



**AUDIT REPORT
FOR THE YEAR ENDED APRIL 30, 2021**

**Northbrook Public Library
Audit Report
For the Year Ended April 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Northbrook Public Library
Northbrook, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of the **Northbrook Public Library** (Library), a component unit of the Village of Northbrook, Illinois, as of and for the year ended April 30, 2021, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and IMRF/FICA (major Special Revenue) Fund and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Northbrook Public Library as of April 30, 2021, and the respective changes in financial position and respective budgetary comparison for the General Fund and IMRF/FICA Fund (major Special Revenue) 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 (pages 3-7), the multiyear schedule of changes in net pension liability and related ratios – Illinois Municipal Retirement Fund (pages 41-42), the multiyear schedule of contributions – Illinois Municipal Retirement Fund (page 43), and the multiyear schedule of changes in net OPEB liability and related ratios – other post-employment retiree healthcare plan (pages 44-45) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The schedules listed as supplementary information in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information on pages 46-49 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Selden Fox, Ltd.

September 13, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NORTHBROOK PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2021**

Management of the Northbrook Public Library provides this narrative overview and analysis for the fiscal year ended April 30, 2021. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

Financial Highlights

The Library's total net position as of April 30, 2021 and 2020, was \$15,827,132 and \$13,988,887, respectively. For the years ended April 30, 2021 and 2020, net position increased from operations \$1,838,245 and \$864,705, respectively. The term "net position" represents the difference between total assets/deferred outflows and total liabilities/deferred inflows of resources.

Overview of the Financial Statements

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

Financial Statements

The financial statements of the Library are intended to provide the reader with an understanding of the financial position of the Library as of the close of the fiscal year and the results of activities for the year then ended. The fund financial statements focus on current financial resources while government-wide financial statements are similar to a private-sector business.

The *Statement of Net Position* and the *Governmental Funds Balance Sheet* provide information on the Library's assets/deferred outflows of resources and liabilities/deferred inflows of resources. The difference between these two represents governmental fund balances for the current financial resources reporting and net position for the government-wide reporting. Increases in fund balances and net position occur when revenues exceed expenditures/expenses. Information is presented for the government as a whole in the *Statement of Net Position*, and for each major fund in the fund financial statements, and shows any restrictions on the fund or net position.

The *Statement of Activities* and the *Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance* reflect the results of the Library's revenues, expenditures and activities during the year and the corresponding effect on fund and net position balances. These statements show the source of Library revenues and how those revenues were used to provide Library services.

Financial Statements (cont'd)

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. *Required Supplementary Information* consists of Schedules of Changes in the Net Pension Liability and Related Ratios, and Contributions for the IMRF Pension Plan, and Changes in the Net OPEB Liability and Related Ratios.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. The Library's assets/deferred outflows exceeded liabilities/deferred inflows of resources by \$15,827,132 as of the close of the year. Of the net position balance, \$7,983,836 is unrestricted, \$679,244 is restricted, and \$7,164,052 is invested in capital assets, net of related debt.

Condensed Statement of Net Position

	April 30,	
	2021	2020
Current and other assets	\$ 19,545,025	\$ 20,021,130
Capital assets, net of accumulated depreciation	17,239,056	16,079,211
Total assets	36,784,081	36,100,341
Deferred outflows	704,910	820,189
Current liabilities	873,245	935,250
Non-current liabilities	10,345,962	12,308,063
Total liabilities	11,219,207	13,243,313
Deferred inflows of resources	10,442,652	9,688,330
Net position:		
Net investment in capital asset	7,164,052	5,627,132
Restricted	679,244	590,870
Unrestricted	7,983,836	7,770,885
Total net position	\$ 15,827,132	\$ 13,988,887

Financial Analysis (cont'd)

Condensed Statement of Activities

	April 30,	
	2021	2020
Revenues:		
Property taxes	\$ 8,787,197	\$ 8,511,289
State replacement taxes	150,684	159,814
Investment income	31,324	194,802
Fines, fees and other	210,288	225,949
Total revenues	9,179,493	9,091,854
Expenses:		
Library services	6,967,828	7,917,702
Interest	373,420	309,447
Total expenses	7,341,248	8,227,149
Increase in net position	1,838,245	864,705
Net position, beginning of year	13,988,887	13,124,182
Net position, end of year	\$ 15,827,132	\$ 13,988,887

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

<u>Governmental Funds</u>	<u>Fund Balance April 30, 2020</u>	<u>Increase (Decrease)</u>	<u>Fund Balance April 30, 2021</u>
General	\$ 4,128,606	\$ 1,204	\$ 4,129,810
IMRF/FICA	522,020	86,726	608,746
Debt service	(9,371)	113	(9,258)
Construction	68,850	1,648	70,498
Capital improvements	6,177,274	(733,227)	5,444,047
Total	\$ 10,887,379	\$ (643,536)	\$ 10,243,843

The General Fund transferred \$1,115,000 to the Capital Improvements Fund and \$16,150 to the Debt Service Fund during the year.

Budgetary Highlight

The Library's General Fund expended \$6,519,365 which was \$707,135 less than the budget of \$7,226,500 for the year ended April 30, 2021. Salaries and employee benefits were \$365,655 less than the budgeted amount of \$4,863,500.

Capital Assets and Debt Administration

The following is a summary of capital assets as of April 30, 2021, and 2020:

	April 30,	
	<u>2021</u>	<u>2020</u>
Land	\$ 35,000	\$ 35,000
Artwork	3,200	3,200
Construction costs	1,009,521	390,844
Building improvements	25,152,214	23,967,055
Land improvements	241,162	241,162
Computer equipment	584,406	551,887
Office and other equipment	597,270	610,218
Furniture and shelving	1,320,413	1,305,135
Books and other library materials	5,130,021	4,913,416
Cost of capital assets	34,073,207	32,017,917
Less accumulated depreciation	<u>16,834,151</u>	<u>15,938,706</u>
Net capital assets	<u>\$ 17,239,056</u>	<u>\$ 16,079,211</u>

For further detail of capital assets, see Note III.B on page 26.

The outstanding bonds payable at April 30, 2021, are \$9,741,077. No new bonds were issued in the current year and bond payments made during the year were \$354,945. See Note III.D on pages 27 and 28 for more information. The Library also records noncurrent liabilities for a deferred bond premium, and net OPEB liability totaling \$333,927, and \$270,958, respectively, at April 30, 2021. The Library also recorded a net pension asset of \$133,542 at April 30, 2021.

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 Library in the near future.

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 its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Northbrook Public Library, 1201 Cedar Lane, Northbrook, Illinois 60062.

BASIC FINANCIAL STATEMENTS

**Northbrook Public Library
Statement of Net Position
April 30, 2021**

	Governmental Activities
Assets and Deferred Outflows	
Cash and investments	\$ 14,649,863
Receivables	4,611,726
Prepaid items	149,894
Net pension asset	133,542
Capital assets not being depreciated	1,047,721
Capital assets, net of accumulated depreciation	16,191,335
Total assets	36,784,081
Deferred outflows (Note IV.)	704,910
Total assets and deferred outflows	37,488,991
Liabilities and Deferred Inflows	
Accounts payable	420,343
Accrued expenses	38,529
Accrued interest	158,538
Compensated absences payable	255,835
Noncurrent liabilities:	
Debt due within one year	393,365
Debt due in more than one year	9,681,639
Net OPEB liability	270,958
Total liabilities	11,219,207
Deferred inflows (Note IV.)	10,442,652
Total liabilities and deferred inflows	21,661,859
Net Position	
Net investment in capital assets	7,164,052
Restricted	679,244
Unrestricted	7,983,836
	\$ 15,827,132

See accompanying notes.

**Northbrook Public Library
Statement of Activities
For the Year Ended April 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Library activities	\$ 6,967,828	\$ 19,667	\$ 159,242	\$ -	\$ (6,788,919)
Interest	373,420	-	-	-	(373,420)
	<u>\$ 7,341,248</u>	<u>\$ 19,667</u>	<u>\$ 159,242</u>	<u>\$ -</u>	<u>(7,162,339)</u>
			General revenues:		
			Property taxes	8,787,197	
			Replacement taxes	150,684	
			Investment income	31,324	
			Other income	31,379	
			Total general revenues	<u>9,000,584</u>	
			Changes in net position	<u>1,838,245</u>	
			Net position, beginning of year	<u>13,988,887</u>	
			Net position, end of the year	<u>\$ 15,827,132</u>	

See accompanying notes.

Northbrook Public Library
Balance Sheet - Governmental Funds
April 30, 2021

	<u>General</u>	<u>IMRF/FICA</u>	<u>Debt Service</u>
Assets			
Cash and investments	\$ 10,100,319	\$ -	\$ 328
Receivables, net:			
Property taxes	3,814,888	353,326	388,837
Other	6,533	-	-
Due from the Village	48,142	-	-
Due from other funds	-	930,640	344,662
Prepaid expenses	149,894	-	-
Total assets	\$ 14,119,776	\$ 1,283,966	\$ 733,827
Liabilities			
Accounts payable	\$ 242,622	\$ -	\$ -
Accrued payroll	38,529	-	-
Due to other funds	2,418,352	-	-
Total liabilities	2,699,503	-	-
Deferred Inflows of Resources			
Property taxes	7,290,463	675,220	743,085
Total liabilities and deferred inflows of resources	9,989,966	675,220	743,085
Fund Balances (Deficit)			
Nonspendable	149,894	-	-
Restricted for statutory purposes	-	608,746	-
Restricted for capital projects	-	-	-
Committed for capital projects	-	-	-
Unassigned	3,979,916	-	(9,258)
Total fund balances (deficit)	4,129,810	608,746	(9,258)
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 14,119,776	\$ 1,283,966	\$ 733,827

See accompanying notes.

<u>Construction</u>	<u>Capital Improvements</u>	<u>Total Governmental Funds</u>
\$ 4,647	\$ 4,544,569	\$ 14,649,863
-	-	4,557,051
-	-	6,533
-	-	48,142
65,851	1,090,114	2,431,267
-	-	149,894
<u>\$ 70,498</u>	<u>\$ 5,634,683</u>	<u>\$ 21,842,750</u>
\$ -	\$ 177,721	\$ 420,343
-	-	38,529
-	12,915	2,431,267
<u>-</u>	<u>190,636</u>	<u>2,890,139</u>
<u>-</u>	<u>-</u>	<u>8,708,768</u>
<u>-</u>	<u>190,636</u>	<u>11,598,907</u>
-	-	149,894
-	-	608,746
70,498	-	70,498
-	5,444,047	5,444,047
-	-	3,970,658
<u>70,498</u>	<u>5,444,047</u>	<u>10,243,843</u>
<u>\$ 70,498</u>	<u>\$ 5,634,683</u>	<u>\$ 21,842,750</u>

Northbrook Public Library
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
April 30, 2021

Total fund balance - governmental fund (page 11)	\$ 10,243,843
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 fund.	17,239,056
Net pension asset is not a financial resource and, therefore are not reported in the fund financial statements.	133,542
Liabilities as defined under modified accrual accounting, not due and payable in the current period, are not reported in the funds.	
Accrued interest	(158,538)
Compensated absences payable	(255,835)
Bonds payable	(9,804,046)
Difference in pension-related items on deferred outflows	676,439
Difference in pension-related items on deferred inflows	(1,733,884)
Net other post employment benefit liability	(270,958)
Difference in OPEB-related items on deferred outflows	28,471
Net position of governmental activities (page 8)	\$ 16,098,090

See accompanying notes.

Northbrook Public Library
Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficit) - Governmental Funds
For the Year Ended April 30, 2021

	<u>General</u>	<u>IMRF/FICA</u>	<u>Debt Service</u>
Revenues:			
Property taxes	\$ 7,280,953	\$ 762,430	\$ 743,814
State replacement taxes	150,684	-	-
Fines, fees, and rentals	19,667	-	-
Interest income	15,039	1,556	15
Investment loss	1,944	-	113
Gifts, designated, and grants	159,242	-	-
Miscellaneous	24,190	-	-
Total revenues	<u>7,651,719</u>	<u>763,986</u>	<u>743,942</u>
Expenditures:			
Salaries and employee benefits	4,497,845	677,260	-
Library materials and services	1,071,846	-	-
Operational costs	629,117	-	-
Maintenance	242,070	-	-
Other	3,557	-	-
Gifts and designated	74,930	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	354,945
Interest and fiscal charges	-	-	405,034
Total expenditures	<u>6,519,365</u>	<u>677,260</u>	<u>759,979</u>
Revenues over (under) expenditures before other financing sources (uses)	<u>1,132,354</u>	<u>86,726</u>	<u>(16,037)</u>
Other financing sources (uses):			
Transfers in	-	-	16,150
Transfers out	(1,131,150)	-	-
Total other financing sources (uses)	<u>(1,131,150)</u>	<u>-</u>	<u>16,150</u>
Net changes in fund balances (deficit)	1,204	86,726	113
Fund balances (deficit), beginning of the year	4,128,606	522,020	(9,371)
Fund balances (deficit), end of the year	<u>\$ 4,129,810</u>	<u>\$ 608,746</u>	<u>\$ (9,258)</u>

See accompanying notes.

<u>Construction</u>	<u>Capital Improvements</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 8,787,197
-	-	150,684
-	-	19,667
1,648	11,009	29,267
-	-	2,057
-	-	159,242
-	7,189	31,379
<u>1,648</u>	<u>18,198</u>	<u>9,179,493</u>
-	-	5,175,105
-	-	1,071,846
-	-	629,117
-	-	242,070
-	-	3,557
-	-	74,930
-	1,866,425	1,866,425
-	-	354,945
-	-	405,034
<u>-</u>	<u>1,866,425</u>	<u>9,823,029</u>
<u>1,648</u>	<u>(1,848,227)</u>	<u>(643,536)</u>
-	1,115,000	1,131,150
-	-	(1,131,150)
<u>-</u>	<u>1,115,000</u>	<u>-</u>
1,648	(733,227)	(643,536)
68,850	6,177,274	10,887,379
<u>\$ 70,498</u>	<u>\$ 5,444,047</u>	<u>\$ 10,243,843</u>

**Northbrook Public Library
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances (Deficit) of
Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2021**

Amounts reported for governmental activities in the statement of activities (page 9) are different because:

Net changes in fund balances - total governmental fund (page 14)	\$ (643,536)
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities.	2,598,309
Depreciation on capital assets is reported as an expense in the statement of activities.	(1,424,930)
The change in the compensated absences liability is reported as an expense on the statement of activities.	(51,549)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position	(13,534)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities.	354,945
The change in accrued interest is shown as interest expense on the statement of activities.	31,614
The net effect of changes in the net pension liability is reported as an expense in the statement of activities.	999,568
The net effect of changes in the net other post employment benefit liability is reported as an expense in the statement of activities.	<u>(12,642)</u>
Changes in net position of governmental activities (page 9)	<u>\$ 1,838,245</u>

See accompanying notes.

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 7,289,188	\$ 7,289,188	\$ 7,280,953	\$ (8,235)
State replacement taxes	100,000	100,000	150,684	50,684
Fines, fees and rentals	37,500	37,500	19,667	(17,833)
Interest income	50,000	50,000	15,039	(34,961)
Gifts, designated and grants	100,000	100,000	159,242	59,242
Loss on investment	-	-	1,944	1,944
Miscellaneous	100,000	100,000	24,190	(75,810)
Total revenues	7,676,688	7,676,688	7,651,719	(24,969)
Expenditures:				
Salaries and employee benefits	4,863,500	4,863,500	4,497,845	365,655
Library materials and services	1,145,000	1,145,000	1,071,846	73,154
Operational costs	748,000	748,000	629,117	118,883
Maintenance	266,000	266,000	242,070	23,930
Other	104,000	104,000	3,557	100,443
Gifts and designated	100,000	100,000	74,930	25,070
Total expenditures	7,226,500	7,226,500	6,519,365	707,135
Revenues over expenditures before other financing uses	450,188	450,188	1,132,354	682,166
Other financing uses - transfers out	(450,000)	(450,000)	(1,131,150)	(681,150)
Net changes in fund balance	\$ 188	\$ 188	1,204	\$ 1,016
Fund balance, beginning of the year			4,128,606	
Fund balance, end of the year			\$ 4,129,810	

See independent auditor's report.

Northbrook Public Library
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - IMRF/FICA Fund
For the Year Ended April 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 779,000	\$ 779,000	\$ 762,430	\$ (16,570)
Interest income	3,000	3,000	1,556	(1,444)
Total revenues	<u>782,000</u>	<u>782,000</u>	<u>763,986</u>	<u>(18,014)</u>
Expenditures - salaries and employee benefits:				
IMRF	400,000	400,000	397,230	2,770
Social Security	289,000	289,000	280,030	8,970
Total expenditures	<u>689,000</u>	<u>689,000</u>	<u>677,260</u>	<u>11,740</u>
Revenues over expenditures	<u>\$ 93,000</u>	<u>\$ 93,000</u>	<u>86,726</u>	<u>\$ (6,274)</u>
Fund balance, beginning of the year			<u>522,020</u>	
Fund balance, end of the year			<u>\$ 608,746</u>	

See independent auditor's report.

Northbrook Public Library Notes to the Financial Statements

I. Summary of Significant Accounting Policies

The financial statements of the Northbrook Public Library (Library) have been prepared in conformity with U.S. generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies are described below.

A. The Reporting Entity

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

The Library 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 Library (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 Library has not included in its financial statements the activities of any other entity. See Note V.E. for exclusion of Foundation.

The Library is a component unit of the Village of Northbrook (Village).

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The Library reports the following major governmental funds:

The **General Fund** is the general operating fund of the Library. It is used to account for all financial resources except those accounted for in another fund.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

B. Government Wide and Fund Financial Statements (cont'd)

The **IMRF/FICA Fund** is used to account for the retirement obligations of the Library, funded by a restricted tax levy.

The **Debt Service Fund** is used to account for the payment of principal and interest on the Library's debt, funded by a restricted tax levy.

The **Construction Fund** is used to account for expenditures related to the Library's renovation and expansion project, funded by bond proceeds.

The **Capital Improvements Fund** is used to account for the Library's ongoing capital needs, funded by bond proceeds.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers all revenues available if they are collected within 60 days after year end. Expenditures are generally recorded when the related fund liability is incurred. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity

1. Deposits and Investments

Illinois revised statutes authorize the Library 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 investment constituting direct obligations of any bank 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 banks that are insured by the Federal Deposit Insurance Corporation.

Investments consist of certificates of deposit, the Illinois Funds, and the Illinois Metropolitan Investment Fund (IMET). Certificates of deposit are stated at cost.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

IMET is a not-for-profit investment trust created pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

Illinois Funds and IMET meet the criteria contained in GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. This allows these investments and those local governments investing in these funds to measure its investment at amortized cost. The criteria contained in GASB Statement No. 79 address (1) how the pool interacts with participants, (2) requirements for portfolio maturity, quality, diversification and liquidity, and (3) calculation and requirements of a shadow price.

2. Receivables, Payables and Interfund Activity

The Library recognizes property taxes receivable during the fiscal year in which the taxes are levied and become a legal claim of the Library; however, property taxes are not recognized as revenue until the subsequent fiscal year when the property taxes are extended by Cook County and remitted to the Library. Accordingly, the property tax levy for the 2020 tax year, including collections thereon, is recognized as deferred inflows of resources in the accompanying statement of net position.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

2. Receivables, Payables and Interfund Activity (cont'd)

Property tax receivables are shown net of allowances for doubtful amounts. The property tax receivable allowance is equal to 3.90% of the outstanding property taxes at year end.

All interfund transactions are reported as operating transfers.

3. Capital Assets

Capital assets, which include buildings and improvements, land improvements, furniture, equipment, books, and other library materials, are reported in the government-wide financial statements. The Library defines capital assets as assets with an initial, individual cost of more than \$500, except for books and other library materials, which are capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are valued at their estimated fair value on the date received.

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 using the straight-line method over the assets' estimated useful lives as follows:

Buildings and improvements	5 – 40 years
Land improvements	10 – 20 years
Computer equipment	3 – 5 years
Office and other equipment	3 – 20 years
Furniture and shelving	7 – 20 years
Books and other library materials	7 years

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

4. Compensated Absences

The Library's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from Library service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Accumulated sick leave lapses when employees leave the employment of the Library and, upon separation from service, no monetary obligation exists.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

5. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period; they increase net position, similar to assets. Note IV. provides further detail on the components of deferred outflows of resources.

Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period; they decrease net position, similar to liabilities. Note IV. provides further detail on the components of deferred inflows of resources.

6. Fund Equity and Net Position

Equity in the government-wide statements is classified as net position and displayed in three components:

- a. **Net investment in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position** – Consists of net position with constraints placed on its 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.
- c. **Unrestricted net position** – Remaining net position that does not meet the definitions of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Library’s policy to use restricted resources first, then unrestricted resources as they are needed.

In the governmental fund financial statements, governmental funds report fund balance as either nonspendable or spendable. Spendable fund balance is further classified as restricted, committed, assigned or unassigned, based on the relative strength of the constraints that control how specific amounts can be spent.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

6. Fund Equity and Net Position (cont'd)

Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. The Library has fund balances restricted for specific purposes in the IMRF/FICA Fund due to property tax levies, and in the Construction Fund due to a bond ordinance.

Committed fund balance is constrained by formal actions of the Library's Board of Trustees, which is considered the Library's highest level of decision making authority. Formal action is in the form of an ordinance or resolution approved at a Board meeting. The Library's fund balance in the Capital Improvement Fund is committed for capital projects.

Assigned fund balance represents amounts constrained by the Library's intent to use them for a specific purpose. The authority to assign fund balance is at the Board level. Assignment of fund balance does not require passage of an ordinance. The Library has no assigned fund balance. The Debt Service Fund has a deficit fund balance that is reported as unassigned. The residual fund balance in the General Fund is reported as unassigned.

The Library assumes that funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Unrestricted funds are considered spent in the following order as available - committed funds, assigned funds, and then unassigned funds.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

The budget is adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general, special revenue, debt service, and capital projects funds, except for the Construction Fund. All annual budget amounts lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds. The Library did not amend its budget during the current fiscal year.

B. Deficit Fund Balance

The Library reports a deficit fund balance in the Debt Service Fund of \$9,258. Funding is expected to come from future tax revenue or a transfer from the General Fund.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups

A. Deposits and Investments

Deposits – At year end, the carrying amount of the Library's deposits, excluding petty cash of \$795, was \$14,637,452, and the bank balance was \$14,744,260. The entire bank balance was covered by federal depository insurance, collateral with securities held by the pledging financial institution's agent in the Library's name, or a letter of credit.

Investments – The Library invests in the Illinois Funds. The monies invested by individual participants are pooled together and invested in U.S. Treasury bills, and notes backed by the full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in Treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. The funds are readily available to the Library in demand which thereby reduces interest rate risk to a negligible level. The Illinois Funds is a "AAAm" rated fund. The carrying amount of deposits in the Illinois Funds at April 30, 2021, was \$1,171.

The Library had invested in The IMET Convenience Fund. During the prior year, certain repurchase agreements, believed to be guaranteed by the United States Department of Agriculture (USDA), were in default. The loans were allegedly guaranteed by the USDA but since the loan documents were forged, the USDA has decided at this time to not provide a financial guarantee for the loans. IMET estimates that 59.30% of the balance will be realizable. The Library has recognized losses in prior years to reduce the carrying amount of deposits in IMET at April 30, 2021, to \$10,445, which is 8.26% of its original value (\$285,035) less amounts distributed to date (\$158,581).

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups (cont'd)

A. Deposits and Investments (cont'd)

A reconciliation of cash and investments, as shown on the balance sheet for the Library, follows:

Carrying amount of deposits	\$ 14,637,452
Carrying amount of Illinois Funds	1,171
Carrying amount of IMET	10,445
Cash on hand	<u>795</u>
Total	<u>\$ 14,649,863</u>

Interest Rate Risk – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment; generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Library’s investment policy addresses interest rate risk by requiring the majority of its funds be held in authorized investments of less than one year of maturity, and that no investment shall exceed two years of maturity.

Credit Risk – Generally, credit risk is the risk that an issuer of a debt-type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization.

Custodial Credit Risk – For deposits, this is the risk that, in the event of a bank failure, a government will not be able to recover its deposits. For investments, this is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Library’s investment policy requires all investments to be fully secured or collateralized.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups (cont'd)

B. Capital Assets

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

	Balances May 1	Additions	Retirements	Balances April 30
Capital assets not being depreciated:				
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Construction in progress	390,844	956,001	337,324	1,009,521
Artwork	3,200	-	-	3,200
	<u>429,044</u>	<u>956,001</u>	<u>337,324</u>	<u>1,047,721</u>
Capital assets being depreciated:				
Building and improvements	23,967,055	1,185,159	-	25,152,214
Land improvements	241,162	-	-	241,162
Computer equipment	551,887	39,080	6,561	584,406
Office and other equipment	610,218	3,080	16,028	597,270
Furniture and shelving	1,305,135	29,055	13,777	1,320,413
Books and other library materials ⁵	4,913,416	723,258	506,653	5,130,021
	<u>31,588,873</u>	<u>1,979,632</u>	<u>543,019</u>	<u>33,025,486</u>
Less accumulated depreciation for:				
Building and improvements	11,333,910	657,104	-	11,991,014
Land improvements	25,832	8,518	-	34,350
Computer equipment	488,091	43,794	6,561	525,324
Office and other equipment	374,775	36,698	4,477	406,996
Furniture and shelving	930,093	35,829	13,777	952,145
Books and other library materials	2,786,005	642,987	504,670	2,924,322
	<u>15,938,706</u>	<u>1,424,930</u>	<u>529,485</u>	<u>16,834,151</u>
Total capital assets being depreciated, net	<u>15,650,167</u>	<u>554,702</u>	<u>13,534</u>	<u>16,191,335</u>
Capital assets, net	<u>\$ 16,079,211</u>	<u>\$ 1,510,703</u>	<u>\$ 350,858</u>	<u>\$ 17,239,056</u>

Depreciation expense was charged to Library activities' expense in the statement of activities.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups (cont'd)

C. Interfund Receivables, Payable and Transfers

Interfund balances consist of amounts due between funds arising from the delay in cash transfers among the funds. Balances at April 30, 2021, consist of the following:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
IMRF/FICA	\$ 930,640	General	\$ 930,640
Debt Service	344,662	General	344,662
		Capital	
Construction	12,915	Improvements	12,915
Construction	52,936	General	52,936
Capital Improvements	1,090,114	General	1,090,114

The Board approved transfers of \$425,000 from the General Fund to the Capital Improvements Fund to be utilized for future capital projects, and \$16,150 from the General Fund to the Debt Service Fund to fund shortfall of property taxes to debt service payments. Actual transfers were \$1,115,000 from the General Fund to the Capital Improvement Fund and \$16,150 from the General Fund to the Debt Service Fund.

D. Long-term Liabilities

General Obligation Bonds

The Library has issued general obligation bonds to provide funds for the acquisition, construction, and renovation of its facility. In addition, some general obligation bonds have been issued to refund other general obligation bonds.

For the year ended April 30, 2021, long-term liabilities consisted of the following obligation Library bonds and other liabilities:

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups (cont'd)

D. Long-term Liabilities (cont'd)

	Balances May 1	Additions	Retirements	Balances April 30
\$3,825,000 19-year serial refunding bonds dated November 6, 2019, with interest rates ranging from 3.00% to 5.00%	\$ 3,825,000	\$ -	\$ 90,000	\$ 3,735,000
\$6,505,000 24-year serial bonds dated August 7, 2013, with interest rates ranging from 3.00% to 4.50%.	6,130,000	-	195,000	5,935,000
\$201,371 9-year serial refunding bonds dated December 1, 2012, with interest rates ranging from .40% to 2.00% (part of Village bond issue).	72,522	-	35,945	36,577
\$3,476,500 9-year serial refunding bonds dated December 1, 2012, with interest rates of 2.00% (part of Village bond issue).	68,500	-	34,000	34,500
	10,096,022	-	354,945	9,741,077
Deferred bond premium	356,057	-	22,130	333,927
Total debt	10,452,079	-	377,075	10,075,004
Net pension liability (asset)	1,396,801	-	1,530,343	(133,542)
Net OPEB liability	459,183	-	188,225	270,958
	\$ 12,308,063	\$ -	\$ 2,095,643	\$ 10,212,420

Issue	Amount Due Within One Year		
	Principal	Interest	Total
\$3,825,000	\$ 100,000	\$ 128,750	\$ 228,750
\$6,505,000	205,000	252,000	457,000
\$201,371	36,577	732	37,309
\$3,476,500	34,500	690	35,190
	\$ 376,077	\$ 382,172	\$ 758,249

Northbrook Public Library
Notes to the Financial Statements (cont'd)

III. Detailed Notes For All Fund Types and Account Groups (cont'd)

D. Long-term Liabilities (cont'd)

The annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Principal	Interest	Total
2022	\$ 376,077	\$ 382,172	\$ 758,249
2023	390,000	367,550	757,550
2024	410,000	350,900	760,900
2025	425,000	333,350	758,350
2026	445,000	315,150	760,150
2027- 2031	2,510,000	1,282,200	3,792,200
2032 – 2036	3,050,000	742,950	3,792,950
2037-2039	2,135,000	137,175	2,272,175
	<u>\$ 9,741,077</u>	<u>\$ 3,911,447</u>	<u>\$ 13,652,524</u>

IV. Deferred Outflows of Resources and Deferred Inflows of Resources

The following table provides additional detail regarding deferred outflows of resources and deferred inflows of resources on the government-wide statement of net position:

Deferred outflows of resources:	
Pension related:	
Change in assumptions	\$ 133,359
Net difference between projected and actual experience	351,282
Contributions subsequent to the measurement date	191,798
OPEB related:	
Change in assumptions	<u>28,471</u>
Total deferred outflows of resources	<u>\$ 704,910</u>
Deferred inflows of resources:	
Property taxes	\$ 8,708,768
Pension related:	
Change in assumptions	179,050
Net difference between projected and actual earnings on pension plan investments	1,333,134
OPEB related:	
Net difference between projected and actual experience	214,267
Change in assumptions	<u>7,433</u>
Total deferred inflows of resources	<u>\$ 10,442,652</u>

Northbrook Public Library
Notes to the Financial Statements (cont'd)

IV. Deferred Outflows of Resources and Deferred Inflows of Resources (cont'd)

The change in assumptions related primarily to the change in the interest rate assumption.

V. Other Information

A. 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; and natural disasters for which the Library carries commercial insurance.

The Library is a member of the Library Insurance Management and Risk Control Combination (LIMRCC), an intergovernmental agreement providing for unemployment insurance. LIMRCC purchases commercial insurance coverage to cover possible liabilities related to these risks. These commercial policies involve immaterial deductibles, and provide sufficient coverage to reduce the risk of any material loss. Settlements have not exceeded insurance coverage in each of the past three years.

The Library purchases commercial insurance for errors and omissions coverage.

Medical and death benefits for employees and retirees are provided for through the Library's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Library pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years' experience factor for premiums.

B. Operating Lease Commitments

The Library is committed under various leases for equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended April 30, 2021, amounted to \$23,329. Future minimum lease payments for equipment leases are as follows:

Year Ending April 30,		
2022	\$	16,004
2023		12,688
2024		<u>7,650</u>
	\$	<u>36,342</u>

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

C. **Deferred Compensation Plan**

The Village of Northbrook offers the Library employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village and Library employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plan is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan assets are held in a trust. As such, plan assets are not subject to the claims of general creditors of the Library or Village.

D. **Jointly Governed Organization**

The Library participates in Cooperative Computer Services (CCS). CCS is an intergovernmental agency instrumentality formed by library members of the former North Suburban Library System and exists to administer a jointly owned integrated library automation system. CCS's governing board is comprised of one member from each participating library. No participant has any obligation, entitlement, or residual interest in CCS. In order to terminate membership in CCS, member libraries must provide one-year notice of termination. The Library's expenditures to CCS for the year ended April 30, 2021, were \$103,028.

E. **Foundation**

During the year ended April 30, 2006, the Library created the Northbrook Public Library Foundation (Foundation), which is a federally tax exempt 501(c)(3) organization. During the year ended April 30, 2021, the Foundation received \$10,501 in donations and interest, and expended \$522 toward administrative costs. The Foundation had assets totaling \$65,461 as of April 30, 2021. The Foundation has not been included in the financial statements as it does not meet the requirements of a component unit.

F. **Defined Benefit Pension Plan**

General Information About the Pension Plan

Plan Description – The Library's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), provides pensions for all full-time employees of the Library. IMRF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The types of benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org. The Library participates in IMRF through the Village of Northbrook.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

F. **Defined Benefit Pension Plan** (cont'd)

General Information About the Pension Plan (cont'd)

Benefits Provided – IMRF provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011, who retire at or after age 60 with 8 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent of each year thereafter. Employees with at least 8 years of service may retire at or after age 55 and receive a reduced benefit. For participating members hired on or after January 1, 2011, who retire at or after age 67 with 10 years of service, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$116,740 and \$115,929 at January 1, 2021 and 2020, respectively. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

Contributions – Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Library is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar years 2020 and 2021, were 11.71 and 11.39 percent, respectively. The Library's contribution to the Plan totaled \$397,230 in the fiscal year ended April 30, 2021, which was equal to its annual required contribution.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

F. **Defined Benefit Pension Plan** (cont'd)

Net Pension Liability

The Library is a component unit of the Village of Northbrook. Village management has allocated approximately 14.61% of the Village's pension responsibility to the Library based on annual employer contribution to the plan (19.40% in prior year). The Village of Northbrook's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Valuation and Assumptions – The actuarial assumptions used in the December 31, 2020, valuation were based on an actuarial experience study for the period January 1, 2017 – December 31, 2019, using the entry age normal actuarial cost method. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.85% to 13.75%
Investment rate of return	7.25%
Post-retirement benefit increase:	
Tier 1	3.0%-simple
Tier 2	lesser of 3.0%-simple or ½ increase in CPI

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2021, was 23 years.

Mortality Rates – For non-disabled lives, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (Adjusted 105%) tables, and future mortality improvement projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, 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.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

F. **Defined Benefit Pension Plan** (cont'd)

Net Pension Liability (cont'd)

Long-term Expected Rate of Return – The long-term expected rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio, using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	37%	5.00%
International equities	18%	6.00%
Fixed income	28%	1.30%
Real estate	9%	6.20%
Alternatives:	7%	
Private equity		6.95%
Commodities		2.85%
Cash equivalents	1%	0.70%

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for the next 99 years. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to the next 99 periods of projected benefit payments, and then the municipal bond rate of 2.00% (based on an index of 20-year general obligation bonds with an average AA credit rating with is published by the Federal Reserve as of December 31, 2020) was utilized, resulting in a single discount rate of 7.25% being used to determine the total pension liability.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

F. **Defined Benefit Pension Plan** (cont'd)

Net Pension Liability (cont'd)

Changes in Net Pension Liability – Village of Northbrook

The change in the net pension liability for the Village of Northbrook is shown below.
The Library's percentage of the liability is 14.61%.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances 12/31/19	\$ 113,478,206	\$ 106,276,827	\$ 7,201,379
Changes for the year:			
Service cost	1,737,783	-	1,737,783
Interest	8,076,403	-	8,076,403
Differences between expected and actual Experience	1,622,218	-	1,622,218
Changes in assumptions	(989,685)	-	(989,685)
Contributions - employer	-	2,109,996	(2,109,996)
Contributions - employee	-	810,844	(810,844)
Net investment income	-	15,087,840	(15,087,840)
Benefit payments, including refunds of employee contributions	(5,896,883)	(5,896,883)	-
Other changes	-	553,734	(553,734)
Balances 12/31/20	<u>\$ 118,028,042</u>	<u>\$ 118,942,358</u>	<u>\$ (914,316)</u>

Discount Rate Sensitivity – The following presents the net pension liability of the Village as a whole, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate. **The Library's portion is approximately 14.61%:**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village of Northbrook net pension liability	<u>\$ 12,907,639</u>	<u>\$ (914,316)</u>	<u>\$ (11,958,619)</u>

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

F. **Defined Benefit Pension Plan** (cont'd)

Net Pension Liability (cont'd)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IMRF financial report.

Net Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Library

At April 30, 2021, the Library’s portion of the Village of Northbrook’s net pension asset is \$167,498. For the year ended April 30, 2021, the Library recognized pension income of \$319,083 in the government-wide financial statements. At April 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 351,282	\$ -	\$ 351,282
Changes in assumptions	133,359	179,050	(45,691)
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,333,134</u>	<u>(1,333,134)</u>
	484,641	1,512,184	(1,027,543)
Contributions made subsequent to the measurement date	<u>191,798</u>	<u>-</u>	<u>191,798</u>
Total	<u>\$ 676,439</u>	<u>\$ 1,512,184</u>	<u>\$ (835,745)</u>

Library contributions of \$191,798 will be recognized as a reduction of the net pension liability in the year ending April 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending April 30,

2022	\$ (264,198)
2023	(54,844)
2024	(497,495)
2025	<u>(211,006)</u>
Total	<u>\$ (1,027,543)</u>

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

G. **Other Post-Employment Benefits**

Plan Descriptions, Provisions and Funding Policies

The Library provides post-employment health care and life insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Library and can be amended by the Library through its personnel manual. The plan is not accounted for as a trust fund as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Library's General Fund. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Library's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care, vision care dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Library's plan becomes secondary. All retirees contribute 100% of the actuarially determined premium to the plan. At April 30, 2021, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	2
Active plan members	<u>46</u>
Total	<u>48</u>

Funding Policy – Retirees and dependents may continue coverage under the Library's group health program by contributing a monthly premium. They may participate in any plans offered to active employees. Retirees and dependents are required to pay 100% of the blended average employee cost. Premiums are the same for active and retired employees. The Library pays the difference between the actuarial cost of the health coverage for retirees and the employee group cost. There is no formal funding policy that exists for the OPEB plan as the total OPEB liabilities are currently an unfunded obligation.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

G. **Other Post-Employment Benefits** (cont'd)

Net OPEB Liability – The Library’s net OPEB liability was initially measured as of April 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of May 1, 2020.

Total OPEB liability	\$	270,958
Plan fiduciary net position		-
Net OPEB liability	\$	270,958

Retiree Lapse Rates – The assumed lapse rate is 0%.

Election at Retirement – 20% of active employees are assumed to elect coverage at retirement.

Marital Status – 25% of active employees are assumed to be married and elect spousal coverage upon retirement.

Actuarial Valuation and Assumptions – The total OPEB liability was determined by an actuarial valuation using the Alternative Measurement Method as detailed in GASB Statement 75, as of May 1, 2020. The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary increases	4.00%
Discount rate	1.83%
Inflation rate	3.00%
Investment rate of return	4.10%

The health care trend rate is 5.50 percent for the HMO Plan and 6.00 percent for the PPO Plan for fiscal years 2019-2020, then decreasing over time to an ultimate rate of 4.50 percent for both plans by fiscal year 2036. The mortality rates were based on the PubG.H-2010 Mortality Table – General with mortality improvement using scale MP-2020.

Discount Rate – The discount rate used to measure the total OPEB liability is based on the ability of the fund to meet benefit obligations in the future. Because the Village does not have a dedicated trust to pay retiree healthcare benefits, the discount rate used should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. A discount rate of 1.83% is used, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of April 30, 2021.

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

G. **Other Post-Employment Benefits** (cont'd)

Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
Balance 4/30/20	\$ 459,183	\$ -	\$ 459,183
Changes for the year:			
Service cost	16,766	-	16,766
Interest	13,643	-	13,643
Differences between expected and actual experience	(235,444)	-	(1235,444)
Changes in assumptions	15,638	-	15,638
Contributions - employer	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(36,729)	-	(36,729)
Other changes	37,901	-	37,901
Net changes	(188,225)	-	(188,225)
Balances at 4/30/21	\$ 270,958	\$ -	\$ 270,958

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Library as of the date of the latest actuarial valuation, calculated using the discount rate of 1.83%, as well as what the Library's net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (0.83%)	Current Discount Rate (1.83%)	1% Increase (2.83%)
Net OPEB Liability	\$ 254,133	\$ 270,958	\$ 288,796

Northbrook Public Library
Notes to the Financial Statements (cont'd)

V. **Other Information** (cont'd)

G. **Other Post-Employment Benefits** (cont'd)

Changes in Net OPEB Liability

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates –

The following presents the net OPEB liability of the Library as of the date of the latest actuarial valuation, as well as what the Library's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or lower than the current rate:

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 299,116	\$ 270,958	\$ 246,363

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

For the year ended April 30, 2021, the Library recognized OPEB expense of \$11,471. At April 30, 2021, the Library reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 214,267	\$ (214,267)
Assumption changes	28,471	7,433	21,038
Net difference between projected and actual earnings on pension plan investments	-	-	-
Total	\$ 28,471	\$ 221,700	\$ (193,229)

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

Year Ending December 31,

2021	\$ (19,112)
2022	(19,112)
2023	(19,112)
2024	(19,112)
2025	(19,112)
Thereafter	(97,669)
Total	\$ (193,229)

REQUIRED SUPPLEMENTARY INFORMATION

Northbrook Public Library
Village of Northbrook (see Note below)
Illinois Municipal Retirement Fund
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Calendar Year Ended December 31,

	<u>2020</u>	<u>2019</u>
Total pension liability:		
Service cost	\$ 318,353	\$ 328,425
Interest on the total pension liability	1,402,007	1,593,150
Benefit changes	-	-
Difference between expected and actual changes	297,182	204,009
Assumption changes	(181,305)	-
Benefit payments and refunds	<u>(1,080,278)</u>	<u>(1,048,711)</u>
Net change in total pension liability	755,959	1,076,873
Total pension liability - beginning	<u>20,480,354</u>	<u>19,403,481</u>
Total pension liability - ending	<u>\$ 21,236,313</u>	<u>\$ 20,480,354</u>
Plan fiduciary net position:		
Employer contributions	\$ 386,540	\$ 323,235
Employee contributions	148,542	151,375
Pension plan net investment income	2,764,013	3,339,697
Benefit payments and refunds	(1,080,278)	(1,048,711)
Other	<u>101,441</u>	<u>117,860</u>
Net change in plan fiduciary net position	2,320,258	2,883,456
Plan fiduciary net position - beginning	<u>19,083,553</u>	<u>16,200,097</u>
Plan fiduciary net position - ending	<u>\$ 21,403,811</u>	<u>\$ 19,083,553</u>
Net pension liability	<u>\$ (167,498)</u>	<u>\$ 1,396,801</u>
Plan fiduciary net position as a percentage of total pension liability	<u>100.79%</u>	<u>93.18%</u>
Covered valuation payroll	<u>\$ 3,173,489</u>	<u>\$ 3,360,028</u>
Net pension liability as a percentage of covered valuation payroll	<u>-5.28%</u>	<u>41.57%</u>

Note - The Northbrook Public Library participates in IMRF through the Village of Northbrook. It is not possible to present this schedule for the Library alone; however, the Library represents approximately 14.6% of the Village and as such the above schedule represents 18.3% of the Village's schedule. GASB 68 was adopted in fiscal year ended April 30 2016; this schedule will build a ten-year history prospectively.

See independent auditor's report.

2018	2017	2016	2015
\$ 295,235	\$ 305,975	\$ 308,221	\$ 305,485
1,406,958	1,295,578	1,401,693	1,192,367
-	-	-	-
329,023	71,088	(153,599)	(6,357)
559,318	(599,476)	(65,348)	40,891
<u>(1,002,857)</u>	<u>(866,472)</u>	<u>(825,139)</u>	<u>(716,600)</u>
1,587,677	206,693	665,828	815,786
<u>17,815,804</u>	<u>17,609,111</u>	<u>16,943,283</u>	<u>16,127,497</u>
<u>\$ 19,403,481</u>	<u>\$ 17,815,804</u>	<u>\$ 17,609,111</u>	<u>\$ 16,943,283</u>
\$ 371,707	\$ 359,385	\$ 366,360	\$ 350,861
142,976	134,781	135,300	128,054
(988,647)	2,738,317	1,040,580	72,797
(1,002,857)	(866,472)	(825,139)	(716,600)
<u>406,200</u>	<u>(317,152)</u>	<u>7,890</u>	<u>27,116</u>
(1,070,621)	2,048,859	724,991	(137,772)
<u>17,270,718</u>	<u>15,221,859</u>	<u>14,496,868</u>	<u>14,634,640</u>
<u>\$ 16,200,097</u>	<u>\$ 17,270,718</u>	<u>\$ 15,221,859</u>	<u>\$ 14,496,868</u>
<u>\$ 3,203,384</u>	<u>\$ 545,086</u>	<u>\$ 2,387,252</u>	<u>\$ 2,446,415</u>
<u>83.49%</u>	<u>96.94%</u>	<u>86.44%</u>	<u>85.56%</u>
<u>\$ 3,177,666</u>	<u>\$ 2,938,462</u>	<u>\$ 2,945,889</u>	<u>\$ 2,827,246</u>
<u>100.81%</u>	<u>18.55%</u>	<u>81.04%</u>	<u>86.53%</u>

**Northbrook Public Library
Illinois Municipal Retirement Fund
Required Supplementary Information -
Multiyear Schedule of Contributions
April 30, 2021**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2021	\$ 397,230	\$ 397,230	\$ -	\$ 2,713,385	14.64 %
2020	349,333	349,333	-	3,394,368	10.29 %
2019	351,547	351,547	-	2,941,945	11.95 %
2018	357,325	357,325	-	2,990,876	11.95 %
2017	362,742	362,742	-	2,950,690	12.29 %
2016	350,861	350,861	-	2,827,246	12.41 %

Notes to Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Wage Growth	3.25%
Inflation	2.50%
Salary Increases	3.35% to 14.25% Including Inflation
Investment Rate of Return	7.25%
Retirement Age	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 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2017 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2015 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2017 Employee Mortality Table with adjustments to match current IMRF experience.

Note: The Library adopted GASB 68 in the fiscal year ended April 30, 2016, and will build a ten-year history prospectively.

See independent auditor's report.

**Northbrook Public Library
Other Postemployment Retiree Healthcare Plan
Multiyear Schedule of Changes in Net OPEB Liability and Related Ratios
Fiscal Year Ended April 30,**

	<u>2021</u>	<u>2020</u>
Total OPEB liability:		
Service cost	\$ 16,766	\$ 10,913
Interest on the total pension liability	13,643	18,137
Benefit changes	-	-
Difference between expected and actual changes	(235,444)	-
Assumption changes	15,638	-
Benefit payments and refunds	(36,728)	(66,950)
Other changes	37,900	-
	<u>(188,225)</u>	<u>(37,900)</u>
Net change in total OPEB liability		
	<u>459,183</u>	<u>497,083</u>
Total OPEB liability - beginning		
	<u>\$ 270,958</u>	<u>\$ 459,183</u>
Total OPEB liability - ending		
Plan fiduciary net position:		
Employer contributions	\$ 36,728	\$ 66,950
Employee contributions	-	-
OPEB plan net investment income	-	-
Benefit payments and refunds	(36,728)	(66,950)
Other	-	-
	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-
	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning		
	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position - ending		
	<u>\$ 270,958</u>	<u>\$ 459,183</u>
Net OPEB liability		
	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of total OPEB liability		
	<u>\$ 2,662,043</u>	<u>\$ 3,360,028</u>
Covered valuation payroll		
	<u>10.18%</u>	<u>13.67%</u>
Net OPEB liability as a percentage of covered valuation payroll		

Note: The Library adopted GASB 75 in the fiscal year ended April 30, 2019, and will build a ten-year history prospectively.

See independent auditor's report.

<u>2019</u>	
\$	10,913
	18,137
	-
	-
	9,271
	(81,844)
	30
	<u>(43,493)</u>
	540,576
\$	<u>497,083</u>
\$	81,844
	-
	-
	(81,844)
	<u>-</u>
	-
	-
\$	<u>-</u>
\$	<u>497,083</u>
	<u>0.00%</u>
\$	<u>2,578,041</u>
	<u>19.28%</u>

SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Salaries and employee benefits:				
General salaries and wages	\$ 3,928,756	\$ 3,928,756	\$ 3,617,765	\$ 310,991
Maintenance salaries and wages	179,744	179,744	177,485	2,259
Group insurance	630,000	630,000	648,701	(18,701)
Unemployment/workers' compensation	27,000	27,000	25,075	1,925
Staff development	98,000	98,000	28,819	69,181
Total salaries and employee benefits	4,863,500	4,863,500	4,497,845	365,655
Library materials and services:				
Books and materials	783,046	783,046	796,769	(13,723)
Audio visual materials	71,026	71,026	55,381	15,645
Video/DVDs	68,928	68,928	41,644	27,284
Programs	119,000	119,000	75,024	43,976
OCLC	21,000	21,000	23,735	(2,735)
CCS shared costs	82,000	82,000	79,293	2,707
Total library materials and services	1,145,000	1,145,000	1,071,846	73,154
Operational costs:				
Photocopy	35,000	35,000	23,328	11,672
Office and library supplies	70,000	70,000	70,197	(197)
Computer software and supplies	95,000	95,000	99,903	(4,903)
Postage	20,000	20,000	16,801	3,199
General insurance	59,000	59,000	58,129	871
Telephone	36,000	36,000	48,058	(12,058)
Professional services	265,000	265,000	243,612	21,388
Furniture and equipment	100,000	100,000	30,048	69,952
Equipment rental and maintenance	20,000	20,000	4,436	15,564
Community relations	48,000	48,000	34,605	13,395
Total operational costs	748,000	748,000	629,117	118,883

(cont'd)

Northbrook Public Library
General Fund
Schedule of Expenditures - Budget and Actual (cont'd)
For the Year Ended April 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Maintenance:				
Vehicle expense	\$ 3,000	\$ 3,000	\$ 483	\$ 2,517
Janitorial supplies	45,000	45,000	42,115	2,885
Utilities	53,000	53,000	47,123	5,877
Building repairs	30,000	30,000	18,710	11,290
Contracted services	135,000	135,000	133,639	1,361
Total maintenance	266,000	266,000	242,070	23,930
Other:				
Recruiting	500	500	-	500
Contingency	100,000	100,000	3,341	96,659
Board development	3,500	3,500	216	3,284
Total other	104,000	104,000	3,557	100,443
Gifts and designated	100,000	100,000	74,930	25,070
Total expenditures	\$ 7,226,500	\$ 7,226,500	\$ 6,519,365	\$ 707,135

See independent auditor's report.

Northbrook Public Library
Schedule of Revenues, Expenditures and Changes in
Fund Deficit - Budget and Actual - Debt Service Fund
For the Year Ended April 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes	\$ 527,476	\$ 527,476	\$ 743,814	\$ 216,338
Interest income	500	500	15	(485)
Gain on investment	-	-	113	113
Total revenues	<u>527,976</u>	<u>527,976</u>	<u>743,942</u>	<u>215,966</u>
Expenditures - debt service:				
Principal	262,531	262,531	354,945	(92,414)
Interest	264,945	264,945	405,034	(140,089)
Total expenditures	<u>527,476</u>	<u>527,476</u>	<u>759,979</u>	<u>(232,503)</u>
Revenues over (under) expenditures before other financing sources	500	500	(16,037)	(16,537)
Other financing sources - transfers in	-	-	16,150	16,150
Net changes in fund deficit	<u>\$ 500</u>	<u>\$ 500</u>	<u>113</u>	<u>\$ (387)</u>
Fund deficit, beginning of the year			<u>(9,371)</u>	
Fund deficit, end of the year			<u>\$ (9,258)</u>	

See independent auditor's report.

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Interest income	\$ 25,000	\$ 25,000	\$ 11,009	\$ (13,991)
Miscellaneous	-	-	7,189	7,189
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>18,198</u>	<u>(6,802)</u>
Expenditures:				
Capital outlay:				
Renovations and repairs	2,837,178	2,837,178	1,482,325	1,354,853
Professional fees	250,000	250,000	100,020	149,980
Furniture and equipment	250,000	250,000	284,080	(34,080)
Total expenditures	<u>3,337,178</u>	<u>3,337,178</u>	<u>1,866,425</u>	<u>1,470,753</u>
Revenues under expenditures before other financing sources	<u>(3,312,178)</u>	<u>(3,312,178)</u>	<u>(1,848,227)</u>	<u>1,463,951</u>
Other financing sources:				
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Transfers in	425,000	425,000	1,115,000	690,000
Total other financing sources	<u>425,000</u>	<u>425,000</u>	<u>1,115,000</u>	<u>690,000</u>
Net changes in fund balance	<u>\$ (2,887,178)</u>	<u>\$ (2,887,178)</u>	<u>(733,227)</u>	<u>\$ 2,153,951</u>
Fund balance, beginning of the year			<u>6,177,274</u>	
Fund balance, end of the year			<u>\$ 5,444,047</u>	

See independent auditor's report.