

**FOREST PARK PUBLIC LIBRARY**  
**VILLAGE OF FOREST PARK, ILLINOIS**

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**ANNUAL FINANCIAL REPORT**



**FOREST PARK**  
**PUBLIC LIBRARY**

**FOR THE FISCAL YEAR ENDED**  
**APRIL 30, 2021**

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

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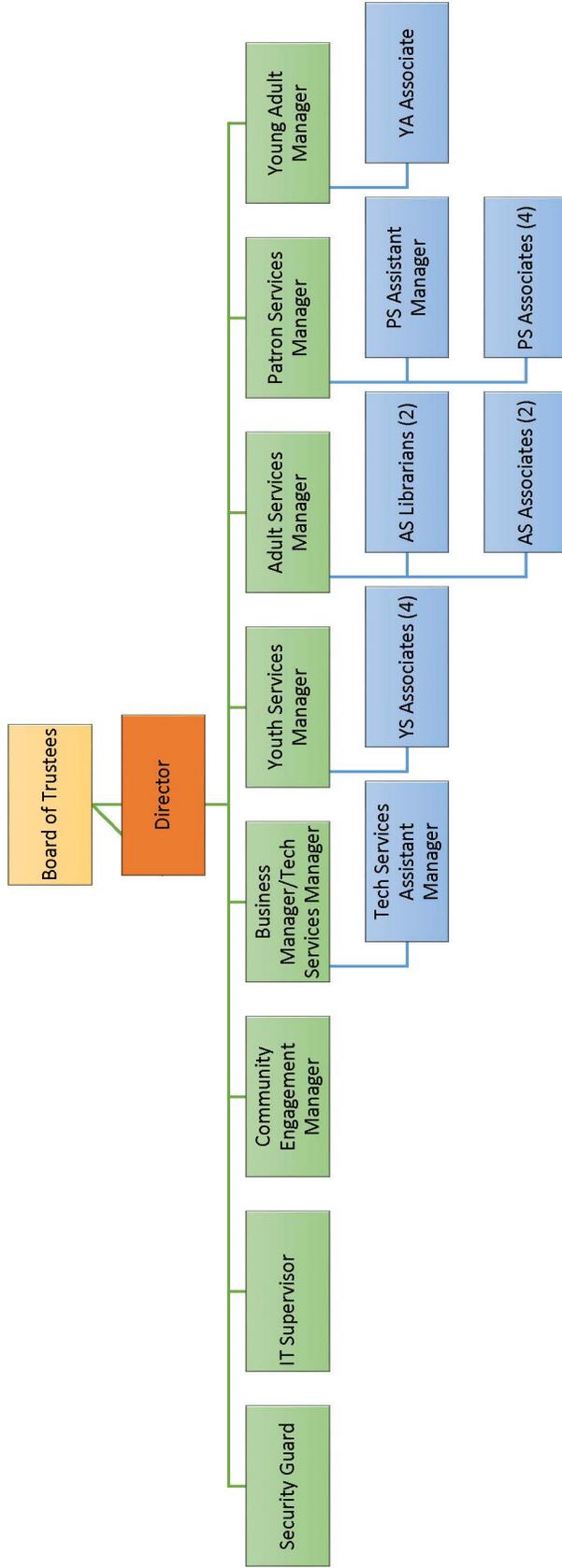
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## **INTRODUCTORY SECTION**

This section includes the Organization Chart.



**F O R E S T P A R K**  
P U B L I C L I B R A R Y



## **FINANCIAL SECTION**

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

## **INDEPENDENT AUDITORS' REPORT**

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



September 9, 2021

Members of the Board of Trustees  
Forest Park Public Library  
Village of Forest Park, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Forest Park Public Library, Illinois, 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 Forest Park Public Library, Illinois, as of April 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Forest Park Public Library, Illinois’ basic financial statements. The introductory section and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2021**

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Our discussion and analysis of the Forest Park Public Library's financial performance provides an overview of the Library's financial activities for the fiscal year ended April 30, 2021. Please read it in conjunction with the Library's financial statements.

**FINANCIAL HIGHLIGHTS**

- The net position increased from \$4,349,802 to \$4,735,723, an increase of \$385,921 or 8.9 percent.
- During the year, government-wide revenues totaled \$1,916,864, while government-wide expenses totaled \$1,530,943, resulting in an increase to net position of \$385,921.
- Total fund balances for the governmental funds were \$1,998,112 at April 30, 2021 compared to \$1,568,030 in the prior year, an increase of \$430,082 or 27.4 percent.

**USING THIS ANNUAL REPORT**

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

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

**Government-Wide Financial Statements**

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

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

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

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2021**

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**USING THIS ANNUAL REPORT - Continued**

**Government-Wide Financial Statements - Continued**

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

**Fund Financial Statements**

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

**Governmental Funds**

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

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

The Library maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Special Reserve Fund, both which are considered major funds.

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

**Notes to the Financial Statements**

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

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's progress in funding its obligation to provide benefits to its employees.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by \$4,735,723.

	Net Position	
	2021	2020
Current Assets	\$ 3,100,705	2,575,072
Capital Assets	2,618,693	2,816,471
Other Assets	564,178	70,437
Total Assets	6,283,576	5,461,980
Deferred Outflows	38,133	107,525
Total Assets/Deferred Outflows	6,321,709	5,569,505
Other Liabilities	22,178	17,833
Deferred Inflows	1,563,808	1,201,870
Total Liabilities/Deferred Inflows	1,585,986	1,219,703
Net Position		
Investment in Capital Assets	2,618,693	2,816,471
Restricted	187,733	140,838
Unrestricted	1,929,297	1,392,493
Total Net Position	4,735,723	4,349,802

A large portion of the Library's net position (55.3 percent) reflects its investment in capital assets (for example, land, buildings, furniture and equipment, computer equipment, and collections), less any related debt used to acquire those assets that is still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion or 4.0 percent of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$1,929,297 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

	Change in Net Position	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 6,372	21,435
Operating Grants/Contributions	27,896	67,709
General Revenues		
Property Taxes	1,833,256	1,854,782
Replacement Taxes	31,831	44,949
Miscellaneous	3,857	32,697
Investment Income	13,652	6,888
Total Revenues	1,916,864	2,028,460
Expenses		
Public Library	1,530,943	1,677,824
Change in Net Position	385,921	350,636
Net Position-Beginning	4,349,802	3,999,166
Net Position-Ending	4,735,723	4,349,802

Net position of the Library's governmental activities increased from \$4,349,802 to \$4,735,723.

Revenues of \$1,916,864 exceeded expenses of \$1,530,943, resulting in an increase to net position in the current year of \$385,921.

**Governmental Activities**

In the current year, governmental net position increased 385,921, or 8.9 percent. Property taxes decreased \$21,526 over the prior year (\$1,833,256 in 2021 compared to \$1,854,782 in 2020). Expenses decreased in the current year (\$1,530,943 in 2021 compared to \$1,677,824 in 2020) mainly as a result of decreased operations due to the COVID-19 pandemic.

**FOREST PARK PUBLIC LIBRARY  
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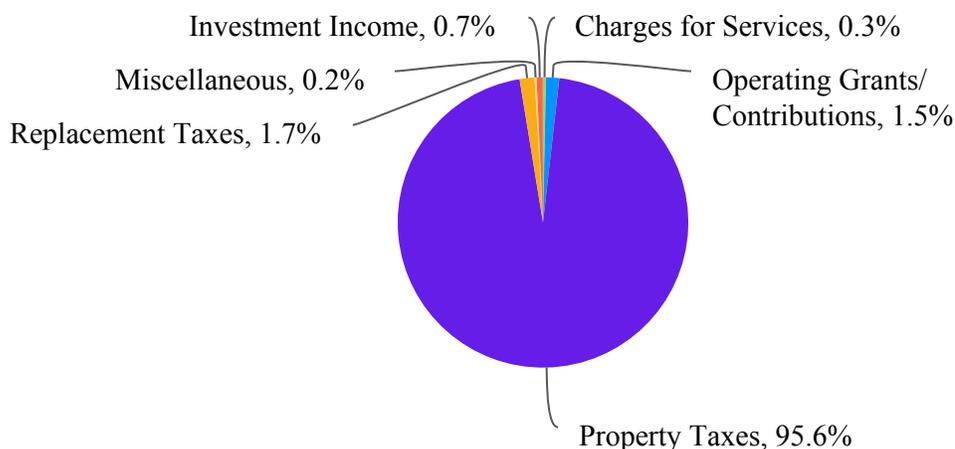
**Management's Discussion and Analysis  
April 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

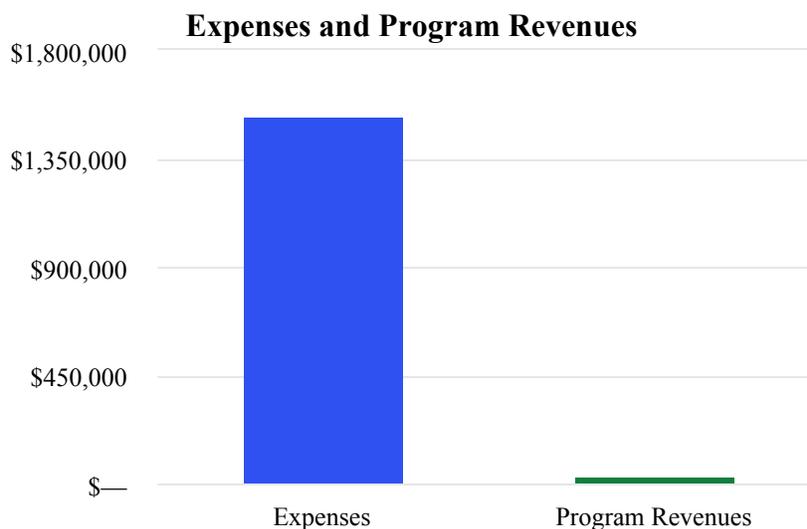
**Governmental Activities - Continued**

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

**Revenues by Source**



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



**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2021**

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

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

**Governmental funds**

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$1,998,112 which is an increase of 27.4 percent from than last year's ending fund balance of \$1,568,030.

In the current year, governmental fund balances increased by \$430,082. The General Fund reported an increase of \$279,386. While revenues decreased \$88,460, expenditures also decreased \$129,107, due to the Library having decreased operations due to the COVID-19 pandemic. The Special Reserve Fund reported an increase of \$150,696, due to the transfer in of \$150,000 from the General Fund.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year, no supplemental amendments were made to the budget for the General Fund.

The General Fund actual revenues were lower than budgeted revenues. Actual revenues for the current year were \$1,916,168, compared to budgeted revenues of \$1,991,514.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$1,486,782, while budgeted expenditures totaled \$1,972,367. This resulted primarily from lower than anticipated spending in personnel, commodities, and contractual services expenditures in the current year.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Management's Discussion and Analysis  
April 30, 2021**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Library's investment in capital assets for its governmental activities as of April 30, 2021 was \$2,618,693 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment and furniture, and library collection.

	<u>Capital Assets - Net of Depreciation</u>	
	2021	2020
Land	\$ 134	134
Buildings	2,107,143	2,211,443
Furniture and Equipment	155,456	174,086
Computer Equipment	—	10,056
Collections	355,960	420,752
Total	<u>2,618,693</u>	<u>2,816,471</u>

This year's additions to capital assets included the below:

Collections	<u>\$ 102,192</u>
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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Library's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Library is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation and unemployment rates.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Forest Park Public Library, 7555 Jackson Boulevard, Forest Park, IL 60130.

## **BASIC FINANCIAL STATEMENTS**

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

Government-Wide Financial Statements

Fund Financial Statements

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Statement of Net Position  
April 30, 2021**

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**See Following Page**

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Statement of Net Position  
April 30, 2021**

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<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 1,989,122
Receivables - Net	
Property Taxes	1,080,415
Due from Other Governments	20,896
Prepays	10,272
Total Current Assets	<u>3,100,705</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	134
Depreciable	4,729,502
Accumulated Depreciation	<u>(2,110,943)</u>
Total Capital Assets	2,618,693
Other Assets	
Net Pension Asset - IMRF	<u>564,178</u>
Total Noncurrent Assets	<u>3,182,871</u>
Total Assets	<u>6,283,576</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	<u>38,133</u>
Total Assets and Deferred Outflows of Resources	<u>6,321,709</u>

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

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**LIABILITIES**

Current Liabilities	
Accrued Payroll	<u>22,178</u>

**DEFERRED INFLOWS OF RESOURCES**

Property Taxes	1,080,415
Deferred Items - IMRF	483,393
Total Deferred Inflows of Resources	<u>1,563,808</u>

Total Liabilities and Deferred Inflows of Resources	<u>1,585,986</u>
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**NET POSITION**

Investment in Capital Assets	2,618,693
Restricted	
Property Tax Levies	
Unemployment Insurance	3,900
Workers' Compensation	30,307
Audit	1,259
Liability Insurance	3,129
Social Security	8,244
IMRF	78,524
Building and Sites	62,370
Unrestricted	<u>1,929,297</u>
Total Net Position	<u><u>4,735,723</u></u>

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Statement of Activities  
For the Fiscal Year Ended April 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/ Revenues Changes in Net Position
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Public Library	\$ 1,530,943	6,372	27,896	—	(1,496,675)
		General Revenues			
		Taxes			
		Property Taxes			1,833,256
		Intergovernmental - Restricted			
		Replacement Taxes			31,831
		Investment Income			3,857
		Miscellaneous			13,652
					<u>1,882,596</u>
		Change in Net Position			385,921
		Net Position - Beginning			<u>4,349,802</u>
		Net Position - Ending			<u><u>4,735,723</u></u>

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Balance Sheet  
April 30, 2021**

	General	Capital Projects Special Reserve	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 1,509,656	479,466	1,989,122
Receivables - Net of Allowances			
Property Taxes	1,080,415	—	1,080,415
Due from Other Governments	20,896	—	20,896
Prepays	10,272	—	10,272
 Total Assets	 2,621,239	 479,466	 3,100,705
<b>LIABILITIES</b>			
Accrued Payroll	22,178	—	22,178
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	1,080,415	—	1,080,415
Total Liabilities and Deferred Inflows of Resources	1,102,593	—	1,102,593
<b>FUND BALANCES</b>			
Nonspendable	10,272	—	10,272
Restricted	125,363	62,370	187,733
Committed	—	417,096	417,096
Unassigned	1,383,011	—	1,383,011
Total Fund Balances	1,518,646	479,466	1,998,112
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 2,621,239	 479,466	 3,100,705

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position  
April 30, 2021**

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<b>Total Fund Balances</b>	\$ 1,998,112
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	2,618,693
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	564,178
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	<u>(445,260)</u>
<b>Net Position</b>	<u><u>4,735,723</u></u>

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2021**

	General	Capital Projects Special Reserve	Totals
<b>Revenues</b>			
Taxes	\$ 1,833,256	—	1,833,256
Intergovernmental	31,831	—	31,831
Charges for Services	6,372	—	6,372
Grants and Donations	27,896	—	27,896
Miscellaneous	13,652	—	13,652
Investment Income	3,161	696	3,857
Total Revenues	1,916,168	696	1,916,864
<b>Expenditures</b>			
<b>Public Library</b>			
Personnel Services	1,103,881	—	1,103,881
Commodities	125,981	—	125,981
Contractual Services	256,920	—	256,920
Total Expenditures	1,486,782	—	1,486,782
Excess (Deficiency) of Revenues Over (Under) Expenditures	429,386	696	430,082
<b>Other Financing Sources (Uses)</b>			
Transfers In	—	150,000	150,000
Transfers Out	(150,000)	—	(150,000)
	(150,000)	150,000	—
Net Change in Fund Balances	279,386	150,696	430,082
Fund Balances - Beginning	1,239,260	328,770	1,568,030
Fund Balances - Ending	1,518,646	479,466	1,998,112

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
For the Fiscal Year Ended April 30, 2021**

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<b>Net Change in Fund Balances</b>	<b>\$ 430,082</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital Outlays	102,192
Depreciation Expense	(299,970)
Disposals - Cost	(210,015)
Disposals - Accumulated Depreciation	210,015

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

Change in Deferred Items - IMRF	(340,124)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Net Pension Liability/(Asset) - IMRF	<u>493,741</u>
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<b>Changes in Net Position</b>	<b><u><u>385,921</u></u></b>
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**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

The Forest Park Public Library (Library), a component unit of the Village of Forest Park, Illinois provides services primarily to citizens of the Village of Forest Park, Illinois, including lending or renting materials to adults and children to meet their informational, recreations, and educational needs. The government-wide financial statements are prepared in accordance with generally accepted accounting principles in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP in the United States for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Library's accounting policies established in GAAP in the United States and used by the Library are described below.

**REPORTING ENTITY**

The Library Board consists of six residents appointed by the Village Council of the Village of Forest Park, Illinois. Their six-year terms are staggered to provide for continuity on the Library Board. Although the Library Board formulates the Library's own budget and tax levy, the Village Board maintains the final approval. The authority to issue debt for the Library is reserved for the Village Council. The Library is reported as a discretely presented component unit of the Village of Forest Park, Illinois. This report represents the financial activity of the Library for the year.

**BASIS OF PRESENTATION**

**Government-Wide Statements**

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

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

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

The net costs (by function) are normally covered by general revenue (property tax, intergovernmental revenues, investment income, etc.).

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

**BASIS OF PRESENTATION - Continued**

**Government-Wide Statements - Continued**

The financial transactions of the Library are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The Library accounts for all of its activities in governmental funds, with the emphasis in the fund financial statements being on the major funds.

Nonmajor funds by category, if applicable, are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds. The following fund types are used by the Library:

**Governmental Funds**

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

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

*Capital projects funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Library reports the Special Reserve Fund as a major fund.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

**Measurement Focus**

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

The Library's funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued**

**Measurement Focus - Continued**

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

**Basis of Accounting**

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end.

The Library recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due, if applicable.

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

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

**Cash and Investments**

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

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

**Receivables**

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

**Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**Prepays**

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 to \$250,000, depending on asset class, or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

Buildings	15 - 40 Years
Furniture and Equipment	3 - 25 Years
Computer Equipment	5 Years
Collections	5 Years

**Deferred Outflows/Inflows of Resources**

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

**Compensated Absences**

The Library's policy allows employees to accumulate unused sick and personal days up to sixty days. These days are then paid to the employee based on a percentage of their salary upon retirement. In the event of termination, an employee is not reimbursed for unused sick or personal days, it is credited to their IMRF. Full-time employees may accrue and carry over no more than five (5) unused vacation days into the following year. Any unused vacation is paid to the employee upon termination. The Library does not recognize a liability for accumulated unused vacation days because Management's calculation of the liability is immaterial.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

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

**Net Position**

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

Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation.

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

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

**BUDGETARY INFORMATION**

The Library has established the fiscal year as the twelve-month period beginning May 1.

The Library annually submits a budget, levy and appropriation to the Village using the following procedures:

- Prior to May 1, the Library Board directs the Head Librarian to prepare a tentative budget for the General and Special Revenue Funds.
- The Library Board reviews the tentative budget and submits it to the Village Council of the Village for the fiscal year.
- Public hearings are conducted at a public meeting to obtain taxpayer comments.
- Prior to September 1, the budget is legally enacted through passage of an ordinance by the Village Council.
- Budgeted amounts are stated as approved by the Village Council.

The budget, levy and appropriation are prepared on the same basis and uses the same accounting practices as are used in the fund financial statements. Unexpended budget amounts lapse at the end of the budget year. Spending controls for the fund is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line level items. Expenditures may not exceed appropriations. All budget revisions at this level are subject to final review by the Village. Within these control levels, management may transfer appropriations without Village approval.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

**DEPOSITS AND INVESTMENTS**

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

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

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

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

*Deposits.* At year-end, the carrying amount of the Library's deposits totaled \$1,123,764 and the bank balances totaled \$883,387. Additionally, at year-end the Library has \$865,358 invested in the Illinois Funds.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy states that investments will be made only in securities guaranteed by the U.S. Government, or in FDIC insured institutions including SAIF of the FDIC. The policy further states that the fund should maintain sufficient liquidity to meet current obligations and those reasonably to be anticipated. Specifically, investments should be managed to meet liquidity needs for the current month plus one month (based on forecasted needs) and any reasonably anticipated special needs. The Library's investment in the Illinois Funds has an average maturity of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the Library's investment policy states that investments are to be limited to securities guaranteed by the U.S. Government, or in FDIC insured institutions including SAIF of the FDIC. At year-end, the Library's investment in the Illinois Funds is rated AAAM by Standard & Poor's.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy states deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage unless adequately collateralized pursuant to Regulations of the Federal Reserve regarding custody and safekeeping of collateral. At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library's investment policy does not specifically address custodial credit risk for investments. At year-end, the Library's investment in the Illinois Funds is not subject to custodial credit risk.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

**DEPOSITS AND INVESTMENTS - Continued**

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

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy states funds should be diversified appropriately to the nature and amount of the funds. At year-end, the Library does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**PROPERTY TAXES**

The Library submits its tax levy to the Village Council of the Village of Forest Park, Illinois for approval. Once approved, the Village submits the Library's tax levy to the Cook County Clerk's office. The Library's property taxes are levied each calendar year on all taxable real property located within the Library and accrued as unearned revenue in the fiscal year of levy. Property taxes due within the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. The Cook County Assessor is responsible for assessment of all taxable real property within Cook County.

The Cook County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the Cook County Collector as the basis for issuing tax bills to Cook County taxpayers. The Cook County Collector collects all property taxes and submits them to the County Treasurer, who remits them to the Library. Taxes must be levied by the last Tuesday in December and are payable in two installments, on March 1 and August 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1 of the levy year.

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Special Reserve	General	<u>\$ 150,000</u>

Transfers unrestricted revenues collected in the General Fund to finance capital outlay accounted for in other funds in accordance with budgetary authorizations.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

**CAPITAL ASSETS**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 134	—	—	134
Depreciable Capital Assets				
Buildings	3,286,024	—	—	3,286,024
Furniture and Equipment	384,289	—	—	384,289
Computer Equipment	224,270	—	—	224,270
Collections	942,742	102,192	210,015	834,919
	<u>4,837,325</u>	<u>102,192</u>	<u>210,015</u>	<u>4,729,502</u>
Less Accumulated Depreciation				
Buildings	1,074,581	104,300	—	1,178,881
Furniture and Equipment	210,203	18,630	—	228,833
Computer Equipment	214,214	10,056	—	224,270
Collections	521,990	166,984	210,015	478,959
	<u>2,020,988</u>	<u>299,970</u>	<u>210,015</u>	<u>2,110,943</u>
Total Net Depreciable Capital Assets	<u>2,816,337</u>	<u>(197,778)</u>	<u>—</u>	<u>2,618,559</u>
Total Net Capital Assets	<u><u>2,816,471</u></u>	<u><u>(197,778)</u></u>	<u><u>—</u></u>	<u><u>2,618,693</u></u>

Depreciation expense of \$299,970 was charged to the public library function.

**NET POSITION CLASSIFICATIONS**

Investment in capital assets was comprised of the following as of April 30, 2021:

Capital Assets - Net of Accumulated Depreciation     \$ 2,618,693

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

**FUND BALANCE CLASSIFICATIONS**

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

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

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

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

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

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

*Minimum Fund Balance Policy.* The Library's financial management policy manual states that "...a portion of general revenue funds is kept in a reserve bank account. The purpose of this account is to retain a reasonable amount of funds to cover day to day operating expenses at times when the collection of property taxes is delayed or reduced." It further states that any General Fund revenues confirmed by independent audit as surplus at the end of a fiscal year may be transferred in their entirety to one fund, or may be split among more than one fund, including the Special Reserve Fund or the reserve bank account identified above.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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

**FUND BALANCE CLASSIFICATIONS - Continued**

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

	General	Capital Projects Special Reserve	Nonmajor	Totals
Fund Balances				
Nonspendable				
Prepays	\$ 10,272	—	—	10,272
Restricted				
Unemployment Insurance	3,900	—	—	3,900
Workers' Compensation	30,307	—	—	30,307
Audit	1,259	—	—	1,259
Liability Insurance	3,129	—	—	3,129
Social Security	8,244	—	—	8,244
IMRF	78,524	—	—	78,524
Building and Sites	—	62,370	—	62,370
	125,363	62,370	—	187,733
Committed				
Capital Projects	—	417,096	—	417,096
Unassigned	1,383,011	—	—	1,383,011
Total Fund Balances	1,518,646	479,466	—	1,998,112

**NOTE 4 - OTHER INFORMATION**

**RISK MANAGEMENT**

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library carries commercial insurance for all risks of loss including worker's compensation and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 4 - OTHER INFORMATION - Continued**

**CONTINGENT LIABILITIES**

**Litigation**

The Library is not a defendant in any lawsuits.

**Grants**

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

**Financial Impact from COVID-19**

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

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

**Illinois Municipal Retirement Fund (IMRF)**

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

**Plan Descriptions**

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
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**NOTE 4 - OTHER INFORMATION - Continued**

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

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

**Plan Descriptions - Continued**

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). IMRF provides two tiers of pension benefits. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

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

Active Plan Members

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**NOTE 4 - OTHER INFORMATION - Continued**

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

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

**Plan Descriptions - Continued**

*Contributions.* As set by statute, the Library's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2021, the Library's contribution was 8.05% of covered payroll.

*Net Pension (Asset).* The Library's net pension (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

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

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

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:

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 4 - OTHER INFORMATION - Continued**

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

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

**Plan Descriptions - Continued**

*Actuarial Assumptions - Continued.*

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

**Discount Rate**

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

**Discount Rate Sensitivity**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 62,867	(564,178)	(1,039,663)

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 4 - OTHER INFORMATION - Continued**

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

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

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2019	\$ 5,114,218	5,184,655	(70,437)
Changes for the Year:			
Service Cost	75,328	—	75,328
Interest on the Total Pension Liability	370,201	—	370,201
Difference Between Expected and Actual Experience of the Total Pension Liability	(17,046)	—	(17,046)
Changes of Assumptions	(61,875)	—	(61,875)
Contributions - Employer	—	56,209	(56,209)
Contributions - Employees	—	33,747	(33,747)
Net Investment Income	—	741,191	(741,191)
Benefit Payments, Including Refunds of Employee Contributions	(245,790)	(245,790)	—
Other (Net Transfer)	—	29,202	(29,202)
Net Changes	120,818	614,559	(493,741)
Balances at December 31, 2020	5,235,036	5,799,214	(564,178)

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

For the year ended April 30, 2021, the Library recognized pension revenue of \$95,916. At April 30, 2021, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

**NOTE 4 - OTHER INFORMATION - Continued**

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 17,215	(11,086)	6,129
Change in Assumptions		(40,242)	(40,242)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(432,065)	(432,065)
Total Pension Expense to be Recognized in Future Periods	17,215	(483,393)	(466,178)
Pension Contributions Made Subsequent to the Measurement Date	20,918	—	20,918
Total Deferred Amounts Related to IMRF	38,133	(483,393)	(445,260)

\$20,918 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (145,164)
2023	(75,809)
2024	(173,034)
2025	(72,171)
2026	—
Thereafter	—
Total	(466,178)

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2021**

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**OTHER POST-EMPLOYMENT BENEFITS**

The Library has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Library are required to pay 100% of the current premium. However, there is minimal participation. As the Library provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Library has not recorded a liability as of April 30, 2021.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

Notes to the Required Supplementary Information

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
April 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 73,824	\$ 73,519	\$ (305)	\$ 761,066	9.66%
2017	63,918	63,918	—	679,255	9.41%
2018	68,454	68,454	—	725,078	9.44%
2019	60,986	60,462	(524)	762,740	7.93%
2020	49,902	49,902	—	780,581	6.39%
2021	57,701	57,701	—	716,417	8.05%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2017 (base year 2015)

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

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Changes in the Employer's Net Pension Liability/(Asset)  
April 30, 2021**

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 85,015
Interest	316,606
Differences Between Expected and Actual Experience	(8,248)
Change of Assumptions	5,587
Benefit Payments, Including Refunds of Member Contributions	<u>(181,412)</u>
Net Change in Total Pension Liability	217,548
Total Pension Liability - Beginning	<u>4,269,615</u>
Total Pension Liability - Ending	<u><u>4,487,163</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 73,519
Contributions - Members	34,248
Net Investment Income	21,304
Benefit Payments, Including Refunds of Member Contributions	(181,412)
Other (Net Transfer)	<u>(57,903)</u>
Net Change in Plan Fiduciary Net Position	(110,244)
Plan Net Position - Beginning	<u>4,297,727</u>
Plan Net Position - Ending	<u><u>4,187,483</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 299,680</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.32%
Covered Payroll	\$ 761,066
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	39.38%

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
71,517	82,069	74,815	70,502	75,328
295,836	352,948	358,206	277,180	370,201
(91,418)	(139,659)	23,954	54,215	(17,046)
(38,142)	(131,379)	145,949	—	(61,875)
(160,178)	(181,724)	(225,224)	(212,412)	(245,790)
77,615	(17,745)	377,700	189,485	120,818
4,487,163	4,564,778	4,547,033	4,924,733	5,114,218
4,564,778	4,547,033	4,924,733	5,114,218	5,235,036
63,918	67,131	70,594	39,219	56,209
30,567	33,800	34,306	31,515	33,747
258,611	701,770	(250,170)	797,816	741,191
(160,178)	(181,724)	(225,224)	(212,412)	(245,790)
(87,847)	(68,753)	53,539	694	29,202
105,071	552,224	(316,955)	656,832	614,559
4,187,483	4,292,554	4,844,778	4,527,823	5,184,655
4,292,554	4,844,778	4,527,823	5,184,655	5,799,214
272,224	(297,745)	396,910	(70,437)	(564,178)
94.04%	106.55%	91.94%	101.38%	110.78%
679,255	745,632	762,357	724,172	712,409
40.08%	(39.93%)	52.06%	(9.73%)	(79.19%)

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,906,514	1,906,514	1,833,256
Intergovernmental			
Replacement Taxes	40,000	40,000	31,831
Charges for Services	20,000	20,000	6,372
Grants and Donations	20,000	20,000	27,896
Miscellaneous	—	—	13,652
Investment Income	5,000	5,000	3,161
Total Revenues	<u>1,991,514</u>	<u>1,991,514</u>	<u>1,916,168</u>
Expenditures			
Public Library			
Personnel Services	1,222,500	1,222,500	1,103,881
Commodities	218,700	218,700	125,981
Contractual Services	531,167	531,167	256,920
Total Expenditures	<u>1,972,367</u>	<u>1,972,367</u>	<u>1,486,782</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,147</u>	<u>19,147</u>	<u>429,386</u>
Other Financing (Uses)			
Transfers Out	<u>—</u>	<u>—</u>	<u>(150,000)</u>
Changes in Fund Balance	<u>19,147</u>	<u>19,147</u>	<u>279,386</u>
Fund Balance - Beginning			<u>1,239,260</u>
Fund Balance - Ending			<u>1,518,646</u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such schedules include:

- Budgetary Comparison Schedules
  - General Fund
  - Special Reserve - Capital Projects Fund

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **GENERAL FUND**

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

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### **CAPITAL PROJECTS FUND**

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities and equipment.

### **Special Reserve Fund**

The Special Reserve Fund accounts for all resources used for the acquisition of capital assets by the Library, including general and infrastructure capital assets.

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**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**General Fund  
Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budget		Actual
	Original	Final	
Public Library			
Personnel			
Salaries	\$ 915,000	915,000	842,486
Health Insurance	165,000	165,000	127,201
Life Insurance	1,500	1,500	963
Unemployment Compensation	3,000	3,000	1,261
Worker's Compensation Insurance	3,000	3,000	2,052
IMRF	70,000	70,000	65,728
FICA	50,000	50,000	51,974
Medicare	15,000	15,000	12,216
	<u>1,222,500</u>	<u>1,222,500</u>	<u>1,103,881</u>
Commodities			
Books	127,400	127,400	56,117
Periodicals	7,500	7,500	5,800
Online Resources	54,000	54,000	47,991
Audio/Visual	29,800	29,800	16,073
	<u>218,700</u>	<u>218,700</u>	<u>125,981</u>
Contractual Services			
Supplies	10,000	10,000	4,401
Copier Expense	15,000	15,000	13,263
Payroll Processing	6,000	6,000	4,437
Utilities	14,000	14,000	6,908
Telephone	25,000	25,000	5,639
Building and Grounds Maintenance	94,000	94,000	66,255
Community Engagement	40,000	40,000	30,643
Programs	21,000	21,000	4,329
Computer Expenses	57,000	57,000	35,964
Suburban Library System	35,000	35,000	30,024
Professional Development	19,200	19,200	3,825
Professional Services	20,000	20,000	20,078
Legal Fees	5,000	5,000	1,543
Board Expenses	700	700	636
Audit	9,000	9,000	8,200
Miscellaneous	149,267	149,267	5,067
Liability Insurance	11,000	11,000	15,708
	<u>531,167</u>	<u>531,167</u>	<u>256,920</u>
Total Expenditures	<u>1,972,367</u>	<u>1,972,367</u>	<u>1,486,782</u>

**FOREST PARK PUBLIC LIBRARY  
VILLAGE OF FOREST PARK, ILLINOIS**

**Special Reserve - Capital Projects Fund  
Schedule of Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 5,000	5,000	696
Expenditures			
Capital Outlay	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	5,000	696
Other Financing Sources			
Transfers In	—	—	150,000
Changes in Fund Balance	<u>5,000</u>	<u>5,000</u>	150,696
Fund Balance - Beginning			<u>328,770</u>
Fund Balance - Ending			<u><u>479,466</u></u>