



**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

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ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019



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MUNDELEIN, ILLINOIS  
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**MUNDELEIN, ILLINOIS**  
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## **INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Trustees  
Fremont Public Library District  
Mundelein, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Fremont Public Library District (the District) as of and for the year ended June 30, 2019, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting for government-wide financial statements and cash basis of accounting for the governmental fund financial statements, as described in Note 1d; this includes determining that the modified cash basis and cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 modified cash basis financial position of the governmental activities, and the cash basis financial position of each major fund, and the aggregate remaining fund information of the Fremont Public Library District, as of June 30, 2019, and the respective changes in modified cash/cash basis financial position for the year then ended in accordance with modified cash basis/cash basis of accounting described in Note 1d.

## **Basis of Accounting**

We draw attention to Note 1d of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis and 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The management discussion and analysis and combining and individual fund financial statements and schedules and supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The management discussion and analysis and supplementary information 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.

Naperville, Illinois

**DATE OPEN**

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

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As management of the Fremont Public Library District, we provide this narrative overview and analysis for the fiscal year ending June 30, 2019. We recommend that readers consider this information in conjunction with the financial statements as a whole.

The financial statements are prepared in accordance with the modified cash basis of accounting.

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

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements are: (1) government-wide financial statements, (2) fund financial statements, and (3) 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 incorporate all of the District's governmental activities, in a manner similar to a private-sector business, using the economic resources measurement focus and the modified cash basis of accounting.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported on the modified cash basis.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes (governmental activities). The governmental activities of the District include culture and recreation. There are no business-type activities of the Fremont Public Library District. Individual fund data for each of the non-major governmental funds is provided in the combining and individual fund financial statements and schedules section found later in 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 Fremont Public Library District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

With the focus on significant balances and operations, major funds are reported individually, while all others are combined into a single, aggregated presentation.

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 short-term inflows and outflows of available resources, as well as on balances of expendable resources available at the end of the fiscal year. This information is useful in evaluating a government's near-term financing requirements.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

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The short-term focus of governmental funds is narrower than the long-term focus of the government-wide financial statements, making it useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and income statement provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains individual governmental funds to control resources for individual activities or objectives. Information is presented separately for activities considered as major funds. Major funds are those whose revenues, expenditures/expenses, assets or liabilities are at least ten percent of the total for their fund category or type (governmental or enterprise) and at least five percent of the aggregate amount for all governmental and enterprise funds. Any fund may be reported as a major fund if management considers the fund particularly important to financial statement users. Data from the other governmental funds are combined into a single aggregated presentation.

**Major Funds**

General

Special Reserve

**Nonmajor Funds**

Liability Insurance

Audit

Building and Equipment Maintenance

Building Maintenance

FICA

The Fremont Public Library District adopts an annual appropriated budget. Budgetary comparison schedules demonstrate compliance with the budget and can be found later in this report.

Notes to the Financial Statements. Additional information that is essential to a full understanding of the government-wide and fund financial statements is provided in the notes to the financial statements.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Government-wide Financial Analysis**

A condensed version of the Summary of Net Position and Statement of Activities as of June 30, 2019 and 2018 is shown in the following for comparison purposes.

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and investments	\$ 5,542,117	\$ 5,182,369
Other assets	13,669	7,624
Capital assets not being depreciated	965,000	965,000
Capital assets (net of accumulated depreciation)	7,874,686	8,352,920
<b>Total assets</b>	<b>14,395,472</b>	<b>14,507,913</b>
<b>LIABILITIES</b>		
Deferred property taxes	2,140,327	2,331,369
<b>NET POSITION</b>		
Invested in capital assets	8,839,686	9,317,920
Restricted for		
Capital improvements	1,641,658	1,330,200
Liability insurance	770	770
Audit	40	40
Maintenance	3,620	3,620
Retirement	26,759	1,407
Unrestricted	1,742,612	1,522,587
<b>TOTAL NET POSITION</b>	<b>\$ 12,255,145</b>	<b>\$ 12,176,544</b>

Net position increased by \$78,601 during the year ended June 30, 2019. Factors contributing to the increase in net position included expenditures coming in lower than budgeted in the General Fund and the timing of projects in the Special Reserve Fund.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

The following table presents a consolidated statement of activities.

	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>		
Property taxes	\$ 4,213,412	\$ 5,112,126
Replacement taxes	8,180	7,561
Grants	46,874	29,116
Investment income	104,338	49,940
Miscellaneous	94,106	153,599
<b>Total revenue</b>	<b>4,466,910</b>	<b>5,352,342</b>
<b>EXPENSES</b>		
Culture and recreation	4,388,309	4,351,245
<b>Total expenses</b>	<b>4,388,309</b>	<b>4,351,245</b>
<b>CHANGE IN NET POSITION</b>	<b>78,601</b>	<b>1,001,097</b>
<b>NET POSITION, JULY 1</b>	<b>12,176,544</b>	<b>11,175,447</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ 12,255,145</b>	<b>\$ 12,176,544</b>

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole, and therefore provide additional information that won't be found in the statement of net assets or the statement of activities. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with the fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

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 for governmental activities in the governmental-wide financial statements.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

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By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

### **Notes to Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

### **General Fund & Budgetary Highlights**

The District Board of Trustees approved appropriations for the fiscal year ended June 30, 2019. General Fund revenues anticipated to be received during the year were 4,226,090 while General Fund appropriations totaled 4,714,750. Total General Fund revenues were 4,239,833 and total General Fund expenditures were 3,669,808, well below amounts appropriated.

### **Capital Assets**

Capital assets are used to provide services to users of the District and are not available for future spending. Capital assets, net of depreciation, were \$8,839,686 at year end. This is a decrease of \$478,234 due to depreciation exceeding our investment in capital projects during the fiscal year.

The District staff is constantly reviewing the books, materials, and equipment available for use by its patrons. The assets are constantly being rotated with new materials being purchased while dated and worn out materials are being removed. After employee costs, this is the District's largest annual expense.

Additional information on the District's capital assets can be found in Note 4.

### **Long-Term Debt**

#### *GASB 68*

GASB 68 implemented a new valuation system for Illinois Municipal Retirement Fund (IMRF) and changed reporting requirements throughout the government-wide financial statements. The District's net pension liability as of June 30, 2019 was \$1,272,076, an increase of \$809,233 from the prior year.

Additional information on the IMRF can be found in Note 5.

### **Description of Current or Expected Conditions**

Currently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**Requests for Information**

This financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact Scott Davis, Library Director, Fremont Public Library District, 1170 N. Midlothian Road, Mundelein, IL 60060.

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

June 30, 2019

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	<b><u>Governmental Activities</u></b>
<b>ASSETS</b>	
Cash and investments	\$ 5,542,117
Other assets	13,669
Capital assets not being depreciated	965,000
Capital assets (net of accumulated depreciation)	<u>7,874,686</u>
Total assets	<u>14,395,472</u>
<b>LIABILITIES</b>	
Deferred property taxes	<u>2,140,327</u>
<b>NET POSITION</b>	
Invested in capital assets	8,839,686
Restricted for	
Capital improvements	1,641,658
Liability insurance	770
Audit	40
Maintenance	3,620
Retirement	26,759
Unrestricted	<u>1,742,612</u>
<b>TOTAL NET POSITION</b>	<b><u><u>\$ 12,255,145</u></u></b>

See accompanying notes to financial statements.

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2019

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Change in Net Position	
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Culture and recreation	\$ 4,388,309	\$ -	\$ 46,874	\$ -	\$ (4,341,435)
Total governmental activities	4,388,309	-	46,874	-	(4,341,435)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 4,388,309</b>	<b>\$ -</b>	<b>\$ 46,874</b>	<b>\$ -</b>	<b>(4,341,435)</b>
			General Revenues		
			Property taxes	4,213,412	
			Replacement taxes	8,180	
			Investment income	104,338	
			Miscellaneous	94,106	
			Total	4,420,036	
			CHANGE IN NET POSITION		78,601
			NET POSITION, JULY 1		12,176,544
			<b>NET POSITION, JUNE 30</b>		<b>\$ 12,255,145</b>

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
ARISING FROM CASH TRANSACTIONS  
GOVERNMENTAL FUNDS

June 30, 2019

	<b>General</b>	<b>Special Reserve</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 3,769,970	\$ 1,641,658	\$ 130,489	\$ 5,542,117
Other assets	13,669	-	-	13,669
<b>TOTAL ASSETS</b>	<b>\$ 3,783,639</b>	<b>\$ 1,641,658</b>	<b>\$ 130,489</b>	<b>\$ 5,555,786</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Unavailable property taxes	\$ 2,041,027	\$ -	\$ 99,300	\$ 2,140,327
<b>FUND BALANCES</b>				
Restricted				
Capital improvements	-	1,641,658	-	1,641,658
Liability insurance	-	-	770	770
Audit	-	-	40	40
Maintenance	-	-	3,620	3,620
Retirement	-	-	26,759	26,759
Unassigned				
General Fund	1,742,612	-	-	1,742,612
<b>Total fund balances</b>	<b>1,742,612</b>	<b>1,641,658</b>	<b>31,189</b>	<b>3,415,459</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,783,639</b>	<b>\$ 1,641,658</b>	<b>\$ 130,489</b>	<b>\$ 5,555,786</b>

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

**RECONCILIATION OF STATEMENT OF ASSETS, LIABILITIES, AND FUND  
BALANCES - CASH BASIS - OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

June 30, 2019

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 3,415,459
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>8,839,686</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 12,255,145</u></u>

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

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

For the Year Ended June 30, 2019

	General	Special Reserve	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES COLLECTED</b>				
Property taxes	\$ 4,012,942	\$ -	\$ 200,470	\$ 4,213,412
State replacement taxes	8,180	-	-	8,180
Investment income	77,731	23,477	3,130	104,338
Grants	46,874	-	-	46,874
Donations	53,488	-	-	53,488
Fines, fees and other	40,618	-	-	40,618
<b>Total revenues collected</b>	<b>4,239,833</b>	<b>23,477</b>	<b>203,600</b>	<b>4,466,910</b>
<b>EXPENDITURES PAID</b>				
Current				
Culture and recreation	3,669,808	-	178,248	3,848,056
Capital outlay	-	62,019	-	62,019
<b>Total expenditures paid</b>	<b>3,669,808</b>	<b>62,019</b>	<b>178,248</b>	<b>3,910,075</b>
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>	<b>570,025</b>	<b>(38,542)</b>	<b>25,352</b>	<b>556,835</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	350,000	-	350,000
Transfers (out)	(350,000)	-	-	(350,000)
<b>Total other financing sources (uses)</b>	<b>(350,000)</b>	<b>350,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>220,025</b>	<b>311,458</b>	<b>25,352</b>	<b>556,835</b>
<b>FUND BALANCES, JULY 1</b>	<b>1,522,587</b>	<b>1,330,200</b>	<b>5,837</b>	<b>2,858,624</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 1,742,612</b>	<b>\$ 1,641,658</b>	<b>\$ 31,189</b>	<b>\$ 3,415,459</b>

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - CASH BASIS - OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For the Year Ended June 30, 2019

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 556,835</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	293,891
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	<u>(772,125)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 78,601</u></u></b>

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

a. Reporting Entity

The District is a body corporate and politic established under Illinois Compiled Statutes (ILCS) governed by an elected Board of Trustees. These financial statements present the District's reporting entity as required by generally accepted accounting principles. The District is considered to be a primary government since its board is separately elected and the District is fiscally independent. Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the District does not have any component units. The Friends of Fremont Library, while a potential component unit, is not significant to the District and, therefore, has been excluded from its reporting entity.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following category: governmental.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of restricted, committed or assigned funds (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and management of funds held in trust that can be used for library services (permanent fund). The General Fund is used to account for all activities of the District not accounted for in some other fund. The District has no fiduciary funds.

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. 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 activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

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

The Special Reserve Fund is used to account for resources restricted for capital improvements at the District.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and using the modified cash basis of accounting. The District reports capital assets and liabilities issued to acquire capital assets, not long-term operating liabilities. Revenues are recorded at the time of receipt by the District. Expenses are recorded when the funds are disbursed. Depreciation of capital assets has also been shown on the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recorded at the time of receipt by the District. Expenditures are recorded when the funds are disbursed.

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)

The property tax revenue reported for the fiscal year ended June 30, 2019 is from the collection of property taxes levied in 2017 and prior. Property taxes levied in 2018 and collected during the year ended June 30, 2019, are deferred to the fiscal year beginning July 1, 2019. Receivables have not been recorded for the balance of the property taxes to be received from the 2018 levy, since the District uses the modified cash basis of accounting.

e. Budgets

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

f. Cash and Investments

Cash includes amounts in money market accounts, demand deposits and petty cash. Investments include amounts on deposit with The Illinois Funds. Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

g. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$2,500 and an estimated useful life in excess of one year except for library materials. The District capitalizes all of its library materials. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g. Capital Assets (Continued)

Assets	Years
Land improvements	10-15
Building	10-40
Equipment	5-15
Furniture and fixtures	5-15
Books	7
Audio visual materials	5

h. Deferred Inflows of Resources

The District follows GASB Statement No. 65 which pertains to the classification of certain items previously reported as assets and liabilities. The District has only one type of item, under the modified cash basis of accounting, which is affected by this classification; deferred property taxes. Deferred property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather deferred property taxes represent a future recognition of revenue, therefore is classified as deferred inflows of resources.

i. Fund Balance/Net Position

In the fund financial statements, governmental funds can report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Trustees, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Director by the District Board of Trustees. Any residual General Fund fund balance is reported as unassigned. Any deficit fund balances in any other governmental funds are also reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and then unassigned funds.

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Fund Balance/Net Position (Continued)

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the District. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

j. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and defeased interest are deferred and amortized over the life of the bonds using the straight-line interest method. Bonds payable are reported including the applicable bond premium and defeased interest.

k. Estimates

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

**2. DEPOSITS AND INVESTMENTS**

The District categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of June 30, 2019, the District had no investments valued at fair value.

The District maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the statement of net position as cash and investments.

The District's investment policy allows the District to make deposits/invest in any type of security allowed for by ILCS regarding the investment of public funds, namely in interest-bearing savings accounts, interest-bearing time deposits or any other investment constituting direct obligations of any institution as defined by the Illinois Banking Act and is insured by the Federal Depository Insurance Corporation (FDIC) and The Illinois Funds.

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS (Continued)**

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions, the District's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the District. The District's deposits were fully collateralized at April 30, 2019.

b. Investments

Concentration of credit risk is the risk that the District has too high a percentage of their investments invested in one type of investment. The District's investment policy does not require diversification of investment to avoid unreasonable risk.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in The Illinois Funds.

The investment policy does not include any limitations on how much of any type of security can be held in the portfolio.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy does not define procedures to reducing custodial credit risk.

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**3. PROPERTY TAX REVENUE RECOGNITION**

The 2017 property tax levy attached as an enforceable lien on January 1, 2017. Property taxes were levied on November 2017 by passage of a Tax Levy Ordinance. Tax bills were prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically during the period of May through November with a final settlement payment in January. Property tax receipts from the 2017 and prior levies have been recognized as revenue.

**4. CAPITAL ASSETS**

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

	Balances July 1	Increases	Decreases	Balances June 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 965,000	\$ -	\$ -	\$ 965,000
Total capital assets not being depreciated	965,000	-	-	965,000
Capital assets being depreciated				
Land improvements	652,698	-	-	652,698
Building	11,563,013	-	-	11,563,013
Equipment	1,066,120	36,159	-	1,102,279
Furniture and fixtures	891,887	-	-	891,887
Books	1,482,020	164,271	(132,394)	1,513,897
Audio visual materials	751,697	93,461	(97,829)	747,329
Total capital assets being depreciated	16,407,435	293,891	(230,223)	16,471,103
Less accumulated depreciation for				
Land improvements	38,668	44,984	-	83,652
Building	5,100,666	336,612	-	5,437,278
Equipment	942,897	41,961	-	984,858
Furniture and fixtures	728,253	29,407	-	757,660
Books	743,051	215,890	(132,394)	826,547
Audio visual materials	500,980	103,271	(97,829)	506,422
Total accumulated depreciation	8,054,515	772,125	(230,223)	8,596,417
Total capital assets being depreciated, net	8,352,920	(478,234)	-	7,874,686
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 9,317,920</b>	<b>\$ (478,234)</b>	<b>\$ -</b>	<b>\$ 8,839,686</b>

Depreciation expense was charged to functions of the primary government as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
Culture and recreation	<u>\$ 772,125</u>

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. RETIREMENT FUND COMMITMENTS**

Illinois Municipal Retirement Fund

The District’s defined benefit pension plan (the Plan), Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the Plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the Plan as a whole but not by individual employer. That report may be obtained at [www.imrf.org](http://www.imrf.org) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

*Plan Administration*

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

*Plan Membership*

At December 31, 2018, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	20
Active employees	<u>33</u>
<b>TOTAL</b>	<u><u>74</u></u>

*Benefits*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5 RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Benefits (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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

*Contributions*

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rates for calendar years 2018 and 2019 were 11.46% and 9.63% of payroll, respectively. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

*Actuarial Assumptions*

The District's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Asset valuation method	Market value

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

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

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2018 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**5. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 6,457,760	\$ 5,994,917	\$ 462,843
Changes for the period			
Service cost	160,719	-	160,719
Interest	481,535	-	481,535
Difference between expected and actual experience	(12,650)	-	(12,650)
Changes in assumptions	220,617	-	220,617
Employer contributions	-	190,555	(190,555)
Employee contributions	-	74,826	(74,826)
Net investment income	-	(284,420)	284,420
Benefit payments and refunds	(235,318)	(235,318)	-
Administrative expense	-	-	-
Other (net transfer)	-	60,027	(60,027)
Net changes	614,903	(194,330)	809,233
BALANCES AT DECEMBER 31, 2018	\$ 7,072,663	\$ 5,800,587	\$ 1,272,076

During 2018, changes in assumptions related to the change in the discount rate from 7.50% to 7.25%.

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2019, the District incurred a pension expense of \$234,693, of which only \$178,248 is reported on the District's financial statements due to their modified cash basis of accounting as discussed in Note 1d.

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

At June 30, 2019, the District had deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 46,338	\$ 9,728
Changes in assumption	172,192	125,261
Net difference between projected and actual earnings on pension plan investments	377,832	-
Contributions subsequent to measurement date	82,550	-
<b>TOTAL</b>	<u>\$ 678,912</u>	<u>\$ 134,989</u>

\$82,550 reported as deferred outflows of pensions result from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 155,658
2021	74,034
2022	68,373
2023	<u>163,308</u>
<b>TOTAL</b>	<u>\$ 461,373</u>

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate of 7.25% as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 2,271,865	\$ 1,272,076	\$ 449,490

The net pension liability, deferred outflows of resources and deferred inflows of resources are not reported on the District’s financial statements on the modified cash basis of accounting as discussed in Note 1d.

**6. DEFERRED COMPENSATION PLAN**

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

All amounts of compensation are held in trust (until paid or made available to the employee or other beneficiary). The deferred compensation is not subject to the claims of the District’s creditors.

**7. RISK MANAGEMENT**

The District is exposed to various risks of loss related to employee health and injuries; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in the fiscal year or prior two fiscal years.

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. JOINTLY GOVERNED ORGANIZATION**

The District participates in Cooperative Computer Services (CCS). CCS is an intergovernmental instrumentality formed by library members of the former North Suburban Library System and exists to administer a jointly owned integrated library automation system. CCS's governing board is comprised of one member from each participating library. No participant has any obligation, entitlement, or residual interest in CCS. In order to terminate membership in CCS, member libraries must provide one-year notice of termination. The District's expenditures to CCS for the year ended June 30, 2019 were \$83,144.

**9. OPERATING LEASES**

The District is committed under a lease for copiers. The lease is considered for accounting purposes to be an operating lease. Lease expenditures for the year ended June 30, 2019 amounted to \$11,938. Future minimum lease payments for this lease are as follows:

Year Ending June 30	
2020	\$ 5,892
2021	5,892
2022	5,892
2023	5,892
2024	<u>5,892</u>
 TOTAL	 <u>\$ 29,460</u>

**10. FOUNDATION**

In 2006, the Fremont Public Library Foundation (Foundation) was established which is a federally tax-exempt 501 (c)(3) organization. In 2014, the Friends of the Library (Friends) was combined with the Foundation. During the year ended June 30, 2019, the Foundation/Friends received approximately \$43,000 in donations and expended approximately \$41,700 (which includes payments to the District). As of June 30, 2019, the Foundation/Friends' investment balance was \$54,633. The activity of the Foundation/Friends is not reflected in the District's financial statements as a component unit. The Foundation/Friends' financial statements may be obtained by writing to Fremont Public Library District Foundation, 1170 N. Midlothian Road, Mundelein, Illinois, 60060

**FREMONT PUBLIC LIBRARY DISTRICT**  
**FREMONT, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**11. INDIVIDUAL FUND DISCLOSURES**

During fiscal year 2019, the District made the following operating transfers:

Transferred To	Transferred From	Amount
Special Reserve Fund	General Fund	\$ 350,000
TOTAL		<u>\$ 350,000</u>

The interfund transaction between the General Fund and Special Reserve Fund was to fund future capital projects of the District.

**12. OTHER POSTEMPLOYMENT BENEFITS**

The District has evaluated its potential other postemployment benefits liability. The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, no former employees have chosen to stay in the District's health insurance plan. Additionally, the District had no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. As a result, the District has determined that no material liability is required to be reported under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition, the total other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources would not be reported on the District's financial statements as the District reports on the modified cash basis of accounting as discussed in Note 1d. Therefore, the District has not recorded any postemployment benefit liability as of June 30, 2019.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID  
AND CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL -  
MODIFIED CASH BASIS - GENERAL FUND

For the Year Ended June 30, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES COLLECTED</b>			
Property taxes	\$ 4,001,490		\$ 4,012,942
State replacement taxes		8,000	8,180
Investment income		35,000	77,731
Grants		98,750	46,874
Donations		51,200	53,488
Fines, fees and other		31,650	40,618
		4,226,090	4,239,833
<b>EXPENDITURES PAID</b>			
Current			
Culture and recreation			
Personnel	\$ 2,730,500	2,471,000	2,296,069
Building operating costs	441,500	369,000	336,034
Library materials	557,500	470,500	430,544
Library operations	405,500	341,000	264,532
Automation	330,500	276,000	209,285
Insurance	61,500	52,000	41,186
Grants and donations	96,750	96,750	51,737
Contingency	1,000	1,000	-
Capital outlay	90,000	75,000	40,421
		4,714,750	3,669,808
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID</b>			
	(4,714,750)	73,840	570,025
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)		-	(350,000)
Total other financing sources (uses)		-	(350,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (4,714,750)</b>	<b>\$ 73,840</b>	<b>220,025</b>
FUND BALANCE, JULY 1			1,522,587
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 1,742,612</b>

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

SCHEDULE OF EXPENDITURES PAID - APPROPRIATION AND ACTUAL -  
MODIFIED CASH BASIS - GENERAL FUND

For the Year Ended June 30, 2019

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>
<b>PERSONNEL</b>			
Salaries	\$ 2,250,000	\$ 2,070,000	\$ 1,964,683
Group medical insurance	240,000	200,000	161,509
Employee conferences, education and other	48,500	41,000	24,926
Social security	192,000	160,000	144,951
	<hr/>		
Total personnel	2,730,500	2,471,000	2,296,069
<hr/>			
<b>BUILDING OPERATING COSTS</b>			
Utilities-electric	114,000	95,000	82,628
Utilities-gas	40,500	34,000	21,159
Utilities-water	20,000	17,000	14,468
Garbage removal	4,500	4,000	5,022
Building maintenance	198,000	165,000	175,707
Maintenance supplies	48,000	40,000	24,595
Housekeeping supplies	16,500	14,000	12,455
	<hr/>		
Total building operating costs	441,500	369,000	336,034
<hr/>			
<b>LIBRARY MATERIALS</b>			
Books	225,000	193,000	164,271
Periodicals	14,500	12,000	11,171
Audio-visual materials	119,500	100,000	93,491
Electronic materials	162,000	135,000	133,769
Databases	36,000	30,000	26,921
Other	500	500	921
	<hr/>		
Total library materials	557,500	470,500	430,544
<hr/>			
<b>LIBRARY OPERATIONS</b>			
Trustee professional fees	2,000	2,000	140
Legal notices	1,000	1,000	944
Legal services	9,500	8,000	4,335
Accounting fees	18,000	15,000	11,670
Payroll processing	10,500	9,000	8,126
Audit	14,000	12,000	11,700
Other professional fees	37,000	31,000	4,611
Library programs	68,000	57,000	62,702
Public relations	24,000	20,000	12,206
Outreach/volunteer programs	9,500	8,000	8,448
Newsletter printing and postage	57,000	48,000	34,809

(This schedule is continued on the following page.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

SCHEDULE OF EXPENDITURES PAID - APPROPRIATION AND ACTUAL -  
MODIFIED CASH BASIS - GENERAL FUND (Continued)

For the Year Ended June 30, 2019

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>
<b>LIBRARY OPERATIONS (Continued)</b>			
Office supplies	\$ 18,000	\$ 15,000	\$ 14,702
Tech processing	62,000	52,000	39,799
Postage and printing	12,000	10,000	6,060
Copy machine supplies	16,500	14,000	11,938
Small equipment	18,000	15,000	10,205
Telephone	26,000	22,000	22,137
Office equipment maintenance	2,500	2,000	-
Total library operations	<u>405,500</u>	<u>341,000</u>	<u>264,532</u>
<b>AUTOMATION</b>			
Computer equipment	150,000	125,000	80,740
Computer repair	48,000	40,000	30,751
CCS operating	102,000	85,000	72,473
OCLC operating	14,000	12,000	10,671
Internet	16,500	14,000	14,650
Total automation	<u>330,500</u>	<u>276,000</u>	<u>209,285</u>
<b>INSURANCE</b>			
General liability	26,000	22,000	20,028
Unemployment compensation	12,000	10,000	7,782
Workers' compensation	19,000	16,000	10,226
Other insurance	4,500	4,000	3,150
Total insurance	<u>61,500</u>	<u>52,000</u>	<u>41,186</u>
<b>GRANTS AND DONATIONS</b>			
Per capita	93,750.0	93,750.0	46,873.8
Other gifts and grants	3,000	3,000	4,863
Total grants and donations	<u>96,750</u>	<u>96,750</u>	<u>51,737</u>
<b>CONTINGENCY</b>			
	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<b>CAPITAL OUTLAY</b>			
	<u>90,000</u>	<u>75,000</u>	<u>40,421</u>
<b>TOTAL EXPENDITURES PAID</b>	<u>\$ 4,714,750</u>	<u>\$ 4,152,250</u>	<u>\$ 3,669,808</u>

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID  
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
SPECIAL RESERVE FUND

For the Year Ended June 30, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES COLLECTED</b>			
Investment income	\$ 10,500	\$ 23,477	
Total revenues collected	10,500	23,477	
<b>EXPENDITURES PAID</b>			
Current			
Capital outlay	\$ 1,000,000	550,000	62,019
Total expenditures paid	1,000,000	550,000	62,019
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(1,000,000)	(539,500)	(38,542)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 350,000	
Total other financing sources (uses)	-	350,000	
NET CHANGE IN FUND BALANCE	\$ (1,000,000)	\$ (539,500)	311,458
FUND BALANCE, JULY 1			1,330,200
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 1,641,658</b>

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

COMBINING STATEMENT OF ASSETS, DEFERRED INFLOWS OF RESOURCES  
AND FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2019

	<u>Special Revenue</u>				<u>Total</u>
	<u>Liability Insurance</u>	<u>Audit</u>	<u>Building and Equipment Maintenance</u>	<u>IMRF/ FICA</u>	
<b>ASSETS</b>					
Cash and investments	\$ 770	\$ 40	\$ 3,620	\$ 126,059	\$ 130,489
<b>TOTAL ASSETS</b>	<b>\$ 770</b>	<b>\$ 40</b>	<b>\$ 3,620</b>	<b>\$ 126,059</b>	<b>\$ 130,489</b>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property taxes	\$ -	\$ -	\$ -	\$ 99,300	\$ 99,300
Total liabilities	-	-	-	99,300	99,300
<b>FUND BALANCES</b>					
Restricted					
Liability insurance	770	-	-	-	770
Audit	-	40	-	-	40
Maintenance	-	-	3,620	-	3,620
Retirement	-	-	-	26,759	26,759
Total fund balances	770	40	3,620	26,759	31,189
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 770</b>	<b>\$ 40</b>	<b>\$ 3,620</b>	<b>\$ 126,059</b>	<b>\$ 130,489</b>

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID  
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2019

	<b>Special Revenue</b>				<b>Total</b>
	<b>Liability Insurance</b>	<b>Audit</b>	<b>Building and Equipment Maintenance</b>	<b>IMRF/ FICA</b>	
<b>REVENUES COLLECTED</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 200,470	\$ 200,470
Investment income	-	-	-	3,130	3,130
Total revenues collected	-	-	-	203,600	203,600
<b>EXPENDITURES PAID</b>					
Current					
Culture and recreation					
Fringe benefits					
IMRF	-	-	-	178,248	178,248
Total expenditures paid	-	-	-	178,248	178,248
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	25,352	25,352
<b>FUND BALANCES, JULY 1</b>	770	40	3,620	1,407	5,837
<b>FUND BALANCES, JUNE 30</b>	\$ 770	\$ 40	\$ 3,620	\$ 26,759	\$ 31,189

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID  
AND CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL -  
MODIFIED CASH BASIS - IMRF FUND

For the Year Ended June 30, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES COLLECTED</b>			
Property taxes	\$ 199,900	\$ 200,470	
Investment income	1,500	3,130	
Total revenues collected	201,400	203,600	
<b>EXPENDITURES PAID</b>			
Current			
Culture and recreation			
Personnel services			
IMRF	220,000	190,000	178,248
Total expenditures paid	220,000	190,000	178,248
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (220,000)</b>	<b>\$ 11,400</b>	<b>25,352</b>
<b>FUND BALANCE, JULY 1</b>			<b>1,407</b>
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 26,759</b>

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

**NOTES TO COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

June 30, 2019

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**BUDGETS**

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

1. The Board of Trustees prepares a Combined Annual Budget and Appropriation Ordinance for all funds, except the Liability Insurance, Audit and Building and Equipment Maintenance Funds.
2. Budget hearings are conducted.
3. The budget is legally enacted through passage of an ordinance.
4. The budget may be amended by the Board of Trustees. No supplemental appropriations were adopted by the Board of Trustees in the current fiscal year.
5. Budgets are adopted on the modified cash basis.
6. The level of control (level at which expenditures/expenses may not exceed appropriations) is the fund level. All appropriations lapse at year end.

**SUPPLEMENTARY INFORMATION**

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES,  
EXTENSIONS AND COLLECTIONS

Last Five Levy Years

<b>TAX LEVY YEAR</b>	<b>2018</b>		<b>2017</b>		<b>2016</b>		<b>2015</b>		<b>2014</b>	
<b>ASSESSED VALUATION</b>	\$	1,208,344,080	\$	1,169,803,588	\$	1,115,864,500	\$	1,041,813,428	\$	1,011,504,869
	<b>Rate*</b>	<b>Amount</b>								
<b>TAX EXTENSIONS</b>										
General	0.340	\$ 4,110,932	0.341	\$ 3,987,860	0.345	\$ 3,854,832	0.385	\$ 4,015,607	0.392	\$ 3,963,349
IMRF	0.017	200,005	0.017	199,896	0.000	-	0.000	-	0.000	-
Building maintenance	0.000	-	0.000	-	0.020	223,173	0.000	-	0.000	-
Debt service	0.000	-	0.000	-	0.092	1,024,453	0.098	1,021,311	0.097	985,661
<b>TOTAL TAX EXTENSIONS</b>	<b>0.357</b>	<b>\$ 4,310,937</b>	<b>0.358</b>	<b>\$ 4,187,756</b>	<b>0.457</b>	<b>\$ 5,102,458</b>	<b>0.483</b>	<b>\$ 5,036,918</b>	<b>0.489</b>	<b>\$ 4,949,010</b>
<b>TOTAL TAX COLLECTIONS</b>		<u><b>\$ 2,140,327</b></u>		<u><b>\$ 4,195,650</b></u>		<u><b>\$ 5,101,053</b></u>		<u><b>\$ 5,031,656</b></u>		<u><b>\$ 4,945,682</b></u>
<b>PERCENT COLLECTED</b>		<u><b>49.65%</b></u>		<u><b>100.19%</b></u>		<u><b>99.97%</b></u>		<u><b>99.90%</b></u>		<u><b>99.93%</b></u>

\* 2018 tax receipts not received in full as of June 30, 2019.

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 178,248	\$ 176,343	\$ 172,945	\$ 172,941	\$ 160,448
Contributions in relation to the actuarially determined contribution	178,248	176,343	172,944	172,942	161,731
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ (1)</b>	<b>\$ (1,283)</b>
Covered payroll	\$ 1,691,805	\$ 1,582,972	\$ 1,556,660	\$ 1,549,652	\$ 1,453,331
Contributions as a percentage of covered payroll	10.54%	11.14%	11.11%	11.16%	11.13%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as available.

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUDELEIN, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Calendar Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ 160,719	\$ 172,148	\$ 173,154	\$ 169,586	\$ 179,114
Interest	481,535	465,305	424,468	389,971	349,690
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(12,650)	101	119,085	33,525	(103,862)
Changes of assumptions	220,617	(203,247)	(25,414)	15,881	231,183
Benefit payments, including refunds of member contributions	(235,318)	(189,083)	(148,974)	(121,012)	(93,665)
Net change in total pension liability	614,903	245,224	542,319	487,951	562,460
Total pension liability - beginning	6,457,760	6,212,536	5,670,217	5,182,266	4,619,806
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 7,072,663</b>	<b>\$ 6,457,760</b>	<b>\$ 6,212,536</b>	<b>\$ 5,670,217</b>	<b>\$ 5,182,266</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - employer	\$ 190,555	\$ 176,343	\$ 172,944	\$ 172,942	\$ 161,731
Contributions - member	74,826	71,234	70,050	69,734	65,923
Net investment income	(284,420)	871,059	317,544	23,564	263,046
Benefit payments, including refunds of member contributions	(235,318)	(189,083)	(148,974)	(121,012)	(93,665)
Other	60,027	(58,955)	51,999	(136,446)	9,696
Net change in plan fiduciary net position	(194,330)	870,598	463,563	8,782	406,731
Plan fiduciary net position - beginning	5,994,917	5,124,319	4,660,756	4,651,974	4,245,243
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 5,800,587</b>	<b>\$ 5,994,917</b>	<b>\$ 5,124,319</b>	<b>\$ 4,660,756</b>	<b>\$ 4,651,974</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 1,272,076</b>	<b>\$ 462,843</b>	<b>\$ 1,088,217</b>	<b>\$ 1,009,461</b>	<b>\$ 530,292</b>
Plan fiduciary net position as a percentage of the total pension liability	82.01%	92.83%	82.48%	82.20%	89.77%
Covered payroll	\$ 1,662,783	\$ 1,582,972	\$ 1,556,660	\$ 1,549,652	\$ 1,453,331
Employer's net pension liability as a percentage of covered payroll	76.50%	29.24%	69.91%	65.14%	36.49%

The discount rate assumption was changed from 7.50% to 7.25% in 2018.

The price inflation assumption was changed from 2.75% to 2.50%, and the salary increase assumption was changed from 3.75% - 14.50% to 3.39% - 14.25% in 2017.

The discount rate assumption was changed from 7.48% to 7.50% in 2016.

The retirement age and mortality assumptions were changed in 2015.

The inflation rate, salary increase assumptions, and other employment and mortality tables were changed in 2014.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as available.

(See independent auditor's report.)