

## SUMMARY OF THE LEMONT PUBLIC LIBRARY DISTRICT BUDGET PROCESS

### BUDGET & APPROPRIATION ORDINANCE

<http://lemontlibrary.org/wp-content/uploads/2018/11/BA-Ordinance-2018-2019-01.pdf>

The Budget & Appropriation Ordinance (“B&A”) provides the Library Board with the authority to *appropriate* funds as needed during the fiscal year. The B&A is sometimes mistakenly considered as the library’s budget (after all, it does have the word budget in the title). In reality, the B&A is a legal document that authorizes money to be *appropriated* for various library purposes and limits those expenditures to the identified amounts. The B&A addresses how much the library could expend on various endeavors if the funding existed to do so. For example, it allows the library to capture property taxes for new growth in the community and provides appropriations for emergency or unanticipated expenses.

The figures in the B&A are for appropriation purposes only (funds that are not appropriated cannot be spent by law) and is not designed to be a comprehensive indicator of actual expenses anticipated, which are generally far less. The working budget, developed by library administration and the Board of Trustees prior to the beginning of the fiscal year, provides a more detailed and accurate picture of projected income and expenditures. It serves as a guide for detailed budget funds with categories that are tracked monthly, and are expected to fall within the appropriately designated amounts.

### LEVY ORDINANCE

<http://lemontlibrary.org/wp-content/uploads/2018/12/Levy-Ordinance-2018-2019-02.pdf>

The Levy Ordinance serves as a means for the Library Board to communicate how much property tax money is being sought for the following fiscal year. **This is *not* your tax bill.** Because there is a tax cap law, the Counties do not just collect whatever property taxes the Library requests. Instead, the County takes this Levy Ordinance, factors in new growth EAV and exemptions and then limits the increase over the previous year to what is legally allowed by the “tax cap” – the Property Tax Extension Limitation Law (PTELL). PTELL limits the tax increase to the lesser of 5.0% or the increase in the Consumer Price Index (2.1% last year). The annual tax extension and tax rates are not finalized by Cook County until mid-year, which results in the Spring tax bill generally being higher (in Cook County, 55% of the prior year’s tax amounts), and an adjustment made on the Fall tax bill to reflect actual taxes extended.

### WORKING BUDGET

The Working Budget is created and approved in the Spring following the passage of the Levy. This can accurately be called the Library’s budget, and is developed by the Library administration and the Board. The Working Budget is developed by analyzing revenues and expenditures in the current fiscal year and projecting revenues expected in the coming fiscal year. The Working Budget allocates amounts for each category of the budget (staff salaries,

materials, supplies, utilities, technology costs, etc.) The budget is tracked monthly and expenditures are expected to fall within the appropriately designated amounts.

### **AUDITED FINANCIAL STATEMENTS**

The [annual audited financial statements](#) are posted on the library website and provide the details of actual revenues and expenditures, by fund, for each fiscal year. The Annual Financial Report compares actual expenditures to budgeted expenditures (pgs. 35-38).

<https://lemontlibrary.org/wp-content/uploads/2018/12/Annual-Financial-Report-FY18.pdf>

Updated: March 2019