

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

MOUNT PROSPECT PUBLIC LIBRARY

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Library including:

- List of Principal Officials

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Principal Officials
December 31, 2020**

LIBRARY BOARD OF TRUSTEES

Sylvia Haas, President

Michael Duebner, Vice President

Brian Gilligan, Treasurer

Terri Gens, Secretary

Marie Bass

Sylvia Fulk

Kristine O'Sullivan

EXECUTIVE DIRECTOR

Susan A. Reynders

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Library's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

June 23, 2021

The Honorable President
Members of the Board of Trustees
Mount Prospect Public Library
Mount Prospect, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mount Prospect Public Library, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 Library'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 Library's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mount Prospect Public Library, Illinois, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance 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 as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mount Prospect Public Library, Illinois' basic financial statements. The other supplementary information and supplemental schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section has 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 it.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Management's Discussion and Analysis
December 31, 2020**

Our discussion and analysis of the Mount Prospect Public Library's financial performance provides an overview of the Library's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the Library's financial statements.

FINANCIAL HIGHLIGHTS

- The Library's net position increased from \$18,158,303 beginning balance, as restated, to \$20,285,348, an increase of \$2,127,045 or 11.7 percent.
- During the year, government-wide revenues totaled \$11,700,254, while government-wide expenses totaled \$9,573,209, resulting in an increase to net position of \$2,127,045.
- Total fund balances for the governmental funds were \$12,039,170 at December 31, 2020 compared to a prior year balance of \$10,794,723, an increase of \$1,244,447 or 11.5 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.

For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operation in more detail than the government-wide statements by providing information about the Library's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Library's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Library's assets/deferred outflows and liabilities/deferred inflows, 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. Consideration of other nonfinancial factors, such as changes in the Library's property tax base, is needed to assess the overall health of the Library.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements report functions of the Library that are principally supported by taxes and charges for services revenues (governmental activities). The governmental activities of the Library include the culture and recreation function.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Management's Discussion and Analysis
December 31, 2020**

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library only maintains governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the 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 the comparison between governmental funds and governmental activities.

The Library maintains five 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, the Working Cash Fund, the Debt Service Fund, and the Capital Projects Restricted Fund, which are considered a major funds. Data from the other governmental fund, the Gift Fund, is presented as a nonmajor fund.

The Library adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

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

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Management's Discussion and Analysis
December 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following table shows that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by \$20,285,348.

	Net Position	
	2020	2019
Current and Other Assets	\$ 23,973,176	22,874,832
Capital Assets	13,334,390	13,888,505
Total Assets	37,307,566	36,763,337
Deferred Outflows	1,670,668	3,439,505
Total Assets/Deferred Outflows	38,978,234	40,202,842
Long-Term Debt	3,824,224	7,926,299
Other Liabilities	1,917,157	1,790,242
Total Liabilities	5,741,381	9,716,541
Deferred Inflows	12,951,505	12,433,998
Total Liabilities/Deferred Inflows	18,692,886	22,150,539
Net Position		
Net Investment in Capital Assets	10,269,390	9,247,505
Restricted	6,880,420	5,272,126
Unrestricted	3,135,538	3,532,672
Total Net Position	20,285,348	18,052,303

A large portion of the Library's net position (\$10,269,390 or 50.6 percent) reflects its investment in capital assets (for example, land, permanent art, buildings and improvements, equipment, and books), less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion or \$6,880,420 (33.9 percent) of the Library's net position represents resources that are subject to external restrictions on how they may be used, including \$566,429 restricted for specific donor purposes, \$2,211,096 restricted for working cash, \$737,435 restricted for debt service, and \$3,365,460 restricted for capital projects.

The remaining \$3,135,538 (15.5 percent) represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Management's Discussion and Analysis
December 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 26,122	177,908
Operating Grants/Contributions	73,709	115,079
General Revenues		
Property Taxes	11,448,260	11,277,056
Intergovernmental - Unrestricted		
Personal Property Replacement Taxes	52,807	59,086
Miscellaneous	26,438	—
Interest	72,918	262,389
Total Revenues	<u>11,700,254</u>	<u>11,891,518</u>
Expenses		
Culture and Recreation	9,471,034	9,590,796
Interest on Long-Term Debt	102,175	92,036
Total Expenses	<u>9,573,209</u>	<u>9,682,832</u>
Change in Net Position	2,127,045	2,208,686
Net Position - Beginning as Restated	<u>18,158,303</u>	<u>15,843,617</u>
Net Position - Ending	<u><u>20,285,348</u></u>	<u><u>18,052,303</u></u>

Net position of the Library's governmental activities increased from a balance \$18,158,303, as restated, to \$20,285,348.

Revenues of \$11,700,254 exceeded expenses of \$9,573,209, resulting in the increase to net position in the current year of \$2,127,045.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Management's Discussion and Analysis
December 31, 2020**

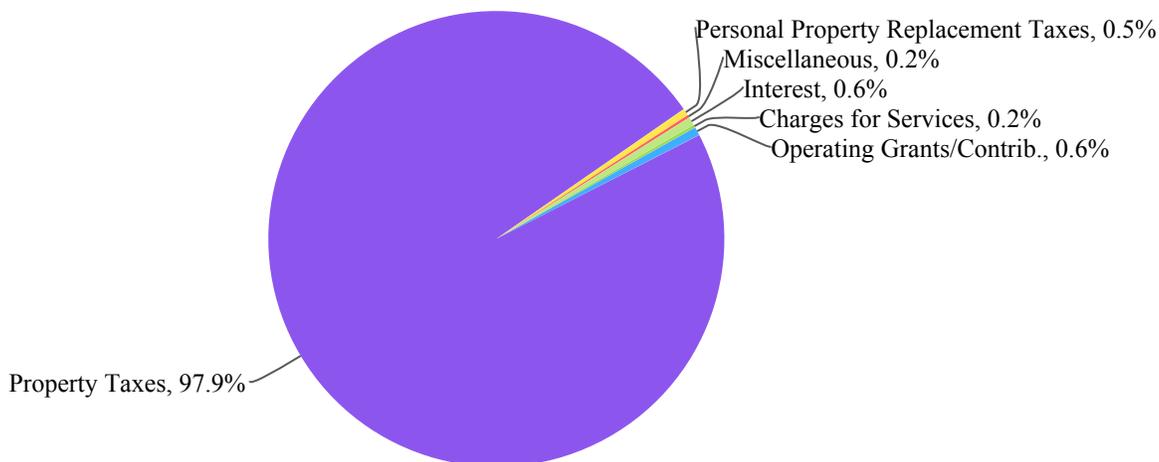
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities

In the current year, governmental net position increased \$2,127,045, an increase of 11.7 percent. This increase is mainly due to lower expenses in the current fiscal year, as well as cost saving measures implemented by the Library in fiscal year 2020. Total expenses decreased \$109,623 over the prior year (\$9,682,832 in 2019 compared to \$9,573,209 in 2020).

The following table graphically depicts the major revenue sources of the Library. It depicts very clearly the reliance of property taxes to fund governmental activities.

Revenues by Source - Governmental Activities



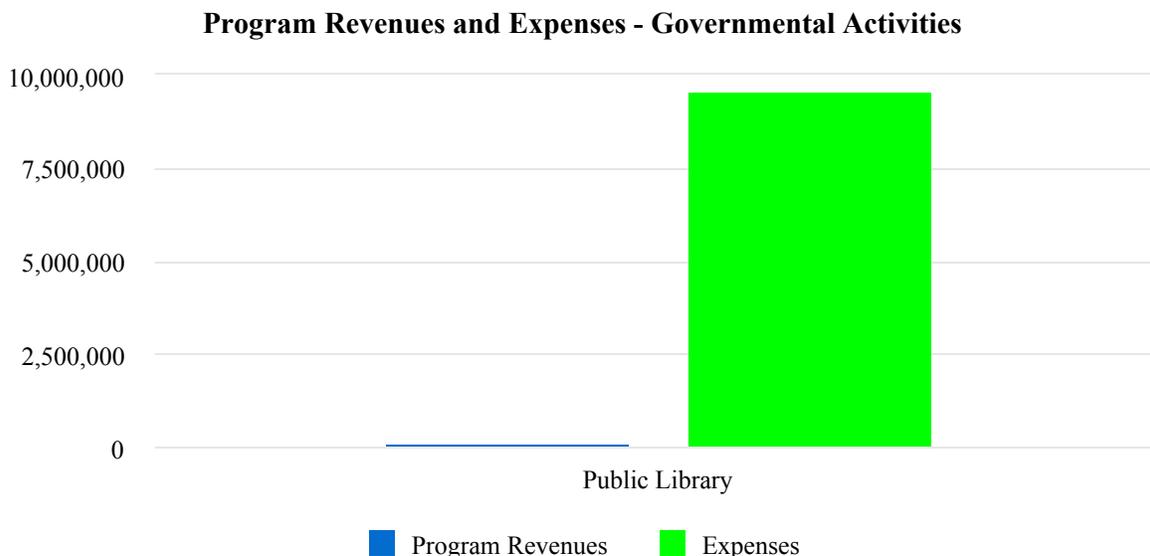
The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues. The public library function charges user fees for services provided. The user fees charged do not cover the expenses, which furthermore signifies the Library's reliance on general revenues such as property taxes to fund operations.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Management's Discussion and Analysis
December 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued



FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Library’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$12,039,170 which is 11.5 percent more than last year’s ending fund balance of \$10,794,723.

In the current year, governmental fund balances increased by \$1,244,447. The General Fund reported a decrease of \$368,955 (or 6.7 percent) to fund balance due to lower revenues in the current fiscal year related to the impacts of the COVID-19 pandemic.

The Working Cash Fund reported an increase of \$12,817 (or 0.6 percent) to fund balance due to no expenditures reported in the current year.

The Debt Service Fund reported a decrease of \$14,051 (or 1.9 percent) to fund balance due to total revenues of \$1,561,799 coming in \$45,006 under the budget of \$1,606,805 in the current year.

The Capital Projects Restricted Fund reported an increase of \$1,602,844 (or 90.9 percent) to fund balance primarily due to a year-end transfer in from the General Fund of \$1,300,000 for use on future capital projects.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Management's Discussion and Analysis
December 31, 2020**

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, there was one supplementary appropriation made to the General Fund.

The General Fund actual revenues were lower than budgeted revenues. Actual revenues for the current year were \$9,676,949, compared to budgeted revenues of \$9,946,186. This resulted primarily from taxes being \$143,604 lower than the budgeted amount of \$9,616,014, and charges for services being \$79,978 lower than the budgeted amount of \$106,100.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$8,745,904, while budgeted expenditures totaled \$9,713,122. This was due primarily to substantial savings realized versus the budgeted expenditures in the areas of salaries, social security, insurance, and building maintenance along with smaller savings on other budget line items, such as office supplies and postage.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Library's investment in capital assets for its governmental activities as of December 31, 2020 was \$13,334,390 (net of accumulated depreciation). This investment in capital assets includes land, permanent art, buildings and improvements, equipment, and books.

	Capital Assets - Net of Depreciation	
	2020	2019
Land	\$ 677,552	677,552
Permanent Art	329,212	329,212
Buildings and Improvements	11,251,315	11,741,716
Equipment	273,647	286,832
Books	802,664	853,193
Total	<u>13,334,390</u>	<u>13,888,505</u>

This year's additions to capital assets included:

Equipment	\$ 92,112
Books	<u>288,909</u>
	<u>381,021</u>

Additional information on the Library's capital assets can be found in Note 3 of this report.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Management's Discussion and Analysis
December 31, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the Library had total outstanding debt of \$3,065,000 as compared to \$4,535,000 the previous year, a decrease of 32.4 percent. The following is a comparative statement of outstanding debt:

	<u>Long-Term Debt Outstanding</u>	
	<u>2020</u>	<u>2019</u>
Intergovernmental Payable	<u>\$ 3,065,000</u>	<u>4,535,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The equalized assess valuation (EAV) for the Library for fiscal year 2020 is \$1,971,307,340. This represents an increase in EAV of \$301,233,669 over prior year's EAV.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Executive Director, Mount Prospect Public Library, 10 South Emerson Street, Mount Prospect, Illinois 60056.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Statement of Net Position
December 31, 2020**

See Following Page

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 12,370,090
Receivables - Net of Allowances	11,574,966
Due from Other Governments	2,327
Prepays	25,793
Total Current Assets	<u>23,973,176</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	1,006,764
Depreciable Capital Assets	25,828,631
Accumulated Depreciation	<u>(13,501,005)</u>
Total Noncurrent Assets	<u>13,334,390</u>
Total Assets	<u>37,307,566</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	1,546,774
Deferred Items - RBP	123,894
Total Deferred Outflows of Resources	<u>1,670,668</u>
Total Assets and Deferred Outflows of Resources	<u>38,978,234</u>

The notes to the financial statements are an integral part of this statement.

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 154,554
Accrued Payroll	205,202
Due to Other Governments	7,158
Accrued Interest Payable	5,108
Current Portion of Long-Term Debt	<u>1,545,135</u>
Total Current Liabilities	<u>1,917,157</u>
Noncurrent Liabilities	
Compensated Absences	120,541
Net Pension Liability - IMRF	1,697,276
Total OPEB Liability - RBP	456,407
Intergovernmental Payable	<u>1,550,000</u>
Total Noncurrent Liabilities	<u>3,824,224</u>
Total Liabilities	<u>5,741,381</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	11,567,092
Deferred Items - IMRF	1,304,128
Deferred Items - RBP	<u>80,285</u>
Total Deferred Inflows of Resources	<u>12,951,505</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,692,886</u>
NET POSITION	
Net Investment in Capital Assets	10,269,390
Restricted	
Specific Donor Purposes	566,429
Working Cash	2,211,096
Debt Service	737,435
Capital Projects	3,365,460
Unrestricted	<u>3,135,538</u>
Total Net Position	<u>20,285,348</u>

The notes to the financial statements are an integral part of this statement.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2020

	Expenses	Program Revenues			Net
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Expenses) Revenues and Changes in Net Position
Functions/Programs					
Culture and Recreation	\$ 9,471,034	26,122	73,709	—	(9,371,203)
Interest on Long-Term Debt	102,175	—	—	—	(102,175)
Total Governmental Activities	9,573,209	26,122	73,709	—	(9,473,378)
		General Revenues			
		Taxes			
		Property Taxes			11,448,260
		Intergovernmental - Unrestricted			
		Personal Property Replacement Taxes			52,807
		Miscellaneous			26,438
		Interest			72,918
					<u>11,600,423</u>
		Change in Net Position			2,127,045
		Net Position - Beginning as Restated			<u>18,158,303</u>
		Net Position - Ending			<u><u>20,285,348</u></u>

The notes to the financial statements are an integral part of this statement.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Balance Sheet - Governmental Funds
For the Fiscal Year Ended December 31, 2020**

See Following Page

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Balance Sheet - Governmental Funds
For the Fiscal Year Ended December 31, 2020

	General	Special Revenue Working Cash
ASSETS		
Cash and Investments	\$ 7,664,311	—
Receivables - Net of Allowances		
Taxes	9,990,792	—
Other	7,874	—
Due from Other Governments	2,327	—
Advances to Other Funds	—	2,211,096
Prepays	25,793	—
	<hr/>	<hr/>
Total Assets	17,691,097	2,211,096
LIABILITIES		
Accounts Payable	123,207	—
Accrued Payroll	205,202	—
Due to Other Governments	7,158	—
Advances from Other Funds	2,211,096	—
Total Liabilities	2,546,663	—
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	9,990,792	—
Total Liabilities and Deferred Inflows of Resources	12,537,455	—
FUND BALANCES		
Nonspendable	25,793	—
Restricted	—	2,211,096
Unassigned	5,127,849	—
Total Fund Balances	5,153,642	2,211,096
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	17,691,097	2,211,096

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Projects Capital Projects Restricted	Nonmajor Gift	Totals
742,543	3,396,807	566,429	12,370,090
1,576,300	—	—	11,567,092
—	—	—	7,874
—	—	—	2,327
—	—	—	2,211,096
—	—	—	25,793
2,318,843	3,396,807	566,429	26,184,272
—	31,347	—	154,554
—	—	—	205,202
—	—	—	7,158
—	—	—	2,211,096
—	31,347	—	2,578,010
1,576,300	—	—	11,567,092
1,576,300	31,347	—	14,145,102
—	—	—	25,793
742,543	3,365,460	566,429	6,885,528
—	—	—	5,127,849
742,543	3,365,460	566,429	12,039,170
2,318,843	3,396,807	566,429	26,184,272

The notes to the financial statements are an integral part of this statement.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental
Activities**

December 31, 2020

Total Fund Balances	\$ 12,039,170
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	13,334,390
Deferred outflows of resources related to the pension not reported in the funds.	
Deferred Items - IMRF	242,646
Deferred Items - RBP	43,609
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(150,676)
Net Pension Liability - IMRF	(1,697,276)
Total OPEB Liability - RBP	(456,407)
Intergovernmental Payable	(3,065,000)
Accrued Interest Payable	(5,108)
Net Position of Governmental Activities	<u>20,285,348</u>

The notes to the financial statements are an integral part of this statement.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2020**

See Following Page

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2020

	General	Special Revenue Working Cash
Revenues		
Taxes	\$ 9,472,410	—
Intergovernmental	52,807	—
Charges for Services	26,122	—
Program Reimbursements	14,754	—
Grants and Donations	73,709	—
Interest	37,147	12,817
Total Revenues	<u>9,676,949</u>	<u>12,817</u>
Expenditures		
Culture and Recreation	8,745,904	—
Capital Outlay	—	—
Debt Service		
Principal Retirement	—	—
Interest and Fiscal Charges	—	—
Total Expenditures	<u>8,745,904</u>	<u>—</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>931,045</u>	<u>12,817</u>
Other Financing Sources (Uses)		
Transfers In	—	—
Transfers Out	(1,300,000)	—
	<u>(1,300,000)</u>	<u>—</u>
Net Change in Fund Balance	(368,955)	12,817
Fund Balances - Beginning	<u>5,522,597</u>	<u>2,198,279</u>
Fund Balances - Ending	<u><u>5,153,642</u></u>	<u><u>2,211,096</u></u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Projects Capital Projects Restricted	Nonmajor Gift	Totals
1,554,829	421,021	—	11,448,260
—	—	—	52,807
—	—	—	26,122
—	—	—	14,754
—	—	11,684	85,393
6,970	12,136	3,848	72,918
1,561,799	433,157	15,532	11,700,254
—	—	3,740	8,749,644
—	130,313	—	130,313
1,470,000	—	—	1,470,000
105,850	—	—	105,850
1,575,850	130,313	3,740	10,455,807
(14,051)	302,844	11,792	1,244,447
—	1,300,000	—	1,300,000
—	—	—	(1,300,000)
—	1,300,000	—	—
(14,051)	1,602,844	11,792	1,244,447
756,594	1,762,616	554,637	10,794,723
742,543	3,365,460	566,429	12,039,170

The notes to the financial statements are an integral part of this statement.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities**
For the Fiscal Year Ended December 31, 2020

Net Change in Fund Balances \$ 1,244,447

Amounts reported in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	381,021
Depreciation Expense	(935,136)
Disposal of Capital Assets - Cost	(420,293)
Disposal of Capital Assets - Accumulated Depreciation	420,293

The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(2,670,257)
Change in Deferred Items - RBP	46,112

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	28,508
Change in Net Pension Liability - IMRF	2,612,158
Change in Total OPEB Liability - RBP	(53,483)
Retirement of Debt	1,470,000
Change to Accrued Interest Payable	3,675

Changes in Net Position 2,127,045

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Mount Prospect Public Library (the Library), is located in Cook County, Illinois. The Library is governed by a seven-member Library Board of Trustees that is separately elected. The Library Board of Trustees selects management staff and directs the affairs of the Library.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP in the United States for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Library's accounting policies established in GAAP in the United States and used by the Library are described below.

REPORTING ENTITY

In determining the financial reporting entity, the Library complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Library. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Basic Financial Statements

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's governmental funds). The Library's public library services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is: (a) presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Library first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of the Library's functions. The Library's activities are supported by taxes and intergovernmental revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

The financial transactions of the Library are reported in an individual fund in the fund financial statements. The fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, reserves, fund equity, revenues and expenditures/expenses. The Library's fund is reported in the: governmental category. The emphasis in fund financial statements is on the major fund and is summarized into a single column.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses) for the determination of major funds.

A fund is considered major if it is the primary operating fund of the Library or total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 10 percent of the corresponding total for all governmental funds combined.

The various funds are reported by generic classification within the financial statements. The following fund type is used by the Library:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Library:

General Fund is the general operating fund of the Library. It accounts for all revenues and expenditures of the Library which are not accounted for in other funds. The General Fund is a major fund.

Special Revenues Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Library maintains two special revenue funds. The Working Cash Fund, developed through a prior property tax levy, is treated as a major fund and is used to account for the amounts maintained to provide a source of cash for short-term interfund borrowing. The Gift Fund is treated as a nonmajor fund.

Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used to account for the servicing of general long-term debt.

Capital Projects Funds are created to account for all resources used for the accumulation of funds for anticipated capital improvements. The Capital Projects Restricted Fund is treated as a major fund and is used to account for building related projects, maintenance, and repairs.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

The Library’s fund utilizes a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. This fund uses fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows are incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Library recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability/deferred inflow is incurred, except for general obligation bond principal and interest which are recognized when due.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, the Library's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs. All of the Library's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances include property taxes.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$3,000 (excluding the Library's book collection) or more, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	40 Years
Equipment	5 - 10 Years
Books	5 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The Library accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund 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 resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Long-Term Obligations - Continued

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Working Cash, Gift, Debt Service and Capital Projects Restricted Funds by function and activity and include information on the past year, current year estimates and requested appropriations for the next fiscal year. The proposed budgets are presented to the Library Board of Trustees for review. This governing body holds public meetings and may add to, subtract from or change appropriations. The budgets may be amended by the governing body. State statutes and local ordinances require that the budget be approved before the beginning of the fiscal year.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, there was one supplementary appropriation made.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments."

Permitted Deposits and Investments - Statutes authorize the Library to make deposits/invest 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.

Illinois Funds is an investment pool managed by the Illinois public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$920,469 and the bank balances totaled \$1,121,396. Additionally, at year-end the Library has \$11,449,621 invested in the Illinois Funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 of principal, liquidity, rates of return and simplicity of management. The Library limits its exposure to interest rate risk by investing solely in an AAA rated external investment pool – Illinois Funds. The Library's investment policy does not address the maturity length of investments. The average maturity of the Illinois Funds is less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library limits its exposure to credit risk by primarily investing in an external investment pool, Illinois Funds, which is rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. Deposits in excess of FDIC insurance are required to be collateralized in accordance with the Library's investment policy. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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 Library's investment policy does not address custodial credit risk for investments. At year-end, the Library's investments in the Illinois Funds are not subject to custodial credit risk.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Concentration Risk. This is the risk of loss attributed to the magnitude of the Library’s investment in a single issuer. The Library’s investment policy places no limit on the amount that may be invested in any one issuer, stating only that the Library diversify its investments to the best of its ability based on the nature of the funds invested and the cash flow needs of those funds. At year-end, the Library does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

PROPERTY TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 2% of the tax levy, to reflect actual collection experience.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Advances

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
Working Cash	General	<u>\$ 2,211,096</u>

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Projects Restricted	General	<u>\$ 1,300,000</u>

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs or capital projects accounted for in other funds in accordance with budgetary authorizations.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 677,552	—	—	677,552
Permanent Art	329,212	—	—	329,212
	<u>1,006,764</u>	<u>—</u>	<u>—</u>	<u>1,006,764</u>
Depreciable Capital Assets				
Buildings and Improvements	18,966,098	—	—	18,966,098
Equipment	1,551,372	92,112	99,863	1,543,621
Books	5,350,433	288,909	320,430	5,318,912
	<u>25,867,903</u>	<u>381,021</u>	<u>420,293</u>	<u>25,828,631</u>
Less Accumulated Depreciation				
Buildings and Improvements	7,224,382	490,401	—	7,714,783
Equipment	1,264,540	105,297	99,863	1,269,974
Books	4,497,240	339,438	320,430	4,516,248
	<u>12,986,162</u>	<u>935,136</u>	<u>420,293</u>	<u>13,501,005</u>
Total Net Depreciable Capital Assets	<u>12,881,741</u>	<u>(554,115)</u>	<u>—</u>	<u>12,327,626</u>
Total Net Capital Assets	<u>13,888,505</u>	<u>(554,115)</u>	<u>—</u>	<u>13,334,390</u>

Depreciation expense of \$935,136 was charged to the culture and recreation function.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

Intergovernmental Payable

The Village and Library have an intergovernmental agreement for the Library's portion of bonds issued on their behalf. The amount of the Library's intergovernmental payable currently outstanding is as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Intergovernmental Payable of 2016 - Due in annual installments of \$1,375,000 to \$1,550,000 plus interest at 2.00% to 3.00% through December 1, 2022.	\$ 4,535,000	—	1,470,000	3,065,000

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 179,184	28,508	57,016	150,676	30,135
Net Pension Liability - IMRF	4,309,434	—	2,612,158	1,697,276	—
Total OPEB Liability - RBP	402,924	53,483	—	456,407	—
Intergovernmental Payable	4,535,000	—	1,470,000	3,065,000	1,515,000
	<u>9,426,542</u>	<u>81,991</u>	<u>4,139,174</u>	<u>5,369,359</u>	<u>1,545,135</u>

The General Fund makes payments on the compensated absences, the net pension liability, and the total OPEB liability. The Debt Service Fund makes payments on the intergovernmental payable.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Intergovernmental Payable	
	Principal	Interest
2021	\$ 1,515,000	61,300
2022	1,550,000	31,000
Total	<u>3,065,000</u>	<u>92,300</u>

NET POSITION/FUND BALANCES

Net Position Classifications

Net investment in capital assets was comprised of the following as of December 31, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 13,334,390
Less Capital Related Debt:	
Intergovernmental Payable of 2016	<u>(3,065,000)</u>
Net Investment in Capital Assets	<u>10,269,390</u>

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCES - Continued

Fund Balance Classifications

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Working Cash	Debt Service	Capital Projects Capital Projects Restricted	Nonmajor Gift	Totals
Fund Balances						
Nonspendable						
Prepays	\$ 25,793	—	—	—	—	25,793
Restricted						
Specific Donor Purposes	—	—	—	—	566,429	566,429
Working Cash	—	2,211,096	—	—	—	2,211,096
Debt Service	—	—	742,543	—	—	742,543
Capital Projects	—	—	—	3,365,460	—	3,365,460
	—	2,211,096	742,543	3,365,460	566,429	6,885,528
Unassigned	5,127,849	—	—	—	—	5,127,849
Total Fund Balances	5,153,642	2,211,096	742,543	3,365,460	566,429	12,039,170

In the governmental funds financial statements, the Library considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Library first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources 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 Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCES - Continued

Fund Balance Classifications - Continued

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the 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 highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Library's policy manual states that the Working Cash Fund and the Library General Fund should maintain a combined fund balance equal to 50% - 75% of the annual operating budget.

Net Position Restatements

Beginning net position was restated to correct an error in recognition of prior year deferred charge on refunding. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase
Governmental Activities	\$ 18,052,303	18,158,303	106,000

NOTE 4 - OTHER INFORMATION

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; natural disasters; and injuries to the Library's employees. The Library has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Medical insurance is through the Village with third-party indemnity coverage. The Library currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The Library participates in LIRA (Libraries of Illinois Risk Agency), a public entity risk pool with the transfer of risk. The Library is responsible for an annual premium payment and the pool is responsible for administering the program. If funds are insufficient in the judgment of the pool, the pool may assess the members' additional equal payments. The Library's policy is to record any related expenditures in the year in which they are notified of any additional assessments. The Library is not aware of any additional assessments owed as of December 31, 2020.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

The Library is not a defendant in any lawsuits.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Library expects such amounts, if any, to be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Library's operations and financial position cannot be determined.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Library contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

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

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Active Plan Members

93

A detailed breakdown of IMRF membership for the Village and the Library combined is available in the Village's comprehensive annual financial report.

Contributions. As set by statute, the Library's Regular Plan Members are required to contribute 4.50% 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. For the year-ended December 31, 2020, the Library's contribution was 11.11% of covered payroll.

Net Pension Liability. The Library's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

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

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Library calculated using the discount rate as well as what the Library's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 5,325,753	1,697,276	(1,300,723)

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 29,029,950	24,720,516	4,309,434
Changes for the Year:			
Service Cost	475,211	—	475,211
Interest	1,761,075	—	1,761,075
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	358,566	—	358,566
Changes of Assumptions	—	—	—
Contributions - Employer	—	429,079	(429,079)
Contributions - Employees	—	224,938	(224,938)
Net Investment Income	—	4,417,997	(4,417,997)
Benefit Payments, Including Refunds of Employee Contributions	(1,410,154)	(1,410,154)	—
Other (Net Transfer)	—	134,996	(134,996)
Net Changes	1,184,698	3,796,856	(2,612,158)
Balances at December 31, 2019	30,214,648	28,517,372	1,697,276

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

For the year ended December 31, 2020, the Library recognized pension expense of \$571,265. At December 31, 2020, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 667,756	—	667,756
Change in Assumptions	365,852	(191,878)	173,974
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(1,112,250)	(1,112,250)
Total Expense to be Recognized in Future Periods	1,033,608	(1,304,128)	(270,520)
Contributions Subsequent to the Measurement Date	513,166	—	513,166
Total Deferred Amounts Related to IMRF	1,546,774	(1,304,128)	242,646

\$513,166 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ 30,336
2022	81,299
2023	164,808
2024	(546,963)
2025	—
Thereafter	—
Total	(270,520)

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Library's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general employees of the Library. RBP is a single-employer defined benefit OPEB plan administered by the Library. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Library Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides pre and post Medicare post-employment healthcare benefits to all retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under the Library's retirement plan. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Villages's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

All health care benefits are provided through the Village's health insurance plans. 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; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>80</u>
Total	<u><u>84</u></u>

Total OPEB Liability

The Library's total OPEB liability was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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Notes to the Financial Statements
December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued.

Inflation	2.50%
Salary Increases	3.25%
Discount Rate	2.12%
Healthcare Cost Trend Rates	8.00% for Initial Rate, to an ultimate rate of 4.50% for 2029 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal Bond 20 year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2019.

Mortality rates were based on the RPH-2018 fully generational using scale MP-2018.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2019	<u>\$ 402,924</u>
Changes for the Year:	
Service Cost	12,867
Interest	13,172
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(28,893)
Changes of Assumptions or Other Inputs	80,004
Benefit Payments	<u>(23,667)</u>
Net Changes	<u>53,483</u>
Balance at December 31, 2020	<u><u>456,407</u></u>

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.12%, while the prior valuation used 3.26%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

		Current Discount (2.12%)	1% Increase (3.12%)
	1% Decrease (1.12%)		
Total OPEB Liability	\$ 527,940	456,407	398,301

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

		Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
	1% Decrease (Varies)		
Total OPEB Liability	\$ 388,054	456,407	543,400

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

For the year ended December 31, 2020, the Library recognized OPEB expense of \$31,038. At December 31, 2020, 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	Totals
Difference Between Expected and Actual Experience	\$ 21,653	(40,984)	(19,331)
Changes in Assumption	102,241	(39,301)	62,940
Net Difference Between Projected and Actual Earnings	—	—	—
	<u>123,894</u>	<u>(80,285)</u>	<u>43,609</u>

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**Notes to the Financial Statements
December 31, 2020**

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

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

Fiscal Year	Net Deferred Outflows of Resources
2021	\$ 4,999
2022	4,999
2023	4,999
2024	4,999
2025	4,999
Thereafter	<u>18,614</u>
Total	<u><u>43,609</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability
Retiree Benefit Plan
- Budgetary Comparison Schedule
General Fund
Working Cash - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Employer Contributions
December 31, 2020

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 534,295	\$ 534,295	\$ —	\$ 4,558,757	11.72%
2016	513,659	513,659	—	4,565,327	11.25%
2017	504,203	504,203	—	4,689,085	10.75%
2018	415,174	415,174	—	4,734,025	8.77%
2019	409,253	429,079	19,826	4,666,508	9.19%
2020	513,166	513,166	—	4,617,920	11.11%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2020

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 491,878
Interest	1,372,036
Changes in Benefit Terms	—
Difference Between Expected and Actual Experience	425,474
Change of Assumptions	840,035
Benefit Payments, Including Refunds of Member Contributions	<u>(854,214)</u>
Net Change in Total Pension Liability	2,275,209
Total Pension Liability - Beginning	<u>21,457,492</u>
Total Pension Liability - Ending	<u><u>23,732,701</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 512,759
Contributions - Members	203,557
Net Investment Income	1,253,929
Benefit Payments, Including Refunds of Member Contributions	(854,214)
Other (Net Transfer)	<u>76,364</u>
Net Change in Plan Fiduciary Net Position	1,192,395
Plan Net Position - Beginning	<u>20,625,169</u>
Plan Net Position - Ending	<u><u>21,817,564</u></u>
Employer's Net Pension Liability	<u><u>\$ 1,915,137</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.93%
Covered Payroll	\$ 4,368,738
Employer's Net Pension Liability as a Percentage of Covered Payroll	43.84%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/30/2019
486,558	475,262	486,696	454,235	475,211
1,759,539	1,828,118	1,904,396	1,941,043	1,761,075
—	—	—	—	—
(323,247)	(203,273)	153,391	817,682	358,566
30,369	(62,478)	(815,413)	811,445	—
(968,339)	(1,030,313)	(1,152,721)	(1,295,701)	(1,410,154)
984,880	1,007,316	576,349	2,728,704	1,184,698
23,732,701	24,717,581	25,724,897	26,301,246	29,029,950
24,717,581	25,724,897	26,301,246	29,029,950	30,214,648
500,591	545,883	521,727	546,194	429,079
196,569	200,327	205,971	296,684	224,938
108,412	1,487,622	3,964,763	(1,405,312)	4,417,997
(968,339)	(1,030,313)	(1,152,721)	(1,295,701)	(1,410,154)
(93,759)	108,481	(363,206)	529,079	134,996
(256,526)	1,312,000	3,176,534	(1,329,056)	3,796,856
21,817,564	21,561,038	22,873,038	26,049,572	24,720,516
21,561,038	22,873,038	26,049,572	24,720,516	28,517,372
3,156,543	2,851,859	251,674	4,309,434	1,697,276
87.23%	88.91%	99.04%	85.16%	94.38%
4,333,255	4,451,657	4,558,757	4,820,568	4,666,508
72.84%	64.06%	5.52%	89.40%	36.37%

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MOUNT PROSPECT, ILLINOIS

Retiree Benefits Plan

Schedule of Changes in the Employer's Total OPEB Liability
December 31, 2020

	12/31/2018	12/31/2019	12/31/2020
Total OPEB Liability			
Service Cost	\$ 12,939	10,430	12,867
Interest	13,783	15,528	13,172
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	32,480	(19,673)	(28,893)
Change of Assumptions or Other Inputs	(58,951)	40,020	80,004
Benefit Payments	(19,961)	(21,284)	(23,667)
Net Change in Total OPEB Liability	(19,710)	25,021	53,483
Total OPEB Liability - Beginning	397,613	377,903	402,924
Total OPEB Liability - Ending	377,903	402,924	456,407
Covered Payroll	\$ 4,376,748	4,734,025	4,499,730
Total OPEB Liability as a Percentage of Covered Payroll	8.63%	8.51%	10.14%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018, 2019 and 2020.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 9,616,014	9,616,014	9,472,410
Intergovernmental			
Personal Property Replacement Taxes	50,000	50,000	52,807
Charges for Services			
Fines, Forfeitures and Penalties	106,100	106,100	8,821
Copier Income	—	—	17,301
Program Reimbursements	—	—	14,754
Grants and Donations			
State and Other Grants	67,000	67,000	73,709
Interest	107,072	107,072	37,147
Total Revenues	<u>9,946,186</u>	<u>9,946,186</u>	<u>9,676,949</u>
Expenditures			
Culture and Recreation			
Administration	8,210,655	8,181,922	7,339,825
Building	612,900	607,900	454,130
Books and Library Materials	928,300	923,300	951,949
Total Expenditures	<u>9,751,855</u>	<u>9,713,122</u>	<u>8,745,904</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	194,331	233,064	931,045
Other Financing (Uses)			
Transfers Out	—	—	(1,300,000)
Net Change in Fund Balance	<u>194,331</u>	<u>233,064</u>	(368,955)
Fund Balance - Beginning			<u>5,522,597</u>
Fund Balance - Ending			<u><u>5,153,642</u></u>

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Working Cash - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Interest	\$ 44,028	44,028	12,817
Expenditures	—	—	—
Net Change in Fund Balance	<u>44,028</u>	<u>44,028</u>	12,817
Fund Balance - Beginning			<u>2,198,279</u>
Fund Balance - Ending			<u>2,211,096</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Budgetary Comparison Schedule - Major Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Working Cash Fund

The Working Cash Fund is used to account for the amounts maintained to provide a source of cash for short-term interfund borrowing.

Gift Fund

The Gift Fund is used to account for donations received.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

CAPITAL PROJECTS FUND

The Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit.

Capital Projects Restricted Fund

The Capital Projects Restricted Fund is used to account for building related projects, maintenance, and repairs.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

General Fund

Scheduling of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Culture and Recreation			
Administration			
Salaries	\$ 5,868,232	5,783,440	5,233,426
Illinois Municipal Retirement	557,804	549,749	515,075
Social Security	448,919	442,433	374,461
Insurance - Medical/Life	770,000	770,000	710,064
Unemployment Compensation	7,000	7,000	5,640
Audits	7,000	7,000	6,815
Legal Fees	10,000	10,000	14,250
Printing	40,200	40,200	34,796
Marketing	71,700	71,700	18,190
Resources	5,400	5,400	410
Dues and Memberships Fees	7,000	7,000	6,115
Board Training and Development	6,500	6,500	—
Human Resources	111,200	111,200	69,399
Other Operating Expenditures	14,100	73,100	99,128
Telecommunications	51,000	51,000	44,336
Insurance	74,900	86,500	94,943
Office Supplies	16,300	16,300	11,083
Library Supplies	23,000	23,000	10,740
Postage	22,400	22,400	14,957
Contract Services	32,300	32,300	27,061
IT Services	65,700	65,700	48,936
	<u>8,210,655</u>	<u>8,181,922</u>	<u>7,339,825</u>
Building			
Building Maintenance	213,700	213,700	178,973
Equipment Maintenance	131,500	131,500	105,165
Janitorial Supplies	72,600	72,600	56,419
Equipment	138,600	133,600	86,605
Utilities	56,500	56,500	26,968
	<u>612,900</u>	<u>607,900</u>	<u>454,130</u>

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

**General Fund
Scheduling of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Culture and Recreation - Continued			
Books and Library Materials			
Adult Books	\$ 205,000	205,000	169,163
Adult Audio	64,800	64,800	55,213
Youth Books	135,500	135,500	113,198
Youth Audio	33,500	33,500	35,944
Subscriptions	18,400	18,400	16,465
Electronic Resources	179,800	179,800	181,106
Digital Medial	166,000	156,000	247,218
E-Learning	53,200	53,200	53,220
Library of Things	—	5,000	15,655
Microform	900	900	730
Processing Supplies	26,000	26,000	19,117
Programs	45,200	45,200	30,166
Miscellaneous Programs	—	—	14,754
	<u>928,300</u>	<u>923,300</u>	<u>951,949</u>
 Total Expenditures	 <u>9,751,855</u>	 <u>9,713,122</u>	 <u>8,745,904</u>

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,591,293	1,591,293	1,554,829
Interest	15,512	15,512	6,970
Total Revenues	<u>1,606,805</u>	<u>1,606,805</u>	<u>1,561,799</u>
Expenditures			
Debt Service			
Principal Retirement	1,470,000	1,470,000	1,470,000
Interest and Fiscal Charges	105,850	105,850	105,850
Total Expenditures	<u>1,575,850</u>	<u>1,575,850</u>	<u>1,575,850</u>
Net Change in Fund Balance	<u>30,955</u>	<u>30,955</u>	(14,051)
Fund Balance - Beginning			<u>756,594</u>
Fund Balance - Ending			<u><u>742,543</u></u>

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

Capital Projects Restricted - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 525,762	525,762	421,021
Interest	34,975	34,975	12,136
Total Revenues	<u>560,737</u>	<u>560,737</u>	433,157
Expenditures			
Capital Outlay	<u>349,000</u>	<u>349,000</u>	130,313
Excess (Deficiency) of Revenues Over (Under) Expenditures	211,737	211,737	302,844
Other Financing Sources			
Transfers In	<u>—</u>	<u>—</u>	1,300,000
Net Change in Fund Balance	<u>211,737</u>	<u>211,737</u>	1,602,844
Fund Balance - Beginning			<u>1,762,616</u>
Fund Balance - Ending			<u><u>3,365,460</u></u>

**MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS**

Gift - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2020**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Grants and Donations			
Gifts	\$ —	—	11,684
Interest	10,233	10,233	3,848
Total Revenues	10,233	10,233	15,532
Expenditures			
Culture and Recreation	50,000	50,000	3,740
Net Change in Fund Balance	<u>(39,767)</u>	<u>(39,767)</u>	11,792
Fund Balance - Beginning			<u>554,637</u>
Fund Balance - Ending			<u><u>566,429</u></u>

SUPPLEMENTAL SCHEDULE

MOUNT PROSPECT PUBLIC LIBRARY

**Long-Term Debt Requirements
Intergovernmental Payable of 2016
December 31, 2020**

Date of Issue	September 8, 2016
Date of Maturity	December 1, 2022
Authorized Issue	\$8,735,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zions Bancorporation

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2021	\$ 1,515,000	61,300	1,576,300	2021	30,650	2021	30,650
2022	1,550,000	31,000	1,581,000	2022	15,500	2022	15,500
	<u>3,065,000</u>	<u>92,300</u>	<u>3,157,300</u>		<u>46,150</u>		<u>46,150</u>