MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

AUDITOR'S COMMUNICATION TO THE
MEMBERS OF THE BOARD OF TRUSTEES

For the Year Ended December 31, 2019

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MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS
AUDITOR'S COMMUNICATION TO THE BOARD OF TRUSTEES
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CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Members of American Institute of Certified Public Accountants

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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June 22, 2020

The Honorable President
Members of the Board of Trustees
Mount Prospect Public Library
10 South Emerson St.
Mount Prospect, Illinois 60056

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by auditing standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you in January of 2020.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect the Library, are enclosed within this document.

This information is intended solely for the use of the President, Library Board of Trustees and management of the Mount Prospect Public Library and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP
By: James R. Savio, CPA, MAS
Partner

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Members of American Institute of Certified Public Accountants

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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June 22, 2020

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

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mount Prospect Public Library, Mount Prospect, Illinois (the Library) as of December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 21, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Library are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2019. We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no particularly sensitive estimates made by management during our audit of the financial statements except for the actuarial assumptions used to calculate the total pension/OPEB liability for IMRF and OPEB.

Management's estimate of the Library's net pension liabilities and total other postemployment benefit liability is based on various actuarially determined amounts, including estimated investment returns, dates of employee retirement, discount rates, healthcare trend rates, and mortality rates. We evaluated key factors and assumptions used to develop the management's estimates of the Library's net pension liabilities and total other postemployment benefit liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole except for AJE01, AJE02, AJE03, and AJE05.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 22, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Library's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Library's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining and Individual Fund Financial Statements and Schedules and Supplemental Data which accompany the basic financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the Principal Officials, which accompany the basic financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the President, Library Board of Trustees and the management of the Library, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP
By: James R. Savio, CPA, MAS
Partner

Mt. Prospect Public Library

Year End: December 31, 2019

Adjusting Journal Entries

Number	Date	Name	Account No	Debit	Credit
AJE#01	12/31/2019	Gain on Refinancing of Library Bonds	3900T G-07		-159,000.00
AJE#01	12/31/2019	Deferred outflow of resources	5100T G-07	649,599.00	
AJE#01	12/31/2019	Deferred inflow of resources	5200T G-07		-1,903,562.00
AJE#01	12/31/2019	Equity-Long Term Debt Fund	5300T G-07	2,223,588.00	
AJE#01	12/31/2019	Accrued Interest Payable	5305T G-07		-12,346.00
AJE#01	12/31/2019	Compensated Absences	5504T G-07		-168,702.00
AJE#01	12/31/2019	Net Pension Liability	5505T G-07		-251,674.00
AJE#01	12/31/2019	OPEB Liability	5506T G-07		-377,903.00
		Entry to record beginning balances for GLTDAG Fund			
AJE#02	12/31/2019	OPEB Expense	3703T G-07	25,021.00	
AJE#02	12/31/2019	OPEB Expense	3703T G-07		-31,964.00
AJE#02	12/31/2019	OPEB Expense	3703T G-07	5,937.00	
AJE#02	12/31/2019	Deferred Outflows - OPEB	5101T G-07	60,835.00	
AJE#02	12/31/2019	Deferred Inflows - OPEB	5102T G-07		-63,338.00
AJE#02	12/31/2019	Equity-Long Term Debt Fund	5300T G-07	28,530.00	
AJE#02	12/31/2019	OPEB Liability	5506T G-07		-25,021.00
		Entry to record OPEB activity as of 12/31/2019			
AJE#03	12/31/2019	Accrued Interest Payable	3305D DS-06		-3,561.37
AJE#03	12/31/2019	Interest Expense	3701D DS-06	3,561.37	
AJE#03	12/31/2019	Interest Expense	3701T G-07		-3,562.67
AJE#03	12/31/2019	Gain on Refinancing of Library Bonds	3900T G-07	53,000.00	
AJE#03	12/31/2019	Accrued Interest Payable	5305T G-07	3,562.67	
AJE#03	12/31/2019	Amortization of refunding loss	5501T G-07		-53,000.00
		To adjust interest expense to agree to Debt Service payments made and adjust accrued interest in long-term debt account group			
AJE#04	12/31/2019	Change in Compensated Absences	3802T G-07	10,481.76	
AJE#04	12/31/2019	Compensated Absences	5504T G-07		-10,481.76
		Entry to record change in accrued vacation			
AJE#05	12/31/2019	Pension expense	3702T G-07	4,057,760.00	
AJE#05	12/31/2019	Pension expense	3702T G-07		-2,729,071.00
AJE#05	12/31/2019	Pension expense	3702T G-07		-1,437,795.00
AJE#05	12/31/2019	Deferred outflow of resources	5100T G-07	2,729,071.00	
AJE#05	12/31/2019	Deferred inflow of resources	5200T G-07	1,437,795.00	
AJE#05	12/31/2019	Net Pension Liability	5505T G-07		-4,057,760.00
		To adjust IMRF NPL, Deferred Outflows, Deferred Inflows			
AJE#06	12/31/2019	Fixed Assets - Equipment	5130F G-04		-4,395.00
AJE#06	12/31/2019	Fixed Assets - Munic. Equity	5300F G-04	4,395.00	
		Entry to adjust capital asset for FY18 addition included with FY19 entries			

EFFECTS SCHEDULE

MOUNT PROSPECT PUBLIC LIBRARY (CLIENT)

Government-Wide Activities (OPINION UNIT)

For the Year Ended 12/31/2019

All entries posted as Debit (Credit)

Description	Workpaper Reference	Assets	(Liabilities)	(Retained Earnings/Fund Balance)	(Profit) Loss
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period		$ -	$ -	$ (123,424)	$ 123,424
Prepaid health insurance recognized as expenditure		64,408	-	-	(64,408)
Prepaid liability insurance recognized as expenditure		52,885	-	-	(52,885)
Prepaid workers' comp insurance recognized as expenditure		17,606	-	-	(17,606)
Totals		$ 134,899	$ -	$ (123,424)	$ (11,475)

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

MANAGEMENT LETTER

December 31, 2019

SIKICH.

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CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Members of American Institute of Certified Public Accountants

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mount Prospect Public Library, Mount Prospect, Illinois (the Library) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. In addition, we reviewed the status of the deficiencies dated December 31, 2018. The status of these comments is included in Appendix A.

This communication is intended solely for the information and use of the President, the Library Board of Trustees and management and others within the administration and is not intended to be, and should not be, used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
June 22, 2020

OTHER COMMENTS

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that may impact the Library in the future.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset and aims to enhance comparability of financial statements among governments. This statement also requires additional notes to the financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for the fiscal year ending December 31, 2020. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improved required note disclosures. This statement is effective for fiscal year ending December 31, 2021.

GASB Statement No. 92, *Omnibus 2020,* addresses a variety of topics including: The effective date of Statement No. 87 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73 to Certain Provisions of GASB Statement Nos. 67 and 68, as amended, and No. 74, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments.

The requirements of this Statement are effective for the fiscal years ending December 30, 2021 and thereafter, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The London Interbank Offered Rate (LIBOR), a result of global reference rate reform, is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for the fiscal year ending December 31, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued to address tissues related to accounting and reporting for public-private and public-public partnership arrangements (PPPs). A PPP a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for fiscal year ending December 30, 2023

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* This pronouncement, which is effective upon issuance, allows, but does not require, governments to defer implementing the following pronouncements by one year from their original effective date as follows:

GASB Statement No. 83 - reporting periods beginning after June 15, 2019.

GASB Statement No. 84 and Implementation Guide 2019-2 - reporting periods beginning after December 15, 2019.

GASB Statement No. 87 and Implementation Guide 2019-3 - fiscal years beginning after June 15, 2021, and all reporting periods thereafter.

GASB Statement No. 88 - reporting periods beginning after June 15, 2019.

GASB Statement No. 89 - reporting periods beginning after December 15, 2020.

GASB Statement No. 90 - reporting periods beginning after December 15, 2019.

GASB Statement No. 91 - reporting periods beginning after December 15, 2021.

GASB Statement No. 92, paragraphs 6 and 7 - fiscal years beginning after June 15, 2021.

GASB Statement No. 92, paragraphs 8, 9, and 12 - reporting periods beginning after June 15, 2021.

GASB Statement No. 92, paragraph 10 - government acquisitions occurring in reporting periods beginning after June 15, 2021.

GASB Statement No. 93, paragraphs 13 and 14 - fiscal years beginning after June 15, 2021, and all reporting periods thereafter.

Implementation Guide 2017-3, Questions 4.484 and 4.491 - the first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019.

Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245, and 5.1–5.4 - actuarial valuations as of December 15, 2018, or later.

Implementation Guide 2018-1 - reporting periods beginning after June 15, 2019.

Implementation Guide 2019-1 - reporting periods beginning after June 15, 2020.

We will advise the Library of any progress made by GASB in developing this and other future pronouncements that may have an impact on the financial position and changes in financial position of the Library.

APPENDIX A
STATUS OF COMMENTS FROM DECEMBER 31, 2018

Foundation for the Mount Prospect Public Library and the Friends of the Mount Prospect Public Library

The Library should continue to review the financial statements of the Foundation for the Mount Prospect Public Library and the Friends of the Mount Prospect Public Library and evaluate if they are component units in accordance with GASB Statement No. 39, as amended by Statement No. 61 It is a matter of professional judgment to determine whether the nature and the significance of a potential component unit's relationship with the primary government warrants inclusion in the reporting entity. Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government.

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

- The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

- The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Status - Repeated as a reminder for the fiscal year ended December 31, 2019.

FIRM PROFILE

ORGANIZATION

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services**, has 1,000+ professionals throughout the country. Founded in 1982, Sikich now ranks within the country's top 30 largest Certified Public Accounting firms and is among the top one percent of all enterprise resource planning solution partners in the world. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.

INDUSTRIES

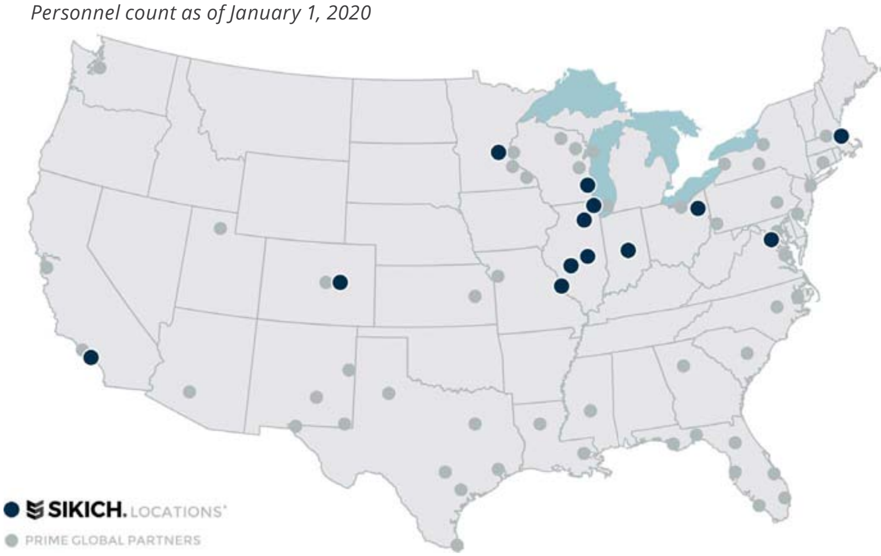
Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

AGRICULTURE	AUTOMOTIVE	CONSTRUCTION & REAL ESTATE
DISTRIBUTION & SUPPLY CHAIN	GOVERNMENT	HIGH-TECH
LIFE SCIENCES	MANUFACTURING	NOT-FOR-PROFIT
PRIVATE EQUITY	PROFESSIONAL SERVICES	

STATISTICS

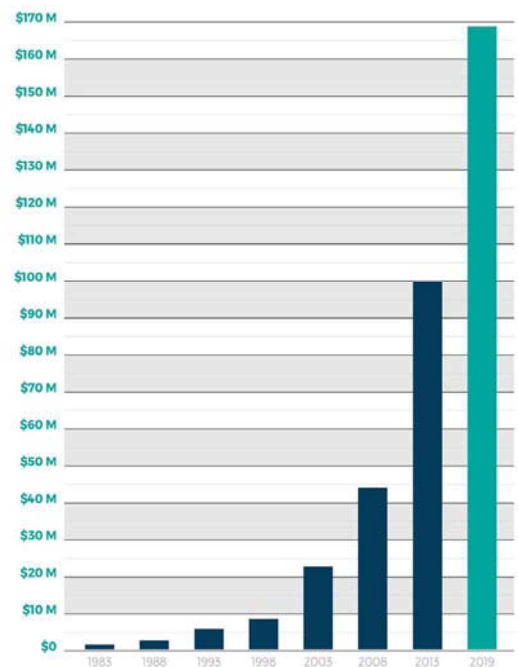
2019 Revenue $167.4M
Total Partners .... 100+
Total Personnel .... 1,000+

Personnel count as of January 1, 2020



Alexandria, VA (703) 836-1350	**Chicago, IL** (312) 648-6666	**Denver, CO** (720) 200-0142	**Milwaukee, WI** (262) 754-9400	**Springfield, IL** (217) 793-3363
Akron, OH (330) 864-6661	**Crofton, MD** (410) 451-5150	**Indianapolis, IN** (317) 842-4466	**Minneapolis, MN** (331) 229-5235	**St. Louis, MO** (314) 275-7277
Boston, MA (508) 485-5588	**Decatur, IL** (217) 423-6000	**Los Angeles, CA** (877) 279-1900	**Naperville, IL** (630) 566-8400	

SIKICH TOTAL REVENUE



SERVICES

ACCOUNTING, TAX & ASSURANCE

TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Security and Compliance
- Digital Transformation Consulting

ADVISORY

- Business Succession Planning
- Insurance Services
- Forensic and Valuation Services
- Human Capital Management & Payroll Consulting
- Investment Banking
- Marketing & Design
- Public Relations
- Retirement Plan Services
- Supply Chain
- Transaction Advisory Services
- Wealth Management

** Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.*

*** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.*

CERTIFICATIONS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2017 Sikich LLP received its 10th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

AWARDS

2018-2020 AWARDS

- 2020 & 2019 Oracle® NetSuite 5 Star Award
- 2019/2020 & 2018/2019 Inner Circle for Microsoft Dynamics
- *Accounting Today* Top 100 Firms - ranked top 30 nationally
- Best Places to Work in Illinois
- Best Places to Work in Indiana
- Milwaukee's Best and Brightest Companies to Work For®
- Chicago's Best and Brightest Companies to Work For®
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 Value Added Reseller Stars (VARs)-ranked #8

2017 AWARDS

- Bob Scott's Top 100 (VARs) - ranked #7
- *Accounting Today* Top 100 VARs - ranked #6
- Vault Accounting Top Ranked
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest Companies to Work For®
- Best Places to Work in Indiana
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Chicago Tribune's* Top Workplaces
- *Crain's List* Chicago's Largest Privately Held Companies - ranked #234
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For

2019/2020 INNERCIRCLE
for Microsoft Business Applications

SIKICH IS PROUD TO BE PART OF:

PRIMEGLOBAL

PrimeGlobal is one of the top five largest associations of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing, and management services to clients around the globe.

PrimeGlobal

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019

SIKICH.COM

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

PRINCIPAL OFFICIALS

December 31, 2019

EXECUTIVE DIRECTOR

Susan A. Reynders

INDEPENDENT AUDITOR’S REPORT

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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 (the Library) as of and for the year ended December 31, 2019, and the related notes to 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, Mount Prospect, Illinois as of December 31, 2019, 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 required supplementary information 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.

The Library has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The principal officials, combining and individual fund financial statements and schedules, and supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

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

The principal officials have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Sikich LLP

Naperville, Illinois
June 22, 2020

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2019

	Governmental Activities
ASSETS	
Cash and investments	$ 11,067,381
Receivables (net, where applicable, of allowance for uncollectibles)	
Property taxes	11,803,528
Due from other governments	3,301
Other	622
Capital assets not being depreciated	1,006,764
Capital assets being depreciated (net of accumulated depreciation)	12,881,741
Total assets	36,763,337
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items - OPEB	60,835
Pension related items - IMRF	3,378,670
Total deferred outflows of resources	3,439,505
Total assets and deferred outflows of resources	40,202,842
LIABILITIES	
Accounts payable	90,042
Accrued payroll	183,937
Accrued interest payable	8,783
Sales tax payable	76
Due to other governments	7,161
Long-term liabilities	
Due within one year	1,500,243
Due in more than one year	7,926,299
Total liabilities	9,716,541
DEFERRED INFLOWS OF RESOURCES	
Deferred charge on refunding	106,000
Pension related items - OPEB	63,338
Pension related items - IMRF	465,767
Deferred revenue - property taxes	11,798,893
Total deferred inflows of resources	12,433,998
Total liabilities and deferred inflows of resources	22,150,539
NET POSITION	
Net investment in capital assets	9,247,505
Restricted	
Specific donor purposes	554,637
Working cash	2,198,279
Debt service	756,594
Capital projects	1,762,616
Unrestricted	3,532,672
TOTAL NET POSITION	$ 18,052,303

See accompanying notes to financial statements.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
PRIMARY GOVERNMENT					
Governmental Activities					
Culture and recreation	$ 9,590,796	$ 177,908	$ 115,079	$ -	$ (9,297,809)
Interest	92,036	-	-	-	(92,036)
Total governmental activities	9,682,832	177,908	115,079	-	(9,389,845)
TOTAL PRIMARY GOVERNMENT	$ 9,682,832	$ 177,908	$ 115,079	$ -	(9,389,845)
General Revenues					
Taxes					
Property					11,277,056
Personal property replacement					59,086
Investment income					262,389
Total					11,598,531
CHANGE IN NET POSITION					2,208,686
NET POSITION, JANUARY 1					15,843,617
NET POSITION, DECEMBER 31					$ 18,052,303

See accompanying notes to financial statements.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2019

	General	Debt Service	Working Cash	Nonmajor Governmental	Total Governmental
ASSETS					
Cash and investments	$ 7,993,933	$ 757,287	$ -	$ 2,316,161	$ 11,067,381
Receivables					
Property taxes	10,195,950	1,607,124	-	454	11,803,528
Due from other governments	3,301	-	-	-	3,301
Other	622	-	-	-	622
Due from other funds	-	-	-	638	638
Advances to other funds	-	-	2,198,279	-	2,198,279
TOTAL ASSETS	$ 18,193,806	$ 2,364,411	$ 2,198,279	$ 2,317,253	$ 25,073,749
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 89,592	$ 450	$ -	$ -	$ 90,042
Accrued payroll	183,937	-	-	-	183,937
Sales tax payable	76	-	-	-	76
Due to other governments	7,161	-	-	-	7,161
Due to other funds	638	-	-	-	638
Advance from other funds	2,198,279	-	-	-	2,198,279
Total liabilities	2,479,683	450	-	-	2,480,133
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	10,191,526	1,607,367	-	-	11,798,893
Total deferred inflows of resources	10,191,526	1,607,367	-	-	11,798,893
Total liabilities and deferred inflows of resources	12,671,209	1,607,817	-	-	14,279,026
FUND BALANCES					
Restricted					
Specific donor purposes	-	-	-	554,637	554,637
Working cash	-	-	2,198,279	-	2,198,279
Debt service	-	756,594	-	-	756,594
Capital projects	-	-	-	1,762,616	1,762,616
Unassigned	5,522,597	-	-	-	5,522,597
Total fund balances	5,522,597	756,594	2,198,279	2,317,253	10,794,723
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 18,193,806	$ 2,364,411	$ 2,198,279	$ 2,317,253	$ 25,073,749

See accompanying notes to financial statements.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

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

December 31, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 10,794,723
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	13,888,505
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for IMRF are recognized as deferred outflows of resources on the statement of net position	3,378,670
Differences between expected and actual experiences, assumption changes and net difference between projected and actual earnings for the OPEB are recognized as deferred outflows and inflows of resources on the statement of net position	(2,503)
A deferred charge on refunding is amortized over the life of the bonds in the statement of net position	(106,000)
Debt service interest is reported when due and payable in the governmental, funds but is accrued on the statement of net position	(8,783)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Intergovernmental payable	(4,535,000)
Compensated absences payable	(179,184)
Net pension liability	(4,309,434)
Total OPEB liability	(402,924)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for IMRF are recognized as deferred inflows of resources on the statement of net position	(465,767)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 18,052,303

See accompanying notes to financial statements.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	General	Debt Service	Working Cash	Nonmajor Governmental	Total Governmental
REVENUES					
Property taxes	$ 9,224,266	$ 1,553,506	$ -	$ 499,284	$ 11,277,056
Personal property replacement taxes	59,086	-	-	-	59,086
Charges for services	100,909	-	-	-	100,909
Gifts	-	-	-	47,370	47,370
Program reimbursements	76,999	-	-	-	76,999
Grants	67,709	-	-	-	67,709
Investment income	140,067	30,827	46,857	44,638	262,389
Total revenues	9,669,036	1,584,333	46,857	591,292	11,891,518
EXPENDITURES					
Current					
Culture and recreation					
Administration	7,579,578	-	-	-	7,579,578
Building	557,788	-	-	-	557,788
Books and materials	925,920	-	-	4,811	930,731
Capital outlay	-	-	-	158,683	158,683
Debt service					
Principal	-	1,425,000	-	-	1,425,000
Interest	-	148,599	-	-	148,599
Total expenditures	9,063,286	1,573,599	-	163,494	10,800,379
NET CHANGE IN FUND BALANCES	605,750	10,734	46,857	427,798	1,091,139
FUND BALANCES, JANUARY 1	4,916,847	745,860	2,151,422	1,889,455	9,703,584
FUND BALANCES, DECEMBER 31	$ 5,522,597	$ 756,594	$ 2,198,279	$ 2,317,253	$ 10,794,723

See accompanying notes to financial statements.

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2019

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 1,091,139
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	
Capital outlay	490,340
The repayment of the principal portion on long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	1,425,000
The deferred loss on refunding is amortized over the life of the debt	53,000
The change in accrued interest related to amounts not due and payable at the end of the fiscal year is reported only in the statement of net position	3,563
The change in the net pension liability and related deferred outflows and inflows for IMRF is reported only in the statement of activities	109,106
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(948,986)
The change in compensated absences payable is shown as an expense on the statement of activities	(10,482)
The change in total OPEB liability, deferred inflows, and deferred outflows are not a source or use of financial resources	(3,994)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 2,208,686

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Mount Prospect Public Library, Mount Prospect, Illinois (the Library), have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies are described below.

a. Financial Reporting Entity

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. As required by GAAP, these financial statements include all funds of the Library. Management has also considered all potential component units. Criteria for including a component unit in the Library's reporting entity principally consist of the potential component unit's financial interdependency and accountability to the Library. Based upon those criteria, there are no potential component units to be included in the reporting entity. Additionally, based on the same criteria, the Library has been determined not to be a component unit of the Village of Mount Prospect, Illinois (the Village).

b. Fund Accounting

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

Funds are classified into the following categories: governmental, proprietary, and fiduciary. All of the Library's funds are governmental funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted, or assigned for the servicing of long-term debt (debt service

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

funds), and the management of funds held in trust that can be used for governmental services (permanent funds). The General Fund is used to account for all activities of the Library not accounted for in some other fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Library. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Library has no business-type activities.

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

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

The Library reports the following major governmental funds:

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

The Debt Service Fund accounts for the accumulation of resources restricted or assigned for the payment of principal, interest, and related costs of general long-term debt.

The Working Cash Fund accounts for the amounts maintained to provide a source of cash for interfund borrowing. Management has made a determination to present this fund as a major fund in the current year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. The Library recognizes property taxes when they become both measurable and available in the period the tax is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and miscellaneous revenues are considered to be measurable and available only when cash is received by the Library.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Library; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a legal claim to the resources, the liability or deferred inflow of resources for unearned and unavailable/deferred revenue is removed from the financial statements and revenue is recognized.

e. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

f. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of $3,000 (excluding the Library's book collection) and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets (Continued)

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

	Years
Buildings and improvements	40
Equipment	5-10
Books	5

g. Compensated Absences

Vested or accumulated vacation leave is reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation leave of governmental activities is recorded as an expense and liability on the statement of net position as the benefits accrue to employees.

h. Long-Term Obligations

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities.

i. Prepaid Items

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

j. Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or that are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or are externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Library's Board of Trustees, which is considered the Library's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Library's intent to use them for a specific purpose. The authority to assign fund balance resides with the Board of Trustees. Any residual fund balance in the General Fund and any deficit fund balances in any other governmental funds are reported as unassigned.

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

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

l. Interfund Transactions

Interfund transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

m. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Interfund Receivables/Payables (Continued)

If applicable, advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

n. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

The Library categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Library held no investments subject to fair value measurement at December 31, 2019.

Permitted Deposits and Investments - Statutes and the Library's investment policy authorize the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

a. Library Deposits with Financial Institutions

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

The Library's deposits with financial institutions were covered either by FDIC or collateral pledged to the Library, held in the Library's name, or irrevocable letters of credit.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Library Investments

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 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, return on investment, and simplicity of management. The investment policy does not limit the maturity lengths of library investments.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in The Illinois Funds. The Illinois Funds are rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in the possession of an outside party. The Library's investment policy does not address custodial credit risk for investments. The Illinois Funds are not subject to custodial credit risk.

Concentration of Credit Risk - The Library 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.

3. PROPERTY TAXES

Property taxes for 2019 attach as an enforceable lien on January 1, 2019 on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2020 and August 1, 2020 and are payable in two installments, on or about March 1, 2020 and September 1, 2020. 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. Since the 2019 levy is intended to fund the 2020 fiscal year, the levy has been recorded as a receivable and a deferred inflow of resources.

4. CAPITAL ASSETS

Capital asset activity for the Library for the year ended December 31, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 677,552	$ -	$ -	$ 677,552
Permanent art	308,642	20,570	-	329,212
Total capital assets not being depreciated	986,194	20,570	-	1,006,764
Capital assets being depreciated				
Buildings and improvements	18,887,961	78,137	-	18,966,098
Equipment	1,516,159	57,484	22,271	1,551,372
Books	5,717,654	334,149	701,370	5,350,433
Total capital assets being depreciated	26,121,774	469,770	723,641	25,867,903
Less accumulated depreciation for				
Buildings and improvements	6,735,283	489,099	-	7,224,382
Equipment	1,175,095	111,716	22,271	1,264,540
Books	4,850,439	348,171	701,370	4,497,240
Total accumulated depreciation	12,760,817	948,986	723,641	12,986,162
Total capital assets being depreciated, net	13,360,957	(479,216)	-	12,881,741
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 14,347,151	$ (458,646)	$ -	$ 13,888,505

5. 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 employees. Effective January 1, 2014, the Library became a member of the Libraries of Illinois Risk Agency (LIRA), which is a consortium of 24 charter member libraries that provides risk management services and coverages to the pool of member libraries. Premiums have been displayed as expenditures in appropriate funds. Medical insurance is through the Village with third-party indemnity coverage. Losses have not exceeded coverage for the last three years.

6. CONTINGENT LIABILITIES - GRANTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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.

7. CHANGES IN LONG-TERM LIABILITIES

Issue	Balances January 1	Increases	Decreases	Balances December 31	Current Portion
Intergovernmental payable	$ 5,960,000	$ -	$ 1,425,000	$ 4,535,000	$ 1,470,000
Total OPEB liability	377,903	25,021	-	402,924	21,284
Net pension liability	251,674	4,057,760	-	4,309,434	-
Compensated absences payable	168,702	18,917	8,435	179,184	8,959
TOTAL	$ 6,758,279	$ 4,101,698	$ 1,433,435	$ 9,426,542	$ 1,500,243

The intergovernmental payable represents the principal outstanding on the Village's Series 2016 Refunding General Obligation Bonds which were issued for library purposes and are being repaid by the Library.

The annual debt service requirements are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	$ 1,470,000	$ 105,400	$ 1,575,400
2021	1,515,000	61,300	1,576,300
2022	1,550,000	31,000	1,581,000
TOTAL	$ 4,535,000	$ 197,700	$ 4,732,700

8. EMPLOYEE RETIREMENT SYSTEM

The Library contributes, through the Village, to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. However, the Library's participation in IMRF is equivalent to a cost sharing multiple-employer pension plan since only one actuarial valuation is performed for both the Village and the Library combined. All disclosures for an agent plan can be found in the Village's comprehensive annual financial report.

8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable. Investments are reported at fair value.

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village and the Library are required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended 2019 was 8.77% of covered payroll. For the year ended December 31, 2019, salaries totaling $4,734,025 were paid that required employer contributions of $415,174.

Net Pension Liability

At December 31, 2019, the Library reported a liability of $4,309,434 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion

8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Net Pension Liability (Continued)

of the net pension liability was based on the Library's actual contribution to the plan for the year ended December 31, 2015 relative to the contributions of the Village, actuarially determined. The Library has determined that the actual contributions in fiscal year 2015 are appropriate as the basis because they are representative of both current and future contributions. At December 31, 2019, the Library's proportion was 26.87% of the total contribution to the plan.

Actuarial Assumptions

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

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

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

8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Investment Rate

The discount rate used to measure the total pension liability was 7.25% for the measurement period ended December 31, 2018 and 7.50% for the measurement period ended December 31, 2017. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Library contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members.

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

For the year ended December 31, 2019, the Library recognized pension expense of $306,068. At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 678,941	$ 45,554
Changes in assumption	597,929	420,213
Contributions after the measurement date	427,602	-
Net difference between projected and actual earnings on pension plan investments	1,674,198	-
TOTAL	$ 3,378,670	$ 465,767

8. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

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

$427,602 reported as deferred outflows of resources related to pensions resulting from contributions by the Library subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31,	
2020	$ 747,038
2021	506,170
2022	559,718
2023	672,375
TOTAL	$ 2,485,301

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$ 7,979,209	$ 4,309,434	$ 1,277,926

9. INDIVIDUAL FUND DISCLOSURES

Individual fund advances are as follows:

	Advance To	Advance From
General	$ -	$ 2,198,279
Nonmajor Governmental		
Working Cash	2,198,279	-
TOTAL	$ 2,198,279	$ 2,198,279

The $2,198,279 advance from the Working Cash Fund to the General Fund is to act as a funding source to provide cash flow when property tax collections are low.

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

The Library provides pre and post-Medicare postemployment 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 Village'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.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At December 31, 2019, membership consisted of:

Inactive employees currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefits	-
Active employees	80
TOTAL	84
Participating employers	1

d. Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Measurement date	December 31, 2019
Actuarial cost method	Entry-age normal
Inflation	2.50%
Discount rate	3.26%
Healthcare cost trend rates	8.00% in Fiscal 2018, to an ultimate trend rate of 4.50%
Asset valuation method	N/A
Mortality rates	RPH - 2018 fully generational using scale MP-2018

e. Discount Rate

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.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2019	$ 377,903
Changes for the period	
Service cost	10,430
Interest	15,528
Changes in assumptions	40,020
Differences between expected and actual experience	(19,673)
Benefit payments	(21,284)
Net changes	25,021
BALANCES AT DECEMBER 31, 2019	$ 402,924

There was a change in assumptions with respect to the discount rate and premium and contribution increases.

g. Rate Sensitivity

The following is a sensitivity analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Library calculated using the discount rate of 3.26% as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	$ 456,712	$ 402,924	$ 356,503

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Library calculated using the healthcare rate of 8.00% to 4.50% as well as what the Library's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (7.00% to 3.50%) or 1 percentage point higher (9.00% to 5.50%) than the current rate:

	1% Decrease (7.00% to 3.50%)	Current Healthcare Rate (8.00% to 4.50%)	1% Increase (9.00% to 5.50%)
Total OPEB liability	$ 345,987	$ 402,924	$ 474,762

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

For the year ended December 31, 2019, the Library recognized OPEB expense of $25,278. At December 31, 2019, the Library reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 25,262	$ (17,487)
Changes in assumption	35,573	(45,851)
TOTAL	$ 60,835	$ 63,338

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 Ending December 31,	
2020	$ (680)
2021	(680)
2022	(680)
2023	(680)
2024	(680)
Thereafter	897
TOTAL	$ (2,503)

REQUIRED SUPPLEMENTARY INFORMATION

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
REVENUES		
Taxes		
Property taxes	$ 9,406,119	$ 9,224,266
Personal property replacement taxes	56,570	59,086
Grants	60,000	67,709
Charges for services		
Fines	116,098	71,276
Copier income	-	29,633
Investment income	89,731	140,067
Program reimbursements	-	76,999
Total revenues	9,728,518	9,669,036
EXPENDITURES		
Culture and recreation		
Administration	8,049,300	7,579,578
Building	593,000	557,788
Book and library materials	896,700	925,920
Total expenditures	9,539,000	9,063,286
NET CHANGE IN FUND BALANCE	$ 189,518	605,750
FUND BALANCE, JANUARY 1		4,916,847
FUND BALANCE, DECEMBER 31		$ 5,522,597

(See independent auditor's report.)

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019
TOTAL OPEB LIABILITY		
Service cost	$ 12,939	$ 10,430
Interest	13,783	15,528
Changes in assumptions	(58,951)	40,020
Differences between expected and actual experience	32,480	(19,673)
Benefit payments	(19,961)	(21,284)
Net change in total OPEB liability	(19,710)	25,021
Total OPEB liability - beginning	397,613	377,903
TOTAL OPEB LIABILITY - ENDING	$ 377,903	$ 402,924
Covered-employee payroll	$ 4,376,748	$ 4,734,025
Employer's total OPEB liability as a percentage of covered-employee payroll	8.63%	8.51%

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

In 2019, there was a change in assumptions with respect to the discount rate and premium and contribution increases.

In 2018, there was a change in assumptions with respect to the discount rate, payroll growth rates, and mortality, disability, termination, retirement, and health care trend rates.

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

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	**2015**	**2016**	**2017**	**2018**	**2019**
Actuarially determined contribution	$ 495,291	$ 534,295	$ 513,659	$ 504,203	$ 415,174
Contributions in relation to the actuarially determined contribution	500,591	534,295	513,659	504,203	415,174
CONTRIBUTION DEFICIENCY (Excess)	$ (5,300)	$ -	$ -	$ -	$ -
Additional contributions	$ -	$ -	$ -	$ -	$ 12,428
Covered payroll	$ 4,333,255	$ 4,558,757	$ 4,565,327	$ 4,689,085	$ 4,734,025
Contributions as a percentage of covered payroll	11.55%	11.72%	11.25%	10.75%	8.77%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 3.00% compounded annually.

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

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	**2014**	**2015**	**2016**	**2017**	**2018**
Employer's proportion of net pension liability	26.87%	26.87%	26.87%	26.87%	26.87%
Employer's proportionate share of net pension liability	$ 1,915,137	$ 3,156,543	$ 2,851,859	$ 251,674	$ 4,309,434
Employer's covered payroll	4,368,738	4,333,255	4,451,657	4,558,757	4,820,568
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	43.84%	72.84%	64.06%	5.52%	89.40%
Plan fiduciary net position as a percentage of the total pension liability	91.93%	87.23%	88.91%	99.04%	85.16%

Changes in assumptions related to retirement age and mortality in 2014 and the discount rate in 2015. In 2016, changes in assumptions were made in the inflation rate and salary increase assumptions.

There was a change in assumptions related to price inflation, salary increases, retirement age, and mortality rates in 2017.

Changes in assumptions related to the discount rate were made in 2018.

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

BUDGETS

Budgets are adopted on a basis consistent with GAAP. The budget is prepared for the General Fund, Working Cash Fund, Gift Fund, Debt Service Fund, and Building and Equipment Fund by function and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. The proposed budget is 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 budget 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, no supplementary appropriations were necessary.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
EXPENDITURES		
Administration		
Salaries	$ 5,825,400	$ 5,573,124
FICA taxes	445,500	402,291
Unemployment taxes	6,500	6,202
IMRF employer contributions	440,700	420,020
Insurance - medical/life	790,000	706,903
Audit	6,700	6,695
Legal fees	40,000	15,899
Printing	34,500	29,638
Marketing	68,000	66,123
Resources	8,400	8,286
Dues and membership fees	6,500	6,033
Board training and development	4,000	2,989
Human resources	86,000	78,116
Other operating expenditures	17,600	8,604
Telecommunications	43,000	44,422
Insurance	70,000	74,480
Office supplies	15,500	20,127
Library supplies	20,000	19,579
Postage	24,000	17,809
Contract services	32,000	28,649
IT services	65,000	43,589
Total administration	8,049,300	7,579,578
Building		
Building maintenance	193,000	176,921
Equipment maintenance	122,000	133,979
Janitorial supplies	62,000	54,936
Equipment	159,000	153,507
Utilities	57,000	38,445
Total building	593,000	557,788
Books and Library Materials		
Adult books	212,000	192,886
Adult audio	64,600	62,243
Youth books	130,000	133,571
Youth audio	39,500	32,535
Subscriptions	16,000	14,805
Electronic resources	180,000	179,204
Digital medial	126,000	127,734
E-Learning	52,000	45,119
Microfilm	6,800	799
Processing supplies	26,000	24,529
Programs	43,800	35,488
Miscellaneous programs	-	77,007
Total books and library materials	896,700	925,920
TOTAL EXPENDITURES	$ 9,539,000	$ 9,063,286

(See independent auditor's report.)

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
REVENUES		
Property taxes	$ 1,589,021	$ 1,553,506
Investment income	13,847	30,827
Total revenues	1,602,868	1,584,333
EXPENDITURES		
Debt service		
Principal retirement	1,425,000	1,425,000
Interest and fiscal charges	148,600	148,599
Total expenditures	1,573,600	1,573,599
NET CHANGE IN FUND BALANCE	$ 29,268	10,734
FUND BALANCE, JANUARY 1		745,860
FUND BALANCE, DECEMBER 31		$ 756,594

(See independent auditor's report.)

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
REVENUES		
Investment income	$ 38,644	$ 46,857
EXPENDITURES		
None	-	-
NET CHANGE IN FUND BALANCE	$ 38,644	46,857
FUND BALANCE, JANUARY 1		2,151,422
FUND BALANCE, DECEMBER 31		$ 2,198,279

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	Special Revenue	Capital Projects	
	Gift	**Building and Equipment**	**Total**
ASSETS			
Cash and investments	$ 554,637	$ 1,761,524	$ 2,316,161
Receivables			
Property taxes	-	454	454
Due from other funds	-	638	638
TOTAL ASSETS	$ 554,637	$ 1,762,616	$ 2,317,253
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
None	$ -	$ -	$ -
Total liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	-	-	-
FUND BALANCES			
Restricted			
Specific donor purposes	554,637	-	554,637
Capital projects	-	1,762,616	1,762,616
Total fund balances	554,637	1,762,616	2,317,253
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 554,637	$ 1,762,616	$ 2,317,253

(See independent auditor's report.)

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	Special Revenue	Capital Projects	
	Gift	**Building and Equipment**	**Total**
REVENUES			
Property taxes	$ -	$ 499,284	$ 499,284
Gifts	47,370	-	47,370
Investment income	10,044	34,594	44,638
Total revenues	57,414	533,878	591,292
EXPENDITURES			
Current			
Culture and recreation	4,811	-	4,811
Capital outlay	23,590	135,093	158,683
Total expenditures	28,401	135,093	163,494
NET CHANGE IN FUND BALANCES	29,013	398,785	427,798
FUND BALANCE, JANUARY 1	525,624	1,363,831	1,889,455
FUND BALANCE, DECEMBER 31	$ 554,637	$ 1,762,616	$ 2,317,253

(See independent auditor's report.)

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
REVENUES		
Gifts	$ -	$ 47,370
Investment income	-	10,044
Total revenues	-	57,414
EXPENDITURES		
Current		
Culture and recreation	50,000	4,811
Capital outlay	-	23,590
Total expenditures	50,000	28,401
NET CHANGE IN FUND BALANCE	$ (50,000)	29,013
FUND BALANCE, JANUARY 1		525,624
FUND BALANCE, DECEMBER 31		$ 554,637

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
REVENUES		
Property taxes	$ 507,870	$ 499,284
Investment income	22,195	34,594
Total revenues	530,065	533,878
EXPENDITURES		
Capital outlay	403,000	135,093
Total expenditures	403,000	135,093
NET CHANGES IN FUND BALANCE	$ 127,065	398,785
FUND BALANCE, JANUARY 1		1,363,831
FUND BALANCE, DECEMBER 31		$ 1,762,616

(See independent auditor's report.)

SUPPLEMENTAL DATA

MOUNT PROSPECT PUBLIC LIBRARY
MOUNT PROSPECT, ILLINOIS

COMBINED SCHEDULE OF CASH AND INVESTMENTS
ALL FUNDS

December 31, 2019

		Deposits			Investments		
Fund	**Cash on Hand**	**JPMorgan Chase Demand**	**JPMorgan Chase Savings**	**Fifth Third Bank Demand**	**Illinois Funds**	**Certificate of Deposit**	**Total**
General	$ 1,837	$ 21,939	$ 445,529	$ -	$ 7,524,628	$ -	$ 7,993,933
Special Revenue							
Gift	-	-	-	347,712	-	206,925	554,637
Debt Service	-	-	-	-	757,287	-	757,287
Capital Projects							
Building and equipment	-	-	-	55,917	1,705,607	-	1,761,524
TOTAL	$ 1,837	$ 21,939	$ 445,529	$ 403,629	$ 9,987,522	$ 206,925	$ 11,067,381

(See independent auditor's report.)