



**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2022

The background of the lower half of the cover features a grayscale photograph of a library interior, showing rows of bookshelves and a walkway. Overlaid on this image is a complex, semi-transparent geometric pattern of overlapping triangles and lines, creating a modern, architectural aesthetic.

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AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS
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AURORA, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Aurora Public Library District
Aurora, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Aurora Public Library District (the District) as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Aurora Public Library District, as of June 30, 2022, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

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

Supplementary 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 combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements 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.

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 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
December 19, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Management’s Discussion and Analysis

As management of Aurora Public Library District, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the 2022 fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

General Background

The library is a local public library established in 1882 in accordance with the laws of the State of Illinois in order to serve the residents of the City of Aurora. The Aurora Public Library, previously a component unit of the City of Aurora, became the Aurora Public Library District, a primary government stand-alone entity, effective July 1, 2020. The vision of the library is to be the place where Aurora comes together to discover, create, connect, and succeed. The main library building is in Aurora’s downtown at 101 South River Street. The library has branches on the east side of Aurora at 555 South Eola Road (the “Eola Branch”) and on the west side at 233 South Constitution Drive (the “West Branch”).

Overview of the Financial Statements

Management’s discussion and analysis serves as an introduction to the library’s financial statements. The statements presented include a Government Funds Balance Sheet and Statement Net Position, a Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities, and notes to the financial statements. The Library qualifies as a special-purpose government engaged in only one governmental type activity allowing it to combine the fund and government-wide financial statements. This is done using an adjustment column, on the face of the statements, which reconciles the fund-based accounting to the government-wide statements. The financial statements of the library are intended to provide the reader with an understanding of the financial position of the library as of the close of the fiscal year and the results of activities for the year then ended.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the library’s assets, deferred outflows of resources, 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 library is improving or deteriorating.

The Statement of Activities presents information which displays how the library’s net position changes throughout the most recent fiscal year. All changes in net position are reported as soon as an event giving rise to the change occurs, regardless of the timing of the cash flows.

The Library’s main source of revenue is principally supported by property taxes, and other smaller revenue streams.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds may be classified into one of three types: governmental, proprietary, or fiduciary.

Management’s Discussion and Analysis

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The library maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a “major” fund. Data for the Special Reserve Fund, Capital Projects Fund, and Bond and Interest Fund are aggregated and shown in total as nonmajor governmental funds.

The library adopts an annual budget for its General Fund. Budgetary comparison schedules have been provided for the General Fund to demonstrate compliance with the budget.

Financial Highlights

The library’s total net position, as of June 30, 2022, was \$25,629,644. The Special Reserve fund balance was \$606,167 as of June 30, 2022. The Operating cash reserve balance was \$6,298,789 as of June 30, 2022. In fiscal year 2023 we will finalize our capital needs assessment for upcoming Santori Library, Eola Road Branch, and West Branch renovation projects.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government’s financial position. The library’s assets/deferred outflows – exceeded liabilities/deferred inflows of resources by \$25,629,466 as of the close of the year. Of the net position balance, \$17,909,157 is net investment in capital assets, and \$7,720,309 is unrestricted.

Description of Current or Expected Conditions

Currently, management is not aware of any changes in conditions that are certain to have a significant effect on the financial position or results of activities of the Library in the near future. The library has recovered financially from the effects of the COVID-19 pandemic on operations of the library. Ongoing labor market shortages and continued price inflation may have significant impacts on library operations if those conditions prove to be prolonged.

Management's Discussion and Analysis

Request for Information

This financial report is designed to provide a general overview of the library's finances for interested parties. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Ms. Michaela Haberkern, Executive Director, Aurora Public Library District, 101 South River Street, Aurora, IL 60506 or Mr. Mark Salem, Finance Manager, Aurora Public Library District, 101 South River Street, Aurora, IL 60506.

Reports

On the next three pages one will find Statement of Net Position, Statement of Activities, and Statement of Revenues, Expenditures, and Changes in Fund Balance reports. These three reports describe the Aurora Public Library District's financial standing during July 1 2021 – June 30 2022.

Management's Discussion and Analysis

AURORA PUBLIC LIBRARY DISTRICT AURORA, ILLINOIS

STATEMENT OF NET POSITION

June 30, 2022

| | Primary Government Governmental Activities | Component Unit Aurora Public Library Foundation |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------|
| ASSETS | | |
| Cash and Investments | \$ 15,466,454 | \$ 3,824,765 |
| Property Taxes Receivable (Net, Where Applicable, of Allowances for Uncollectibles) | 7,460,978 | - |
| Due from Other Governments | 516,299 | - |
| Pledge Receivables, Net | - | 601,338 |
| Prepaid Items | 336,680 | - |
| Capital Assets (Nondepreciable) | 3,378,686 | - |
| Depreciable Capital Assets (Net of Accumulated Depreciation) | 31,473,256 | - |
| Total Assets | <u>58,632,353</u> | <u>4,426,103</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Unamortized Loss on Refunding | 7 | - |
| Pension Items - IMRF | 2,202,807 | - |
| OPEB Items | 37,652 | - |
| Total Deferred Outflows of Resources | <u>2,240,466</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>60,872,819</u> | <u>4,426,103</u> |
| LIABILITIES | | |
| Accounts Payable and Accrued Liabilities | 114,999 | 709 |
| Accrued Payroll | 261,033 | - |
| Noncurrent Liabilities | | |
| Due Within One Year | 675,454 | - |
| Due in More than One Year | 18,724,222 | - |
| Total Liabilities | <u>19,775,708</u> | <u>709</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Revenue - Property Taxes | 15,338,506 | - |
| OPEB Items | 129,139 | - |
| Total Deferred Inflows of Resources | <u>15,467,645</u> | <u>-</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>35,243,353</u> | <u>709</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 17,909,157 | - |
| Restricted for | | |
| Capital Improvements | - | 4,071,392 |
| Unrestricted | 7,720,309 | 354,002 |
| TOTAL NET POSITION | <u>\$ 25,629,466</u> | <u>\$ 4,425,394</u> |

Management's Discussion and Analysis

AURORA PUBLIC LIBRARY DISTRICT AURORA, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

| | General | Nonmajor Governmental Funds | Total Governmental Funds |
|------------------------------------------------------|---------------------|-----------------------------------|--------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 14,742,305 | \$ - | \$ 14,742,305 |
| Other Taxes | 301,011 | - | 301,011 |
| Intergovernmental | 361,250 | - | 361,250 |
| Licenses, Permits and Fees | 19,073 | - | 19,073 |
| Fines | 4,311 | - | 4,311 |
| Donations | 57,800 | - | 57,800 |
| Investment Income | (12,398) | 2,007 | (10,391) |
| Other | 46,450 | - | 46,450 |
| Total Revenues | 15,519,802 | 2,007 | 15,521,809 |
| EXPENDITURES | | | |
| Culture and Recreation | | | |
| Central Services | 5,013,291 | - | 5,013,291 |
| Santori Library | 2,685,783 | - | 2,685,783 |
| Eola Branch Library | 1,950,128 | - | 1,950,128 |
| West Branch Library | 1,129,842 | - | 1,129,842 |
| Outreach Services | 449,087 | - | 449,087 |
| Other Services and Charges | - | 239,483 | 239,483 |
| Debt Service | | | |
| Principal | - | 635,000 | 635,000 |
| Interest | - | 578,193 | 578,193 |
| Total Expenditures | 11,228,131 | 1,452,676 | 12,680,807 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 4,291,671 | (1,450,669) | 2,841,002 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 845,130 | 845,130 |
| Transfers (Out) | (700,000) | (145,130) | (845,130) |
| Total Other Financing Sources (Uses) | (700,000) | 700,000 | - |
| NET CHANGE IN FUND BALANCES | 3,591,671 | (750,669) | 2,841,002 |
| FUND BALANCES, JULY 1 | 5,213,783 | 11,088 | 5,224,871 |
| FUND BALANCES (DEFICIT), JUNE 30 | \$ 8,805,454 | \$ (739,581) | \$ 8,065,873 |

BASIC FINANCIAL STATEMENTS

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

STATEMENT OF NET POSITION

June 30, 2022

| | Primary Government Governmental Activities | Component Unit Aurora Public Library Foundation |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------|
| ASSETS | | |
| Cash and Investments | \$ 15,466,454 | \$ 3,824,765 |
| Property Taxes Receivable (Net, Where Applicable, of Allowances for Uncollectibles) | 7,460,978 | - |
| Due from Other Governments | 516,299 | - |
| Pledge Receivables, Net | - | 601,338 |
| Prepaid Items | 336,680 | - |
| Capital Assets (Nondepreciable) | 3,378,686 | - |
| Depreciable Capital Assets (Net of Accumulated Depreciation) | 31,473,256 | - |
| Total Assets | 58,632,353 | 4,426,103 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Unamortized Loss on Refunding | 7 | - |
| Pension Items - IMRF | 2,202,807 | - |
| OPEB Items | 37,652 | - |
| Total Deferred Outflows of Resources | 2,240,466 | - |
| Total Assets and Deferred Outflows of Resources | 60,872,819 | 4,426,103 |
| LIABILITIES | | |
| Accounts Payable and Accrued Liabilities | 114,999 | 709 |
| Accrued Payroll | 261,033 | - |
| Noncurrent Liabilities | | |
| Due Within One Year | 675,454 | - |
| Due in More than One Year | 18,724,222 | - |
| Total Liabilities | 19,775,708 | 709 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Revenue - Property Taxes | 15,338,506 | - |
| OPEB Items | 129,139 | - |
| Total Deferred Inflows of Resources | 15,467,645 | - |
| Total Liabilities and Deferred Inflows of Resources | 35,243,353 | 709 |
| NET POSITION | | |
| Net Investment in Capital Assets | 17,909,157 | - |
| Restricted for | | |
| Capital Improvements | - | 4,071,392 |
| Unrestricted | 7,720,309 | 354,002 |
| TOTAL NET POSITION | \$ 25,629,466 | \$ 4,425,394 |

See accompanying notes to financial statements.

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2022

| | <u>General</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------------------------------------------------------------------|----------------------|--------------------------------------------|-----------------------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| ASSETS | | | |
| Cash and Investments | \$ 14,860,287 | \$ 606,167 | \$ 15,466,454 |
| Receivables | | | |
| Property Taxes, Net of Allowance | 7,460,978 | - | 7,460,978 |
| Intergovernmental | 516,299 | - | 516,299 |
| Due from Other Funds | 1,345,748 | - | 1,345,748 |
| Prepaid Items | 336,680 | - | 336,680 |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | 24,519,992 | 606,167 | 25,126,159 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| None | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total Deferred Outflows of Resources | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 24,519,992 | \$ 606,167 | \$ 25,126,159 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 114,999 | \$ - | \$ 114,999 |
| Accrued Payroll | 261,033 | - | 261,033 |
| Due to Other Funds | - | 1,345,748 | 1,345,748 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities | 376,032 | 1,345,748 | 1,721,780 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenue - Property Taxes | 15,338,506 | - | 15,338,506 |
| | <hr/> | <hr/> | <hr/> |
| Total Deferred Inflows of Resources | 15,338,506 | - | 15,338,506 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities and Deferred Inflows of Resources | 15,714,538 | 1,345,748 | 17,060,286 |
| FUND BALANCES | | | |
| Nonspendable, Prepaid Items | 336,680 | - | 336,680 |
| Unrestricted | | | |
| Assigned | | | |
| Subsequent Year's Budget | 33,323 | - | 33,323 |
| Capital Projects | - | 606,167 | 606,167 |
| Unassigned (Deficit) | 8,435,451 | (1,345,748) | 7,089,703 |
| | <hr/> | <hr/> | <hr/> |
| Total Fund Balances (Deficit) | 8,805,454 | (739,581) | 8,065,873 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT) | \$ 24,519,992 | \$ 606,167 | \$ 25,126,159 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

See accompanying notes to financial statements.

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

June 30, 2022

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 8,065,873 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | 34,851,942 |
| Premiums, discounts, loss on refundings and similar items are recognized when debt is first issued in governmental funds, whereas these amounts are deferred and amortized on the statement of net position | (252,785) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds | |
| General obligation bonds | (16,690,000) |
| Compensated absences | (446,756) |
| Total other postemployment benefit liability is shown as a liability on the statement of net position | (116,336) |
| Differences between expected and actual experiences, assumption changes and changes of benefit terms for other postemployment benefits are recognized as deferred outflows and inflows of resources on the statement of net position | (91,487) |
| Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position | (1,893,792) |
| Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions after the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position | <u>2,202,807</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 25,629,466</u></u> |

See accompanying notes to financial statements.

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

| | General | Nonmajor Governmental Funds | Total Governmental Funds |
|------------------------------------------------------|---------------------|-----------------------------------|--------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 14,742,305 | \$ - | \$ 14,742,305 |
| Other Taxes | 301,011 | - | 301,011 |
| Intergovernmental | 361,250 | - | 361,250 |
| Licenses, Permits and Fees | 19,073 | - | 19,073 |
| Fines | 4,311 | - | 4,311 |
| Donations | 57,800 | - | 57,800 |
| Investment Income | (12,398) | 2,007 | (10,391) |
| Other | 46,450 | - | 46,450 |
| Total Revenues | 15,519,802 | 2,007 | 15,521,809 |
| EXPENDITURES | | | |
| Culture and Recreation | | | |
| Central Services | 5,013,291 | - | 5,013,291 |
| Santori Library | 2,685,783 | - | 2,685,783 |
| Eola Branch Library | 1,950,128 | - | 1,950,128 |
| West Branch Library | 1,129,842 | - | 1,129,842 |
| Outreach Services | 449,087 | - | 449,087 |
| Other Services and Charges | - | 239,483 | 239,483 |
| Debt Service | | | |
| Principal | - | 635,000 | 635,000 |
| Interest | - | 578,193 | 578,193 |
| Total Expenditures | 11,228,131 | 1,452,676 | 12,680,807 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 4,291,671 | (1,450,669) | 2,841,002 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 845,130 | 845,130 |
| Transfers (Out) | (700,000) | (145,130) | (845,130) |
| Total Other Financing Sources (Uses) | (700,000) | 700,000 | - |
| NET CHANGE IN FUND BALANCES | 3,591,671 | (750,669) | 2,841,002 |
| FUND BALANCES, JULY 1 | 5,213,783 | 11,088 | 5,224,871 |
| FUND BALANCES (DEFICIT), JUNE 30 | \$ 8,805,454 | \$ (739,581) | \$ 8,065,873 |

See accompanying notes to financial statements.

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 2,841,002 |
| 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 | 140,950 |
| Sale of capital assets are reported as a proceed in governmental funds but as a gain (loss) on the statement of activities | (127,028) |
| The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities | 635,000 |
| The change in the total other postemployment benefit liability is reported only in the statement of activities | 16,937 |
| The change in deferred inflows and outflows of resources for other postemployment benefits is reported only in the statement of activities | 13,920 |
| The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities | (1,009,560) |
| The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities | 4,257,370 |
| Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities | 23,631 |
| Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds | |
| Depreciation | (966,362) |
| Change in compensated absences | 12,869 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 5,838,729</u> |

See accompanying notes to financial statements.

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Aurora Public Library District (the Library) 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)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies are described below.

A. Reporting Entity

The Library has become the Aurora Public Library District, a primary government, effective July 1, 2020. Accordingly, the amounts reported in the basic financial statements for the Aurora Public Library are for the year ended June 30, 2022. These financial statements present the Library's reporting entity as required by GAAP. The Library is considered to be a primary government since its board is separately elected and the Library is fiscally independent.

The component unit column in the basic financial statements includes the financial data of the Library's component unit. It is reported in a separate column to emphasize that it is legally separate from the Library.

The Aurora Public Library Foundation

The Library has determined that the Aurora Public Library Foundation (the Foundation) meets the requirements of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement 14, and GASB Statement No. 61, *The Financial Reporting Entity - Omnibus*, which has resulted in the Foundation being reported as a discretely presented component unit of the Library as it is legally separate from the Library. The Foundation follows GAAP for not-for-profits as promulgated by the Financial Accounting Standards Board (FASB). Separate financial statements as of December 31, 2021 for the Aurora Public Library Foundation are available by contacting the Foundation at 101 S. River Street, Aurora, Illinois 60506.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary. The Library reports only governmental funds.

Governmental funds are used to account for all of the Library's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service fund). The General Fund is used to account for all activities of the Library not accounted for in another fund.

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 Library. 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, which rely to a significant extent on fees and charges for support.

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 and (2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function. 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

The Library reports the following major governmental fund:

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for Federal/State Grants which are based upon when the Library has a legal claim to them. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, or at year end if due the first day of the following fiscal year.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Library.

The Library reports unearned and unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or year intended to finance criteria for recognition in the current period. Unearned revenues arise when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the deferred inflow of resources for unavailable/deferred revenue or the liability for unearned revenue is removed and revenue is recognized.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments

Investments with a maturity greater than one year when purchased are stated at fair value at June 30, 2022. Investments with a maturity of one year or less when purchased are reported at cost or amortized cost.

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans, if any, are classified as “due to/from other funds.”

G. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items on the consumption method.

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

| Asset Class | Capitalization Threshold |
|----------------------------------------------|-----------------------------|
| Land | \$ - |
| Building Improvements and Land Improvements | 100,000 |
| Intangible Assets | 100,000 |
| Vehicles, Machinery, Furniture and Equipment | 50,000 |
| Works of Art, Historical Artifacts | 50,000 |

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 of the asset or materially extend asset lives are not capitalized.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

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

| Assets | Years |
|----------------------------------------------|-------|
| Buildings and Land and Improvements | 20-65 |
| Vehicles | 8 |
| Machinery, Furniture and Equipment, Software | 5-15 |

I. Compensated Absences

Vested or accumulated vacation and sick leave that is due and payable is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation and sick leave of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

J. 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 Library. Committed fund balance is constrained by formal actions of the Library's Board of Trustees, which is considered the Library'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 Library's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Library Director by the Library Board of Trustees. Any residual fund balance in the General Fund or any deficit fund balances in other governmental funds are reported as unassigned.

The Library'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 Library considers committed funds to be expended first followed by assigned and then unassigned funds.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Balance/Net Position (Continued)

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the net positions are restricted as a result of enabling legislation adopted by the Library. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt principal issued to construct capital assets.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The Library 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. The Library has no recurring fair value measurements as of June 30, 2022, as no investments are reported at fair value.

Permitted Deposits and Investments - In accordance with the Library's investment policy, the Library's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

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

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 Library 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 Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Library Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral with a fair value of 103% of all bank balances in excess of federal depository insurance with collateral held by the Library's agent in the Library's name.

Library Investments

In accordance with the Library's investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools. Unless matched to a specific cash flow, the Library does not directly invest in securities maturing more than three years from the date of purchase.

The Library 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 U.S. Treasury obligations and U.S. Government agency notes and state and local obligations rated in the highest three categories by national rating agencies.

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

2. DEPOSITS AND INVESTMENTS (Continued)

Library Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Library's agent separate from where the investment was purchased. The money market mutual funds are not subject to custodial credit risk.

Concentration of credit risk - the investment portfolio of the Library shall not exceed the diversification standards below:

| Diversification by Instrument | Percent of Portfolio |
|-------------------------------|----------------------|
| Commercial Paper | 10% |
| The Illinois Funds | 50% |

The Library's investment policy requires diversification to the best of its ability.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---------------------------------------------|----------------------|---------------------|-------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital Assets not Being Depreciated | | | | |
| Land and Land Improvements | \$ 3,378,686 | \$ - | \$ - | \$ 3,378,686 |
| Total Capital Assets not Being Depreciated | 3,378,686 | - | - | 3,378,686 |
| Capital Assets Being Depreciated | | | | |
| Buildings and Improvements | 39,571,783 | 140,950 | 144,350 | 39,568,383 |
| Machinery and Equipment | 1,797,811 | - | - | 1,797,811 |
| Vehicles | 210,059 | - | - | 210,059 |
| Total Capital Assets Being Depreciated | 41,579,653 | 140,950 | 144,350 | 41,576,253 |
| Less Accumulated Depreciation for | | | | |
| Buildings and Improvements | 7,797,635 | 800,029 | 17,322 | 8,580,342 |
| Machinery and Equipment | 1,146,265 | 166,333 | - | 1,312,598 |
| Vehicles | 210,057 | - | - | 210,057 |
| Total Accumulated Depreciation | 9,153,957 | 966,362 | 17,322 | 10,102,997 |
| Total Capital Assets Being Depreciated, Net | 32,425,696 | (825,412) | 127,028 | 31,473,256 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 35,804,382 | \$ (825,412) | \$ 127,028 | \$ 34,851,942 |

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

3. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the governmental activities as follows:

| | |
|-------------------------|-------------------|
| GOVERNMENTAL ACTIVITIES | |
| Culture and Recreation | <u>\$ 966,362</u> |

4. PROPERTY TAXES

Property taxes for 2021 attach as an enforceable lien on January 1, 2021, on property values assessed as of the same date. Taxes are levied by December of the same fiscal year (by passage of a tax levy ordinance), December 20 in the current fiscal year. Taxes levied in one year become due and payable in two installments, on or about June 1 and September 1 of the following year. The 2021 levy is intended to finance the 2023 fiscal year and, therefore, is reported as unavailable/deferred revenue at June 30, 2022.

5. LONG-TERM DEBT

Long-term debt of the Library is comprised of the following:

A. General Obligation Bonds

Bonds payable issued by the City of Aurora and payable by the Library at June 30, 2022, are comprised of the following:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <p>\$2,740,000 2011 Corporate Purpose Refunding Serial Bonds, due in annual installments of \$95,000 to \$330,000 from December 30, 2013, to December 30, 2022, interest from 2% to 3%. While a general obligation of the City, the principal and interest is to be repaid with the Library's tax levy.</p> | \$ 100,000 |
| <p>\$19,200,000 2012A Corporate Purpose Serial Bonds, due in annual installments of \$145,000 to \$1,095,000 from December 30, 2014, to December 30, 2041, interest from 3% to 4%. While a general obligation of the City, the principal and interest is to be repaid with the Library's tax levy.</p> | <u>16,590,000</u> |
| TOTAL | <u><u>\$ 16,690,000</u></u> |

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

5. LONG-TERM DEBT (Continued)

B. Debt Service to Maturity

Annual debt service requirements to maturity are as follows:

| Year | General Long-Term Debt | |
|--------------|------------------------|---------------------|
| | Principal | Interest |
| 2023 | \$ 650,000 | \$ 558,919 |
| 2024 | 660,000 | 539,269 |
| 2025 | 675,000 | 519,244 |
| 2026 | 690,000 | 498,767 |
| 2027 | 710,000 | 477,768 |
| 2028-2032 | 3,815,000 | 2,050,475 |
| 2033-2037 | 4,375,000 | 1,385,328 |
| 2038-2042 | 5,115,000 | 522,913 |
| TOTAL | \$ 16,690,000 | \$ 6,552,683 |

C. Changes in Long-Term Debt

Changes in long-term debt during the year ended June 30, 2022 is as follows:

| | Balance January 1 | Increases | Decreases | Balance June 30 | Current Portion |
|-------------------------------------------------|----------------------|---------------------|-------------------|----------------------|--------------------|
| Due to City for Bonds | \$ 17,325,000 | \$ - | \$ 635,000 | \$ 16,690,000 | \$ 650,000 |
| Compensated Absences | 459,625 | 10,112 | 22,981 | 446,756 | 22,338 |
| Net Pension Liability | 884,232 | 1,009,560 | - | 1,893,792 | - |
| Total Other Postemployment Benefit Liability | 133,273 | - | 16,937 | 116,336 | 3,116 |
| Unamortized Bond Premium | 276,444 | - | 23,652 | 252,792 | - |
| TOTAL | \$ 19,078,574 | \$ 1,019,672 | \$ 698,570 | \$ 19,399,676 | \$ 675,454 |

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

6. INDIVIDUAL FUND DISCLOSURES

Interfund transfers during the year ended June 30, 2022 consisted of the following:

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|-----------------------|--------------------|---------------------|
| General | \$ - | \$ 700,000 |
| Nonmajor Governmental | 845,130 | 145,130 |
| TOTAL | <u>\$ 845,130</u> | <u>\$ 845,130</u> |

The purposes of significant interfund transfers are as follows:

- \$700,000 transferred to the Special Reserve (nonmajor) from the General Fund. This transfer is for funding projects. The transfer will not be repaid.

7. DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

The District’s defined benefit pension 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 report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standards 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. Investments are reported at fair value.

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

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2021, IMRF membership consisted of:

| | |
|------------------------------------------------------------------------|-----------------------|
| Inactive employees or their beneficiaries currently receiving benefits | 1 |
| Inactive employees entitled to but not yet receiving benefits | 5 |
| Active employees | <u>119</u> |
| TOTAL | <u><u>125</u></u> |

Benefits Provided

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. 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

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Library is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended 2022 was 10.40% of covered payroll.

Net Pension Liability

At June 30, 2022, the Library reported a liability of \$1,893,792. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Library's net pension liability was measured as of December 31, 2021 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, 2021 |
| Actuarial Cost Method | Entry-Age Normal |
| Assumptions | |
| Inflation | 2.25% |
| Salary Increases | 2.85% to 13.75% |
| Interest Rate | 7.25% |
| Cost of Living Adjustments | 3.50% |
| Asset Valuation Method | Fair Value |

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Discount Rate

The discount rate used to measure the total pension liability 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 Library's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was used to determine the total pension liability.

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

7. DEFINED BENEFIT PENSION PLAN (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, 2021 | \$ - | \$ - | \$ - |
| Changes for the period | | | |
| Service cost | - | - | - |
| Interest | (6) | - | (6) |
| Difference between expected and actual experience | 2,144,292 | - | 2,144,292 |
| Changes in assumptions | - | - | - |
| Employer contributions | - | 182,230 | (182,230) |
| Employee contributions | - | 84,366 | (84,366) |
| Net investment income | - | - | - |
| Benefit payments and refunds | (159) | (159) | - |
| Other (net transfer) | - | (16,102) | 16,102 |
| Net changes | 2,144,127 | 250,335 | 1,893,792 |
| BALANCES AT DECEMBER 31, 2021 | \$ 2,144,127 | \$ 250,335 | \$ 1,893,792 |

The Library had its first actuarial valuation performed for the IMRF plan year ended December 31, 2021, as a result of becoming a separate library district for the fiscal year ended June 30, 2021.

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

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2022, the Library recognized pension expense of \$(3,247,810). At June 30, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|-------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Difference Between Expected and Actual Experience | \$ 1,938,431 | \$ - |
| Changes in Assumption | - | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 7,260 | - |
| Contributions Made After the Measurement Date | <u>257,116</u> | - |
| TOTAL | <u>\$ 2,202,807</u> | <u>\$ -</u> |

\$257,116 reported as deferred outflows of resources related to pensions resulting from the Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement period ended June 30, 2023. 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> | |
|---------------------------------|---------------------|
| 2023 | \$ 207,676 |
| 2024 | 207,676 |
| 2025 | 207,676 |
| 2026 | 207,676 |
| Thereafter | <u>1,114,987</u> |
| TOTAL | <u>\$ 1,945,691</u> |

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

7. DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Library calculated using the discount rate of 7.25% as well as what the Library'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 | \$ 2,313,160 | \$ 1,893,792 | \$ 1,477,587 |

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 omissions; injuries to employees; employee health; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

9. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the Library provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the Library and can be amended by the Library through its personnel manual and union contracts. The plan does not issue a separate report. The activity of the plan is reported in the Library's governmental activities. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Benefits Provided

The Library provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under the Library's retirement plan or meet COBRA requirements.

All health care benefits are provided through the Library's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Eligibility in library sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits. The retiree pays the full premium, but not an age adjusted premium, which creates an implicit subsidy to the Library.

C. Membership

At June 30, 2022, membership consisted of:

| | |
|--------------------------------------------------------------------------|------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefit Payments | - |
| Inactive Employees Entitled to but not yet Receiving Benefit Payments | - |
| Active Employees | <u>79</u> |
| TOTAL | <u><u>79</u></u> |

D. Total OPEB Liability

The Library's total OPEB liability of \$116,336 was measured as of June 30, 2022, determined by an actuarial valuation as of June 30, 2022.

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2022, as determined by an actuarial valuation as of June 30, 2022, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------------------|---------------------------------|
| Actuarial Cost Method | Entry-Age Normal |
| Actuarial Value of Assets | NA |
| Inflation | 2.50% |
| Salary Increases | Varies by Service |
| Discount Rate | 4.09% |
| Healthcare Cost Trend Rates | 7.25% Initial 4.00% Ultimate |
| Retirees Share of Benefit-Related Costs | 100% Regular Plan |

The discount rate was based on the index rate for tax-exempt general obligation municipal bonds rated AA or better at June 30, 2022.

The Pub-2010, Amount-Weighted, below-median income, General Employee, Male and Female tables, with future mortality improvements projected using scale MP-2021.

The actuarial assumptions used in the June 30, 2022, valuation are based on 12% participation assumed, with 50% electing spouse coverage, which changed from 50% and 100%, respectively.

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|------------------------------------------------------|---------------------------------|
| BALANCES AT JULY 1, 2021 | <u>\$ 133,273</u> |
| Changes for the Period | |
| Service Cost | 7,738 |
| Interest | 3,040 |
| Difference Between Expected and Actual Experience | 2,160 |
| Changes in Benefit Terms | - |
| Changes in Assumptions | (26,759) |
| Benefit Payments | <u>(3,116)</u> |
| Net Changes | <u>(16,937)</u> |
| BALANCES AT JUNE 30, 2022 | <u>\$ 116,336</u> |

Changes of Assumptions reflect a change in the discount rate from 2.18% for the reporting period ended June 30, 2021, to 4.09% for the reporting period ended June 30, 2022. Also reflected as assumption changes are updated health care costs and premiums and updated termination and mortality rates.

G. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Library calculated using the discount rate of 4.09% as well as what the Library total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09%) or 1 percentage point higher (5.09%) than the current rate:

| | 1% Decrease (3.09%) | Current Discount Rate (4.09%) | 1% Increase (5.09%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 129,897 | \$ 116,336 | \$ 104,417 |

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

G. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Library calculated using the healthcare rate of 4.00% to 7.25% as well as what the Library's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.00% to 6.25%) or 1 percentage point higher (5.00% to 8.25%) than the current rate:

| | 1% Decrease (3.00% to 6.25%) | Current Healthcare Rate (4.00% to 7.25%) | 1% Increase (5.00% to 8.25%) |
|----------------------|---------------------------------|------------------------------------------------|---------------------------------|
| Total OPEB Liability | \$ 100,914 | \$ 116,336 | \$ 134,765 |

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

For the year ended June 30, 2022, the Library recognized OPEB expense of \$(23,541). At June 30, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 1,920 | \$ 50,920 |
| Changes in Assumptions | 35,732 | 78,219 |
| TOTAL | \$ 37,652 | \$ 129,139 |

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

| Year Ending June 30, | |
|-------------------------|--------------------|
| 2023 | \$ (38,519) |
| 2024 | (38,519) |
| 2025 | (2,761) |
| 2026 | (3,965) |
| 2027 | (262) |
| Thereafter | (7,461) |
| TOTAL | \$ (91,487) |

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

10. AURORA PUBLIC LIBRARY FOUNDATION

A. Financial Information

The Library has determined that the Foundation meets the requirements of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14, which has resulted in the Foundation being reported as a discretely presented component unit of the Library as it is legally separate from the Library. Separate financial statements for the Foundation are available by contacting the Foundation at 101 S. River Street, Aurora, Illinois 60506. Information presented below is for the Foundation's fiscal year end December 31, 2021.

B. Nature of Activities

The Foundation is a nonprofit organization incorporated April 3, 2002, whose mission is to support the Library in their effort of supporting lifelong learning and access to information, knowledge and ideas.

C. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Foundation investments with a maturity of one year or less when purchased and non-negotiable certificates of deposit are stated at amortized cost. Foundation investments with a maturity greater than one year when purchased are reported at fair value. Fair value is based on quoted market prices at June 30 for equity securities and mutual funds.

Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets and are transferred to unrestricted net assets when the restrictions expire.

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

10. AURORA PUBLIC LIBRARY FOUNDATION (Continued)

D. Income Taxes

The Foundation has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code pursuant to a determination letter issued in April 2002. Accordingly, no provision for income tax is included in the financial statements.

The Foundation has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2015, 2016 and 2017 tax years. However, the Foundation is not currently under audit nor has the Foundation been contacted by any jurisdiction. Based on the evaluation of the Foundation's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2021.

E. Pledges Receivable

Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges are recorded after discounting at a risk free rate of 3% to the present value of the future cash flows.

Unconditional promises at December 31, 2021, are expected to be realized in the following periods:

| | |
|---------------------------------|--------------------------|
| In One Year or Less | \$ 314,224 |
| Between One Year and Five Years | 295,969 |
| Between Six Years and Ten Years | - |
| Less Discount | <u>(8,855)</u> |
| TOTAL PLEDGES RECEIVABLE | <u>\$ 601,338</u> |

F. Endowment

The Foundation's endowment consists of donor-restricted endowment funds. As required by GAAP, net position associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. As of December 31, 2021, all endowment assets were permanently restricted.

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

10. AURORA PUBLIC LIBRARY FOUNDATION (Continued)

F. Endowment (Continued)

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The endowment assets are invested in accordance with predetermined asset allocation and performance benchmarks.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation's spending policy provides that only the income from endowments may be used for the general purposes of the Foundation, with the Foundation withdrawing current income as it is needed.

REQUIRED SUPPLEMENTARY INFORMATION

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

GENERAL FUND

For the Year Ended June 30, 2022

| | Appropriation | Original and Final Budget | Actual | Variance Over (Under) |
|----------------------------|----------------------|--------------------------------------|-------------------|--------------------------------------|
| REVENUES | | | | |
| Property Taxes | | \$ 15,346,000 | \$ 14,742,305 | \$ (603,695) |
| Other Taxes | | | | |
| Replacement Taxes | | 500,000 | 301,011 | (198,989) |
| Intergovernmental | | | | |
| Grants | | 426,052 | 361,250 | (64,802) |
| Licenses, Permits and Fees | | 25,000 | 19,073 | (5,927) |
| Fines | | 1,000 | 4,311 | 3,311 |
| Donations | | 300,000 | 57,800 | (242,200) |
| Investment Income | | 50,000 | (12,398) | (62,398) |
| Other | | - | 46,450 | 46,450 |
| | | <u>16,648,052</u> | <u>15,519,802</u> | <u>(1,128,250)</u> |
| EXPENDITURES | | | | |
| Culture and Recreation | | | | |
| Central Services | | | | |
| Personnel Services | \$ 4,568,318 | 3,301,000 | 3,543,442 | 242,442 |
| Materials and Supplies | 627,732 | 622,400 | 482,647 | (139,753) |
| Other Services and Charges | 805,654 | 762,645 | 476,025 | (286,620) |
| Capital Outlay | 1,718,655 | 1,117,254 | 511,177 | (606,077) |
| | | <u>7,720,359</u> | <u>5,013,291</u> | <u>(790,008)</u> |
| Santori Library | | | | |
| Personnel Services | 2,228,362 | 2,227,740 | 1,667,803 | (559,937) |
| Materials and Supplies | 648,656 | 572,100 | 492,164 | (79,936) |
| Other Services and Charges | 680,378 | 679,040 | 395,807 | (283,233) |
| Capital Outlay | 478,357 | 378,400 | 130,009 | (248,391) |
| | | <u>4,035,753</u> | <u>2,685,783</u> | <u>(1,171,497)</u> |
| Eola Branch Library | | | | |
| Personnel Services | 1,652,370 | 1,466,954 | 1,317,863 | (149,091) |
| Materials and Supplies | 439,412 | 393,700 | 335,348 | (58,352) |
| Other Services and Charges | 380,448 | 346,100 | 223,166 | (122,934) |
| Capital Outlay | 308,248 | 307,730 | 73,751 | (233,979) |
| | | <u>2,780,478</u> | <u>1,950,128</u> | <u>(564,356)</u> |

(This statement is continued on the following page.)

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Year Ended June 30, 2022

| | Appropriation | Original and Final Budget | Actual | Variance Over (Under) |
|------------------------------------------------------|----------------------|--------------------------------------|---------------------|--------------------------------------|
| EXPENDITURES (Continued) | | | | |
| Culture and Recreation (Continued) | | | | |
| West Branch Library | | | | |
| Personnel Services | \$ 874,784 | \$ 676,960 | \$ 688,960 | \$ 12,000 |
| Materials and Supplies | 272,017 | 224,300 | 203,517 | (20,783) |
| Other Services and Charges | 290,931 | 141,400 | 174,784 | 33,384 |
| Capital Outlay | 280,109 | 278,130 | 62,581 | (215,549) |
| Total West Branch Library | <u>1,717,841</u> | <u>1,320,790</u> | <u>1,129,842</u> | <u>24,601</u> |
| Outreach Services | | | | |
| Personnel Services | 388,793 | 341,130 | 330,877 | (10,253) |
| Materials and Supplies | 153,698 | 152,700 | 69,715 | (82,985) |
| Other Services and Charges | 67,138 | 52,600 | 39,799 | (12,801) |
| Capital Outlay | 360,000 | 311,100 | 8,696 | (302,404) |
| Total Outreach Services | <u>969,629</u> | <u>857,530</u> | <u>449,087</u> | <u>(408,443)</u> |
| Debt Service | | | | |
| Principal | <u>2,500,000</u> | <u>1,218,669</u> | - | <u>(1,218,669)</u> |
| Total Expenditures | <u>\$ 19,724,060</u> | <u>15,572,052</u> | <u>11,228,131</u> | <u>(4,128,372)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | <u>1,076,000</u> | <u>4,291,671</u> | <u>3,215,671</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (Out) | | <u>(700,000)</u> | <u>(700,000)</u> | - |
| Total Other Financing Sources (Uses) | | <u>(700,000)</u> | <u>(700,000)</u> | - |
| NET CHANGE IN FUND BALANCE | | <u>\$ 376,000</u> | <u>3,591,671</u> | <u>\$ 3,215,671</u> |
| FUND BALANCE, JULY 1 | | | <u>5,213,783</u> | |
| FUND BALANCE, JUNE 30 | | | <u>\$ 8,805,454</u> | |

(See independent auditor's report.)

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

ILLINOIS MUNICIPAL RETIREMENT FUND

Last Fiscal Year

| FISCAL YEAR ENDED JUNE 30, | 2022 |
|----------------------------------------------------------------------|--------------------|
| Actuarially Determined Contribution | \$ 546,960 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>546,960</u> |
| CONTRIBUTION DEFICIENCY (Excess) | <u><u>\$ -</u></u> |
| Covered Payroll | \$ 5,258,338 |
| Contributions as a Percentage of Covered Payroll | 10.40% |

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1. 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 22 years; the asset valuation method was at smoothed market value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.25% compounded annually.

The Library had its first actuarial valuation performed for the IMRF plan year ended December 31, 2021, as a result of becoming a separate library district for the fiscal year ended June 30, 2021. This schedule presents the Library's actuarially determined contributions for the fiscal year ended June 30, 2022.

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 is available.

(See independent auditor's report.)

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS

ILLINOIS MUNICIPAL RETIREMENT FUND

Last Calendar Year

| MEASUREMENT DATE DECEMBER 31, | 2021 |
|-------------------------------------------------------------|----------------------------|
| TOTAL PENSION LIABILITY | |
| Service Cost | \$ - |
| Interest | (6) |
| Differences Between Expected and Actual Experience | 2,144,292 |
| Changes of Assumptions | - |
| Benefit Payments, Including Refunds of Member Contributions | <u>(159)</u> |
| Net Change in Total Pension Liability | 2,144,127 |
| Total Pension Liability - Beginning | <u>-</u> |
| TOTAL PENSION LIABILITY - ENDING | <u>\$ 2,144,127</u> |
| PLAN FIDUCIARY NET POSITION | |
| Contributions - Employer | \$ 182,230 |
| Contributions - Member | 84,366 |
| Net Investment Income | - |
| Benefit Payments, Including Refunds of Member Contributions | (159) |
| Other | <u>(16,102)</u> |
| Net Change in Plan Fiduciary Net Position | 250,335 |
| Plan Fiduciary Net Position - Beginning | <u>-</u> |
| PLAN FIDUCIARY NET POSITION - ENDING | <u>\$ 250,335</u> |
| EMPLOYER'S NET PENSION LIABILITY | <u>\$ 1,893,792</u> |
| Plan Fiduciary Net Position | |
| as a Percentage of the Total Pension Liability | 11.70% |
| Covered Payroll | \$ 1,874,800 |
| Employer's Net Pension Liability | |
| as a Percentage of Covered Payroll | 101.00% |

Notes to Require Supplementary Information

The Library had its first actuarial valuation performed for the IMRF plan year ended December 31, 2021, as a result of becoming a separate library district for the fiscal year ended June 30, 2021.

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 is available.

(See independent auditor's report.)

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

ILLINOIS MUNICIPAL RETIREMENT FUND

Fiscal Years 2015 to 2021

| FISCAL YEAR ENDED | December 31, | | | | June 30, | | |
|----------------------------------------------------------------------|---------------------|--------------|--------------|--------------|-----------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020* | 2021 |
| Contractually Required Contribution | \$ 664,765 | \$ 692,190 | \$ 689,116 | \$ 639,445 | \$ 573,448 | \$ 372,528 | \$ 723,637 |
| Contributions in Relation to the Contractually Required Contribution | 672,677 | 692,190 | 689,116 | 639,445 | 573,448 | 372,528 | 723,637 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ (7,912) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 5,042,151 | \$ 5,147,634 | \$ 5,172,395 | \$ 4,907,414 | \$ 4,974,150 | \$ 2,750,206 | \$ 5,557,403 |
| Contributions as a Percentage of Covered Payroll | 13.34% | 13.49% | 14.35% | 14.77% | 11.53% | 13.55% | 13.02% |

Notes to Required Supplementary Information

The Library had its first actuarial valuation performed for the IMRF plan year ended December 31, 2021, as a result of becoming a separate library district for the fiscal year ended June 30, 2021. This schedule presents the contractually required contributions through June 30, 2021 as a result of the Library's participation in the City of Aurora's plan. See the Schedule of Employer Contributions elsewhere in the required supplementary information.

*Library fiscal year changed to June 30, 2020 and is no longer a component unit of the City. This is for the stub year from January 1, 2020 to June 30, 2020.

(See independent auditor's report.)

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

SCHEDULE OF THE LIBRARY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY

ILLINOIS MUNICIPAL RETIREMENT FUND

Calendar Years 2014 to 2020

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Employer's Proportion of Net Pension Liability | 11.52% | 11.52% | 11.78% | 10.86% | 10.86% | 10.86% | 10.86% |
| Employer's Proportionate Share of Net Pension Liability | \$ 3,435,044 | \$ 5,538,929 | \$ 4,994,564 | \$ 2,112,998 | \$ 6,209,632 | \$ 3,485,085 | \$ 884,232 |
| Employer's Covered Payroll | 5,192,579 | 5,042,151 | 5,009,356 | 4,762,350 | 4,892,463 | 4,974,263 | 4,999,870 |
| Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 66.15% | 109.85% | 99.70% | 44.37% | 126.92% | 70.06% | 17.69% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 87.60% | 81.30% | 83.80% | 92.80% | 80.50% | 89.46% | 97.40% |

Notes to Required Supplementary Information

The Library had its first actuarial valuation performed for the IMRF plan year ended December 31, 2021, as a result of becoming a separate library district for the fiscal year ended June 30, 2021. This schedule presents the IMRF proportionate share of the City of Aurora's net pension liability through the 2020 plan year. See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios elsewhere in the required supplementary information.

(See independent auditor's report.)

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Seven Fiscal Years

| MEASUREMENT DATE | December 31, | | | June 30, | | | |
|-----------------------------------------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020* | 2021 | 2022 |
| TOTAL OPEB LIABILITY | | | | | | | |
| Service Cost | \$ 16,383 | \$ 16,281 | \$ 16,364 | \$ 4,465 | \$ 2,647 | \$ 6,806 | \$ 7,738 |
| Interest | 12,891 | 11,534 | 11,563 | 4,015 | 1,800 | 3,339 | 3,040 |
| Differences Between Expected and Actual Experience | (53,602) | - | (59,793) | - | (22,956) | - | 2,160 |
| Changes of Benefit Terms | - | - | - | - | - | - | - |
| Changes of Assumptions | 12,819 | 8,602 | (190,513) | 8,463 | 30,564 | 5,906 | (26,759) |
| Benefit Payments | (5,545) | (5,501) | (5,564) | (2,232) | (1,205) | (2,912) | (3,116) |
| Net Change in Total OPEB Liability | (17,054) | 30,916 | (227,943) | 14,711 | 10,850 | 13,139 | (16,937) |
| Total OPEB Liability - Beginning | 308,654 | 291,600 | 322,516 | 94,573 | 109,284 | 120,134 | 133,273 |
| TOTAL OPEB LIABILITY - ENDING | \$ 291,600 | \$ 322,516 | \$ 94,573 | \$ 109,284 | \$ 120,134 | \$ 133,273 | \$ 116,336 |
| Covered Payroll | \$ 4,169,974 | \$ 4,195,828 | \$ 4,169,974 | \$ 4,396,744 | \$ 4,291,063 | \$ 4,469,829 | \$ 4,477,521 |
| Employer's Total OPEB Liability as a Percentage of Covered Payroll | 6.99% | 7.69% | 2.27% | 2.49% | 2.80% | 2.98% | 2.60% |

Notes to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The health care trend rate assumption has been updated from the prior valuation to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries. The discount rate was also changed from 3.78% to 3.44% in 2017, from 3.44% to 4.10% in 2018, from 4.10% to 3.26% in 2019, from 3.26% to 2.66% in 2020, from 2.66% to 2.18% in 2021, and from 2.18% to 4.09% in 2022. Also reflected as assumption changes are updated health care costs and premiums and updated termination and mortality rates in 2022.

*Library fiscal year changed to June 30, 2020 and is no longer a component unit of the City. This is for the stub year from January 1, 2020 to June 30, 2020.

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 is available.

(See independent auditor's report.)

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

BUDGET AND BUDGETARY ACCOUNTING

The Library's budget represents departmental expenditures and estimated revenues for the General Fund. The Special Reserve Fund, Capital Projects Fund and Bond and Interest Fund were not budgeted for in fiscal year ending June 30, 2022. The budget is adopted on the modified accrual basis consistent with GAAP. The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Library submits to the Board of Library Trustees a proposed budget for the Library. The proposed budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain citizen comments.
- No later than the fourth Tuesday of September of the year preceding the budget year the budget is legally enacted through passage of an ordinance.
- Upon request by the Executive Director of the Library, the Treasurer may transfer budgeted amounts between objects within a fund. The budget of any fund may be amended by a majority vote of the Board of Library Trustees. The level of budgetary control is the fund level. The Library reports the original and final amended budget.
- All budgetary authority lapses at year end.

COMBINING FUND FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2022

| | Special Reserve | Bond and Interest | Total Nonmajor Governmental Funds |
|----------------------------------------------------------|----------------------------|------------------------------|------------------------------------------------------|
| ASSETS | | | |
| Cash and Investments | \$ 606,167 | \$ - | \$ 606,167 |
| Total Assets | 606,167 | - | 606,167 |
| LIABILITIES | | | |
| Due to Other Funds | - | 1,345,748 | 1,345,748 |
| Total Liabilities | - | 1,345,748 | 1,345,748 |
| FUND BALANCES | | | |
| Unrestricted | | | |
| Assigned for Capital Projects | 606,167 | - | 606,167 |
| Unassigned (Deficit) | - | (1,345,748) | (1,345,748) |
| Total Fund Balances (Deficit) | 606,167 | (1,345,748) | (739,581) |
| TOTAL LIABILITIES AND FUND BALANCES (DEFICIT) | \$ 606,167 | \$ - | \$ 606,167 |

(See independent auditor's report.)

**AURORA PUBLIC LIBRARY DISTRICT
AURORA, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

| | Special Reserve | Capital Projects | Bond and Interest | Total Nonmajor Governmental Funds |
|------------------------------------------------------|--------------------|---------------------|-----------------------|--------------------------------------------|
| REVENUES | | | | |
| Investment Income | \$ 520 | \$ - | \$ 1,487 | \$ 2,007 |
| Total Revenues | 520 | - | 1,487 | 2,007 |
| EXPENDITURES | | | | |
| Culture and Recreation | | | | |
| Other Services and Charges | 239,483 | - | - | 239,483 |
| Debt Service | | | | |
| Principal | - | - | 635,000 | 635,000 |
| Interest | | | 578,193 | 578,193 |
| Total Expenditures | 239,483 | - | 1,213,193 | 1,452,676 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (238,963) | - | (1,211,706) | (1,450,669) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 845,130 | - | - | 845,130 |
| Transfers (Out) | - | (145,130) | - | (145,130) |
| Total Other Financing Sources (Uses) | 845,130 | (145,130) | - | 700,000 |
| NET CHANGE IN FUND BALANCES | 606,167 | (145,130) | (1,211,706) | (750,669) |
| FUND BALANCES (DEFICIT), JULY 1 | - | 145,130 | (134,042) | 11,088 |
| FUND BALANCES (DEFICIT), JUNE 30 | \$ 606,167 | \$ - | \$ (1,345,748) | \$ (739,581) |

(See independent auditor's report.)