

**Bloomington Public Library**  
**Bloomington, Illinois**

Financial Report  
April 30, 2014

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## Independent Auditor's Report

To the Members of the Library Board of Trustees  
Bloomington Public Library  
Bloomington, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Bloomington Public Library, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Bloomington Public Library, Illinois, as of April 30, 2014, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 – 10), schedules of funding progress (pages 29 – 30), budgetary schedule (page 31) and related note (page 32) be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The supplementary information (pages 33 – 39) and other information (pages 40 – 41) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 supplementary information is fairly stated, in all material respects, in relation to the 2014 basic financial statements as a whole. We have also previously audited, in accordance with the auditing standards generally accepted in the United States of America, the Library's basic financial statements for the year ended April 30, 2013, which are not presented with the accompanying financial statements. In our report, dated July 10, 2013, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2013 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements for the year ended April 30, 2013, taken as a whole.

The Schedule of Assessed Valuations and Tax Rates and Schedule of Extensions and Collections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*McGladrey LLP*

Chicago, Illinois  
July 16, 2014

**Required Supplemental Information**

**Management's Discussion and Analysis (MD&A)**

## **Bloomington Public Library**

### **Management's Discussion and Analysis Year Ended April 30, 2014**

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The discussion and analysis of Bloomington Public Library's (the Library) financial performance provides an overall review of the Library's financial activities for the year ended April 30, 2014. The management of the Library encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the Library's financial performance.

#### **Financial Highlights**

- The assets of the Library exceeded its liabilities and deferred inflows at the close of the fiscal year by \$6,188,809. Of this amount, \$2,770,489 may be used to meet the Library's ongoing obligations to citizens and creditors.
- In total, net position decreased by \$136,343. The decrease can be attributed to depreciation expense exceeding capital asset additions by \$161,153.
- General revenues were \$2,730,381 or 98.7% of all revenues. Program specific revenues, in the form of charges for services, grants, and contributions were \$27,730 or 1.31% of total revenues of \$2,766,914.

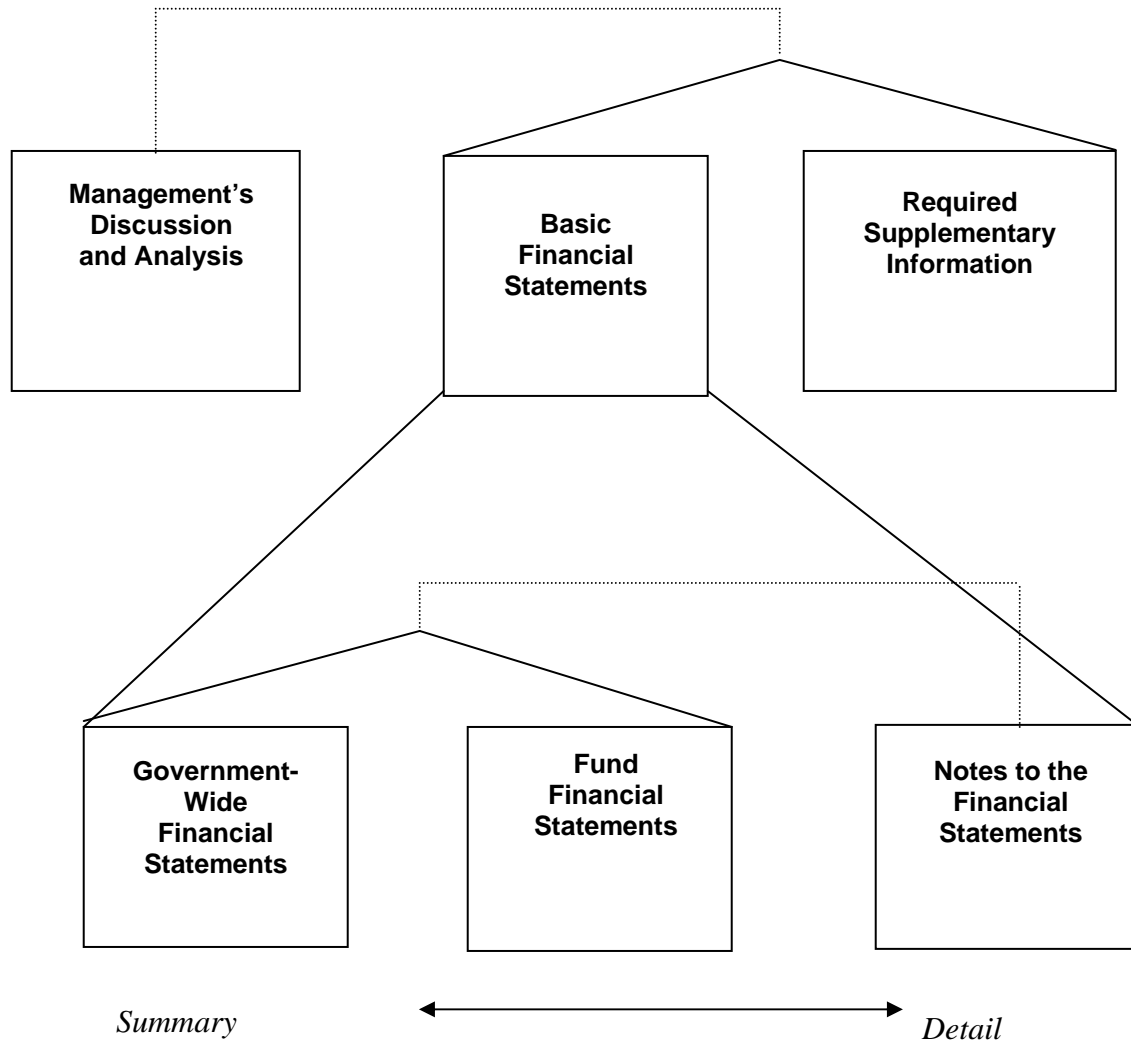
#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Library's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to the financial statements.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

**Figure A-1**  
**Organization of Bloomington Public Library's Annual Financial Report**



This report also contains other supplementary information in addition to the basic financial statements.



## **Bloomington Public Library**

### **Management's Discussion and Analysis Year Ended April 30, 2014**

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#### ***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 Library assets and liabilities 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 showing how the Library's net position changed during the fiscal year being reported. All changes in net position are reported when assets are earned and liabilities are incurred.

The government-wide financial statements present the Library functions that are principally supported by taxes and intergovernmental revenues (governmental activities). The Library has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The Library's governmental activities include general library services, adult services and youth services.

#### ***Fund Financial Statements***

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Library funds are considered governmental funds (the Library maintains no proprietary funds or fiduciary funds).

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

## Bloomington Public Library

### Management's Discussion and Analysis Year Ended April 30, 2014

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The Library maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and change in fund balances of the General Fund and Building Fund, both of which are considered to be major funds. Data from the other governmental fund is included in a single, aggregated presentation.

The Library adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for the General Fund and Building Fund to demonstrate compliance with this budget.

#### **Notes to Basic Financial Statements**

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

#### **Other Information**

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

#### **Government-Wide Financial Analysis**

Net position. The Library's net position decreased by 2.2% compared to the prior year. At year-end, total net position was \$6,188,809 (see Table 1).

<b>Table 1</b>		
<b>Condensed Statement of Net Position</b>		
	<u>2014</u>	<u>2013</u>
Current and other assets	\$5,676,592	\$5,650,808
Capital assets	<u>3,382,820</u>	<u>3,544,337</u>
Total assets	<u>9,059,412</u>	<u>9,195,145</u>
Liabilities,		
Current	147,933	150,412
Other liabilities	<u>25,797</u>	<u>22,654</u>
Total liabilities	<u>173,730</u>	<u>173,066</u>
Deferred Inflows of Resources	<u>2,696,873</u>	<u>2,696,927</u>
Net position:		
Net investment in capital assets	3,382,820	3,544,337
Restricted	35,500	35,500
Unrestricted	<u>2,770,489</u>	<u>2,745,315</u>
Total net position	<u>\$6,188,809</u>	<u>\$6,325,152</u>

**Bloomington Public Library**

**Management's Discussion and Analysis  
Year Ended April 30, 2014**

<b>Table 2 Changes in Net Position</b>		
	<u>2014</u>	<u>2013</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 27,730	\$ 32,260
Operating grants and contributions	8,803	5,071
General revenues:		
Taxes	2,693,195	2,625,961
State grants	30,022	23,627
Other	<u>7,164</u>	<u>7,244</u>
Total revenues	<u>2,766,914</u>	<u>2,694,163</u>
<b>Expenses:</b>		
General library	2,683,046	2,779,832
Adult services	170,984	172,850
Youth services	<u>49,227</u>	<u>50,457</u>
Total expenses	<u>2,903,257</u>	<u>3,003,139</u>
<b>Change in net position</b>	<b>(136,343)</b>	<b>(308,976)</b>
Beginning	<u>6,325,152</u>	<u>6,634,128</u>
Ending	<u>\$ 6,188,809</u>	<u>\$ 6,325,152</u>

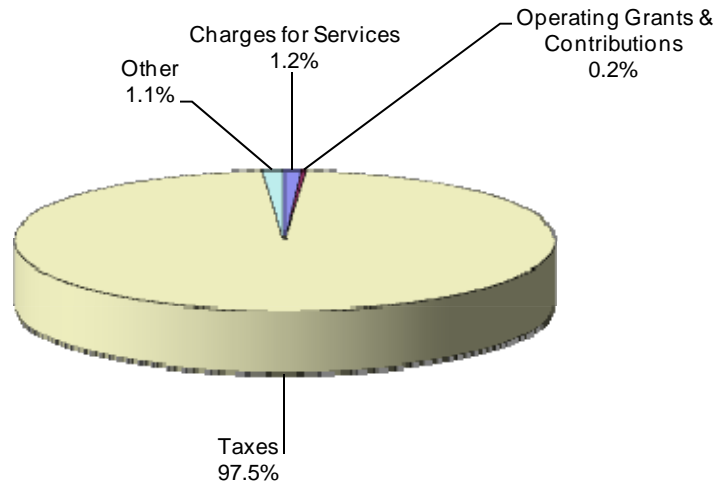
Changes in net position. The Library's total revenues were \$2.7 million. Taxes were 97.5% of the total or \$2.69 million. Real estate taxes increased by 2.4% over the prior year for a total increase of \$63 thousand.

State aid brought in an additional \$30 thousand of the total revenues, which is consistent with the prior year.

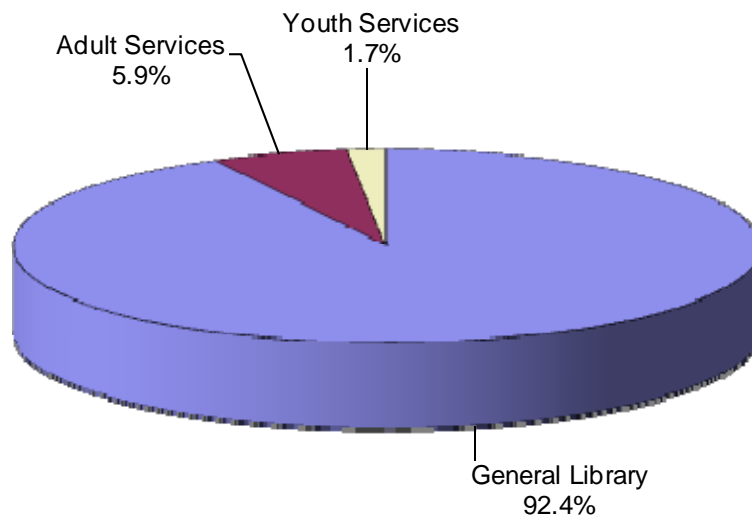
The remaining \$44 thousand came from fees charged for services and miscellaneous sources, which is consistent with the prior year.

The total cost of all programs and services was \$2.9 million. The Library's expenses are predominantly related to providing library services to the residents of the Village of Bloomington (salary and benefit, administration, building maintenance and materials purchase costs, etc.).

### 2014 Government-Wide Revenues By Source



### 2014 Government-Wide Expenses



## Bloomington Public Library

### Management's Discussion and Analysis Year Ended April 30, 2014

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#### Financial Analysis of the Library's Funds

As the Library completed the year, its governmental funds reported combined fund balances of \$2.8 million. Revenues for the Library's governmental funds were \$2.8 million, while total expenditures were \$2.7 million.

The General Fund experienced a current year operating deficit after other financing uses of \$17,123. This deficit resulted in a year-end fund balance of \$2,095,517.

The fund balance in the Building Fund increased by \$40,544. This decrease is a result of total capital and maintenance expenditures increasing in the current year due to several large projects.

#### General Fund Budgetary Highlights

While the Library's budget for the General Fund anticipated that expenditures would exceed revenues by \$219,713 before other financing sources (uses), the actual result for the year was \$132,877 surplus before transfer of \$150,000. Expenses were lower than anticipated due to the general library expenses coming in below budgeted amounts.

#### Capital Assets

By the end of 2014, the Library had invested \$7.7 million (before accumulated depreciation of \$4.3 million) in a broad range of capital assets, including buildings and improvements and equipment and furniture (computer, audio-visual, and furniture) (See Table 3). (More detailed information about capital assets can be found in Note 3 to the financial statements.)

Depreciation expense for the year was \$281,145, while additions to buildings and improvements, and equipment and furniture amounted to \$119,992.

	2014	2013
Buildings and improvements	\$ 2,794,714	\$ 2,909,297
Equipment and furniture	588,107	635,040
<b>TOTAL</b>	<b>\$ 3,382,820</b>	<b>\$ 3,544,337</b>

The additions included building renovations, computers, equipment and furniture.

## **Bloomington Public Library**

### **Management's Discussion and Analysis Year Ended April 30, 2014**

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#### **Factors Bearing on the Library's Future**

The Library was aware of the following existing circumstances that could significantly affect its financial health in the future at April 30, 2014.

- The Library's ability to generate tax receipts is directly linked to the value of the property within the Village of Bloomington. Any adverse effect on property values will limit the ability of the Library to generate revenue.

#### **Requests for Information**

This financial report is designed to provide the Library's citizens, taxpayers, and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact Bloomington Public Library, 101 Fairfield Way, Bloomington, Illinois 60108.

## **Basic Financial Statements**

**Government-Wide Financial Statements**



**Bloomington Public Library**

**Statement of Net Position  
April 30, 2014**

	Governmental Activities
<b>Assets</b>	
Current Assets	
Cash and investments	\$ 2,957,130
Property taxes receivable	2,696,873
Prepaid items	22,589
<b>Total current assets</b>	<u>5,676,592</u>
Noncurrent Assets	
Capital assets being depreciated, net	<u>3,382,820</u>
<b>Total assets</b>	<u><u>\$ 9,059,412</u></u>
<b>Liabilities</b>	
Current Liabilities	
Accounts payable	\$ 36,088
Accrued salaries and payroll taxes	111,845
<b>Total current liabilities</b>	<u>147,933</u>
Long-term Liabilities	
Other post employment benefits obligation	<u>25,797</u>
<b>Total liabilities</b>	<u>173,730</u>
<b>Deferred Inflows of Resources</b>	
Deferred property taxes	<u>2,696,873</u>
<b>Net Position</b>	
Net investment in capital assets	3,382,820
Restricted for youth services	35,500
Unrestricted	2,770,489
<b>Total net position</b>	<u><u>\$ 6,188,809</u></u>

See Notes to Basic Financial Statements.

**Bloomington Public Library**

**Statement of Activities  
Year Ended April 30, 2014**

Functions/Programs	Expenses	Program Revenues		Net (Expense), Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
<b>Governmental activities:</b>				
Library services:				
General library	\$ 2,683,046	\$ 27,730	\$ 8,803	\$(2,646,513)
Adult services	170,984	-	-	(170,984)
Youth services	49,227	-	-	(49,227)
<b>Total governmental activities</b>	<b>\$ 2,903,257</b>	<b>\$ 27,730</b>	<b>\$ 8,803</b>	<b>(2,866,724)</b>
<b>General revenues:</b>				
Taxes:				
Property taxes, levied for general purposes				2,689,014
Replacement taxes				4,181
Grants and contributions not restricted to specific programs				30,022
Interest				6,913
Other				251
Total general revenues				<u>2,730,381</u>
		Change in net position		(136,343)
Net position				
May 1, 2013				<u>6,325,152</u>
April 30, 2014				<u>\$ 6,188,809</u>

See Notes to Basic Financial Statements.

**Fund Financial Statements**

**Bloomington Public Library**

**Balance Sheet  
Governmental Funds  
April 30, 2014**

	General Fund	Building Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 2,238,834	\$ 682,796	35,500	\$ 2,957,130
Property taxes receivable	2,696,873	-	-	2,696,873
Prepaid items	22,589	-	-	22,589
<b>Total assets</b>	<b>\$ 4,958,296</b>	<b>\$ 682,796</b>	<b>\$ 35,500</b>	<b>\$ 5,676,592</b>
<b>Liabilities</b>				
Liabilities				
Accounts payable	\$ 26,538	\$ 9,550	\$ -	\$ 36,088
Accrued salaries and payroll taxes	111,845	-	-	111,845
<b>Total liabilities</b>	<b>138,383</b>	<b>9,550</b>	<b>-</b>	<b>147,933</b>
<b>Deferred Inflows of Resources</b>				
Deferred property taxes	2,724,396	-	-	2,724,396
<b>Fund balances</b>				
Nonspendable:				
Permanent fund principal	-	-	35,500	35,500
Prepaid items	22,589	-	-	22,589
Assigned for capital projects	-	673,246	-	673,246
Unassigned	2,072,928	-	-	2,072,928
<b>Total fund balances</b>	<b>2,095,517</b>	<b>673,246</b>	<b>35,500</b>	<b>2,804,263</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,958,296</b>	<b>\$ 682,796</b>	<b>\$ 35,500</b>	<b>\$ 5,676,592</b>

See Notes to Basic Financial Statements.

**Bloomington Public Library**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
April 30, 2014**

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Total fund balance - governmental funds	\$ 2,804,263
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds	3,382,820
Revenues that are deferred in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements	27,523
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds: Other post employment benefits obligation	<u>(25,797)</u>
Net position of governmental activities	<u>\$ 6,188,809</u>

See Notes to Basic Financial Statements.

**Bloomington Public Library**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended April 30, 2014**

	General Fund	Building Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 2,689,014	\$ -	\$ -	\$ 2,689,014
Intergovernmental:				
Grants	25,126	-	-	25,126
Replacement taxes	4,181	-	-	4,181
Co-sponsored projects	5,500	-	-	5,500
Fines and fees	23,758	-	-	23,758
Charges for services	4,222	-	-	4,222
Donations	3,303	-	-	3,303
Interest	6,682	-	231	6,913
<b>Total revenues</b>	<b>2,761,786</b>	<b>-</b>	<b>231</b>	<b>2,762,017</b>
<b>Expenditures:</b>				
Current:				
General library	2,408,929	109,456	-	2,518,385
Adult services	170,984	-	-	170,984
Youth services	48,996	-	231	49,227
<b>Total expenditures</b>	<b>2,628,909</b>	<b>109,456</b>	<b>231</b>	<b>2,738,596</b>
Excess (deficiency) of revenues over (under) expenditures	132,877	(109,456)	-	23,421
Other financing sources (uses):				
Transfers in	-	150,000	-	150,000
Transfers out	(150,000)	-	-	(150,000)
<b>Total other financing sources (uses)</b>	<b>(150,000)</b>	<b>150,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(17,123)</b>	<b>40,544</b>	<b>-</b>	<b>23,421</b>
Fund balances:				
May 1, 2013	2,112,640	632,702	35,500	2,780,842
April 30, 2014	\$ 2,095,517	\$ 673,246	\$ 35,500	\$ 2,804,263

See Notes to Basic Financial Statements.

**Bloomington Public Library**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Year Ended April 30, 2014**

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Net change in fund balances—total governmental funds	\$ 23,421
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Amounts reported for governmental activities in the statement of activities are different because:

Revenues that are deferred in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements	4,896
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Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets and losses on disposals of those assets. This is the amount by which depreciation and loss on disposal exceeds capital outlays in the current period.

Capital outlays	119,992
Depreciation expense	(281,145)
Loss on disposal	(364)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Increase in other post employment benefits obligation	<u>(3,143)</u>
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Change in net position of governmental activities	<u>\$ (136,343)</u>
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See Notes to Basic Financial Statements.

## Bloomington Public Library

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The Bloomington Public Library provides library services to the residents of the Village of Bloomington, Illinois. The Library is governed by a seven-member board which is elected by the public.

The accounting policies of the Bloomington Public Library conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

#### ***Financial Reporting Entity***

The Library has been reported as a component unit of the Village in the Village's annual financial reports. GASB Statement No. 61, which is effective for periods beginning after June 15, 2012, modified the requirements for including the Library as a component unit and as such, beginning with the Village's fiscal year 2014 financial report, the Village will no longer report the Library as a component unit.

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

#### ***Government-Wide and Fund Financial Statements***

***Government-Wide Financial Statements:*** Effective May 1, 2013, the Library retrospectively adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 now establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. In accordance with GASB 65 the Library now reports deferred inflows of resources on its financial statements.

The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Library. Eliminations have been made to minimize the double counting of internal activities of the Library. The financial activities of the Library consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

The Statement of Net Position presents the Library's non-fiduciary assets and liabilities with the difference reported in three categories:

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.



## Bloomington Public Library

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### *Government-Wide and Fund Financial Statements (Continued)*

**Restricted net positions** result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** consists of net positions that do not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., library services) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** Separate financial statements are provided for governmental funds. The fund financial statements provide information about the Library's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Library has the following major governmental funds - General Fund and Building Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The Library administers the following major governmental funds:

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

The **Building Fund** is used to account for the resources to be used for the acquisition, construction, and major maintenance of capital facilities.

##### ***Measurement Focus and 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 at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Library gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Library has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds 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. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

## Bloomington Public Library

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### *Measurement Focus and Basis of Accounting and Financial Statement Presentation (Continued)*

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

##### *Assets, Liabilities, Deferred Inflows of Resources and Net Positions*

###### **Investments**

Investments are stated at fair value based on quoted market prices for same or similar investments.

###### **Property taxes**

Property taxes receivable represents the 2013 property tax levy and were recognized as a receivable at the time they were levied. The 2013 tax levy was passed by the Board in May 2014, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in June and September 2014, and are collected by the County Collector, who in turn remits to the Library its respective share. The Library receives the remittances from the County Treasurer approximately one month after collection. Since the 2013 tax levy is intended to finance the expenditures for the year ending April 30, 2015 the entire 2013 tax levy has been reflected as deferred revenue as of April 30, 2014. The 2012 property tax levy, together with any prior levy year collections, has been recognized as revenue for the year ended April 30, 2014.

The Library's 2013 corporate property tax rate per \$100 of assessed valuation was 0.3583.

**Interfund Transfers** – Represent flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

###### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

###### **Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	20 - 40 years
Equipment and furniture	3 - 20 years

The Library capitalizes all assets with a cost over \$1,000 and a useful life greater than 1 year.

## Bloomington Public Library

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### *Assets, Liabilities, Deferred Inflows of Resources and Net Positions (continued)*

##### **Deferred Inflows of Resources**

The Library reports deferred inflows of resources on its financial statements. Deferred inflows of resources arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period for the governmental funds. Additionally, deferred inflows of resources arise when revenues associated with imposed nonexchange revenue transactions (property taxes) are received or reported as a receivable before the period for which they are levied. In subsequent periods, when revenue recognition criteria are met or when the Library has a legal claim to the resources, the deferred inflow of resources is removed from the financial statements and revenue is recognized.

##### **Compensated Absences**

It is the Library’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Library does not have a policy to pay any amounts when employees separate service from the Library. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation or retirement. The General Fund is used to liquidate these liabilities.

##### **Fund Balance**

Within the governmental fund types, the Library’s fund balances are reported in one of the following classifications:

***Nonspendable*** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

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

***Committed*** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Library’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Library removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Library’s highest level of decision-making authority rests with the Library’s Board of Trustees. The Library passes formal resolutions to commit their fund balances.

## Bloomington Public Library

### Notes to Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### *Assets, Liabilities, Deferred Inflows of Resources and Net Positions (Continued)*

##### Fund Balances (continued)

**Assigned** – includes amounts that are constrained by the Library's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Library's Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Library's Board of Trustees has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

**Unassigned** – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and unassigned deficit fund balances of other governmental funds.

It is the Library's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned fund balances) are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

The General Fund includes the Working Cash stabilization account. Under the State of Illinois Municipal Code (Municipal Code), the Library is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the Library in order to enable the Library to have in its treasury at all time sufficient money to meet demands thereon. These funds may be lent to other Library governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Trustee to abolish or abate the fund. As of April 30, 2014, the Library had working cash stabilization fund balances of \$106,095 that have been classified as unassigned fund balances in the General fund.

##### Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

## Bloomington Public Library

### Notes to Basic Financial Statements

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#### Note 2. Cash and Investments

##### Deposits

State statutes authorize the Library to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks, savings and loan associations, and credit unions. As of April 30, 2014, the Library had deposits with federally insured financial institutions of \$167,508 with bank balances totaling \$164,289.

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of bank failure, the Library's deposits may not be returned to it. As of April 30, 2014, none of the Library's bank balance of \$164,289 was exposed to custodial credit risk.

##### Investments

As of April 30, 2014, the Library has the following investments:

<u>Investment type</u>	<u>Fair Value</u>
Illinois Funds	\$ 949,292
Illinois Metropolitan Investment Fund	<u>1,840,330</u>
	<u>\$ 2,789,622</u>

*Interest Rate Risk.* The Library's investment policy does not limit the Library's investment portfolio to specific maturities. None of the Library's investments are subject to interest rate risk.

The Illinois Funds Investment Pool is not registered with the SEC. The pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

Illinois Metropolitan Investment Fund (I.M.E.T) is a not-for-profit investment fund formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. I.M.E.T is not registered with the SEC as an investment company.

*Credit Risk.* State statute allows the Library to invest in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, and short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000. The Library is also authorized to invest in the Illinois Funds and I.M.E.T. Investments in Illinois Funds were rated AAA by Standard and Poor's and I.M.E.T investments are not rated. The Library's investment policy does not address credit risk.

*Concentration of Credit Risk.* The Library's investment policy does not restrict the amount of investments in any one issuer. All of the Library's investments are in Illinois Funds and I.M.E.T.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Illinois Funds and I.M.E.T held by the Library are not subject to custodial credit risk.

## Bloomington Public Library

### Notes to Basic Financial Statements

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#### Note 3. Capital Assets

A summary of changes in capital assets for governmental activities of the Library for the year ended April 30, 2014, is as follows:

	Balance May 1, 2013	Additions	Retirements	Balance April 30, 2014
Governmental activities:				
Building and improvements	\$ 5,943,099	\$ 42,953	\$ -	\$ 5,986,052
Equipment and furniture	1,674,664	77,039	6,826	1,744,877
<b>Total capital assets</b>	<b>7,617,763</b>	<b>119,992</b>	<b>6,826</b>	<b>7,730,929</b>
Less accumulated depreciation:				
Building and improvements	(3,033,803)	(157,535)		(3,191,338)
Equipment and furniture	(1,039,622)	(123,610)	(6,462)	(1,156,770)
<b>Total accumulated depreciation</b>	<b>(4,073,426)</b>	<b>(281,145)</b>	<b>(6,462)</b>	<b>(4,348,109)</b>
Governmental activities				
Capital assets, net	<b>\$ 3,544,337</b>	<b>\$ (161,153)</b>	<b>\$ 364</b>	<b>\$ 3,382,820</b>

The entire balance of depreciation expense was charged to the general library program.

#### Note 4. Changes in Compensated Absences

A summary of transactions of the Library for the year ended April 30, 2014, is as follows:

Balance, May 1, 2013	\$ -
Compensated absences earned	88,732
Compensated absences paid	(88,732)
	<hr/>
Balance, April 30, 2014	<u>\$ -</u>

#### Note 5. Defined Benefit Pension Plan

The Library's employees participate in the Illinois Municipal Retirement Fund through the Village of Bloomington, Illinois (the Village). The IMRF expenditures of \$191,557 and \$201,734 for the years ended April 30, 2014 and 2013, respectively, were paid to the Village for the Library employee's portion of the required contributions to IMRF. The following discloses the Village's IMRF plan, funding progress, contributions and trend information.

*Plan Description.* The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

## Bloomington Public Library

### Notes to Basic Financial Statements

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#### Note 5. Defined Benefit Pension Plan (Continued)

*Funding Policy.* As set by statute, the Village's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rates for calendar years ended December 31, 2013 and 2014 were 13.51 percent and 13.36 percent, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For 2013, the Village's annual pension cost of \$961,484 for the regular plan was equal to the government's required and actual contributions.

#### Three-Year Trend Information for the Regular Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
December 31, 2013	\$ 961,484	100%	\$ -
December 31, 2012	967,121	100%	-
December 31, 2011	908,561	100%	-

The required contributions for 2013 and 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3.0 percent annually. The actuarial value of the Village and Library's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village and Library's regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2013 the most recent actuarial valuation date, the Village's regular plan was 76.43 percent funded. The actuarial accrued liability for benefits was \$26,281,488 and the actuarial value of assets was \$20,088,139, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,193,349. The Village's covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$7,116,831 and the ratio of the UAAL to the covered payroll was 87 percent.

The schedule of funding progress, presented as RSI following the notes to basic financial statements, presents the Village's multi-year trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## Bloomington Public Library

### Notes to Basic Financial Statements

#### Note 6. Post Employment Healthcare Plan

*Plan Description.* Bloomington Public Library (Library) allows for retiree paid medical (including prescription drugs) coverage for eligible retirees. The current eligibility criteria for retirees is that employees must have accrued 8 years of service credit and be at least age 55 or the employee must be totally and permanently disabled. Spouses and dependents of employees are eligible to continue healthcare coverage provided they were enrolled in the plan at the time of retirement. This is a single-employer plan. The plan does not issue a publicly available financial report.

*Funding Policy.* The required contribution is based on projected pay-as-you-go financing requirements. Retirees receive coverage under the Library's health plan with the retiree contribution set at the existing Library Plan premium rate for HMO. For fiscal year 2014, the Library's contribution to the plan, which is considered an implicit rate subsidy, was \$2,439.

*Annual OPEB Cost and Net OPEB Obligation.* The Library's annual other post employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The following table shows the components of the Library's annual OPEB cost for the year ended April 30, 2014, the amount actually contributed to the plan, and changes in the Library's net OPEB obligation to the plan:

Annual required contribution	\$ 5,429
Interest on net OPEB obligation	906
Adjustment to annual required contribution	(753)
Annual OPEB cost (expense)	<u>5,582</u>
Contributions made	<u>2,439</u>
Increase in net OPEB obligation	3,143
Net OPEB obligation, beginning of year	<u>22,654</u>
Net OPEB obligation, end of year	<u><u>\$ 25,797</u></u>

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2014	\$ 5,582	43.7%	\$ 25,797
April 30, 2013	5,396	22.7%	22,654
April 30, 2012	5,396	22.7%	18,485

*Funded Status and Funding Progress.* As of May 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$51,910, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$51,910. The covered payroll (annual payroll of active employees covered by the plan) was \$814,801 and the ratio of UAAL to covered payroll 6.37 percent.



## Bloomington Public Library

### Notes to Basic Financial Statements

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#### **Note 6. Post Employment Healthcare Plan (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The retiree healthcare valuation was based on the entry age normal cost method, for the May 1, 2013 valuation. Under this method, each participant's projected benefits are assumed to be funded by annual installments, equal to a level percentage of compensation, payable from date of participation to assumed date of retirement. The total normal cost is the sum of the current year's annual installment determined for all active participants. The actuarial accrued liability is the excess value of the present value of future benefits for all participants (both active and retired) over the present value of future normal costs. The actuarial assumptions included a 4.0 percent discount rate, price inflation of 3.0 percent, wage inflation of 4.0 percent, and annual healthcare cost trend rate of 6.0 percent to 8.0 percent. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2014, was 30 years.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### **Note 7. Risk Management**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The Library carries commercial insurance for its workers' compensation, general liability and property coverages. Settled claims have not exceeded insurance coverage during any of the past three years.

For its employee medical insurance, the Library, through the Village of Bloomington, is a member of the Intergovernmental Personal Benefit Cooperative (IPBC) which is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs offered by the members to their officers and employees and to the officers and employees of certain other quasi-governmental and nonprofit public service entities. IPBC acts as a public entity risk pool to receive, process, and pay such claims as may come within the benefit program of each member. All units participating in the IPBC pool their risks and funds and share in the cost of losses or surpluses.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there is an Executive Committee comprised of a Chairman, a Vice Chairman, Treasurer, and the Chairs of two standing committees. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

IPBC offers a PPO, HMO and life insurance plan for its members. The Library, however, only participates through the Village in the HMO and life insurance plan. For the HMO, the members pay in premiums of 115 percent of expected claims. The cooperative agreement provides that the IPBC HMO plan will be self-sustaining through member premiums.

## Bloomington Public Library

### Notes to Basic Financial Statements

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#### Note 7. Risk Management (Continued)

The Village, along with IPBC's other members, has a contractual obligation to fund any deficit of IPBC attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits.

The Library provides commercial insurance for dental and vision. Employees are required to pay the full premium for these coverages.

#### Note 8. Deferred Compensation Plan

The Library offers its employees a deferred compensation plan, through the Village of Bloomington, created in accordance with Internal Revenue Code Section 457. The plan, available to all Library and Village employees, permits them to defer a portion of their salary until future years. Employee contributions accumulate on a tax deferred basis until the employee withdraws the funds. There were no contributions made to the plan by the Library for the year ended April 30, 2014.

#### Note 9. Other Financial Disclosures (FFS Level Only)

Interfund transfers for the year ended April 30, 2014, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 150,000
Building Fund	150,000	-
	<u>\$ 150,000</u>	<u>\$ 150,000</u>

Interfund transfers are used to fund the acquisition, construction and major maintenance of capital facilities.

#### Note 10. Pronouncements Issued But Not Yet Adopted

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Library beginning with its year ended April 30, 2015. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

## Bloomington Public Library

### Notes to Basic Financial Statements

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#### **Note 10. Pronouncements Issued But Not Yet Adopted (Continued)**

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* will be effective for the Library beginning with its year ended April 30, 2015, and should be applied on a prospective basis. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* will be effective for the Library beginning with its year ended April 30, 2015. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. This statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The provisions of this Statement should be applied simultaneously with the provisions of GASB Statement No. 68.

Management has not currently determined what impact, if any, the Statements may have on its financial statements.

**Required Supplementary Information**

## Bloomington Public Library

### Required Supplementary Information Illinois Municipal Retirement Fund

#### Schedule of Funding Progress

Schedule of Funding Progress: The Library participates in the Illinois Municipal Retirement Fund through the Village of Bloomington, Illinois. The data below represents the Village of Bloomington's funding progress.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 20,088,139	\$ 26,281,488	\$ 6,193,349	76.43 %	\$ 7,116,831	87.02 %
12/31/12	18,896,974	25,430,139	6,533,165	74.31	7,293,525	89.57
12/31/11	16,694,425	23,506,555	6,812,130	71.02	7,216,529	94.40

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$23,603,360. On a market basis, the funded ratio would be 89.81%.

**Bloomington Public Library**

**Required Supplementary Information  
Post Retirement Healthcare Plan**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/1/13	\$ -	\$ 51,910	\$ 51,910	- %	\$ 814,801	6.37 %
5/1/10	-	39,581	39,581	-	839,744	4.71
5/1/08	-	42,571	42,571	-	797,183	5.34

The Library adopted the provisions of GASB 45 during their year ended April 30, 2009 using a valuation prepared as of May 1, 2013. The Library has elected to have valuations performed triennially. Funding progress has been presented for as many years as it is available.

**Bloomington Public Library**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended April 30, 2014**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 2,670,918	\$ 2,689,014	\$ 18,096
Intergovernmental:			
Grants	-	25,126	25,126
Replacement taxes	2,500	4,181	1,681
Co-sponsored projects	5,500	5,500	-
Fines and fees	31,150	23,758	(7,392)
Charges for services	10,000	4,222	(5,778)
Donations	2,000	3,303	1,303
Interest	10,000	6,682	(3,318)
<b>Total revenues</b>	<u>2,732,068</u>	<u>2,761,786</u>	<u>29,718</u>
<b>Expenditures:</b>			
Current:			
General library	2,717,273	2,408,929	308,344
Adult services	181,208	170,984	10,224
Youth services	53,300	48,996	4,304
<b>Total expenditures</b>	<u>2,951,781</u>	<u>2,628,909</u>	<u>322,872</u>
Excess (deficiency) of revenues over (under) expenditures	(219,713)	132,877	352,590
Other financing uses:			
Transfers out	-	(150,000)	(150,000)
<b>Net change in fund balance</b>	<u>\$ (219,713)</u>	<u>(17,123)</u>	<u>\$ 202,590</u>
Fund balance:			
May 1, 2013		<u>2,112,640</u>	
April 30, 2014		<u>\$ 2,095,517</u>	

See Note to Required Supplementary Information.

## **Bloomington Public Library**

### **Note to Required Supplementary Information**

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#### **Note 1. Budgetary Basis of Accounting**

##### **Budgets and Budgetary Information**

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

- a) The Library Director submits to the Library Board of Trustees a proposed operating budget resolution, which serves as a budget, for the fiscal year commencing the following May 1. The operating budget resolution includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted by the Village of Bloomington, Illinois, to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general, special revenue and capital projects funds.
- e) Budgets for the general, special revenue and the capital projects funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f) Budgetary authority lapses at year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Library Board approval. Legal budgetary control is maintained at fund level.
- h) Budgeted amounts are as originally adopted.



## **Supplementary Information**

**Bloomington Public Library**

**Combining Balance Sheet  
General Fund  
April 30, 2014**

	General Account	Working Cash Account	Total General Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 2,132,739	\$ 106,095	\$ 2,238,834
Property taxes receivable	2,696,873	-	2,696,873
Due from other governments	-	-	-
Prepaid items	22,589	-	22,589
	<hr/>		
<b>Total assets</b>	<b>\$ 4,852,201</b>	<b>\$ 106,095</b>	<b>\$ 4,958,296</b>
<hr/>			
<b>Liabilities</b>			
Liabilities			
Accounts payable	\$ 26,538	\$ -	\$ 26,538
Accrued salaries and payroll taxes	111,845	-	111,845
<b>Total liabilities</b>	<b>138,383</b>	<b>-</b>	<b>138,383</b>
<hr/>			
<b>Deferred Inflows of Resources</b>			
Deferred property taxes	2,724,396	-	2,724,396
<hr/>			
<b>Fund balance</b>			
Nonspendable:			
Prepaid items	22,589	-	22,589
Unassigned	1,966,833	106,095	2,072,928
<b>Total fund balance</b>	<b>1,989,422</b>	<b>106,095</b>	<b>2,095,517</b>
<hr/>			
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,852,201</b>	<b>\$ 106,095</b>	<b>\$ 4,958,296</b>
<hr/>			

**Bloomington Public Library**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**

**General Fund**

**Year Ended April 30, 2014**

	General Account	Working Cash Account	Total General Fund
<b>Revenues:</b>			
Property taxes	\$ 2,689,014	\$ -	\$ 2,689,014
<b>Intergovernmental:</b>			
Grants	25,126	-	25,126
Replacement taxes	4,181	-	4,181
Co-sponsored projects	5,500	-	5,500
Fines and fees	23,758	-	23,758
Charges for services	4,222	-	4,222
Donations	3,303	-	3,303
Interest	6,682	-	6,682
<b>Total revenues</b>	<u>2,761,786</u>	<u>-</u>	<u>2,761,786</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General library	2,408,929	-	2,408,929
Adult services	170,984	-	170,984
Youth services	48,996	-	48,996
<b>Total expenditures</b>	<u>2,628,909</u>	<u>-</u>	<u>2,628,909</u>
Excess of revenues over expenditures	132,877	-	132,877
<b>Other financing uses:</b>			
Transfers out	(150,000)	-	(150,000)
<b>Net change in fund balance</b>	<u>(17,123)</u>	<u>-</u>	<u>(17,123)</u>
<b>Fund balance:</b>			
May 1, 2013	2,006,545	106,095	2,112,640
April 30, 2014	<u>\$ 1,989,422</u>	<u>\$ 106,095</u>	<u>\$ 2,095,517</u>

**Bloomington Public Library**

**Balance Sheet**

**General Account**

**April 30, 2014**

**With Comparative Amounts for 2013**

	2014	2013
<b>Assets</b>		
Cash and cash equivalents	\$ 2,132,739	\$ 2,131,919
Property taxes receivable	2,696,873	2,696,927
Due from other governments	-	22,627
Prepaid items	22,589	23,015
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 4,852,201</b>	<b>\$ 4,874,488</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities</b>		
Liabilities		
Accounts payable	\$ 26,538	\$ 28,829
Accrued salaries and payroll taxes	111,845	119,560
<b>Total liabilities</b>	<b>138,383</b>	<b>148,389</b>
	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>		
Deferred property taxes	2,724,396	2,719,554
	<hr/>	<hr/>
<b>Fund balance</b>		
Nonspendable:		
Prepaid items	22,589	23,015
Unassigned	1,966,833	1,983,530
<b>Total fund balance</b>	<b>1,989,422</b>	<b>2,006,545</b>
	<hr/>	<hr/>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,852,201</b>	<b>\$ 4,874,488</b>
	<hr/> <hr/>	<hr/> <hr/>

**Bloomington Public Library**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Account  
Year Ended April 30, 2014  
With Comparative Totals for 2013**

	<u>2014</u>		
	Original and Final Budget	Actual	2013 Actual
<b>Revenues:</b>			
Property taxes	\$ 2,670,918	\$ 2,689,014	\$ 2,622,308
Intergovernmental:			
Grants	-	25,126	23,579
Replacement taxes	2,500	4,181	3,653
Co-sponsored projects	5,500	5,500	5,500
Fines and fees	31,150	23,758	27,515
Charges for services, copy machine	10,000	4,222	4,516
Donations	2,000	3,303	-
Interest	10,000	6,682	6,812
<b>Total revenues</b>	<b>2,732,068</b>	<b>2,761,786</b>	<b>2,693,883</b>
<b>Expenditures:</b>			
Current:			
General library	2,717,273	2,408,929	2,533,029
Adult services	181,208	170,984	172,850
Youth services	53,300	48,996	50,225
<b>Total expenditures</b>	<b>2,951,781</b>	<b>2,628,909</b>	<b>2,756,104</b>
Excess (deficiency) of revenues over (under) expenditures	(219,713)	132,877	(62,221)
Other financing uses:			
Transfers out	-	(150,000)	(100,000)
<b>Net change in fund balance</b>	<b>\$ (219,713)</b>	<b>(17,123)</b>	<b>(162,221)</b>
Fund balance:			
May 1, 2013		<u>2,006,545</u>	2,168,766
April 30, 2014		<u>\$ 1,989,422</u>	<u>\$ 2,006,545</u>

**Bloomington Public Library**

**Schedule of Expenditures – Budget and Actual  
General Account  
Year Ended April 30, 2014  
With Comparative Totals for 2013**

	<u>2014</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	2013 Actual
Current:			
General library:			
Administrative:			
Salaries	\$ 1,641,820	\$ 1,505,025	\$ 1,598,828
Health insurance	96,000	92,903	81,119
Social Security contributions	122,658	112,262	118,207
Illinois Municipal			
Retirement Fund contributions	211,945	191,557	201,734
Workers' compensation	8,200	7,919	7,724
Unemployment insurance	14,000	-	-
Building and contents insurance	15,000	12,616	12,380
Public Officials' liability insurance	3,000	2,295	2,179
Surety bonds	4,200	-	-
Telephone	13,000	9,198	4,765
Utilities	16,000	10,954	7,907
Postage	14,500	9,191	11,451
Printing	29,000	21,745	24,136
Legal fees	10,000	351	2,613
Audit expenses	12,000	12,100	11,500
Professional services	10,500	8,442	8,338
Publication of legal notices	1,200	322	538
Public information	18,400	12,905	8,380
Automated systems	66,000	62,247	63,160
OCLC	6,000	4,103	4,127
On-line services	105,000	95,282	107,776
Video/film rental	500	-	-
Book repair	300	-	-
Programs - Special Events	27,000	22,368	25,393
Staff training and education	14,000	15,043	14,908
Administrative supplies	8,000	-	-
Copier supplies	13,550	6,962	12,572
Operating supplies	12,000	5,419	6,592
Office equipment	10,000	11,383	2,178
Audiovisual equipment	4,000	2,293	358
Co-sponsored projects	5,500	5,500	5,500
Donation purchases	3,000	-	-
Miscellaneous	4,000	641	776
<b>Total administrative</b>	<b>2,520,273</b>	<b>2,241,026</b>	<b>2,345,139</b>

(continued)

**Bloomington Public Library**

**Schedule of Expenditures – Budget and Actual  
General Account (continued)  
Year Ended April 30, 2014  
With Comparative Totals for 2013**

	2014		2013 Actual
	Original and Final Budget	Actual	
General library: (continued)			
Maintenance:			
Building maintenance	\$ 32,000	\$ 21,416	\$ 24,921
Equipment maintenance	17,000	13,800	17,216
Grounds maintenance	14,000	10,940	11,286
Janitorial	42,000	41,661	44,143
<b>Total maintenance</b>	<b>105,000</b>	<b>87,817</b>	<b>97,566</b>
Computer Services:			
Computer equipment	40,000	34,890	38,625
Computer software	20,000	10,592	14,872
<b>Total computer services</b>	<b>60,000</b>	<b>45,482</b>	<b>53,497</b>
Circ/Tech Services:			
Supplies	30,000	33,022	35,466
Local History:			
Materials	2,000	1,582	1,361
<b>Total general library</b>	<b>2,717,273</b>	<b>2,408,929</b>	<b>2,533,029</b>
Adult Services:			
Programs	10,800	8,819	9,568
Periodicals	10,000	9,818	9,935
Books - fiction	35,300	34,746	33,953
Books - nonfiction	53,700	48,019	50,845
Books- leased	15,658	15,793	14,658
Electronic books	8,750	8,729	7,842
Nonbook materials	47,000	45,060	46,049
<b>Total adult services</b>	<b>181,208</b>	<b>170,984</b>	<b>172,850</b>
Youth Services:			
Programs	12,000	12,452	11,081
Periodicals	1,100	1,112	962
Books - fiction	16,800	16,349	16,202
Books - nonfiction	13,400	9,666	13,117
Nonbook materials	10,000	9,417	8,863
<b>Total youth services</b>	<b>53,300</b>	<b>48,996</b>	<b>50,225</b>
<b>Total</b>	<b>\$ 2,951,781</b>	<b>\$ 2,628,909</b>	<b>\$ 2,756,104</b>

**Bloomington Public Library**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
Building Fund  
Year Ended April 30, 2014**

	Original and Final Budget	Actual	Variance
Revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
General library:			
Maintenance	170,450	109,456	60,994
Excess (deficiency) of revenues over (under) expenditures	(170,450)	(109,456)	60,994
Other financing sources:			
Transfers in	-	150,000	150,000
<b>Net change in fund balance</b>	<u>\$ (170,450)</u>	40,544	<u>\$ 210,994</u>
Fund balance:			
May 1, 2013		<u>632,702</u>	
April 30, 2014		<u>\$ 673,246</u>	



## **Other Information**

**Bloomington Public Library**

**Schedule of Assessed Valuations and Tax Rates  
Last Ten Tax Levy Years**

Tax Levy Year	Assessed Valuation	Total Tax Rate	Rate by Fund						
			General	Liability Insurance	Illinois Municipal Retirement	Audit	Unemployment Compensation	Bond	Maintenance
2013	\$ 752,685,827	0.3583	0.3583	-	-	-	-	-	-
2012	824,496,272	0.3271	0.3271	-	-	-	-	-	-
2011	928,022,344	0.2835	0.2835	-	-	-	-	-	-
2010	978,538,198	0.2744	0.2744	-	-	-	-	-	-
2009	1,055,924,650	0.2527	0.2527	-	-	-	-	-	-
2008	1,062,466,960	0.2492	0.2492	-	-	-	-	-	-
2007	996,364,845	0.2632	0.2632	-	-	-	-	-	-
2006	964,850,312	0.2670	0.2670	-	-	-	-	-	-
2005	897,213,095	0.2866	0.2866	-	-	-	-	-	-
2004	826,664,811	0.3036	0.3036	-	-	-	-	-	-

**Bloomington Public Library**

**Schedule of Extensions and Collections  
Last Ten Tax Levy Years**

Tax Levy Year	Fiscal Year Collected	Extensions	Collections	Percent Collected	
2013	*	\$ 2,696,873	\$ -	N/A	%
2012	2014	2,696,927	2,688,594	99.69	
2011	2013	2,630,943	2,622,136	99.67	
2010	2012	2,685,109	2,679,325	99.78	
2009	2011	2,668,322	2,655,042	99.50	
2008	2010	2,647,668	2,634,544	99.50	
2007	2009	2,622,432	2,614,835	99.71	
2006	2008	2,576,150	2,573,256	99.89	
2005	2007	2,571,413	2,565,900	99.79	
2004	2006	2,509,754	2,501,340	99.66	
2003	2005	2,468,396	2,466,628	99.93	

\* Collections for tax levy year 2013 will be in fiscal year 2015.