

MOUNT PROSPECT PUBLIC LIBRARY  
MOUNT PROSPECT, ILLINOIS  

---

ANNUAL FINANCIAL REPORT



Mount Prospect  
Public Library

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2022

10 S Emerson Street  
Mount Prospect, IL 60056  
Phone: 847.590.3225  
<https://mopl.org>

# MOUNT PROSPECT PUBLIC LIBRARY

## TABLE OF CONTENTS

---

---

### PAGE

#### INTRODUCTORY SECTION

List of Principal Officials	<a href="#">1</a>
-----------------------------	-------------------

#### FINANCIAL SECTION

<b>INDEPENDENT AUDITORS' REPORT</b>	<a href="#">4</a>
-------------------------------------	-------------------

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<a href="#">8</a>
---	-------------------

#### **BASIC FINANCIAL STATEMENTS**

Government-Wide Financial Statements	
Statement of Net Position	<a href="#">18</a>
Statement of Activities	<a href="#">20</a>
Fund Financial Statements	
Balance Sheet	<a href="#">22</a>
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position	<a href="#">24</a>
Statement of Revenues, Expenditures and Changes in Fund Balances	<a href="#">26</a>
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	<a href="#">28</a>
Notes to the Financial Statements	<a href="#">29</a>

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	<a href="#">52</a>
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund	<a href="#">53</a>
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Benefits Plan	<a href="#">55</a>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund	<a href="#">56</a>

#### **OTHER SUPPLEMENTARY INFORMATION**

Schedule of Expenditures - Budget and Actual - General Fund	<a href="#">59</a>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Debt Service Fund	<a href="#">61</a>
Capital Projects Restricted - Capital Projects Fund	<a href="#">62</a>
Gift - Special Revenue Fund	<a href="#">63</a>

## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Library including:

- List of Principal Officials

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

**Principal Officials  
December 31, 2022**

---

---

**LIBRARY BOARD OF TRUSTEES**

Michael Duebner, President

Marie Bass, Vice President

Brian Gilligan, Treasurer

Kristine O'Sullivan, Secretary

Sylvia Fulk

Rosemary Groenwald

Sylvia Haas

**EXECUTIVE DIRECTOR**

Susan A. Reynders

## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

June 12, 2023

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mount Prospect Public Library, Illinois, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mount Prospect Public Library, Illinois, as of December 31, 2022, 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.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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



Mount Prospect Public Library, Illinois  
June 12, 2023

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mount Prospect Public Library, Illinois' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**Management's Discussion and Analysis**  
**December 31, 2022**

---

---

Our discussion and analysis of the Mount Prospect Public Library's financial performance provides an overview of the Library's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the Library's financial statements.

**FINANCIAL HIGHLIGHTS**

- The Library's net position increased from \$22,735,714 beginning balance, to \$26,314,142, an increase of \$3,578,428 or 15.7 percent.
- During the year, government-wide revenues totaled \$12,227,353, while government-wide expenses totaled \$8,648,925, resulting in an increase to net position of \$3,578,428.
- Total fund balances for the governmental funds were \$14,002,213 at December 31, 2022 compared to a prior year restated balance of \$12,711,435, an increase of \$1,290,778 or 10.2 percent.

**USING THIS ANNUAL REPORT**

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

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

**Government-Wide Financial Statements**

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

The Statement of Net Position reports information on all of the Library's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Library's property tax base, is needed to assess the overall health of the Library.

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

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

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

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

**Management's Discussion and Analysis  
December 31, 2022**

---

---

**USING THIS ANNUAL REPORT - Continued**

**Government-Wide Financial Statements - Continued**

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library only maintains governmental funds.

**Governmental Funds**

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

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

The Library maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Working Cash Fund, the Debt Service Fund, and the Capital Projects Restricted Fund, which are considered a major funds. Data from the other governmental fund, the Gift Fund, is presented as a nonmajor fund.

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

**Notes to the Financial Statements**

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

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's I.M.R.F. employee pension obligations and the progress in funding its obligation to required employee retirement plans and retiree benefit plans, as well as budgetary comparison schedules for the General Fund and the Working Cash Fund.

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

**Management's Discussion and Analysis**  
**December 31, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The following table shows that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by \$26,314,142.

	Net Position	
	2022	2021
Current and Other Assets	\$ 28,820,838	25,959,625
Capital Assets	12,412,518	12,989,267
Total Assets	41,233,356	38,948,892
Deferred Outflows	933,889	1,167,026
Total Assets/Deferred Outflows	42,167,245	40,115,918
Long-Term Debt	433,094	546,590
Other Liabilities	351,235	1,959,887
Total Liabilities	784,329	2,506,477
Deferred Inflows	15,068,774	14,873,727
Total Liabilities/Deferred Inflows	15,853,103	17,380,204
Net Position		
Net Investment in Capital Assets	12,412,518	11,439,267
Restricted	8,654,525	7,632,038
Unrestricted	5,247,099	3,664,409
Total Net Position	26,314,142	22,735,714

A large portion of the Library's net position (\$12,412,518 or 47.2 percent) reflects its investment in capital assets (for example, land, permanent art, construction in progress, buildings and improvements, equipment, and books), less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion or \$8,654,525 (32.9 percent) of the Library's net position represents resources that are subject to external restrictions on how they may be used, including \$572,901 restricted for specific donor purposes, \$2,116,046 restricted for working cash, \$732,807 restricted for debt service, and \$5,232,771 restricted for capital projects.

The remaining \$5,247,099 (19.9 percent) represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

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

**Management's Discussion and Analysis  
December 31, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

	Change in Net Position	
	2022	2021
Revenues		
Program Revenues		
Charges for Services	\$ 37,350	22,631
Operating Grants/Contributions	105,580	80,796
General Revenues		
Property Taxes	11,715,852	11,436,462
Intergovernmental - Unrestricted		
Personal Property Replacement Taxes	187,918	92,704
Miscellaneous	32,830	22,526
Interest	147,823	6,668
Total Revenues	<u>12,227,353</u>	<u>11,661,787</u>
Expenses		
Culture and Recreation	8,620,058	9,226,461
Interest on Long-Term Debt	28,867	58,775
Total Expenses	<u>8,648,925</u>	<u>9,285,236</u>
Change in Net Position	3,578,428	2,376,551
Net Position - Beginning	<u>22,735,714</u>	<u>20,359,163</u>
Net Position - Ending	<u><u>26,314,142</u></u>	<u><u>22,735,714</u></u>

Net position of the Library's governmental activities increased from a balance \$22,735,714, to \$26,314,142.

Revenues of \$12,227,353 exceeded expenses of \$8,648,925, resulting in the increase to net position in the current year of \$3,578,428.

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

**Management's Discussion and Analysis**  
**December 31, 2022**

---

---

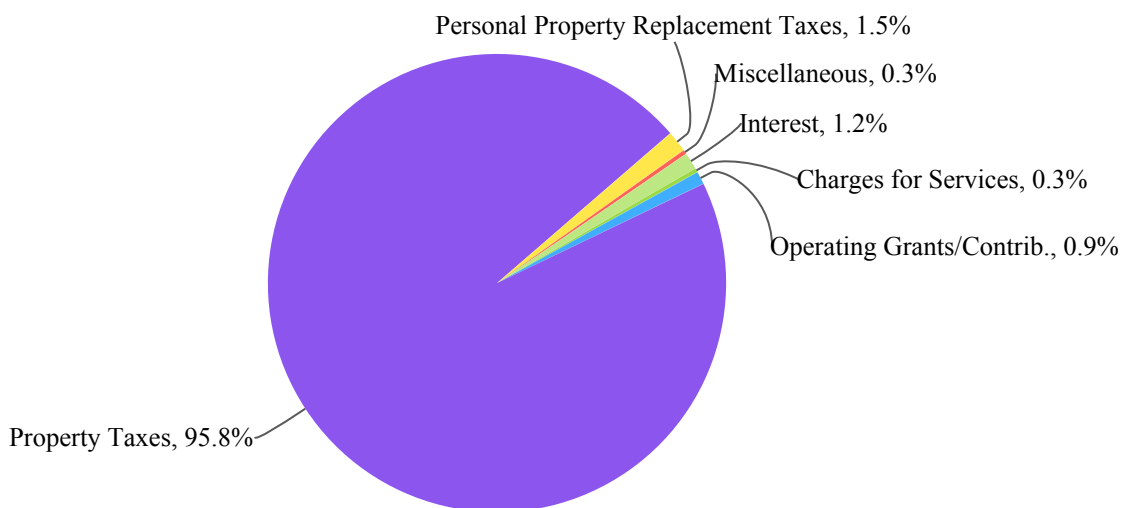
**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

**Governmental Activities**

In the current year, governmental net position increased \$3,578,428, an increase of 15.7 percent. This increase is mainly due to lower expenses in the current fiscal year, related to decreases in the net pension liability/(asset) and related items. Total expenses decreased \$636,311 over the prior year (\$9,285,236 in 2021 compared to \$8,648,925 in 2022).

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

**Revenues by Source - Governmental Activities**



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

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

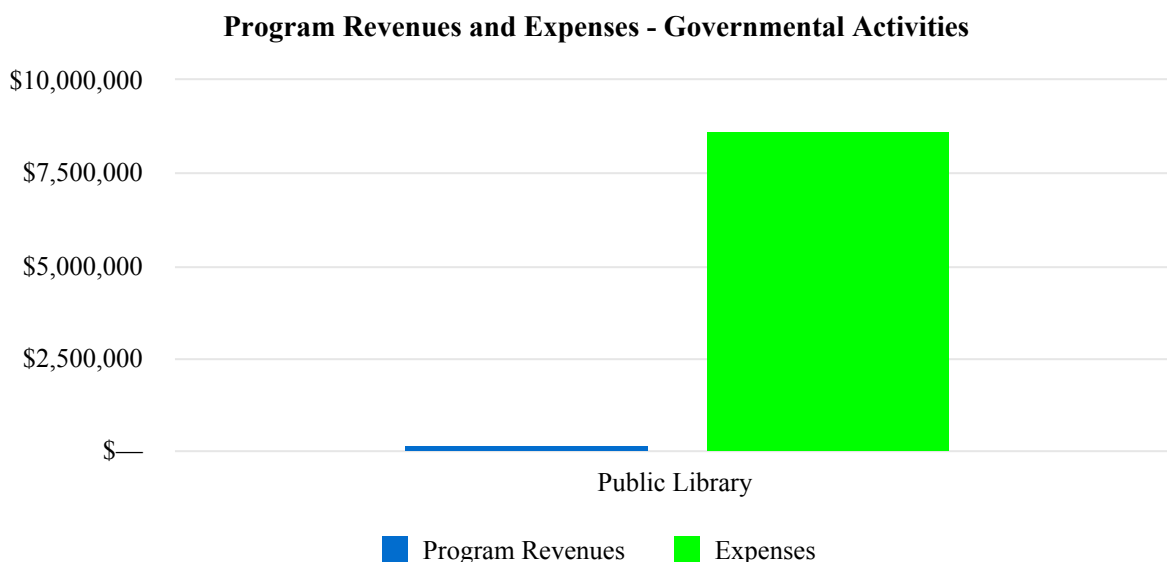
**Management's Discussion and Analysis  
December 31, 2022**

---

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

**Governmental Activities - Continued**



**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$14,002,213 which is 10.2 percent more than last year's fund balance of \$12,711,435.

In the current year, governmental fund balances increased by \$1,290,778. The General Fund reported an increase of \$270,874 (or 5.3 percent) to fund balance due to increases in property and personal property replacement taxes.

The Working Cash Fund reported a decrease of \$96,160 or (4.3) percent) to fund balance due to a year-end transfer out to the General Fund of \$96,160.

The Debt Service Fund reported an increase of \$16,161 (or 2.3 percent) to fund balance due to an increase in interest income.

The Capital Projects Restricted Fund reported an increase of \$1,097,531 (or 26.5 percent) to fund balance primarily due to a year-end transfer in from the General Fund of \$1,200,000 for use on future capital projects.



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

**Management's Discussion and Analysis  
December 31, 2022**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year, there was no supplementary appropriations made to the General Fund.

The General Fund actual revenues were higher than budgeted revenues. Actual revenues for the current year were \$10,555,746, compared to budgeted revenues of \$10,281,159. This resulted primarily from all revenue categories came in higher than budgeted, with the most significant being actual personal property replacement taxes of \$187,918 exceeding budgeted revenues by \$135,918.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$9,181,032, while budgeted expenditures totaled \$9,705,724. This was due primarily to substantial savings realized versus the budgeted expenditures in the areas of salaries, social security, medical and life, insurance, along with smaller savings on other budget line items, such as contract services and printing.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Library's investment in capital assets for its governmental activities as of December 31, 2022 was \$12,412,518 (net of accumulated depreciation). This investment in capital assets includes land, permanent art, construction in progress, buildings and improvements, equipment, and books.

	<u>Capital Assets - Net of Depreciation</u>	
	<u>2022</u>	<u>2021</u>
Land	\$ 677,552	677,552
Permanent Art	329,212	329,212
Construction in Progress	—	90,838
Buildings and Improvements	10,286,320	10,760,914
Equipment	372,787	345,217
Books	746,647	785,534
	<u>12,412,518</u>	<u>12,989,267</u>

This year's additions to capital assets included:

Equipment	\$ 56,058
Books	<u>321,896</u>
	<u>377,954</u>

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

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

**Management's Discussion and Analysis  
December 31, 2022**

---

---

**CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued**

**Debt Administration**

At year-end, the Library no outstanding debt as compared to \$1,550,000 the previous year, a decrease of 100.0 percent. The following is a comparative statement of outstanding debt:

	<u>Long-Term Debt Outstanding</u>	
	<u>2022</u>	<u>2021</u>
Intergovernmental Payable	<u>\$ —</u>	<u>1,550,000</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The equalized assess valuation (EAV) for the Library for fiscal year 2022 is \$1,846,400,810. This represents a decrease in EAV of \$144,942,172 from prior year's EAV.

**REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

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

- Government-Wide Financial Statements
- Fund Financial Statements

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

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

**Statement of Net Position  
December 31, 2022**

---

---

**See Following Page**

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

**Statement of Net Position**  
**December 31, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 11,659,271
Receivables - Net of Allowances	13,199,623
Prepays	1,399
Total Current Assets	<u>24,860,293</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	1,006,764
Depreciable Capital Assets	25,696,393
Accumulated Depreciation	<u>(14,290,639)</u>
Total Capital Assets	12,412,518
Other Assets	
Net Pension Asset - IMRF	<u>3,960,545</u>
Total Noncurrent Assets	<u>16,373,063</u>
Total Assets	<u>41,233,356</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	843,885
Deferred Items - RBP	90,004
Total Deferred Outflows of Resources	<u>933,889</u>
Total Assets and Deferred Outflows of Resources	<u>42,167,245</u>

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

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 89,824
Accrued Payroll	231,256
Current Portion of Long-Term Debt	<u>30,155</u>
Total Current Liabilities	<u>351,235</u>
Noncurrent Liabilities	
Compensated Absences	120,619
Total OPEB Liability - RBP	<u>312,475</u>
Total Noncurrent Liabilities	<u>433,094</u>
Total Liabilities	<u>784,329</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	10,537,000
Deferred Items - IMRF	4,324,255
Deferred Items - RBP	<u>207,519</u>
Total Deferred Inflows of Resources	<u>15,068,774</u>
Total Liabilities and Deferred Inflows of Resources	<u>15,853,103</u>
<b>NET POSITION</b>	
Investment in Capital Assets	12,412,518
Restricted	
Specific Donor Purposes	572,901
Working Cash	2,116,046
Debt Service	732,807
Capital Projects	5,232,771
Unrestricted	<u>5,247,099</u>
Total Net Position	<u>26,314,142</u>

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

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

**Statement of Activities**

**For the Fiscal Year Ended December 31, 2022**

	Expenses	Program Revenues			Net
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Expenses) Revenues and Changes in Net Position
Functions/Programs					
Culture and Recreation	\$ 8,620,058	37,350	105,580	—	(8,477,128)
Interest on Long-Term Debt	28,867	—	—	—	(28,867)
<b>Total Governmental Activities</b>	<b>8,648,925</b>	<b>37,350</b>	<b>105,580</b>	<b>—</b>	<b>(8,505,995)</b>
		General Revenues			
		Taxes			
		Property Taxes			11,715,852
		Intergovernmental - Unrestricted			
		Personal Property Replacement Taxes			187,918
		Miscellaneous			32,830
		Interest			147,823
					<u>12,084,423</u>
		Change in Net Position			3,578,428
		Net Position - Beginning			<u>22,735,714</u>
		Net Position - Ending			<u>26,314,142</u>

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

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

**Balance Sheet - Governmental Funds  
December 31, 2022**

---

---

**See Following Page**



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

**Balance Sheet - Governmental Funds**  
**December 31, 2022**

	General	Special Revenue Working Cash
<b>ASSETS</b>		
Cash and Investments	\$ 7,275,803	—
Receivables - Net of Allowances		
Taxes	12,815,281	—
Other	28,929	—
Due from Other Funds	—	—
Advances to Other Funds	—	2,116,046
Prepays	1,399	—
	<hr/>	<hr/>
Total Assets	<u>20,121,412</u>	<u>2,116,046</u>
<b>LIABILITIES</b>		
Accounts Payable	89,824	—
Accrued Payroll	231,256	—
Due from Other Funds	1,799,598	—
Advances from Other Funds	2,116,046	—
Total Liabilities	<hr/> 4,236,724	<hr/> —
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	10,537,000	—
Total Liabilities and Deferred Inflows of Resources	<hr/> 14,773,724	<hr/> —
<b>FUND BALANCES</b>		
Nonspendable	1,399	—
Restricted	—	2,116,046
Unassigned	5,346,289	—
Total Fund Balances	<hr/> 5,347,688	<hr/> 2,116,046
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<hr/> <u>20,121,412</u>	<hr/> <u>2,116,046</u>

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

Debt Service	Capital Projects Capital Projects Restricted	Nonmajor Gift	Totals
377,394	4,006,074	—	11,659,271
355,413	—	—	13,170,694
—	—	—	28,929
—	1,226,697	572,901	1,799,598
—	—	—	2,116,046
—	—	—	1,399
732,807	5,232,771	572,901	28,775,937
—	—	—	89,824
—	—	—	231,256
—	—	—	1,799,598
—	—	—	2,116,046
—	—	—	4,236,724
—	—	—	10,537,000
—	—	—	14,773,724
—	—	—	1,399
732,807	5,232,771	572,901	8,654,525
—	—	—	5,346,289
732,807	5,232,771	572,901	14,002,213
732,807	5,232,771	572,901	28,775,937

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

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

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

**December 31, 2022**

---

---

<b>Total Fund Balances</b>	\$ 14,002,213
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	12,412,518
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	3,960,545
Deferred outflows of resources related to the pension not reported in the funds. Deferred Items - IMRF	(3,480,370)
Deferred Items - RBP	(117,515)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable	(150,774)
Total OPEB Liability - RBP	<u>(312,475)</u>
<b>Net Position of Governmental Activities</b>	<u><u>26,314,142</u></u>

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

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

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended December 31, 2022**

---

---

**See Following Page**

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

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
**For the Fiscal Year Ended December 31, 2022**

	General	Special Revenue Working Cash
Revenues		
Taxes	\$ 10,138,074	—
Intergovernmental	187,918	—
Charges for Services	37,350	—
Program Reimbursements	24,600	—
Grants and Donations	105,580	—
Interest	62,224	—
Miscellaneous	—	—
Total Revenues	10,555,746	—
Expenditures		
Culture and Recreation	9,181,032	—
Capital Outlay	—	—
Debt Service		
Principal Retirement	—	—
Interest and Fiscal Charges	—	—
Total Expenditures	9,181,032	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,374,714	—
Other Financing Sources (Uses)		
Transfers In	96,160	—
Transfers Out	(1,200,000)	(96,160)
	(1,103,840)	(96,160)
Net Change in Fund Balance	270,874	(96,160)
Fund Balances - Beginning	5,076,814	2,212,206
Fund Balances - Ending	5,347,688	2,116,046

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

Debt Service	Capital Projects Capital Projects Restricted	Nonmajor Gift	Totals
1,577,778	—	—	11,715,852
—	—	—	187,918
—	—	—	37,350
—	—	—	24,600
—	—	1,675	107,255
19,833	65,673	93	147,823
—	—	6,555	6,555
<u>1,597,611</u>	<u>65,673</u>	<u>8,323</u>	<u>12,227,353</u>
—	—	—	9,181,032
—	168,142	5,951	174,093
1,550,000	—	—	1,550,000
31,450	—	—	31,450
<u>1,581,450</u>	<u>168,142</u>	<u>5,951</u>	<u>10,936,575</u>
16,161	(102,469)	2,372	1,290,778
—	1,200,000	—	1,296,160
—	—	—	(1,296,160)
—	1,200,000	—	—
16,161	1,097,531	2,372	1,290,778
716,646	4,135,240	570,529	12,711,435
<u>732,807</u>	<u>5,232,771</u>	<u>572,901</u>	<u>14,002,213</u>

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

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

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the  
Governmental Funds to the Statement of Activities - Governmental Activities**  
**For the Fiscal Year Ended December 31, 2022**

---



---

**Net Change in Fund Balances** \$ 1,290,778

Amounts reported in the Statement of Activities  
are different because:

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

Capital Outlays	377,954
Depreciation Expense	(954,703)
Disposal of Capital Assets - Cost	(425,652)
Disposal of Capital Assets - Accumulated Depreciation	425,652

An addition to a net pension asset is not considered to be an increase in a  
financial asset in the governmental funds.

Change in Net Pension Asset - IMRF	2,803,371
------------------------------------	-----------

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

Change in Deferred Items - IMRF	(1,483,992)
Change in Deferred Items - RBP	(119,192)

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

Change in Compensated Absences Payable	(9,335)
Change in Total OPEB Liability - RBP	120,964
Retirement of Debt	1,550,000
Change in Accrued Interest Payable	2,583

**Changes in Net Position** 3,578,428

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**REPORTING ENTITY**

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

**BASIS OF PRESENTATION**

**Basic Financial Statements**

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

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

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



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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**BASIS OF PRESENTATION - Continued**

**Fund Financial Statements**

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

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

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

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

**Governmental Funds**

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

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

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

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

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

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

**Measurement Focus**

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

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

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

**Basis of Accounting**

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

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

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

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

**Cash and Investments**

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

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Library's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

**Interfund Receivables, Payables and Activity**

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

**Receivables**

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

**Prepays**

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

**Capital Assets**

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

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

**Capital Assets - Continued**

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

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

**Deferred Outflows/Inflows of Resources**

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

**Compensated Absences**

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

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of

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

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

**Net Position**

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

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

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

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

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

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, there were no supplementary appropriations made.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN AN INDIVIDUAL FUND**

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Gift	\$ 876

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

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

Permitted Deposits and Investments - Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

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

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

*Deposits.* At year-end, the carrying amount of the Library's deposits totaled \$4,450,253 and the bank balances totaled \$4,479,922. Additionally, at year-end the Library has \$7,209,018 invested in the Illinois Funds.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, rates of return and simplicity of management. The Library limits its exposure to interest rate risk by investing solely in an AAA rated external investment pool - Illinois Funds. The Library's investment policy does not address the maturity length of investments. The average maturity of the Illinois Funds is less than one year.

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

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

For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library's investment policy does not address custodial credit risk for investments. At year-end, the Library's investments in the Illinois Funds are not subject to custodial credit risk.

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

**Notes to the Financial Statements  
December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**DEPOSITS AND INVESTMENTS - Continued**

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

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

**PROPERTY TAXES**

Property taxes for 2022 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 2% of the tax levy, to reflect actual collection experience.

**INTERFUND BALANCES**

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Capital Projects	General	\$ 1,226,697
Gift	General	<u>572,901</u>
		<u><u>1,799,598</u></u>

**INTERFUND ADVANCES**

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
Working Cash	General	<u><u>\$ 2,116,046</u></u>

Interfund advances represent payments of tax increment financing expenditures on behalf of these funds. These amounts will be paid over several years.

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

**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**Interfund Transfers**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Working Cash	\$ 96,160 (1)
Capital Projects Restricted	General	<u>1,200,000 (2)</u>
		<u><u>1,296,160</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) to move unrestricted revenues collected in the General Fund to finance various programs or capital projects accounted for in other funds in accordance with budgetary authorizations.

**CAPITAL ASSETS**

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 677,552	—	—	677,552
Permanent Art	329,212	—	—	329,212
Construction in Progress	90,838	—	90,838	—
	<u>1,097,602</u>	<u>—</u>	<u>90,838</u>	<u>1,006,764</u>
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	18,966,098	—	—	18,966,098
Equipment	1,603,114	146,896	—	1,750,010
Books	5,084,041	321,896	425,652	4,980,285
	<u>25,653,253</u>	<u>468,792</u>	<u>425,652</u>	<u>25,696,393</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	8,205,184	474,594	—	8,679,778
Equipment	1,257,897	119,326	—	1,377,223
Books	4,298,507	360,783	425,652	4,233,638
	<u>13,761,588</u>	<u>954,703</u>	<u>425,652</u>	<u>14,290,639</u>
Total Net Depreciable Capital Assets	<u>11,891,665</u>	<u>(485,911)</u>	<u>—</u>	<u>11,405,754</u>
Total Net Capital Assets	<u><u>12,989,267</u></u>	<u><u>(485,911)</u></u>	<u><u>90,838</u></u>	<u><u>12,412,518</u></u>

Depreciation expense of \$954,703 was charged to the culture and recreation function.



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

**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT**

**Intergovernmental Payable**

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

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

**Long-Term Liability Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 141,439	18,670	9,335	150,774	30,155
Total OPEB Liability - RBP	433,439	—	120,964	312,475	—
Intergovernmental Payable	1,550,000	—	1,550,000	—	—
	<u>967,704</u>	<u>18,670</u>	<u>4,483,670</u>	<u>(3,497,296)</u>	<u>30,155</u>

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

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

**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**NET POSITION/FUND BALANCES**

**Net Position Classifications**

Net investment in capital assets was comprised of the following as of December 31, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ <u>12,412,518</u>
Less Capital Related Debt:	
None	<u>—</u>
Net Investment in Capital Assets	<u>12,412,518</u>

**Fund Balance Classifications**

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

	General	Special Revenue Working Cash	Debt Service	Capital Projects Capital Projects Restricted	Nonmajor Gift	Totals
Fund Balances						
Nonspendable						
Prepays	\$ 1,399	—	—	—	—	1,399
Restricted						
Specific Donor Purposes	—	—	—	—	572,901	572,901
Working Cash	—	2,116,046	—	—	—	2,116,046
Debt Service	—	—	732,807	—	—	732,807
Capital Projects	—	—	—	5,232,771	—	5,232,771
	—	2,116,046	732,807	5,232,771	572,901	8,654,525
Unassigned	5,346,289	—	—	—	—	5,346,289
Total Fund Balances	<u>5,347,688</u>	<u>2,116,046</u>	<u>732,807</u>	<u>5,232,771</u>	<u>572,901</u>	<u>14,002,213</u>

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**NET POSITION/FUND BALANCES - Continued**

**Fund Balance Classifications - Continued**

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

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

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

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

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Library's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

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

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

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 4 - OTHER INFORMATION**

**RISK MANAGEMENT**

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

**Public Entity Risk Pool**

The Library participates in LIRA (Libraries of Illinois Risk Agency), a public entity risk pool with the transfer of risk. The Library is responsible for an annual premium payment and the pool is responsible for administering the program. If funds are insufficient in the judgment of the pool, the pool may assess the members' additional equal payments. The Library's policy is to record any related expenditures in the year in which they are notified of any additional assessments. The Library is not aware of any additional assessments owed as of December 31, 2022.

**CONTINGENT LIABILITIES**

**Litigation**

The Library is not a defendant in any lawsuits.

**Grants**

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

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN**

**Illinois Municipal Retirement Fund (IMRF)**

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

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions**

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

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

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

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

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

*Plan Membership.* As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Active Plan Members

92

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

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

*Contributions.* As set by statute, the Library's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2022, the Library's contribution was 8.11% of covered payroll.

*Net Pension (Asset).* The Library's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

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

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

**Notes to the Financial Statements  
December 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

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

*Actuarial Assumptions - Continued.*

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	(0.60 %)
Domestic Equities	39.00%	1.90 %
International Equities	15.00%	3.15 %
Real Estate	10.00%	3.30 %
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90 %)

**Discount Rate**

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

**Discount Rate Sensitivity**

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

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

**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Discount Rate Sensitivity - Continued**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (436,824)	(3,960,545)	(6,742,668)

**Changes in the Net Pension (Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 30,632,857	31,790,031	(1,157,174)
Changes for the Year:			
Service Cost	440,445	—	440,445
Interest	2,127,066	—	2,127,066
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	512,526	—	512,526
Changes of Assumptions	—	—	—
Contributions - Employer	—	529,910	(529,910)
Contributions - Employees	—	234,460	(234,460)
Net Investment Income	—	5,098,888	(5,098,888)
Benefit Payments, Including Refunds of Employee Contributions	(1,515,206)	(1,515,206)	—
Other (Net Transfer)	—	20,150	(20,150)
Net Changes	1,564,831	4,368,202	(2,803,371)
Balances at December 31, 2021	32,197,688	36,158,233	(3,960,545)



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

**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

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

For the year ended December 31, 2022, the Library recognized pension revenue of \$919,760. At December 31, 2022, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 438,963	(257,135)	181,828
Change in Assumptions	—	(90,593)	(90,593)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(3,976,527)	(3,976,527)
Total Expense to be Recognized in Future Periods	438,963	(4,324,255)	(3,885,292)
Contributions Subsequent to the Measurement Date	404,922	—	404,922
Total Deferred Amounts Related to IMRF	843,885	(4,324,255)	(3,480,370)

\$404,922 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (886,741)
2024	(1,510,925)
2025	(902,652)
2026	(584,974)
2027	—
Thereafter	—
Total	(3,885,292)

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

**Notes to the Financial Statements**  
**December 31, 2022**

---

---

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

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

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

All health care benefits are provided through the Village's health insurance plans. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

*Plan Membership.* As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	6
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>73</u>
Total	<u><u>79</u></u>

**Total OPEB Liability**

The Library's total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

**Notes to the Financial Statements  
December 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Total OPEB Liability - Continued**

*Actuarial Assumptions and Other Inputs - Continued.*

Inflation	2.50%
Salary Increases	3.25%
Discount Rate	4.31%
Healthcare Cost Trend Rates	7.50% for Initial Rate, to an ultimate rate of 4.50% for 2029 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal Bond 20 year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2022.

Mortality rates were based on SOA Pub-2010 General Headcount weighted mortality table fully generational using Scale MP-2021.

**Change in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at December 31, 2021	<u>\$ 433,439</u>
Changes for the Year:	
Service Cost	16,311
Interest	9,967
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(44,041)
Changes of Assumptions or Other Inputs	(89,620)
Benefit Payments	(13,581)
Net Changes	<u>(120,964)</u>
Balance at December 31, 2022	<u><u>312,475</u></u>

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

**Notes to the Financial Statements**  
**December 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 4.31%, while the prior valuation used 2.25%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

		Current Discount (4.31%)	1% Increase (5.31%)
	1% Decrease (3.31%)		
Total OPEB Liability	\$ 353,901	312,475	278,109

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

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

		Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
	1% Decrease (Varies)		
Total OPEB Liability	\$ 274,554	312,475	358,705

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

For the year ended December 31, 2022, the Library recognized OPEB expense of \$11,809. At December 31, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 14,435	(95,647)	(81,212)
Changes in Assumption	75,569	(111,872)	(36,303)
Net Difference Between Projected and Actual Earnings	—	—	—
	<u>90,004</u>	<u>(207,519)</u>	<u>(117,515)</u>

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

**Notes to the Financial Statements  
December 31, 2022**

---

---

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

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

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

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (14,469)
2024	(14,469)
2025	(14,469)
2026	(14,471)
2027	(11,530)
Thereafter	<u>(48,107)</u>
Total	<u><u>(117,515)</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule of Employer Contributions  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability  
Retiree Benefit Plan
- Budgetary Comparison Schedule  
General Fund

Notes to the Required Supplementary Information

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

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

**Illinois Municipal Retirement Fund**  
**Schedule of Employer Contributions**  
**December 31, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 534,295	\$ 534,295	\$ —	\$ 4,558,757	11.72%
2016	513,659	513,659	—	4,565,327	11.25%
2017	504,203	504,203	—	4,689,085	10.75%
2018	415,174	415,174	—	4,734,025	8.77%
2019	409,253	429,079	19,826	4,666,508	9.19%
2020	532,211	532,211	—	4,764,648	11.17%
2021	547,775	547,775	—	5,015,507	10.92%
2022	399,619	399,619	—	4,926,234	8.11%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

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

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

**Illinois Municipal Retirement Fund**  
**Schedule of Changes in the Employer's Net Pension Liability/(Asset)**  
**December 31, 2022**

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

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

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2014 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014 and 2017.



12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
486,558	475,262	486,696	454,235	475,211	501,086	440,445
1,759,539	1,828,118	1,904,396	1,941,043	1,761,075	2,209,612	2,127,066
—	—	—	—	—	—	—
(323,247)	(203,273)	153,391	817,682	358,566	(600,757)	512,526
30,369	(62,478)	(815,413)	811,445	—	(211,657)	—
(968,339)	(1,030,313)	(1,152,721)	(1,295,701)	(1,410,154)	(1,480,075)	(1,515,206)
984,880	1,007,316	576,349	2,728,704	1,184,698	418,209	1,564,831
23,732,701	24,717,581	25,724,897	26,301,246	29,029,950	30,214,648	30,632,857
24,717,581	25,724,897	26,301,246	29,029,950	30,214,648	30,632,857	32,197,688
500,591	545,883	521,727	546,194	429,079	532,211	529,910
196,569	200,327	205,971	296,684	224,938	219,609	234,460
108,412	1,487,622	3,964,763	(1,405,312)	4,417,997	4,081,242	5,098,888
(968,339)	(1,030,313)	(1,152,721)	(1,295,701)	(1,410,154)	(1,480,075)	(1,515,206)
(93,759)	108,481	(363,206)	529,079	134,996	(80,328)	20,150
(256,526)	1,312,000	3,176,534	(1,329,056)	3,796,856	3,272,659	4,368,202
21,817,564	21,561,038	22,873,038	26,049,572	24,720,516	28,517,372	31,790,031
21,561,038	22,873,038	26,049,572	24,720,516	28,517,372	31,790,031	36,158,233
3,156,543	2,851,859	251,674	4,309,434	1,697,276	(1,157,174)	(3,960,545)
87.23%	88.91%	99.04%	85.16%	94.38%	103.78%	112.30%
4,333,255	4,451,657	4,558,757	4,820,568	4,666,508	4,764,648	4,780,581
72.84%	64.06%	5.52%	89.40%	36.37%	(24.29%)	(82.85%)

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

**Retiree Benefits Plan**

**Schedule of Changes in the Employer's Total OPEB Liability**

**December 31, 2022**

	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Total OPEB Liability					
Service Cost	\$ 12,939	10,430	12,867	17,005	16,311
Interest	13,783	15,528	13,172	9,948	9,967
Changes in Benefit Terms	—	—	—	—	—
Differences Between Expected and Actual Experience	32,480	(19,673)	(28,893)	(33,823)	(89,620)
Change of Assumptions or Other Inputs	(58,951)	40,020	80,004	(7,727)	(44,041)
Benefit Payments	(19,961)	(21,284)	(23,667)	(8,371)	(13,581)
Net Change in Total OPEB Liability	(19,710)	25,021	53,483	(22,968)	(120,964)
Total OPEB Liability - Beginning	397,613	377,903	402,924	456,407	433,439
Total OPEB Liability - Ending	377,903	402,924	456,407	433,439	312,475
Covered-Employee Payroll	\$ 4,376,748	4,734,025	4,499,730	4,645,971	4,206,807
Total OPEB Liability as a Percentage of Covered-Employee Payroll	8.63%	8.51%	10.14%	9.33%	7.43%

Notes:

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

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

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2018 through 2022.

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

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 10,130,663	10,130,663	10,138,074
Intergovernmental			
Personal Property Replacement Taxes	52,000	52,000	187,918
Charges for Services			
Fines, Forfeitures and Penalties	15,600	15,600	16,733
Copier Income	—	—	20,617
Program Reimbursements	—	—	24,600
Grants and Donations			
State and Other Grants	79,896	79,896	105,580
Interest	3,000	3,000	62,224
Total Revenues	<u>10,281,159</u>	<u>10,281,159</u>	<u>10,555,746</u>
Expenditures			
Culture and Recreation			
Administration	8,056,893	8,056,893	7,625,939
Building	622,999	622,999	566,597
Books and Library Materials	1,025,832	1,025,832	988,496
Total Expenditures	<u>9,705,724</u>	<u>9,705,724</u>	<u>9,181,032</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>575,435</u>	<u>575,435</u>	<u>1,374,714</u>
Other Financing Sources (Uses)			
Transfers In	—	—	96,160
Transfers Out	—	—	(1,200,000)
	<u>—</u>	<u>—</u>	<u>(1,103,840)</u>
Net Change in Fund Balance	<u>575,435</u>	<u>575,435</u>	270,874
Fund Balance - Beginning			<u>5,076,814</u>
Fund Balance - Ending			<u>5,347,688</u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such schedules include:

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

## **INDIVIDUAL FUND DESCRIPTIONS**

---

### **GENERAL FUND**

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

---

### **SPECIAL REVENUE FUNDS**

#### **Working Cash Fund**

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

#### **Gift Fund**

The Gift Fund is used to account for donations received.

---

### **DEBT SERVICE FUND**

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

---

### **CAPITAL PROJECTS FUND**

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

#### **Capital Projects Restricted Fund**

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

---

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

**General Fund**

**Scheduling of Expenditures - Budget and Actual**  
**For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Culture and Recreation</b>			
<b>Administration</b>			
Salaries	\$ 5,740,000	5,740,000	5,468,833
Illinois Municipal Retirement	425,000	425,000	399,619
Social Security	425,000	425,000	394,291
Insurance - Medical/Life	802,500	802,500	735,162
Unemployment Compensation	23,000	23,000	21,554
Audits	5,200	5,200	5,200
Legal Fees	10,000	10,000	2,388
Printing	81,100	81,100	63,413
Marketing	35,370	35,370	25,043
Resources	16,639	16,639	5,245
Dues and Memberships Fees	20,235	20,235	11,575
Board Training and Development	—	—	50
Human Resources	130,175	130,175	110,765
Other Operating Expenditures	105,325	105,325	56,281
Telecommunications	35,950	35,950	35,966
Insurance	1,500	1,500	101,046
Office Supplies	31,848	31,848	18,791
Library Supplies	20,450	20,450	12,030
Postage	25,100	25,100	19,825
Contract Services	55,244	55,244	38,567
Software	64,757	64,757	100,045
IT Services	2,500	2,500	250
	<u>8,056,893</u>	<u>8,056,893</u>	<u>7,625,939</u>
<b>Building</b>			
Building Maintenance	181,592	181,592	167,951
Equipment Maintenance	133,757	133,757	118,983
Janitorial Supplies	65,800	65,800	61,789
Equipment	192,350	192,350	148,336
Utilities	49,500	49,500	69,538
	<u>622,999</u>	<u>622,999</u>	<u>566,597</u>

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

**General Fund**  
**Scheduling of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Culture and Recreation - Continued			
Books and Library Materials			
Adult Books	\$ 208,685	208,685	186,836
Adult Audio	67,400	67,400	56,378
Youth Books	145,000	145,000	133,389
Youth Audio	32,900	32,900	36,069
Subscriptions	18,500	18,500	20,477
Electronic Resources	178,475	178,475	185,814
Digital Medial	204,620	204,620	189,492
E-Learning	43,437	43,437	38,939
Library of Things	29,250	29,250	26,792
Microform	900	900	620
Processing Supplies	25,350	25,350	22,605
Programs	71,315	71,315	57,039
Miscellaneous Programs	—	—	34,046
	<u>1,025,832</u>	<u>1,025,832</u>	<u>988,496</u>
 Total Expenditures	 <u>9,705,724</u>	 <u>9,705,724</u>	 <u>9,181,032</u>

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

**Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,581,000	1,581,000	1,577,778
Interest	450	450	19,833
Total Revenues	<u>1,581,450</u>	<u>1,581,450</u>	<u>1,597,611</u>
Expenditures			
Debt Service			
Principal Retirement	1,550,000	1,550,000	1,550,000
Interest and Fiscal Charges	31,450	31,450	31,450
Total Expenditures	<u>1,581,450</u>	<u>1,581,450</u>	<u>1,581,450</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>	16,161
Fund Balance - Beginning			<u>716,646</u>
Fund Balance - Ending			<u><u>732,807</u></u>



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

**Capital Projects Restricted - Capital Projects Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Interest	\$ —	—	65,673
Miscellaneous	775	775	—
Total Revenues	775	775	65,673
Expenditures			
Capital Outlay	560,976	560,976	168,142
Excess (Deficiency) of Revenues Over (Under) Expenditures	(560,201)	(560,201)	(102,469)
Other Financing Sources			
Transfers In	400,000	400,000	1,200,000
Net Change in Fund Balance	(160,201)	(160,201)	1,097,531
Fund Balance - Beginning			4,135,240
Fund Balance - Ending			5,232,771

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

**Gift - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Grants and Donations			
Gifts	\$ —	—	1,675
Interest	325	325	93
Miscellaneous	5,000	5,000	6,555
Total Revenues	<u>5,325</u>	<u>5,325</u>	<u>8,323</u>
Expenditures			
Capital Outlay	<u>5,075</u>	<u>5,075</u>	<u>5,951</u>
Net Change in Fund Balance	<u>250</u>	<u>250</u>	2,372
Fund Balance - Beginning			<u>570,529</u>
Fund Balance - Ending			<u><u>572,901</u></u>