
2. Restricted – This consists of net position with constraints placed on the use either by (a) external groups, such as grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation. Restricted net position is reported using the same definition as used for restricted fund balance described below.
3. Unrestricted – This is all other net position not included in the above two categories.

The Library applies restricted resources first when an expenditure is disbursed for purposes for which both restricted and unrestricted resources are available.

D. Fund Financial Statements

The Library segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Each fund is considered to be a separate accounting entity with a self-balancing set of accounts. The Library has only one fund type and one fund as follows:

Governmental Funds

Governmental Funds – Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. The Library's one governmental fund is as follows:

General Fund – The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund balance is available to the Library for any purpose, provided it is expended or transferred in accordance with applicable laws. Certain resources obtained from state grants and donations used to support general library activities and capital projects are accounted for in the general fund.

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Fund Financial Statements - continued

Fund Balances

In the governmental fund financial statements, the fund balance is reported using five classifications:

- Non-spendable includes amounts that are required to be maintained intact. The Library does not have any non-spendable fund balances this fiscal year.
- Restricted includes amounts constrained to specific purposes by their providers (such as grantors, donors, and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed is that portion of the fund balance that has been approved by the highest level of authority, i.e. the Library's Board of Trustees. Commitments may only be established, modified or rescinded through the approval of motions. The Library does not have any committed fund balance this fiscal year.
- Assigned includes amounts the government intends to use for a specific purpose, but does not meet the criteria for restricted or committed. Intent can be expressed by the Board of Trustees or by an official or body to which the Board delegates the authority. The Library does not have any assigned fund balance this fiscal year.
- Unassigned is the residual classification of the fund balance that is not included in one of the categories above. These amounts are reported only in the General Fund.

For purposes of fund balance classification, expenditures are to be from restricted fund balances first, followed in order by committed fund balance, assigned fund balance and lastly, unassigned fund balance.

E. Basis of Accounting

The government-wide financial statements are reported using the modified cash basis of accounting. Revenues are recorded when cash is received rather than when earned and expenditures are recorded when cash is disbursed rather than when a liability is incurred. Modifications to the cash basis of accounting result from management's decision to record investment purchases, sales, and any resulting gain or loss on sale of the investments; fixed assets; accumulated depreciation; and depreciation expense in the financial statements.

The fund financial statements are reported using the modified cash basis of accounting also, but with the only modification to the cash basis being the recording of investment purchases, sales, and any resulting gain or loss on sale of the investments.

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Budgeting

The Library's Board of Trustees adopts a budget during the last fiscal quarter of the prior fiscal year using the same basis of accounting that the fund financial statements are reported on. The budget for fiscal year 2020 was approved April 17, 2019. The Library did not levy property taxes related to fiscal year 2020, and therefore did not issue a tax levy ordinance nor an appropriation ordinance. However, see Note 10 for more information on future tax levies.

G. Investments

Investments are accounted for at amortized cost which approximates market value. Gains and losses on investments are recorded at redemption and disposal.

H. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture, and equipment, are reported in the government-wide statement of net position. Capital assets are defined by the Library as assets with an initial, individual cost of \$2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation, providing they have a fair market value of \$2,500 or more.

Books and other library materials are treated as expenditures in the year of purchase. The Library has elected not to capitalize books and other library materials and collections.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized, but shown as an expense when disbursed.

Land improvements, buildings, furniture, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	35
Building Improvements	20-30
Furniture	5-20
Office equipment	5
Computer automation	5
Other equipment	5

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions for depreciation expense that will affect the reported amount of assets, expenses, and net position. Actual results could differ from those estimates.

J. Short Year

In order to have the same fiscal year as the City of Canton, Illinois, the Library changed its fiscal year end from May 31 to April 30. As a result, these financial statements contain only 11 months of activity instead of the normal 12 months. See Note 10 for more information related to the change in the fiscal year.

NOTE 2: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE – MODIFIED CASH BASIS AND THE STATEMENT OF NET POSITION – MODIFIED CASH BASIS

The Library's governmental fund balance of \$1,123,610 differs from the net position of \$2,131,252. This difference primarily results from the long-term economic focus of the Statement of Net Position – Modified Cash Basis versus the current financial resources focus of the Governmental Fund Statement of Assets, Liabilities, and Fund Balance – Modified Cash Basis. The differences are explained below:

Governmental Fund Balance	\$1,123,610
Governmental funds report capital outlays as expenditures. However, the Statement of Net Position - Modified Cash Basis includes capital outlays, net of accumulated depreciation, in the assets of the Library as a whole.	<u>1,007,642</u>
Net Position of Governmental Fund	<u>\$2,131,252</u>

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 3: EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND
CHANGE IN FUND BALANCE AND THE STATEMENT OF ACTIVITIES
CHANGE IN NET POSITION

The change in fund balance for the governmental fund of \$61,107 differs from the change in net position of \$48,831. The differences arise primarily from the long-term economic focus of the Statement of Activities on the Statement of Activities – Modified Cash Basis versus the current financial resources focus of the Governmental Fund as reported on the Statement of Activities – Modified Cash Basis. The differences are explained below:

Net Change in Governmental Fund Balance		\$ 61,107
<p>Capital assets purchases are reported as expenditures in the governmental funds. However, the cost of these are added to capital assets and depreciated in the Statement of Activities - Modified Cash Basis. In addition, the remaining cost less accumulated depreciation upon disposition is recorded as a loss on the Statement of Activities - Modified Cash Basis.</p>		
Capital Outlay	\$ 64,419	
Depreciation Expense	(73,505)	
Loss on Disposition of Capital Assets	(3,190)	(12,276)
Change in Net Position on Statement of Activities - Modified Cash Basis		\$ 48,831

NOTE 4: CASH AND INVESTMENTS

Illinois Compiled Statutes authorized the Library to invest in certain securities. A limited description of what the statute authorizes the Library to invest in, is as follows:

- A. Bonds, notes, certificates of indebtedness, treasury bills, or other securities guaranteed by the United States of America or issued by the United States of America, its agencies, and its instrumentalities.
- B. Interest bearing savings accounts, certificates of deposit, or time deposits or any other investments constituting direct obligations of any banks as defined by the Illinois Banking Act.
- C. Money market mutual funds that invest in A above.
- D. Municipal obligations.
- E. In Illinois Funds.
- F. In a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such entity to hold and invest or advise regarding the investment of any public funds.

Cash and Cash Equivalents

The Library considers demand deposits and liquid investments with an original maturity of 90 days or less to be cash and cash equivalents.

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 4: CASH AND INVESTMENTS - continued

Deposits

The Library's cash and cash equivalents consist of deposits with financial institutions, a US Government money market fund, and a petty cash fund. At April 30, 2020, the carrying amount of the Library's cash and cash equivalents totaled \$311,250 and consisted of \$141,361 in bank deposits, \$169,472 invested in a US Government money market fund, and \$417 in a petty cash fund. The Library's bank deposits are fully insured by FDIC insurance.

Investments

The Library's investments are as follows:

	Carrying Amount	Market Value	Maturity in Years	
			< 1yr	1-5 yrs
Municipal Bonds	\$ 151,853	\$ 151,239	\$ 50,368	\$ 101,485
Certificates of Deposit	660,507	665,311	265,507	395,000
Total Investments	<u>\$ 812,360</u>	<u>\$ 816,550</u>	<u>\$ 315,875</u>	<u>\$ 496,485</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation of repayment upon maturity and also takes into account the concentration of investments in a single issuer. The Library's investment policy mitigates this risk by requiring that investments be covered by FDIC insurance or adequately collateralized, as appropriate and be in compliance with Illinois Compiled Statutes. All of Certificates of Deposit are fully insured by FDIC insurance and all of the Municipal Bonds are either rated AA by Standard and Poor's or Aa1 by Moody's. See the Schedule of Investments for a detail list of investments.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure or the failure of a counterparty, the Library's bank deposits or investments will not be returned to it. While there is no formal policy governing custodial credit risk, the Library's investment policy mitigates this risk by requiring that investments be in compliance with Illinois Compiled Statutes. The Library's bank deposits are fully covered by FDIC insurance. All of the Library's investments at April 30, 2020, are uninsured, uncollateralized, and held in the financial institution's name as nominee for the Library.

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 5: CAPITAL ASSET ACTIVITY

Capital asset activity for the Library for the 11 months ended April 30, 2020, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 205,328	\$ -	\$ -	\$ 205,328
Total Non-Depreciable Assets	<u>\$ 205,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,328</u>
Capital Assets Subject to Depreciation:				
Buildings and Improvements	\$ 2,222,106	\$ -	\$ -	\$ 2,222,106
Equipment	76,753	-	877	75,876
Furniture and Fixtures	169,122	-	-	169,122
Computer Automation	118,276	64,419	40,692	142,003
Total Cost of Capital Assets Subject to Depreciation	<u>\$ 2,586,257</u>	<u>\$ 64,419</u>	<u>\$ 41,569</u>	<u>\$ 2,609,107</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 1,464,243	\$ 50,894	\$ -	\$ 1,515,137
Equipment	45,561	11,262	877	55,946
Furniture and Fixtures	160,898	1,483	-	162,381
Computer Automation	100,965	9,866	37,502	73,329
Total Accumulated Depreciation	<u>\$ 1,771,667</u>	<u>\$ 73,505</u>	<u>\$ 38,379</u>	<u>\$ 1,806,793</u>
Net Capital Assets Subject to Depreciation	<u>\$ 814,590</u>	<u>\$ (9,086)</u>	<u>\$ 3,190</u>	<u>\$ 802,314</u>
Net Capital Assets Governmental Activities	<u>\$ 1,019,918</u>	<u>\$ (9,086)</u>	<u>\$ 3,190</u>	<u>\$ 1,007,642</u>

Depreciation expense was charged to the Library's governmental activity in the amount of \$73,505 for the 11 months ending April 30, 2020.

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT SYSTEM

The Library participates in the Illinois Municipal Retirement Fund (IMRF) in conjunction with the employees of the City of Canton, Illinois (City). The Library withholds the employee's share of contributions and pays both the employees' and employer's share of contributions to the City, who remits the amounts to IMRF along with amounts for its own employees. The information given below includes both the Library and City of Canton employees.

IMRF 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 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 below. 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 and is prepared on the same basis of accounting using the same policies as the net pension liability disclosure is prepared.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP), including the Library's IMRF member employees. 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 48 consecutive 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.

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT SYSTEM – continued

Benefits Provided - continued

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 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 lessor 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

As of December 31, 2019, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	81
Inactive Plan Members entitled to but not yet receiving benefits	35
Active Plan Members	<u>65</u>
Total	<u>181</u>

Contributions

As set by statute, 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 employer's annual contribution rate for calendar year 2019 was 11.92%. For the 11 months ended April 30, 2020, the Library contributed \$34,522 to the plan. The employer 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 City and Library's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Since the Library follows the modified cash basis of accounting, the liability is not recognized on the financial statements.

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT SYSTEM – continued

Actuarial Assumptions

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
- For non-disabled retirees, an IMRF specific mortality table was used with a fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates for Mortality (for non-disabled retirees) 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 a 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 a fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

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

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT SYSTEM – continued

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. 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:

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

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 23,175,471	\$ 18,666,538	\$ 4,508,933
Changes for the Year:			
Service Cost	\$ 329,217	\$ -	\$ 329,217
Interest on the Total Pension Liability	1,652,591	-	1,652,591
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	356,871	-	356,871
Changes of Assumptions	-	-	-
Contributions - Employer	-	398,645	(398,645)
Contributions - Employee	-	156,324	(156,324)
Net Investment Income	-	3,479,575	(3,479,575)
Benefit Payments, Including Refunds of Employee Contributions	(1,091,444)	(1,091,444)	-
Other (Net Transfer)	-	(8,595)	8,595
Net Changes	\$ 1,247,235	\$ 2,934,505	\$ (1,687,270)
Balances at December 31, 2019	\$ 24,422,706	\$ 21,601,043	\$ 2,821,663

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT SYSTEM – 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 7.25%, 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% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	\$ 6,007,842	\$2,821,663	\$225,019

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

For calendar year 2019, the City and Library would have recognized a combined pension expense of \$553,581 on the accrual basis of accounting. At December 31, 2019, the City and Library would have reported on the accrual basis combined deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences Between Expected and Actual Experience	\$ 392,535	\$ 78,978
Changes in Assumptions	338,078	199,201
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,533,499	2,414,136
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods (net deferred outflows of resources of \$1,414,003)	\$ 2,264,112	\$ 2,692,315
Pension Contributions Made Subsequent to the Measurement Date (Library Only)	\$ 14,478	\$ -
Total Deferred Amounts Related to Pensions	\$ 2,278,590	\$ 2,692,315

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 6: ILLINOIS MUNICIPAL RETIREMENT SYSTEM – continued

Amounts reported on the accrual basis as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized as an increase (reduction) to the combined accrual basis pension expense of the City and Library in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2020	\$ (152,805)
2021	(13,484)
2022	167,288
2023	(429,202)
2024	-
Thereafter	-
Total	<u>\$ (428,203)</u>

NOTE 7: RESTRICTED FUND BALANCE/NET POSITION

Restricted fund balance/net position is due to donations received that are designated for the summer reading program.

NOTE 8: RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. Commercial insurance is carried for all risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9: CHARLES D. INGERSOLL TRUST

The Library receives monies from the Charles D. Ingersoll Trust. The trust agreement stipulates that the Library is to receive 50% of the annual distributions from the trust in quarterly distributions. The annual distribution policy is 5% of the past 3 years average assets.

Continued

PARLIN-INGERSOLL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

NOTE 10: PROPERTY TAXES

The Library did not levy any property taxes in the past three years. Thus, these financial statements do not include any property tax receipts or property tax levy data. In the fall of 2019, the Library's Board of Trustees began discussing the necessity of levying property taxes through the City of Canton in order to provide long term funding for capital expenditures and ongoing operational needs. In the spring of 2020, the Library formally requested that the City of Canton levy property taxes on its behalf. The City of Canton received the request and will include it in the December 2020 levy. The Library will begin receiving property tax disbursements beginning in calendar year 2021, subject to a truth-in-taxation hearing in December 2020. In conjunction with levying property taxes, the Library changed its fiscal year end from May 31 to April 30 to correspond with the City of Canton's fiscal year.

NOTE 11: SUBSEQUENT EVENTS

Subsequent events were evaluated through the financial statement issuance date of September 16, 2020, for potential disclosure in the financial statements. Subsequent to the fiscal year end, the board of trustees approved construction contracts totaling \$85,129 to repair/improve the parking lot. In addition, a change order was also approved resulting in an additional commitment of up to \$93,000 to repair/improve an additional portion of the parking lot.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state, and local authorities leading to an overall decline in economic activity. As a result, the Library was closed to the public from March 17 until June 22, 2020. The Library is not able to reliably estimate the length or severity of this outbreak and the potential financial impact.

Concluded

PARLIN-INGERSOLL PUBLIC LIBRARY

OTHER INFORMATION

PARLIN-INGERSOLL PUBLIC LIBRARY
Budgetary Comparison Schedule
General Fund - Modified Cash Basis
For The 11 Months Ended April 30, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over (Under)</u>
REVENUES:			
Charles D. Ingersoll Trust	\$ 605,000	\$ 620,320	\$ 15,320
Grants	-	18,380	18,380
Investment Income	14,000	22,074	8,074
Charges for Services	18,500	15,724	(2,776)
Donations	1,530	4,919	3,389
Total Revenues	<u>\$ 639,030</u>	<u>\$ 681,417</u>	<u>\$ 42,387</u>
EXPENDITURES:			
Salaries and Wages	\$ 317,700	\$ 274,867	\$ (42,833)
Payroll Taxes	22,800	19,617	(3,183)
Pension Expense	38,500	34,522	(3,978)
Health and Life Insurance	45,000	43,912	(1,088)
Utilities, Telephone, and Internet	35,875	21,682	(14,193)
Insurance	9,802	-	(9,802)
Print Materials	45,000	42,643	(2,357)
Non-Print Materials	18,125	21,587	3,462
Databases and Digital Resources	-	3,876	3,876
Programs	5,250	5,607	357
O.C.L.C. Expense	9,705	9,758	53
Buildings and Grounds Maintenance	30,790	20,482	(10,308)
Office Supplies and Equip Maintenance	18,765	14,081	(4,684)
Printing and Advertising	300	655	355
Professional Development	2,450	675	(1,775)
Capital and Non-capital Purchases	109,860	65,929	(43,931)
ISL Automation Maintenance	26,375	20,954	(5,421)
Other Disbursements	20,670	18,298	(2,372)
Total Expenditures	<u>\$ 756,967</u>	<u>\$ 619,145</u>	<u>\$ (137,822)</u>
Net Revenues Over (Under) Expenditures	<u>\$ (117,937)</u>	<u>\$ 62,272</u>	<u>\$ 180,209</u>
OTHER FINANCING SOURCES (USES):			
Net loss on investment redemptions	\$ -	\$ (1,165)	\$ (1,165)
Net Revenues Received Over (Under) Expenditures Disbursed and Other Financing Sources (Uses)	<u>\$ (117,937)</u>	<u>\$ 61,107</u>	<u>\$ 179,044</u>

PARLIN-INGERSOLL PUBLIC LIBRARY

SUPPLEMENTAL INFORMATION

PARLIN-INGERSOLL PUBLIC LIBRARY
Comparative Statement of Revenues Received and
Expenditures Disbursed - Modified Cash Basis
For The 11 Months Ended April 30, 2020 and The Year Ended May 31, 2019

	2020	2019	Increase (Decrease)
REVENUES:			
Charles D. Ingersoll Trust	\$ 620,320	\$ 606,503	\$ 13,817
Grants	18,380	30,492	(12,112)
Investment Income	22,074	20,161	1,913
Charges for Services	15,724	20,760	(5,036)
Donations	4,919	2,831	2,088
	Total Revenues	\$ 681,417	\$ 670
EXPENDITURES:			
Salaries and Wages	\$ 274,867	\$ 308,021	\$ (33,154)
Payroll Taxes	19,617	22,156	(2,539)
Pension Expense	34,522	36,659	(2,137)
Health and Life Insurance	43,912	42,158	1,754
Utilities, Telephone, and Internet	21,682	28,235	(6,553)
Insurance	-	9,640	(9,640)
Print Materials	42,643	48,579	(5,936)
Non-Print Materials	21,587	26,578	(4,991)
Databases and Digital Resources	3,876	1,658	2,218
Programs	5,607	5,984	(377)
O.C.L.C. Expense	9,758	9,907	(149)
Buildings and Grounds Maintenance	20,482	25,253	(4,771)
Office Supplies and Equip Maintenance	14,081	14,503	(422)
Printing and Advertising	655	300	355
Professional Development	675	1,848	(1,173)
Capital and Non-capital Purchases	65,929	128,588	(62,659)
ISL Automation Maintenance	20,954	20,140	814
Other Disbursements	18,298	17,543	755
	Total Expenditures	\$ 747,750	\$ (128,605)
	Net Revenues Over (Under) Expenditures	\$ 62,272	\$ 129,275
OTHER FINANCING SOURCES (USES):			
Net gain (loss) on investment redemptions	\$ (1,165)	\$ 340	\$ (1,505)
	Net Revenues Received Over (Under)	\$ 61,107	\$ 127,770
	Expenditures Disbursed and Other	\$ (66,663)	\$ 127,770
	Financing Sources (Uses)	\$ 61,107	\$ 127,770

PARLIN-INGERSOLL PUBLIC LIBRARY
Schedule of Investments
For The 11 Months Ended April 30, 2020

	Date Acquired	Date Matures	Outstanding 5/31/2019	Additions
Bank Certificates of Deposit				
American Express 2.5%	12/12/2017	12/12/2022	95,000	-
Discover Bank 2.2%	12/28/2017	12/28/2020	50,000	-
Fairview St Bank 2.25%	2/14/2018	2/2/2020	211,093	4,414
JP Morgan Chase 3.1% Callable 12/21/19	12/21/2018	12/21/2019	100,000	-
Capital One Bank CD 2.1%	7/31/2019	8/2/2021	-	50,000
Enerbank CD 2.3% Callable 1/22/20	7/23/2019	7/21/2023	-	50,000
Essential Federal Credit Union CD 2.2% Callable 1/26/20	7/26/2019	7/26/2022	-	50,000
Goldman Sachs CD 1.5% Callable 10/22/20	4/22/2020	4/22/2024	-	50,000
Merrick Bank CD 1.5%	3/31/2020	3/21/2022	-	50,000
Morgan Stanley Bank CD 2% Callable 8/21/20	2/21/2020	2/21/2025	-	50,000
State Bank of India CD 1.6%	4/29/2020	4/29/2025	-	50,000
Corporate Bond and Notes				
Barclay's Bank 3% Callable 10/29/19	4/29/2019	4/29/2021	50,000	-
Municipal Bonds and Notes				
Bridgeport 2.5%	11/22/2016	8/15/2022	50,669	-
Stanton CA Redev Ref 2.25%	11/8/2016	12/1/2020	50,368	-
St Paul 2.353%	5/11/2017	7/1/2019	150,964	-
Marlboro Twp NJ 1.919%	1/14/2017	7/15/2019	50,200	-
Bellevue, MI 2.242%	11/18/2016	5/1/2021	50,816	-
GRAND TOTALS			\$ 859,110	\$ 354,414

<u>Sold/Matured</u>	<u>Outstanding 4/30/2020</u>	<u>Gain (Loss)</u>	<u>Interest Rate</u>	<u>Interest Received</u>	<u>Market Value</u>
-	95,000	-	2.50%	2,375	98,248
-	50,000	-	2.20%	1,100	50,473
-	215,507	-	2.25%	1,128	215,480
100,000	-	-	3.10%	3,100	-
-	50,000	-	2.10%	529	50,681
-	50,000	-	2.30%	870	50,047
50,000	-	-	2.20%	648	-
-	50,000	-	1.50%	-	50,000
-	50,000	-	1.50%	62	50,382
-	50,000	-	2.00%	164	50,000
-	50,000	-	1.60%	-	50,000
50,000	-	-	3.00%	750	-
-	50,669	-	2.50%	1,250	50,502
-	50,368	-	2.25%	1,125	50,273
150,964	-	(965)	2.35%	1,765	-
50,200	-	(200)	1.92%	480	-
-	50,816	-	2.24%	561	50,464
<u>\$ 401,164</u>	<u>\$ 812,360</u>	<u>\$ (1,165)</u>		<u>\$ 15,907</u>	<u>\$ 816,550</u>

**PARLIN-INGERSOLL PUBLIC LIBRARY
SCHEDULE OF DISBURSEMENTS > \$2,500 AND SCHEDULE OF COMPENSATION
FOR THE 11 MONTHS ENDED APRIL 30, 2020**

SCHEDULE OF DISBURSEMENTS > \$2,500

Disbursements in Excess of \$2,500 per Payee in the Aggregate:

Ameren CIPS: \$17,941.98
American Express: \$15,525.50
 Dell Computers in above: \$12,572.92
AWE Acquisition Inc.: \$2,865.00
Baker & Taylor Books, Inc.: \$28,117.22
BlueCross/ BlueShield Illinois: \$42,127.22
City of Canton, IMRF: \$34,521.52
Claude Garzee: \$2,800.00
DH Mechanical: \$4,496.27
Gale/CENGAGE Learning: \$2,895.92
Ginoli and Company: \$4,800
IHLS-OCLC: \$9,157.86
Ingram: \$4,212.67
Innovative Interfaces, Inc.: \$13,390.41
Midwest Tape: \$6,089.33
NewsBank Inc.: \$2,770.00
OverDrive, Inc.: \$12,690.00
Sikich LLP: \$53,036.75
Staples: \$7,700.64

SCHEDULE OF COMPENSATION

Disbursements for Compensation:

Under \$25,000: A. Brooks; C. Calvert; E. Fournier; M. Linder; L. Postin; B. Rowe; D. Rock; M. Shelby; L. Stremmel; S. Zink

\$25,000.00 to \$49,999.99: T. Kaufmann; B. Hadsell; R. Kapala; B. Smith; D. Williams

\$50,000.00 to \$74,999.99: K. Bunner