

**FOX RIVER GROVE PUBLIC
LIBRARY DISTRICT**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021



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Independent Auditor's Report

Board of Trustees
Fox River Grove Public Library District
Fox River Grove, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Fox River Grove Public Library District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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 the modified cash basis of accounting described in Note 1C; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

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

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

In Association With:

MCCLURE INSERRA
& COMPANY CHARTERED
ACCOUNTANTS AND CONSULTANTS



Independent Auditor's Report

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fox River Grove Public Library District, as of June 30, 2021, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1C.

Basis of Accounting

We draw attention to Note 1C of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Fox River Grove Public Library District's basic financial statements. The Management's Discussion and Analysis, Supplementary Information, and Other Information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Management's Discussion and Analysis and Other Information, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

ATA Group, LLP

September 9, 2021

Management's Discussion and Analysis

Management of Fox River Grove Public Library District (District) provides this narrative overview and analysis for the fiscal year ending June 30, 2021. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

Financial Highlights

The net change in fund balances for Fox River Grove Public Library District was an increase of \$3,765 for the 2020-2021 fiscal year.

Required Financial Statements

Fund and government-wide financial statements, combined on pages 6 and 7 of the basic financial statements, are prepared using the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, on a modified cash basis of accounting, in a manner similar to a private-sector business.

The Statement of Net Position – Modified Cash Basis presents information on all the District's assets and liabilities/deferred inflows of resources arising from cash transactions, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities – Modified Cash Basis presents information showing how the District's net position changed during the most recent fiscal year.

Fund financial statements show amounts paid to finance library services. Amounts remaining for future spending are also shown. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's two major funds and the total of all other funds.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities/deferred inflows of resources by \$1,843,764 and \$1,876,060 at the close of the 2021 and 2020 fiscal years, respectively. A large portion of the District's net position reflects its net investment in capital assets. The District uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. For the fiscal years ended June 30, 2021 and 2020, net position increased (decreased) by (\$32,296) and (\$16,384), respectively. A complete comparative analysis is presented as follows:

Management's Discussion and Analysis

Condensed Statement of Net Position - Modified Cash Basis

	June 30,	
	2021	2020
Current Assets	\$ 911,126	\$ 884,844
Capital Assets, net of accumulated depreciation	1,184,358	1,220,419
Total Assets	2,095,484	2,105,263
Current Liabilities	-	146
Deferred Inflows of Resources	251,720	229,057
Total Liabilities and Deferred Inflows of Resources	251,720	229,203
Net Position		
Net Investment in Capital Assets	1,184,358	1,220,419
Restricted	62,417	87,561
Unrestricted	596,989	568,080
Total Net Position	\$ 1,843,764	\$ 1,876,060

Condensed Statement of Changes in Net Position - Modified Cash Basis

	For Years Ended June 30,	
	2021	2020
Revenues		
Property Taxes	\$ 476,083	\$ 467,813
Replacement Taxes	10,222	8,059
Interest Income	2,439	4,327
Grants	8,181	6,886
Fines, Fees and Other	2,817	9,950
Total Revenues	499,742	497,035
Expenses		
Salaries and Benefits	245,360	231,719
Library Materials	8,325	6,671
Administration	110,848	91,643
Contingency	100	2,558
Capital Projects	11,830	31,067
Social Security	18,351	17,372
IMRF	36,356	30,330
Liability Insurance	9,219	6,797
Audit	7,500	4,975
Depreciation	84,149	90,287
Total Expenses	532,038	513,419
Change in Net Position	(32,296)	(16,384)
Net Position, Beginning of Year	1,876,060	1,892,444
Net Position, End of Year	\$ 1,843,764	\$ 1,876,060

Management's Discussion and Analysis

The following is a summary of changes in fund balances for the year ended June 30, 2021:

Governmental Funds	Fund Balance June 30, 2020	Increase (Decrease)	Fund Balance June 30, 2021
General	\$ 521,135	\$ 27,474	\$ 548,609
Special Reserve	81,998	(20,087)	61,911
Social Security	1,669	1,592	3,261
IMRF	42,813	(6,443)	36,370
Liability Insurance	9,293	(1,242)	8,051
Audit	(1,267)	2,471	1,204
	<u>\$ 655,641</u>	<u>\$ 3,765</u>	<u>\$ 659,406</u>

Budgetary Highlights

The District's General Fund expended \$404,297, which was \$263,703 less than the appropriation of \$668,000. The appropriation sets the maximum spending limits for the fiscal year.

Capital Assets and Debt Administration

The following is a summary of capital assets:

	June 30,	
	2021	2020
Land	\$ 200,000	\$ 200,000
Building	855,487	855,487
Building Improvements	533,931	525,507
Computer Equipment	20,530	28,764
Equipment	89,683	89,683
Furniture and Shelving	125,697	125,697
Library Materials	206,925	223,772
	<u>2,032,253</u>	<u>2,048,910</u>
Cost of Capital Assets	2,032,253	2,048,910
Less Accumulated Depreciation	<u>847,895</u>	<u>828,491</u>
Net Capital Assets	<u>\$ 1,184,358</u>	<u>\$ 1,220,419</u>

Significant capital asset additions during the year were library materials and a computer server. Additional information regarding the District's capital assets can be found in Note 4 on page 12.

Description of Current or Expected Conditions

Presently, management is not aware of any significant changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future, except for the possible effects of the COVID-19 pandemic. See Note 10 on page 14.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Library Director, Fox River Grove Public Library District, 407 Lincoln Street, Fox River Grove, Illinois 60021.

Basic Financial Statements

FOX RIVER GROVE PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS

BALANCE SHEET AND STATEMENT OF NET POSITION - MODIFIED CASH BASIS

JUNE 30, 2021

	General Fund	Special Reserve Fund	Other Funds	Total	Adjustments (Note 8)	Statement of Net Position
ASSETS						
Cash and Cash Investments	\$ 764,264	\$ 61,911	\$ 84,951	\$ 911,126	\$ -	\$ 911,126
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	1,184,358	1,184,358
Total Assets	<u>\$ 764,264</u>	<u>\$ 61,911</u>	<u>\$ 84,951</u>	<u>\$ 911,126</u>	<u>1,184,358</u>	<u>2,095,484</u>
LIABILITIES						
Current Liabilities	\$ -	\$ -	\$ -	\$ -	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	215,655	-	36,065	251,720	-	251,720
Total Liabilities and Deferred Inflows of Resources	<u>215,655</u>	<u>-</u>	<u>36,065</u>	<u>251,720</u>	<u>-</u>	<u>251,720</u>
FUND BALANCES / NET ASSETS						
Fund Balances						
Restricted for Statutory Purposes	-	13,531	48,886	62,417	(62,417)	-
Committed for Capital Projects	-	48,380	-	48,380	(48,380)	-
Unassigned	548,609	-	-	548,609	(548,609)	-
Total Fund Balances	<u>548,609</u>	<u>61,911</u>	<u>48,886</u>	<u>659,406</u>	<u>(659,406)</u>	<u>-</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 764,264</u>	<u>\$ 61,911</u>	<u>\$ 84,951</u>	<u>\$ 911,126</u>		
Net Position						
Net Investment in Capital Assets					1,184,358	1,184,358
Restricted					62,417	62,417
Unrestricted					596,989	596,989
Total Net Position					<u>\$ 1,843,764</u>	<u>\$ 1,843,764</u>

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements

FOX RIVER GROVE PUBLIC LIBRARY DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Reserve Fund	Other Funds	Total	Adjustments (Note 8)	Statement of Activities
REVENUES						
Property Taxes	\$ 408,279	\$ -	\$ 67,804	\$ 476,083	\$ -	\$ 476,083
Replacement Taxes	10,222	-	-	10,222	-	10,222
Interest Income	2,272	167	-	2,439	-	2,439
Grants	8,181	-	-	8,181	-	8,181
Fines, Fees and Other	2,817	-	-	2,817	-	2,817
Total Revenues	431,771	167	67,804	499,742	-	499,742
EXPENDITURES / EXPENSES						
Salaries and Benefits	245,360	-	-	245,360	-	245,360
Library Materials	36,208	-	-	36,208	(27,883)	8,325
Administration	122,629	-	-	122,629	(11,781)	110,848
Contingency	100	-	-	100	-	100
Capital Projects	-	20,254	-	20,254	(8,424)	11,830
Social Security	-	-	18,351	18,351	-	18,351
IMRF	-	-	36,356	36,356	-	36,356
Liability Insurance	-	-	9,219	9,219	-	9,219
Audit	-	-	7,500	7,500	-	7,500
Depreciation	-	-	-	-	84,149	84,149
Total Expenditures / Expenses	404,297	20,254	71,426	495,977	36,061	532,038
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,474	(20,087)	(3,622)	3,765	(36,061)	-
OTHER FINANCING SOURCES (USES)						
Operating Transfer In	-	-	-	-	-	-
Operating Transfer Out	-	-	-	-	-	-
Net Change in Fund Balances	27,474	(20,087)	(3,622)	3,765	(3,765)	-
Change in Net Position	-	-	-	-	(32,296)	(32,296)
FUND BALANCES / NET POSITION						
Beginning of Year	521,135	81,998	52,508	655,641	1,220,419	1,876,060
End of Year	\$ 548,609	\$ 61,911	\$ 48,886	\$ 659,406	\$ 1,184,358	\$ 1,843,764

The accompanying notes are an integral part of these financial statements.

Note 1: Summary of Significant Accounting Policies

The financial statements of Fox River Grove Public Library District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units (except for the basis of accounting as described in Note 1C). 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 District's accounting policies are described below.

A. Reporting Entity

The District's reporting entity includes all entities for which the District exercised oversight responsibility as defined by the GASB.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the District has not included in its financial statements the activities of any other entity.

B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them.

The Governmental Funds Balance Sheet and Statement of Net Position – Modified Cash Basis and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities – Modified Cash Basis combine information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the General Fund and Special Reserve Fund. Following is a description of major and non-major funds.

General Fund Type - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Note 1: Summary of Significant Accounting Policies (Continued)

Special Revenue Fund Type - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds of the District are: Social Security, IMRF, Liability Insurance, and Audit.

Capital Projects Fund Type - The Capital Projects Fund is used to account for the acquisition of capital assets or construction of major capital projects. The Special Reserve is used in this fund type.

C. Basis of Accounting

The government-wide statements (the Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis) are prepared using the economic resources measurement focus and the fund financial statements (the Governmental Funds Balance Sheet – Modified Cash Basis and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis) are prepared using the current financial resources measurement focus.

These financial statements are prepared, generally, on the basis of cash receipts and disbursements, whereby certain revenues and the related assets are recognized when received rather than when earned and certain expenditures and the related liabilities are recognized when paid rather than when the obligations are incurred. This practice differs from generally accepted accounting principles.

D. Budgets

Budgets are adopted on a modified cash basis. Annual appropriated budgets are adopted for the General, Special Reserve, Social Security, IMRF, Liability Insurance, and Audit funds. All annual appropriations lapse at fiscal year end.

E. Cash and Cash Investments

Cash includes amounts in demand deposit accounts and petty cash. Cash Investments represents money invested with the Illinois Funds.

Illinois Revised Statutes authorize the District to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any financial institution as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in financial institutions, which are insured by the Federal Deposit Insurance Corporation.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

F. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	40 years
Building Improvements	10-40 years
Computer Equipment	4-5 years
Equipment	10-20 years
Furniture and Shelving	10 years
Library Materials	5 years

The minimum capitalization threshold is any item with a total cost greater than \$1,000, except for library materials.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. Deferred Inflows of Resources

The District follows GASB Statement 65 which pertains to the classification of certain items previously reported as assets and liabilities. The District has only one type of item, under the modified cash basis of accounting, which is affected by this classification; deferred property taxes. Deferred property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources.

H. Fund Equity

The District implemented GASB statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe

Note 1: Summary of Significant Accounting Policies (Continued)

the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; 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 – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board of trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as Special Reserve Fund expenditures). An assigned fund balance is established by the board of trustees or management through adoption or amendment of the budget as intended for specific purpose.

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. Although not specifically assigned, due to the timing of property tax collections, the District uses year end fund balances to fund operating expenses for most of the next year.

I. Special Reserve Fund

The Board of Trustees has established a special reserve fund which set apart funds as per Ordinance 2011-3-1 "for the improvement of library services and for the improvement, repair and replacement of the existing facility." During the year ended no impact fees were collected, however, \$20,254 of expenditures were made from the restricted fund balance bringing the restricted fund balance to \$13,531 at June 30, 2021.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles, or other comprehensive basis of accounting (special purpose framework), requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes to Financial Statements

Note 2: Deposits

At year-end, the carrying amount of the District's deposits, excluding petty cash of \$75, was \$910,951 and the bank balance was \$915,585. All of the bank balances were covered by federal depository insurance \$250,000 or securities held as collateral by the pledging financial institution's agent in the District's name \$665,585.

Note 3: Property Tax Revenue Recognition

Property taxes for 2020 are attached as an enforceable lien on January 1, 2020. They were levied in December 2020 by passage of a Tax Levy Ordinance. Tax bills were prepared by the County and issued on or about May 1, 2021 and are payable in two installments, in June 2021 and September 2021. The County collects such taxes and remits them periodically during the period of May through January. Property tax revenues are recognized on the modified cash basis and consist of tax receipts from the 2019 tax levy. All receipts from the 2020 levy received prior to June 30, 2021 have been deferred for revenue recognition purposes until the next fiscal year.

Note 4: Capital Assets

The following is a summary of changes in the capital assets during the fiscal year:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Capital assets, being depreciated				
Building	855,487	-	-	855,487
Building Improvements	525,507	8,424	-	533,931
Computer Equipment	28,764	11,781	(20,016)	20,529
Equipment	89,683	-	(33,906)	55,777
Furniture and Shelving	125,697	-	-	125,697
Library Materials	223,772	27,883	(44,730)	206,925
Total capital assets being depreciated	1,848,910	48,088	(98,652)	1,798,346
Less accumulated depreciation for				
Building	417,050	21,387	-	438,437
Building Improvements	52,744	21,667	-	74,411
Computer Equipment	28,763	2,160	(20,015)	10,908
Equipment	66,780	3,889	(33,907)	36,762
Furniture and Shelving	125,028	365	-	125,393
Library Materials	138,126	34,681	(44,730)	128,077
Total accumulated depreciation	828,491	84,149	(98,652)	813,988
Total capital assets being depreciated, net	1,020,419	(36,061)	-	984,358
Capital assets, net	\$ 1,220,419	\$ (36,061)	\$ -	\$ 1,184,358

Note 5: Defined Benefit Pension Plan

Plan Description: The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the District'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. The employer annual required contribution rate for calendar year 2020 used by the employer was 20.15% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement death benefits, all of which are pooled at the IMRF level. Contribution rates for disability and benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost: For fiscal year ending June 30, 2021, the District's required and actual contributions for pension cost for the Regular plan were \$36,356.

If the District's financial statements were presented on the accrual basis of accounting, the financial statements and footnotes would include additional information including:

- a) Actuarial assumptions
- b) Net pension obligation
- c) Deferred outflows and deferred inflows

Since the District presents its financial statements on the modified cash basis of accounting, this information is not included in the financial statements nor disclosed in the footnotes.

Note 6: Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees at their option, permits them to defer a portion of their salary until future years.

The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation are held in trust (until paid or made available to the employee or other beneficiary). The deferred compensation is not subject to the claims of the District's creditors.

Note 7: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Notes to Financial Statements

Note 7: Risk Management (Continued)

As such, the District carries commercial insurance for all risks of loss, except for unemployment benefits for which they are self-insured. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

Note 8: Adjustments

Amounts reported in the statement of net position are different from the governmental fund balance sheet because:

Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds. \$ 1,184,358

The governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation exceeds capital outlays is \$36,061 (\$84,149 less \$48,088).

Note 9: Other Post-Employment Benefits

The District participates in a cost-sharing multiple employer defined benefit other post-employment benefit plan administered by Wellness Insurance Network (WIN). The District is required to offer employees, who are IMRF vested, continued health insurance participation upon termination of employment. The departing employee pays the entire health insurance premium and therefore there is no explicit subsidy. There is no implicit rate subsidy liability reflected in these financial statements since the District presents its financial statements on the modified cash basis of accounting.

Note 10: Contingency

In 2020, the COVID-19 pandemic struck the world with far reaching effects. Due to this virus, businesses and individuals have been significantly harmed financially. This may result in a decrease in future tax revenue collections, the amount of which cannot be currently quantified.

Supplementary Information

FOX RIVER GROVE PUBLIC LIBRARY DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2021

	Appropriation - Original and Final	Actual	Variance
REVENUES			
Property Taxes	\$ 409,460	\$ 408,279	\$ (1,181)
Replacement Taxes	8,000	10,222	2,222
Interest Income	3,500	2,272	(1,228)
Grants	20,386	8,181	(12,205)
Fines, Fees and Other	7,000	2,817	(4,183)
Total Revenues	448,346	431,771	(16,575)
EXPENDITURES			
Salaries and Benefits	360,000	245,360	114,640
Library Materials	70,000	36,208	33,792
Administration	215,000	122,629	92,371
Contingency	23,000	100	22,900
Total Expenditures	668,000	404,297	263,703
Excess (Deficiency) of Revenues Over (Under) Expenditures	(219,654)	27,474	247,128
OTHER FINANCING SOURCES			
Operating Transfers, net	-	-	-
Change in Net Position	\$ (219,654)	\$ 27,474	\$ 247,128

Budgets are adopted on a modified cash basis. All annual appropriations lapse at fiscal-year end.

Supplementary Information

FOX RIVER GROVE PUBLIC LIBRARY DISTRICT

OTHER FUNDS

COMBINING BALANCE SHEET - MODIFIED CASH BASIS

JUNE 30, 2021

	<u>Social Security</u>	<u>IMRF</u>	<u>Liability Insurance</u>	<u>Audit</u>	<u>Total</u>
ASSETS					
Cash	<u>\$ 14,596</u>	<u>\$ 51,827</u>	<u>\$ 12,172</u>	<u>\$ 6,356</u>	<u>\$ 84,951</u>
Total Assets	<u>\$ 14,596</u>	<u>\$ 51,827</u>	<u>\$ 12,172</u>	<u>\$ 6,356</u>	<u>\$ 84,951</u>
DEFERRED INFLOWS AND FUND BALANCES					
Deferred Property Taxes	\$ 11,335	\$ 15,457	\$ 4,121	\$ 5,152	\$ 36,065
Fund Balances	<u>3,261</u>	<u>36,370</u>	<u>8,051</u>	<u>1,204</u>	<u>48,886</u>
Total Deferred Inflows and Fund Balances	<u>\$ 14,596</u>	<u>\$ 51,827</u>	<u>\$ 12,172</u>	<u>\$ 6,356</u>	<u>\$ 84,951</u>

Supplementary Information

FOX RIVER GROVE PUBLIC LIBRARY DISTRICT

OTHER FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Social Security</u>	<u>IMRF</u>	<u>Liability Insurance</u>	<u>Audit</u>	<u>Total</u>
REVENUES					
Property Taxes	\$ 19,943	\$ 29,913	\$ 7,977	\$ 9,971	\$ 67,804
Interest Income	-	-	-	-	-
Total Revenues	<u>19,943</u>	<u>29,913</u>	<u>7,977</u>	<u>9,971</u>	<u>67,804</u>
EXPENDITURES					
Social Security	18,351	-	-	-	18,351
IMRF	-	36,356	-	-	36,356
Liability Insurance	-	-	9,219	-	9,219
Audit	-	-	-	7,500	7,500
Total Expenditures	<u>18,351</u>	<u>36,356</u>	<u>9,219</u>	<u>7,500</u>	<u>71,426</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,592	(6,443)	(1,242)	2,471	(3,622)
FUND BALANCES					
Beginning of Year	<u>1,669</u>	<u>42,813</u>	<u>9,293</u>	<u>(1,267)</u>	<u>52,508</u>
End of Year	<u>\$ 3,261</u>	<u>\$ 36,370</u>	<u>\$ 8,051</u>	<u>\$ 1,204</u>	<u>\$ 48,886</u>

Other Information

FOX RIVER GROVE PUBLIC LIBRARY DISTRICT

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

CALENDAR YEAR ENDED DECEMBER 31,

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 15,118	\$ 19,710	\$ 17,814	\$ 21,973	\$ 25,649	\$ 24,255	\$ 24,592
Interest on the Total Pension Liability	93,215	92,269	89,312	81,782	87,386	81,786	74,562
Benefit Changes	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	86,831	(17,901)	6,224	102,544	(132,950)	23,533	(3,391)
Assumption Changes	(17,626)	-	37,579	(41,529)	(20,492)	-	61,179
Benefit Payments and Refunds	(83,997)	(73,474)	(66,577)	(58,013)	(54,480)	(53,697)	(46,843)
Net Change in Total Pension Liability	93,541	20,604	84,352	106,757	(94,887)	75,877	110,099
Total Pension Liability - Beginning	1,320,162	1,299,558	1,215,206	1,108,449	1,203,336	1,127,459	1,017,360
Total Pension Liability - Ending (a)	\$ 1,413,703	\$ 1,320,162	\$ 1,299,558	\$ 1,215,206	\$ 1,108,449	\$ 1,203,336	\$ 1,127,459
Plan Fiduciary Net Position							
Employer Contributions	\$ 34,102	\$ 30,299	\$ 28,017	\$ 34,210	\$ 46,173	\$ 46,997	\$ 37,756
Employee Contributions	7,620	7,350	7,935	9,022	8,968	9,316	8,787
Pension Plan Net Investment Income	155,316	178,422	(61,858)	150,553	58,800	4,003	45,729
Benefit Payments and Refunds	(83,997)	(73,474)	(66,577)	(58,013)	(54,480)	(53,697)	(46,843)
Other	19,694	12,642	24,507	(7,530)	(52,114)	39,701	4,004
Net Change in Plan Fiduciary Net Position	132,735	155,239	(67,976)	128,242	7,347	46,320	49,433
Plan Fiduciary Net Position - Beginning	1,068,410	913,171	981,147	852,905	845,558	799,238	749,805
Plan Fiduciary Net Position - Ending (b)	\$ 1,201,145	\$ 1,068,410	\$ 913,171	\$ 981,147	\$ 852,905	\$ 845,558	\$ 799,238
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 212,558	\$ 251,752	\$ 386,387	\$ 234,059	\$ 255,544	\$ 357,778	\$ 328,221
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.96%	80.93%	70.27%	80.74%	76.95%	70.27%	70.89%
Covered Valuation Payroll	\$ 169,328	\$ 163,334	\$ 176,322	\$ 192,823	\$ 199,299	\$ 207,027	\$ 195,277
Net Pension Liability as a Percentage of Covered Valuation Payroll	125.53%	154.13%	219.14%	121.39%	128.22%	172.82%	168.08%

Note to Schedule: This is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Other Information

FOX RIVER GROVE PUBLIC LIBRARY DISTRICT

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 33,256	\$ 37,756	\$ (4,500)	\$ 195,277	19.33%
2015	36,996	46,997	(10,001)	207,027	22.70%
2016	36,173	46,173	(10,000)	199,299	23.17%
2017	32,818	34,210	(1,392)	192,823	17.74%
2018	28,018	28,018	-	176,322	15.89%
2019	30,298	30,298	-	163,334	18.55%
2020	34,120	34,102	18	169,328	20.14%

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate**

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 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>	23-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50% - approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	RP-2014 Blue Collar Mortality Tables with fully generational projection scale MP-2017 (base year 2015) with adjustments to match current IMRF experience.
<i>Other Information:</i>	
<i>Notes:</i>	There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation; note two-year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.