

**River Forest Public Library
(Located within the State of Illinois)**

Annual Financial Report

Year Ended April 30, 2021

(with Independent Auditor's Report thereon)

**River Forest Public Library
Financial Statements
For the Year Ended April 30, 2021**

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**River Forest Public Library
Financial Statements
For the Year Ended April 30, 2021**

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Independent Auditor's Report

To the Board of Trustees of
River Forest Public Library
River Forest, IL

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the River Forest Public Library (the "Library"), as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the River Forest Public Library, as of April 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Tighe Kress & Orr, PC

Tighe, Kress, & Orr, P.C.
Elgin, Illinois
November 11, 2021

**River Forest Public Library
Management's Discussion and Analysis
For the Year Ended April 30, 2021**



The River Forest Public Library (the “Library”) Management’s Discussion and Analysis is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Library’s financial activity, (3) identify changes in the Library’s financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget) and (5) identify individual fund issues or concerns.

The Management’s Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A (see tables 1 and 2 on pages 6 and 7).

Since the MD&A is designed to focus on the current year’s activities, resulting changes and currently known facts, please read it in conjunction with the Library’s financial statements (beginning on page 9).

Financial Highlights

- This year the total revenues were \$1,395,116 while the total expenses were \$1,321,973. Last year, the total revenues were \$1,440,732 while the total expenses were \$1,423,351. Excess of total revenues over total expenditures for fiscal year ending April 30, 2021, as reflected in *Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds* on page 14, was \$73,143. Excess of operating revenues over operating expenditures available to be transferred from the General Fund to the Capital Fund, as reflected in the *Budgetary Highlights - Fund Financial Statements* on page 7, was \$161,274.
- The Library’s combined net position increased by \$73,143 to \$4,179,091. Total investment in capital assets was \$2,860,443. Capital improvements this year included tuck pointing the front entrance and near the garden planters, replacement of the air compressor, addition of two self check-out machines, and computer replacements.
- The Library’s long-term liabilities increased by \$21,070 this year. Net pension liability changed from \$138,467 at April 30, 2020 to a \$93,143 net pension asset at April 30, 2021. More information on net pension liabilities and assets and GASB 68 reporting may be found in Note 8 - Defined Benefit Pension Plan on pages 23-27, in the Schedule of Employer Contributions on page 32, and in the Schedule of Proportionate Share of Net Pension Liability on Disclosures on page 33.
- Property taxes levied and recognized as revenue for 2021 and 2020 were \$1,316,084 and \$1,282,564, respectively, an increase of 2.61%.
- The Library continues to have the ability to devote resources toward maintaining and improving its facilities, equipment, and collections. In 2021 and 2020, \$133,274 and \$525,362 was spent on capital outlays, and \$65,000 and \$91,048 was spent on materials collections for the Library, respectively.

**River Forest Public Library
Management's Discussion and Analysis
For the Year Ended April 30, 2021**

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Library's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. The Library also includes in this report additional information to supplement the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are prepared using the full accrual basis of accounting and are designed to provide readers with a broad overview of the Library's finances, in a manner similar to private sector businesses.

The Library's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Library's overall status.

The first of these government-wide statements is the *Statement of Net Position*. This is the Library-wide statement of net position presenting information that includes all of the Library's assets, deferred outflows, liabilities, and deferred inflows with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the Library would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the Library's infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* that reports how the Library's net position changed during the current fiscal year. An important purpose of the design of the statement of activities is to show the financial reliance of the Library's distinct activities or functions on revenues provided by the Library's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Library that are principally supported by taxes, library fines and fees, and intergovernmental revenues, such as grants. The Library does not have any funds that would be considered business-type activities. The government-wide financial statements are presented on pages 9-10 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Library uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Library's most significant funds rather than the Library as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Library's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

**River Forest Public Library
Management's Discussion and Analysis
For the Year Ended April 30, 2021**

Fund Financial Statements (continued)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-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 assist in understanding the differences between these two perspectives.

Budgetary comparison schedules for the General Fund and the Capital Improvement Fund can be found in a later section of this report. These schedules demonstrate compliance with the Library's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 11-14 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information includes the computation of the Library's IMRF Pension Disclosures. Required supplementary information can be found on pages 31-37 of this report.

Supplementary Information

Supplementary information provides more detail to the financial statements. Budget to actual schedule or expenditures for the major fund and budget to actual schedules or revenue and expenditures are presented on pages 38 and 39.

Financial Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by \$4,179,091 for the year ended April 30, 2021. A portion of the Library's net position reflects its net investment in capital assets of \$2,860,443. The Library uses these capital assets to provide services, and consequently these assets are not available to pay liabilities or for other spending. The unrestricted net position increased \$159,089 to a balance of \$1,318,648 at April 30, 2021, which is available to fund future obligations.

**River Forest Public Library
Management's Discussion and Analysis
For the Year Ended April 30, 2021**

Government-wide Financial Analysis (continued)

**Table 1
Statement of Net Position
Fiscal Years Ended April 30**

	2021	2020
Assets:		
Current assets	\$ 2,151,934	\$ 1,998,765
Non-current assets	2,953,586	2,951,460
Total Assets	5,105,520	4,950,225
Deferred Outflows	198,912	102,975
Total Assets and Deferred Outflows	\$ 5,304,432	\$ 5,053,200
Liabilities:		
Due in less than one year	\$ 59,395	\$ 44,318
Due in more than one year	176,467	155,397
Total Liabilities	235,862	199,715
Deferred Inflows	889,479	742,466
Total Liabilities and Deferred Inflows	\$ 1,125,341	\$ 942,181
Net Position		
Net Investment in Capital Assets	\$ 2,860,443	\$ 2,951,460
Restricted Net Position	-	-
Unrestricted Net Position	1,318,648	1,159,559
Total Net Position	\$ 4,179,091	\$ 4,111,019

**River Forest Public Library
Management's Discussion and Analysis
For the Year Ended April 30, 2021**

Government-wide Financial Analysis (continued)

**Table 2
Changes in Net Position
For the Fiscal Year Ended April 30**

	2021	2020
Revenues:		
General Revenues		
Property Taxes	\$ 1,316,084	\$ 1,282,564
Replacement Taxes	9,821	16,353
Investment Income	10,169	22,874
Other Income	6,319	7,175
Charges for Services	1,250	8,580
Grants and Contributions	51,473	103,186
Total Revenues	1,395,116	1,440,732
Functions/Programs		
Governmental Activities		
Library Services	1,321,973	1,423,351
Total Functions/Programs	1,321,973	1,423,351
Changes in Net Position	73,143	17,381
Total Net Position, Beginning of Year	4,111,019	4,093,638
Prior Period Adjustments	(5,071)	-
Total Net Position, Beginning of Year, Restated	4,105,948	4,093,638
Total Net Position, End of Year	\$ 4,179,091	\$ 4,111,019

Budgetary Highlights – Fund Financial Statements

The General Fund on page 31 is reported as a major fund and accounts for the operations of the Library. Revenues in the General Fund were \$1,384,514, which was \$8,486 under budget. Expenditures were \$1,182,240, which was \$169,760 under budget. A budgeted transfer of \$41,000 was made to the Capital Improvement Fund and the remaining excess of revenues over expenditures for the year was \$161,274.

The Library began to reserve money in a Capital Improvement Fund in 2014 to save for future capital needs. Per Board resolution, a minimum of 2.5% of projected annual tax receipts will be budgeted for transfer to the Capital Improvement Fund from the General Fund on an annual basis. In March 2021, \$41,000 of FY 2020-21 tax receipts was moved to the Capital Improvement Fund. The amount transferred was equal to the budget.

**River Forest Public Library
Management's Discussion and Analysis
For the Year Ended April 30, 2021**

Budgetary Highlights – Fund Financial Statements (continued)

In addition, any excess operating funds from the prior year may also be transferred to the Capital Improvement Fund at the discretion of the Board. Excess revenues over expenditures of \$99,650 from FY 2019-20 were transferred by Board authority to the Capital Improvement Fund during FY 2020-21.

The net budget variance in the General Fund for the fiscal year ending April 30, 2021 was a favorable \$61,624 after the transfer of \$140,650 total to the Capital Improvement Fund.

Capital Assets/Debt Service

The Library's investment in capital assets, net of depreciation, as of April 30, 2021 amounts to \$2,860,443. The investment in capital assets includes land, buildings, leasehold improvements, and library materials. Capital assets decreased in 2021 by \$91,017.

The library has no long-term debt on which to report at this time.

Additional information on the capital assets can be found in the Note 4 - Capital Assets to financial statements on page 22.

Description of Current or Expected Conditions

In March 2020, Governor J.B. Pritzker enacted a Stay-At-Home order (through May 30, 2020) due to the developing COVID-19 pandemic. The pandemic and Stay-At-Home order will significantly, negatively impact the national, regional, and local economies. There were delays in property tax payments because of deadline extensions, resulting in the collection of property tax funding in May 2021 which would have normally arrived in FY 2020-21. There has been significant volatility in the investment markets both nationally and internationally since April 30, 2021. Revenues, investments, and expenses will be closely monitored and adjustments will be made as current circumstances continue to evolve.

Despite the pandemic, the Library's financial position remains stable. 94% of the Library's revenues are derived from property tax revenue, which in River Forest, is exceedingly stable. The 2020 property tax levy included a 2.3% increase in the Consumer Price Index (CPI). Economic development in the Village of River Forest is projected to have a positive impact on the ability of the Village to strengthen the overall property value in River Forest and add new value to the property tax base.

Requests for Information

This financial report is designed to provide a general overview of the Library's finances, comply with finance related laws and regulations, and demonstrate the Library's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact:

Emily Compton-Dzak, Director
River Forest Public Library
735 Lathrop Ave
River Forest, Illinois 60305
708-366-5205

Basic Financial Statements

River Forest Public Library
Statement of Net Position
April 30, 2021

Assets and Deferred Outflow of Resources	<u>Governmental Activities</u>
Current Assets:	
Cash and cash equivalents	\$ 1,370,303
Receivables	
Property taxes	752,495
Other receivables	5,151
Prepaid expenses	23,985
Total Current Assets	<u>2,151,934</u>
Non-Current Assets:	
Capital assets (net of accumulated depreciation)	2,860,443
Net pension assets	93,143
Total Non-Current Assets	<u>2,953,586</u>
Total Assets	<u>5,105,520</u>
Deferred Outflows of Resources	
Pension items - IMRF	48,550
Other postemployment benefits	150,362
Total Deferred Outflow of Resources	<u>198,912</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 5,304,432</u>
 Liabilities and Deferred Inflow of Resources	
Current Liabilities:	
Accounts payable	\$ 4,218
Accrued payroll	39,298
Compensated absences	15,879
Total Current Liabilities	<u>59,395</u>
Non-Current Liabilities:	
Other postemployment benefit liability	176,467
Total Non-Current Liabilities	<u>176,467</u>
Total Liabilities	<u>235,862</u>
Deferred Inflow of Resources	
Deferred revenue - property taxes	676,572
Pension items - IMRF	212,907
Total Deferred Inflows of Resources	<u>889,479</u>
Total Liabilities and Deferred Inflow of Resources	<u>\$ 1,125,341</u>
Net Position:	
Net investment in capital assets	\$ 2,860,443
Unrestricted	1,318,648
Total Net Position	<u>\$ 4,179,091</u>

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

River Forest Public Library
Statement of Activities
For the Year Ended
April 30, 2021

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities					
Library services	\$ 1,321,973	\$ 1,250	\$ 41,473	\$ 10,000	\$ (1,269,250)
Total Governmental Activities	\$ 1,321,973	\$ 1,250	\$ 41,473	\$ 10,000	\$ (1,269,250)
General Revenues:					
Property taxes					1,316,084
Replacement taxes					9,821
Investment income					10,169
Miscellaneous					6,319
Total General Revenues					1,342,393
Change in Net Position					73,143
Net Position-Beginning of Year					4,111,019
Prior Period Adjustments					(5,071)
Net Position-Beginning of Year, Restated					4,105,948
Net Position-End of Year				\$	4,179,091

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

River Forest Public Library
Balance Sheets - Governmental Funds
April 30, 2021

	General	Capital Improvement	Total Government Funds
Assets			
Cash and cash equivalents	\$ 1,157,568	\$ 212,735	\$ 1,370,303
Receivables			
Property taxes	752,495	-	752,495
Other receivables	5,151	-	5,151
Prepaid expenses	23,985	-	23,985
Total Assets	\$ 1,939,199	\$ 212,735	\$ 2,151,934
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 4,218	\$ -	\$ 4,218
Accrued payroll	39,298	-	39,298
Total Liabilities	43,516	-	43,516
Deferred Inflow of Resources:			
Deferred property taxes	676,572	-	676,572
Total Liabilities and Deferred Inflows of Resources	720,088	-	720,088
Fund Balances:			
Nonspendable	23,985	-	23,985
Assigned			
Capital Projects	-	212,735	212,735
Unassigned (deficit)	1,195,126	-	1,195,126
Total Fund Balances	1,219,111	212,735	1,431,846
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 1,939,199	\$ 212,735	\$ 2,151,934

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

River Forest Public Library
Reconciliation of Governmental Fund Balance to the
Governmental Activities in the Statement of Net Position
For the Year Ended
April 30, 2021

Total Governmental Fund Balance	\$	1,431,846
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Amounts reported in governmental activities in the Statement of Net Position are different because:

Capital assets at historical cost, net accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds statement		2,860,443
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Net pension asset for the Illinois Municipal Retirement Fund is shown as an asset on the statement of net position		93,143
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Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources on the statement of net position		48,550
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Differences between expected and actual experiences, and assumption changes for postemployment benefits are recognized as deferred outflows of resources on the statement of net position		150,362
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Other postemployment benefits liability is shown as a liability on the statement of net position		(176,467)
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Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources on the statement of net position		(212,907)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds Compensated absences payable		(15,879)
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Net Position	\$	4,179,091
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The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

River Forest Public Library
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Activities
For the Year Ended
April 30, 2021

	<u>General</u>	<u>Capital Improvement</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ 1,316,084	\$ -	\$ 1,316,084
Replacement taxes	9,821	-	9,821
Grants	41,456	10,000	51,456
Fines and fees	1,250	-	1,250
Donations	17	-	17
Investment	9,567	602	10,169
Other	6,319	-	6,319
Total Revenues	<u>1,384,514</u>	<u>10,602</u>	<u>1,395,116</u>
Expenditures			
Current			
Library services	1,182,240	-	1,182,240
Capital outlay	-	90,415	90,415
Total Expenditures	<u>1,182,240</u>	<u>90,415</u>	<u>1,272,655</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>202,274</u>	<u>(79,813)</u>	<u>122,461</u>
Other Financing Sources (Uses):			
Transfers in	-	140,650	140,650
Transfers out	(140,650)	-	(140,650)
Total Other Financing Sources (Uses)	<u>(140,650)</u>	<u>140,650</u>	<u>-</u>
Net Change in Fund Balances	61,624	60,837	122,461
Fund Balances-Beginning	1,162,558	151,898	1,314,456
Prior Period Adjustments	(5,071)	-	(5,071)
Fund Balances-Beginning, Restated	<u>1,157,487</u>	<u>151,898</u>	<u>1,309,385</u>
Fund Balances-Ending	<u>\$ 1,219,111</u>	<u>\$ 212,735</u>	<u>\$ 1,431,846</u>

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

River Forest Public Library
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2021

Net Change in Governmental Fund Balance	\$	122,461
Amounts reported for governmental activities in the Statement of Activities are different because:		
The purchase of capital assets, are shown as an expenditure in governmental funds but are capitalized and depreciated over their useful life on the Statement of Activities		155,416
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds		(246,433)
The change in compensated absences is shown as an expenditure on the Statement of Activities		2,932
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the Statement of Activities		231,610
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the Statement of Activities		(166,738)
GASB 75 employer contributions are not recorded on governmental fund statements		(26,105)
Change in Net Position of Governmental Activities	\$	73,143

The Accompanying Notes to the Financial Statements are an Integral Part of These Statements

River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021

Note 1 – Statement of Significant Accounting Policies

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

Reporting Entity

The Library is a library corporation governed by an elected Board of Trustees. As required by GAAP, these financial statements present the Library and any existing component units.

The River Forest Public Library Foundation

The Library has determined that the River Forest Public Library Foundation (the Foundation) meets the requirements of GASB Statement No. 39, *Whether Certain Organizations Are Component Units an amendment of GASB Statements No. 14 and No. 61, The Financial Reporting Entity – Omnibus*. The Foundation, at its discretion, may fund grants requested by the Library. However, the Foundation is not significant to the Library and, therefore, is not included in this report.

The Oak Park River Forest Community Foundation

The Oak Park River Forest Community Foundation holds assets on behalf of the Library as an endowment for the Library. The Library does not have access to the assets and only receives annual distributions of investment income from the endowment. Since the Library does not have access to or the ability to spend the endowment, those assets have not been recorded as library assets.

Fund Accounting

The accounts of the Library are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021

Note 1 – Statement of Significant Accounting Policies (continued)

Fund Accounting (continued)

The Library's expendable resources are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The Library reports two governmental funds, the General Fund, which is used to account for all of the Library's general activities and the Capital Improvement Fund, which is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Library. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

The Library reports the following major governmental funds:

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library.

The Capital Improvement Fund is used to account for and report financial resources that are assigned for capital improvements at the Library.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021

Note 1 – Statement of Significant Accounting Policies (continued)

Basis of Accounting (continued)

The modified accrual basis of accounting is followed by the governmental funds on the financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library considers property taxes and other revenues as available if they are collected within 60 days after year end in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes and investment income. Fine revenue is not susceptible to accrual because generally it is not measurable until received in cash.

The Library reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet the availability criteria for recognition in the current period, under the modified accrual basis of accounting.

Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Library before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the liability and deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

Cash and Investments

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

**River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021**

Note 1 – Statement of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include land, buildings, and equipment are reported in the governmental activities' column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15-50
Machinery and equipment	3-7
Library materials	5

Compensated Absences

Library employees earn vacation at a rate of 5/6 equivalent days per pay period. Employees may accumulate up to 20 equivalent days at a time. Vested or accumulated vacation and compensatory time, including related Social Security and Medicare, that is owed retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation and compensatory time of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to active employees. The Library allows accumulation of sick leave hours, but these may only be applied towards retirement and are not paid out at termination, thus no liability has been recorded for sick leave.

Deferred Outflow/Inflows of Resources

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

River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021

Note 1 – Statement of Significant Accounting Policies (continued)

Fund Balance/Net Position

Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Library Board of Trustees, which is considered the Library's highest level of decision-making authority. Formal actions include resolutions approved by the Library Board of Trustees.

Assigned fund balance represent amounts constrained by the Library's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Library Director or Director's designee through the approved fund balance policy of the Library. Additionally, the Library has established a minimum fund balance policy which states a minimum of three months operating expense is maintained in the Operating Fund. Any expenditure that would bring the Operating Fund below this threshold must be approved by Board of Trustees resolution and accompanied by a written plan to return the Operating Fund to the appropriate level of reserves. Any residual fund balance of the General Fund and any deficits in other funds, if any, are reported as unassigned.

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

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. At April 30, 2021, no net position was the result of enabling legislation adopted by the Library. Net investment in capital assets represents the Library's investment in the book value of capital assets less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position that does not meet the definition of restricted or net investments in capital assets.

Use of Estimates

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

**River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021**

Note 2 – Deposits and Investments

Deposits with Financial Institutions

The Library categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Deposits and investments are governed by the Library’s investment policy.

Investments

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 objectives of the policy are legality, safety (preservation of capital and protection of investment principal), liquidity, yield and simplicity of management.

The Illinois Compiled Statutes (ILCS) and the Library’s investment policy permit investments in commercial banks and savings and loan institutions (if a member of FDIC or NCUA), certificates of deposit, securities guaranteed by the United States Government, money market mutual funds registered under the Investment Company Act of 1940 and any other investments allowed under state law that satisfy the investment objectives of the Library.

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

As of April 30, 2021, the Library had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
Negotiable certificates	\$ 320,470	\$ 63,862	\$ 256,608	\$ -	\$ -
Total	\$ 320,470	\$ 63,862	\$ 256,608	\$ -	\$ -

River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021

Note 2 – Deposits and Investments

Investments (continued)

In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a seven-month period. Investment maturities should not exceed five years.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government and The Illinois Funds. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. The Library's investments are not exposed to custodial credit and the Library's investment policy is silent in regard to custodial credit risk. In order to address concentration of credit risk, the Library's investment policy requires diversification to the best of its ability based on the type of funds invested and the cash flow needs of those funds.

Note 3 – Property Taxes

Property taxes for the 2020 levy year attach as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued and are payable in two installments, on or about March 1st and August 1st. The County collects such taxes and remits them periodically. The Library recognizes property tax revenues when they become both measurable and available in the fiscal year that the tax levy is intended to finance. The 2021 tax levy, which attached as an enforceable lien on property as of January 1, 2021, has not been recorded as a receivable as of April 30, 2021, as the tax has not yet been levied by the Village and will not be levied until December 2021 and, therefore, the levy is not measurable at April 30, 2021.

River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021

Note 4 – Capital Assets

Capital asset activity for the year ended April 30, 2021 was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 42,858	\$ -	\$ (42,858)	\$ -
Total capital assets not being depreciated	<u>42,858</u>	<u>-</u>	<u>(42,858)</u>	<u>-</u>
Capital assets being depreciated				
Building and improvements	4,685,711	80,964	-	4,766,675
Machinery and equipment	524,880	52,310	-	577,190
Library materials	1,312,638	65,000	(255,034)	1,122,604
Total capital assets being depreciated	<u>6,523,229</u>	<u>198,274</u>	<u>(255,034)</u>	<u>6,466,469</u>
Less accumulated depreciation for				
Building and improvements	2,095,279	100,346	-	2,195,625
Machinery and equipment	412,608	51,434	-	464,042
Library materials	1,106,740	94,653	(255,034)	946,359
Total accumulated depreciation	<u>3,614,627</u>	<u>246,433</u>	<u>(255,034)</u>	<u>3,606,026</u>
Total capital assets being depreciated, net	<u>2,908,602</u>	<u>(48,159)</u>	<u>-</u>	<u>2,860,443</u>
Governmental Activities				
Capital assets, net	\$ <u>2,951,460</u>	\$ <u>(48,159)</u>	\$ <u>(42,858)</u>	\$ <u>2,860,443</u>

Depreciation expense was charged to functions of the primary government as follows: \$246,433.

Note 5 – Risk Management

The Library is exposed to various risks of loss including, but not limited to, employee health, general liability, property casualty, workers' compensation and public officials' liability. To limit exposure to these risks, the Library participates in the Libraries of Illinois Risk Agency (LIRA), a public entity risk pool with the transfer of risk. The Library is liable for up to \$10,000 per occurrence deductible for each claim with LIRA liable for the remainder up to certain limits. 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 April 30, 2021. The Library also pays premiums to a third-party insurance carrier for employee medical insurance. Settled claims have not exceeded insurance coverages in the fiscal year or prior two fiscal years.

**River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021**

Note 6 – Long-term Debt

The following is a summary of changes in long-term liabilities for the fiscal year:

	Beginning Balances	Additions	Retirements	Ending Balances	Current Positions
IMRF net pension liability \$	138,467	\$ -	\$ (138,467)	\$ -	\$ -
Other postemployment benefit liability	-	176,467	-	176,467	-
Total long-term liabilities \$	<u>138,467</u>	<u>\$ 176,467</u>	<u>\$ (138,467)</u>	<u>\$ 176,467</u>	<u>\$ -</u>

Note 7 – Interfund Transactions

Transfers between funds during the year (none of which will be repaid) were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 140,650
Capital Improvement Fund	140,650	-
Total all Funds	<u>\$ 140,650</u>	<u>\$ 140,650</u>

The purposes of significant interfund transfers are as follows:

- \$41,000 transferred from the General Fund to the Capital Improvement Fund exceeds the minimum of 2.5% of projected annual tax receipts to be transferred on an annual basis per board resolution.
- \$99,650 transferred from the General Fund to the Capital Improvement Fund represents the excess revenue over expenditures from the prior year.

Note 8 – Defined Benefit Pension Plan

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

Illinois Municipal Retirement Fund

Plan Administration

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

River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021

Note 8 – Defined Benefit Pension Plan (continued)

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 provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village and Library are required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal years ended April 30, 2020 and 2021 was 8.53% and 11.17%, respectively, of covered payroll. For the year ended April 30, 2021, salaries totaling \$506,550 were paid that required employer contributions of \$55,804, which was equal to the Library's actual contributions.

Net Pension Liability / Asset

At April 30, 2021, the Library reported an asset of \$93,143 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on the Library's actual contribution to the plan for the year ended December 31, 2020 relative to the contributions of the Village, actuarially determined. At April 30, 2021, the Library's proportion was 14.18% of the total contribution.

**River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021**

Note 8 – Defined Benefit Pension Plan (continued)

Actuarial Assumptions

The Library's net pension liability was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions:

- The *Actuarial valuation date* was December 31, 2020
- The *Actuarial cost method* was Entry Age Normal
- The *Asset Valuation Method* used was Market Value of Assets
- The *Inflation Rate* was assumed to be 2.25%
- *Salary Increases* were expected to be 2.85% to 13.75%
- The *Investment Rate of Return* was assumed to be 7.25%
- The *Retirement Age* is based on Experience-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- *Mortality* - 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.
- There were no benefit changes during the year.

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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Fixed Income	28.00%	1.30%
Real Estate	9.00%	6.20%
Alternative Investments	7.00%	2.85%-6.95%
Cash and Cash Equivalents	1.00%	0.70%

**River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021**

Note 8 – Defined Benefit Pension Plan (continued)

Single Discount Rate

The Single Discount Rate (SDR) used to measure the total pension liability at December 31, 2020 was 7.25%. The projection of cash flows used to determine the SDR assumed that the employee contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Net Pension Asset	\$ 672,618	\$ (93,143)	\$ (695,028)

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

For the year ended April 30, 2021, the Library recognized pension expense of \$3,450. At April 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 25,527	\$ 2,406
Changes of assumptions	4,184	18,510
Net difference between projected and actual earnings on pension plan investments	-	191,991
Contributions made after the measurement date	18,839	-
Total	<u>\$ 48,550</u>	<u>\$ 212,907</u>

**River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021**

Note 8 – Defined Benefit Pension Plan (continued)

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

The contributions of \$18,839 were made after the plan’s measurement date and will be recognized in pension expense for the fiscal year ending April 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2021	\$ (45,140)
2022	(30,217)
2023	(75,897)
2024	(31,962)
2025	-
Thereafter	-
Total	<u>\$ (183,216)</u>

Note 9 – Other Postemployment Benefits

Plan Description

In addition to providing the pension benefits described, the Library provides other postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Library and can be amended by the Library through its personnel manual.

Benefits Provided

The Library provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under the Library’s retirement plan or meet COBRA requirements.

All health care benefits are provided through the Library’s health insurance plan. 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; dental care; and prescriptions. Eligibility in library sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

**River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021**

Note 9 – Other Postemployment Benefits (continued)

Benefits Provided (continued)

Employee membership data related to the Plan, as of April 30, 2021, was as follows:

	OPEB
Total Active Employees	6
Inactive Employees Currently Receiving Benefit Payments	1
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Surviving spouses	1
Total	8

Total OPEB Liability

The Library’s Net OPEB Liability was measured as of April 30, 2021. The Total OPEB Liability used to calculate the net liability was determined by actuarial valuation as of that date.

Discount Rate

Per GASB 75, the discount rate is a yield or rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The liabilities valued as of April 30, 2021 are discounted at a rate of 2.12%

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

The following table shows the Plan’s Net OPEB Liability using the current single discount rate of 2.12%. The following table illustrates the sensitivity of the Net OPEB Liability to the discount rate assumptions:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Employer's Net OPEB Liability/(Asset)	\$ 199,393	\$ 176,467	\$ 157,507

Below is a table illustrating the sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rates assumption:

	1% Decrease 6.25% Decreasing to 3.5%	Current Trend Rates 7.25% Decreasing to 4.5%	1% Increase 8.25% Decreasing to 5.5%
Employer's Net OPEB Liability/(Asset)	\$ 156,407	\$ 176,467	\$ 200,888

River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021

Note 9 – Other Postemployment Benefits (continued)

Changes in Total OPEB Liability

	Total OPEB Liability (a)	OPEB Plan Net Position (b)	Net OPEB Liability/(Asset) (a)-(b)
Balances Beginning at 5/1/2020	\$ 13,017	\$ -	\$ 13,017
Charges for the year:			
Service Cost	1,010	-	1,010
Interest	286	-	286
Actual Experience	153,107	-	153,107
Changes in Assumptions	15,458	-	15,458
Contributions - Employer	-	6,411	(6,411)
Contributions - Employee	-	-	-
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments from the Plan	(6,411)	(6,411)	-
Administrative Expense	-	-	-
Net Change in OPEB Plan Net Position	163,450	-	163,450
Balances Ending at 4/30/2021	\$ 176,467	\$ -	\$ 176,467

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 136,662	\$ -
Changes of assumptions	13,700	-
Net difference between projected and actual earnings on postretirement plan investments	-	-
Total deferred to be recognized in future expense	\$ 150,362	\$ -

Note 10 – Prior Period Adjustments

The Library discovered that previously issued financial statements included an error related to grant revenue and an error related to property tax revenue. The error on grant revenue resulted in the overstatement of grant revenue for the fiscal year ending April 30, 2020 by \$13,965 and an overstatement of grants receivables by the same amount. The net position for the beginning of the fiscal year ending April 30, 2021 has been adjusted to correct this error. The correction has no effect on the results of the current year's operations.

**River Forest Public Library
Notes to the Financial Statements
For the Year Ended April 30, 2021**

Note 10 – Prior Period Adjustments (continued)

The error on property tax revenue resulted in the understatement of property tax revenue for the fiscal year ending April 30, 2020 by \$8,894 and an overstatement of property tax revenue for the fiscal year ending April 30, 2021 by the same amount. The net position for the beginning of the fiscal year ending April 30, 2021 has been adjusted to correct this error. The correction has decreased the current year's property tax revenue by \$8,894.

The effect of the prior period adjustments for the fiscal year ending April 30, 2021 are as follows:

Net Position Beginning of Year	Prior Period Adjustments	Net Position Beginning of Year Restated
\$ 4,111,019	\$ (5,071)	\$ 4,105,948

Note 11 – Date of Management's Review

Subsequent events have been evaluated through the date of this report. It was concluded that there are no subsequent events that are required to be disclosed.

Required Supplementary Information

River Forest Public Library
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended April 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ (Negative)</u>
Revenues:				
Taxes				
Property taxes	\$ 1,320,000	\$ 1,320,000	\$ 1,316,084	\$ (3,916)
Replacement taxes	12,000	12,000	9,821	(2,179)
Intergovernmental				
State grants	14,000	14,000	13,965	(35)
Other grants	28,400	28,400	27,491	(909)
Fines and fees	9,000	9,000	1,250	(7,750)
Donations	-	-	17	17
Investment income	9,000	9,000	9,567	567
Other	600	600	6,319	5,719
Total Revenues	<u>1,393,000</u>	<u>1,393,000</u>	<u>1,384,514</u>	<u>(8,486)</u>
Expenditures:				
Library services				
Personnel	913,000	905,500	786,771	118,729
Library materials	187,000	188,000	158,447	29,553
Library operations	114,500	98,000	104,041	(6,041)
Building and maintenance and operations	104,000	113,500	79,672	33,828
Professional services	26,500	37,000	39,472	(2,472)
Capital outlay	7,000	10,000	13,837	(3,837)
Total Expenditures	<u>1,352,000</u>	<u>1,352,000</u>	<u>1,182,240</u>	<u>169,760</u>
Other Financing Sources (Uses):				
Transfers out	<u>(41,000)</u>	<u>(41,000)</u>	<u>(140,650)</u>	<u>99,650</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>61,624</u>	<u>\$ 61,624</u>
Fund balance, May 1, 2020			1,162,558	
Prior Period Adjustments			<u>(5,071)</u>	
Fund balance, May 1, 2020, Restated			1,157,487	
Fund balance, April 30, 2021			<u>\$ 1,219,111</u>	

The Accompanying Notes to the Required Supplementary Information are an Integral Part of These Statements

**River Forest Public Library
Multiyear Schedule of Contributions -
Illinois Municipal Retirement Fund
For the Year Ended April 30, 2021**

Last 10 Fiscal Years
(schedule to be built prospectively from 2016)

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 48,305	\$ 48,305	\$ -	\$ 415,851	11.62%
2017	48,278	48,278	-	425,939	11.33%
2018	54,042	54,042	-	469,275	11.52%
2019	45,885	45,885	-	473,497	9.69%
2020	42,729	42,729	-	501,118	8.53%
2021	55,804	55,804	-	506,550	11.02%

Valuation Date : Actuarially determined contribution rate are calculated as of December 31 each year each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2020 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate Entry Age Normal
<i>Amortization Method:</i>	Level Percentage of Payroll, Closed
<i>Remaining Amortization Period:</i>	Non-Taxing bodies: 10-year rolling period. Taxing bodies: (Regular, SLEP, and ESO group): 23-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25% including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for 2017 valuation pursuant to an experience study of the period 2014-2016.
<i>Mortality:</i>	For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustment to match current IMRF experience. For disabled retirees, IMRF mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
<i>Other Information:</i>	
<i>Notes</i>	There were no benefits changes during the year.

River Forest Public Library
Multiyear Schedule of Employer's Proportionate Share of the Net Pension Liability -
Illinois Municipal Retirement Fund
For the Year Ended April 30, 2021

Last 10 Calendar Years
(schedule to be built prospectively from 2015)

Fiscal year ending December 31,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Employer's proportion of the net pension liability	14.18%	14.41%	14.61%	14.55%	13.73%	14.18%	0.00%	0.00%	0.00%	0.00%
Employer's proportionate share of the net pension liability (asset)	\$ (93,143)	\$ 138,467	\$ 332,223	\$ 40,046	\$ 225,375	\$ 265,099	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 506,550	\$ 501,118	\$ 473,497	\$ 485,120	\$ 425,939	\$ 415,851	\$ -	\$ -	\$ -	\$ -
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-18.39%	27.63%	70.16%	8.25%	52.91%	63.75%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	103.76%	94.34%	84.80%	97.25%	87.85%	87.29%	0.00%	0.00%	0.00%	0.00%

The Accompanying Notes to the Required Supplementary Information are an Integral Part of These Statements

River Forest Public Library
Schedule of Changes in the Net OPEB Liability
For the Year Ended April 30, 2021
Last 10 Fiscal Years
(Schedule to be built prospectively from 2021)

	<u>4/30/2021</u>	<u>4/30/2020</u>	<u>4/30/2019</u>	<u>4/30/2018</u>	<u>4/30/2017</u>	<u>4/30/2016</u>	<u>4/30/2015</u>	<u>4/30/2014</u>	<u>4/30/2013</u>	<u>4/30/2012</u>
Total OPEB Liability										
Service cost	\$ 1,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the total OPEB liability	286	-	-	-	-	-	-	-	-	-
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	153,107	-	-	-	-	-	-	-	-	-
Assumption changes	15,458	-	-	-	-	-	-	-	-	-
Benefit payments and refunds	(6,411)	-	-	-	-	-	-	-	-	-
Net Change in Total OPEB Liability	<u>163,450</u>	<u>-</u>								
Total OPEB Liability - Beginning	<u>13,017</u>	<u>-</u>								
Total OPEB Liability - Ending (a)	<u>\$ 176,467</u>	<u>\$ -</u>								
Plan Fiduciary Net Position										
Employer contributions	\$ 6,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee contributions	-	-	-	-	-	-	-	-	-	-
OPEB plan net investment income	-	-	-	-	-	-	-	-	-	-
Benefit payments and refunds	(6,411)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability/(Asset) - Ending (a) - (b)	<u>176,467</u>	<u>-</u>								

The Accompanying Notes to the Required Supplementary Information are an Integral Part of These Statements

River Forest Public Library
Schedule of Total OPEB Liability and Related Ratio
For the Year Ended April 30, 2021
Last 10 Fiscal Years
(Schedule to be built prospectively from 2021)

	<u>4/30/2021</u>	<u>4/30/2020</u>	<u>4/30/2019</u>	<u>4/30/2018</u>	<u>4/30/2017</u>	<u>4/30/2016</u>	<u>4/30/2015</u>	<u>4/30/2014</u>	<u>4/30/2013</u>	<u>4/30/2012</u>
Total OPEB Liability - Ending (a)	\$ 176,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Plan Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Net OPEB Liability/(Asset) - Ending (a) - (b)	\$ 176,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Plan Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Valuation Payroll	\$ 344,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability as a Percentage of Covered Valuation Payroll	51.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Covered-Employee Payroll shown for the current year is the total covered payroll for the Fiscal Year for all plan Members.

River Forest Public Library
Schedule of Contributions - OPEB
For the Year Ended April 30, 2021
 Last 10 Fiscal Years
 (Schedule to be built prospectively from 2021)

	<u>4/30/2021</u>	<u>4/30/2020</u>	<u>4/30/2019</u>	<u>4/30/2018</u>	<u>4/30/2017</u>	<u>4/30/2016</u>	<u>4/30/2015</u>	<u>4/30/2014</u>	<u>4/30/2013</u>	<u>4/30/2012</u>
Actuarially Determined Contribution	N/A	-	-	-	-	-	-	-	-	-
Contributions in Relation to the Actuarially										
Determine Contribution	-	-	-	-	-	-	-	-	-	-
Contribution Deficiency (excess)	<u>N/A</u>	<u>-</u>								
Covered Valuation Payroll	\$ <u>344,422</u>	\$ _____	\$ _____	\$ <u>-</u>						
Contributions as a Percentage of Covered-Employee Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

The Accompanying Notes to the Required Supplementary Information are an Integral Part of These Statements

River Forest Public Library
Notes to the Required Supplementary Information
For the Year Ended April 30, 2021

Note 1 – Summary of Significant Accounting Policies

Budgetary Process

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General Fund and Capital Projects Fund on the modified accrual basis. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

The Library follows these procedures in establishing the budget data reflected in the required supplementary information.

1. Prior to March 1, the Library Director submits to the Library Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is made available to the public for a minimum of 30 days.
3. Prior to May 1, the budget is presented to the Village Board of Trustees and legally enacted by Village Board of Trustees action. This is the amount reported as original budget.
4. The Library Director is authorized to transfer budgeted amounts up to \$5,000 between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by vote of the Library Board of Trustees and communicated to the Village of River Forest for inclusion in their amended budget.
5. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for the General Fund and the Capital Improvement Fund.
6. State law requires that “expenditures be made in conformity with appropriations/budget.” Under the budget act, transfers between line items, departments, and funds may be made by administrative action. The fund budget reflects all amendment needs.

Note 2 – Multiyear Schedule of Contributions – OPEB

Employer Contributions to the OPEB plan totaled \$6,411 during the year.

Supplementary Information

River Forest Public Library
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended April 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ (Negative)</u>
Library Services				
Personnel				
Staff salaries	\$ 720,000	\$ 712,500	\$ 641,269	\$ 71,231
Health insurance	57,500	57,500	40,421	17,079
Staff development	21,500	21,500	4,030	17,470
FICA	55,000	55,000	45,247	9,753
IMRF	59,000	59,000	55,804	3,196
Total personnel	<u>913,000</u>	<u>905,500</u>	<u>786,771</u>	<u>118,729</u>
Library materials				
Books	76,000	72,000	64,658	7,342
Periodicals - subscriptions	14,000	11,300	3,349	7,951
Audio books and eBooks	91,000	97,700	85,428	12,272
Supplies	6,000	7,000	5,012	1,988
Total library materials	<u>187,000</u>	<u>188,000</u>	<u>158,447</u>	<u>29,553</u>
Library operations				
Automation	45,400	44,400	61,360	(16,960)
Advertisement	3,000	2,500	1,593	907
Interlibrary loan	-	-	386	(386)
Office supplies	6,500	6,500	9,168	(2,668)
Payroll service	3,500	3,500	3,188	312
Printing	5,500	5,500	5,478	22
Programs	46,600	31,600	19,074	12,526
Postage	4,000	4,000	3,794	206
Total library operations	<u>114,500</u>	<u>98,000</u>	<u>104,041</u>	<u>(6,041)</u>
Building maintenance and operations				
Utilities - heating and electricity	24,000	24,000	8,182	15,818
Water and sewer	2,000	2,000	596	1,404
Custodial supplies	3,500	11,000	8,506	2,494
Insurance	14,500	16,500	13,203	3,297
Services	60,000	60,000	49,185	10,815
Total building maintenance and operations	<u>104,000</u>	<u>113,500</u>	<u>79,672</u>	<u>33,828</u>
Professional services				
Legal fees	7,000	17,500	15,381	2,119
Professional fees	12,000	12,000	16,841	(4,841)
Audit	7,500	7,500	7,250	250
Total professional services	<u>26,500</u>	<u>37,000</u>	<u>39,472</u>	<u>(2,472)</u>
Capital Outlay	<u>7,000</u>	<u>10,000</u>	<u>13,837</u>	<u>(3,837)</u>
Total Expenditures	<u>\$ 1,352,000</u>	<u>\$ 1,352,000</u>	<u>\$ 1,182,240</u>	<u>\$ 169,760</u>

River Forest Public Library
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Improvement Fund
For the Year Ended April 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive/ Negative</u>
Revenues:				
Grants	\$ -	\$ 10,000	\$ 10,000	\$ -
Interest income	-	-	602	602
Total Revenues	<u>-</u>	<u>10,000</u>	<u>10,602</u>	<u>602</u>
Expenditures:				
Capital outlay	<u>75,000</u>	<u>106,000</u>	<u>90,415</u>	<u>15,585</u>
Total Expenditures	<u>75,000</u>	<u>106,000</u>	<u>90,415</u>	<u>15,585</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(75,000)</u>	<u>(96,000)</u>	<u>(79,813)</u>	<u>16,187</u>
Other Financing Sources (Uses)				
Transfers in	<u>41,000</u>	<u>41,000</u>	<u>140,650</u>	<u>(99,650)</u>
Total other financing sources (uses)	<u>41,000</u>	<u>41,000</u>	<u>140,650</u>	<u>(99,650)</u>
Net Change in Fund Balance	\$ <u>(34,000)</u>	\$ <u>(55,000)</u>	60,837	\$ <u>(14,983)</u>
Fund Balance, May 1, 2020			<u>151,898</u>	
Fund Balance, April 30, 2021			<u>\$ 212,735</u>	