



44 N. Walkup Ave.
Crystal Lake, IL 60014
T: 815-459-0700
GRA-CPA.COM

Accounting • Auditing • Consulting

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Annual Financial Report
For the Year Ended June 30, 2021

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

CONTENTS

For the Year Ended June 30, 2021

	<u>Pages</u>
Independent Auditor's Report	1-2
Other Information:	
Management's Discussion and Analysis - Unaudited	3-11
Financial Statements:	
Government-wide Statement of Net Position – Modified Cash Basis	12
Government-wide Statement of Activities and Changes in Net Position – Modified Cash Basis	13
Combined Balance Sheet - Governmental Funds	14
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	15
Reconciliation of the Governmental Fund Balance to the Statement of Net Position and the Statement of Activities and Changes in Net Position	16
Notes to The Basic Financial Statements	17-32
Other Information:	
General Fund – Schedule of Revenues – Estimated and Actual	33
General Fund - Schedule of Expenditures - Appropriation and Actual	34-35
Liability Insurance Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Appropriation and Actual	36
Building Maintenance Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Appropriation and Actual	37

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

CONTENTS

For the Year Ended June 30, 2021

	<u>Pages</u>
Trend Information for IMRF funding:	
Multi-Year Schedule of Changes in Net Pension Liability and Related Ratios	38
Multi-year Schedule of Contributions	39
Notes to Other Information	40-41



44 N. Walkup Ave.
Crystal Lake, IL 60014
T: 815-459-0700
GRA-CPA.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Acorn Public Library District
15624 S. Central Avenue
Oak Forest, IL 60452

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Acorn Public Library District, Illinois (Library) as of and for the year ended June 30, 2021, 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 the modified cash basis of accounting as described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 financial statement 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 modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Acorn Public Library District, Illinois as of June 30, 2021, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

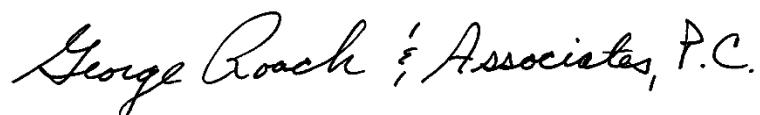
Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements as a whole that collectively comprise the Acorn Public Library District, Illinois' financial statements. The other information (OI) as described in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. We have applied certain limited procedures to the other 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 other information because the limited procedures do not provide us sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "George Roach & Associates, P.C." The signature is written in a cursive, flowing style.

George Roach & Associates, P.C.
Crystal Lake, Illinois
September 23, 2021

OTHER INFORMATION –
MANAGEMENT DISCUSSION AND ANALYSIS -
UNAUDITED

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited
For the Year Ended June 30, 2021

As management of the Acorn Public Library District (Library), we offer readers of the Library's statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets of the Library exceeded its liabilities at June 30, 2021 by \$2,571,048 (*net position*). Of this amount, \$948,263 (*unrestricted net position*) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position increased by \$138,568.
- At June 30, 2021, the Library's governmental funds reported combined ending fund balances of \$1,038,606, a decrease of \$58,770 from the prior year.
- At June 30, 2021, the fund balance for the General Fund was \$1,100,687.
- The Library's total net capital assets decreased by \$73,662 during the year ended June 30, 2021, due to depreciation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

The Statement of Net Position presents information on all of the Library's assets and liabilities, 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.

The Statement of Activities presents information showing how the Library'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).

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited
For the Year Ended June 30, 2021

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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 a government'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 Library'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 this comparison between governmental funds and governmental activities.

Notes to the financial statements

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 more detailed data on budget to actual revenues and expenditures.

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 meeting its obligation to provide as fully adequate as possible services to its residents.

The Library adopts an annual budget for all funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by \$2,571,048 at June 30, 2021.

Of the Library's net position, \$1,532,442 reflects its investment in capital assets (e.g., land, construction in progress, buildings, systems and equipment); less any related outstanding debt used to acquire those assets. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2021

An additional portion of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$948,263) may be used to meet the Library's ongoing obligations to citizens and creditors.

At June 30, 2021, the Library is able to report positive balances in all three categories of net position. The Library's net position increased by \$138,568 during the year ended June 30, 2021.

Acorn Public Library District's Net Position

	<u>6/30/2020</u>	<u>6/30/2021</u>
Current and Other Assets	\$ 1,097,376	\$ 10,386,060
Fixed Assets	<u>1,826,104</u>	<u>1,752,442</u>
Total Assets	<u><u>\$ 2,923,480</u></u>	<u><u>\$ 12,138,502</u></u>
Bonds Payable	<u>\$ 491,000</u>	<u>\$ 220,000</u>
Total Liabilities	<u>491,000</u>	<u>220,000</u>
Net Position:		
Net Investment in Capital Assets	1,335,104	1,532,442
Restricted - Net Position	66,527	90,343
Unrestricted - Net Position	<u>1,030,849</u>	<u>948,263</u>
Total Net Position	<u><u>\$ 2,432,480</u></u>	<u><u>\$ 2,571,048</u></u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2021

Governmental activities

Governmental activities increased the Library's net position by \$138,568. Key elements of the change to net position by governmental activities are as follows:

Acorn Public Library District Changes in Net Position

	<u>6/30/2020</u>	<u>6/30/2021</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 27,283	\$ 20,419
Operating Grants and Contributions	48,845	51,665
General Revenues:		
Property Taxes	1,117,872	1,158,147
Replacement Taxes	17,861	22,655
Interest	15,836	3,428
Other	8,938	9,131
Total Revenues	<u>1,236,635</u>	<u>1,265,445</u>
Expenditures		
General Government	1,166,698	1,112,060
Debt Service	21,007	14,817
Total Expenditures	<u>1,187,705</u>	<u>1,126,877</u>
Change in Net Position	48,930	138,568
Net Position, Beginning of Year	<u>2,383,550</u>	<u>2,432,480</u>
Net Position, End of Year	<u>\$ 2,432,480</u>	<u>\$ 2,571,048</u>

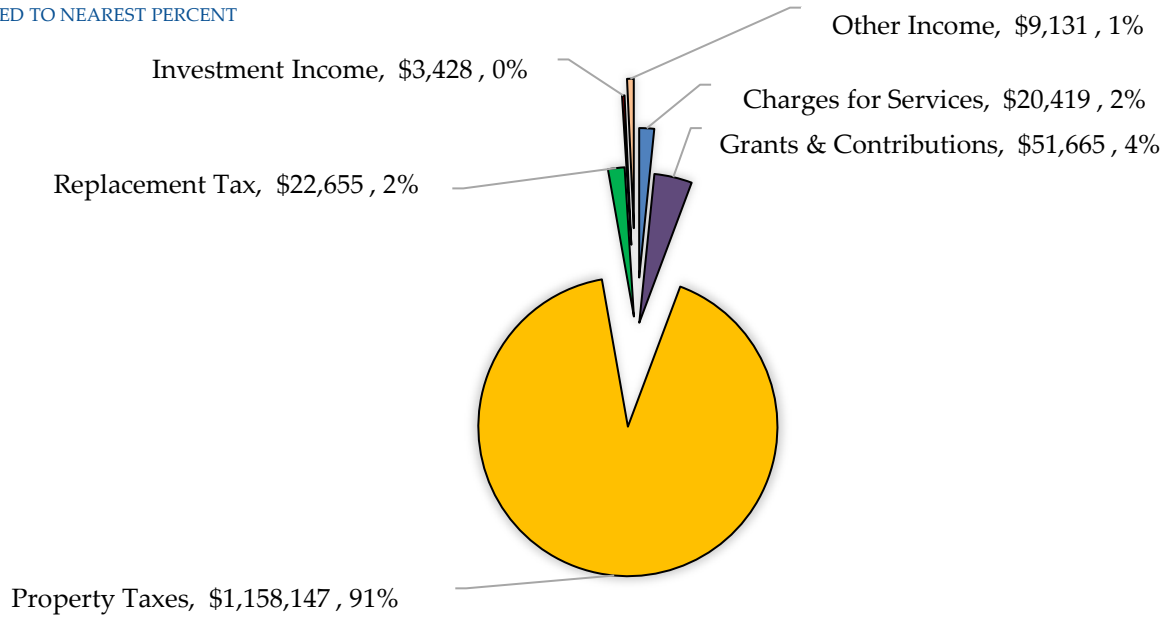
ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2021

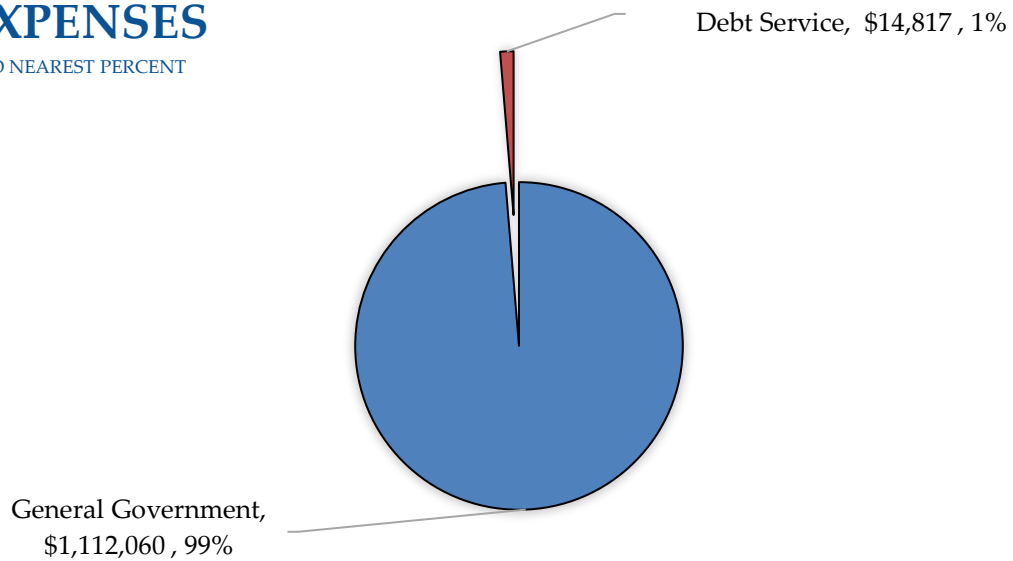
2021 REVENUES

ROUNDED TO NEAREST PERCENT



2021 EXPENSES

ROUNDED TO NEAREST PERCENT



ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited
For the Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE LIBRARY'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. Such information is useful in assessing the Library's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Library's net resources available for spending at the end of the fiscal year.

At June 30, 2021, the Library's governmental funds reported combined ending fund balances of \$1,038,606 a decrease of \$58,770 in comparison with the prior year.

The General Fund is the chief operating fund of the Library. At June 30, 2021, the fund balance of the General Fund was \$1,100,687. This represents a decrease of \$47,057 compared to the prior fiscal year.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget for the year ended June 30, 2021. Total differences between the final amended budget and the actual revenues and expenditures are summarized as follows:

- The General Fund actual revenues were less than estimated revenues by \$45,510.
- The General Fund actual expenditures were less than estimated expenditures by \$498,654.

FIXED ASSETS

The Library's fixed assets for its governmental activities as of June 30, 2021 amount to \$1,826,104 (net of accumulated depreciation). This investment in fixed assets includes land, buildings, furniture, fixtures, and equipment.

Major capital asset events during the current fiscal year included the following:

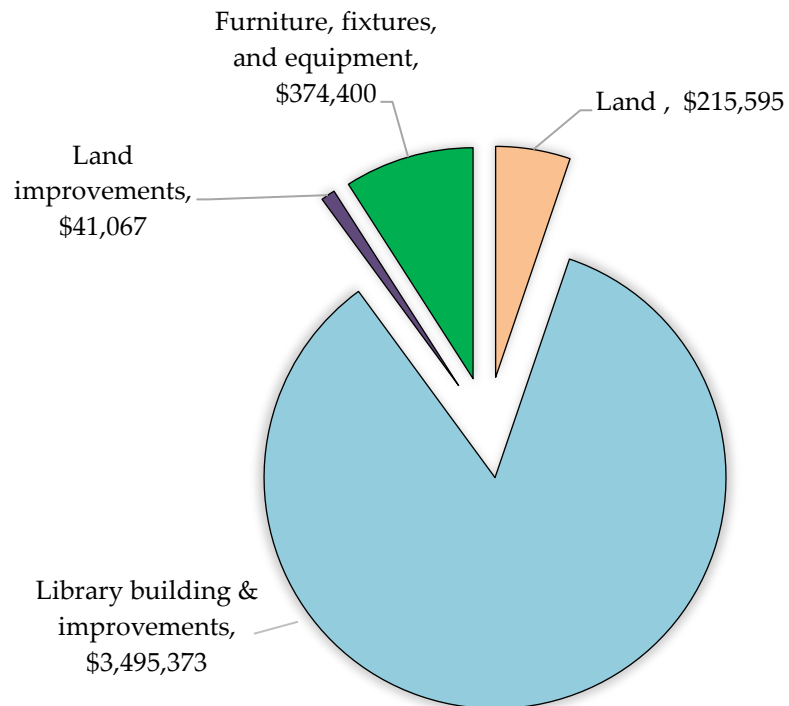
	Balance July 1, 2020	Additions	Balance June 30, 2021
Land	\$ 215,595	\$ -	\$ 215,595
Library building & improvements	3,495,373	-	3,495,373
Furniture, fixtures, and equipment	374,400	-	374,400
Land improvements	41,067	-	41,067
Total	4,126,435	-	4,126,435
Accumulated depreciation	2,300,331	\$ 73,662	2,373,993
Net Capital Assets	\$1,826,104		\$ 1,752,442

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2021

CAPITAL ASSETS, AT COST



ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2021

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Library for 2020 is \$582,899,322. That represents an increase in EAV of \$84,550,299 over the prior year's EAV. Taxes recorded in these financial statements are distributions received from the second half of the 2019 levy and the first half of the 2020 levy. A summary of the assessed valuations and extensions for tax years 2020, 2019, and 2018 is as follows:

ASSESSED VALUATIONS, EXTENDED TAX RATES PERCENTAGE ALLOCATIONS AND AMOUNTS BY FUNDS

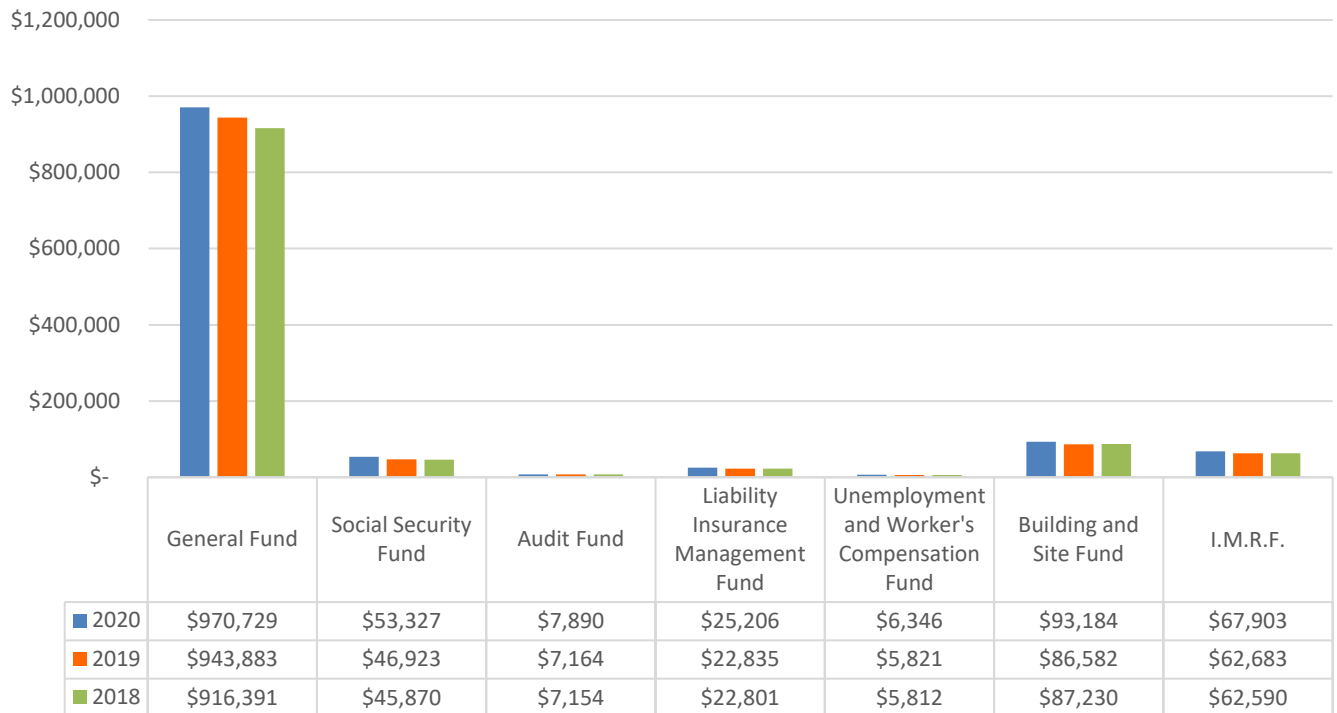
Tax Levy Year	2020		2019		2018	
Assessed Valuation						
Cook County	\$	582,499,322	\$	497,949,023	\$	502,422,330
Tax Rates and Percentage Allocations by Fund						
Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.1665	79.29	0.1900	80.17	0.1830	79.83
Social Security Fund	0.0091	4.33	0.0100	4.22	0.0090	3.98
Audit Fund	0.0014	0.67	0.0014	0.42	0.0010	0.61
Liability Insurance and Management Fund	0.0043	2.05	0.0045	2.11	0.0050	1.97
Unemployment and Worker's Compensation Fund	0.0011	0.52	0.0012	0.42	0.0010	0.53
Building and Site Fund	0.0160	7.62	0.0174	7.17	0.0170	7.61
I.M.R.F.	0.0116	5.52	0.0125	5.49	0.0130	5.47
Totals	0.2100	100.00	0.2370	100.00	0.2290	100.00
Property Tax Extensions						
Funds	2020		2019		2018	
General Fund	\$	970,729	\$	943,883	\$	916,391
Social Security Fund		53,327		46,923		45,870
Audit Fund		7,890		7,164		7,154
Liability Insurance and Management Fund		25,206		22,835		22,801
Unemployment and Worker's Compensation Fund		6,346		5,821		5,812
Building and Site Fund		93,184		86,582		87,230
I.M.R.F.		67,903		62,683		62,590
Totals		\$ 1,224,585		\$ 1,175,891		\$ 1,147,848

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis - Unaudited

For the Year Ended June 30, 2021

Property Tax Extensions



Description of Current or Expected Conditions

Currently, management is not aware of any other 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. However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

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 information should be addressed to: Library Director, 15624 Central Ave., Oak Forest, IL 60452.

BASIC FINANCIAL STATEMENTS

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Government-wide Statement of Net Position - Modified Cash Basis

June 30, 2021

Assets	
Cash, at cost	\$ 1,038,606
Fixed Assets	1,752,442
Total Assets	2,791,048
Liabilities	
Bonds Payable - current portion	21,000
Bonds Payable - noncurrent	199,000
Total Liabilities	220,000
Net Position	
Net Investment in Capital Assets	1,532,442
Restricted	90,343
Unrestricted	948,263
Total Net Position	\$ 2,571,048

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

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Government-wide Statement of Activities and Changes in Net Position - Modified Cash Basis

For the Year Ended June 30, 2021

Functions/Programs	Program Revenues			Net Revenue (Expense)/Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses			Governmental Activities
General Government	\$ 1,112,060	\$ 20,419	\$ 51,665	\$ (1,039,976)
Debt Service - interest payments	14,817	-	-	(14,817)
Total Governmental Activities	\$ 1,126,877	\$ 20,419	\$ 51,665	(1,054,793)
General Revenues				
				1,158,147
Property Taxes				22,655
Replacement Tax				3,428
Investment income				9,131
Other income				
Total Revenues				1,193,361
Changes in Net Position				138,568
Net Position Beginning of Year				2,432,480
Total Net Position				\$ 2,571,048

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

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Combined Balance Sheet - Governmental Fund

June 30, 2021

	General	Liability Insurance	Building & Maintenance	Total
Assets				
Cash and investments, at cost	\$ 1,038,606	\$ -	\$ -	\$ 1,038,606
Due from other funds	62,081	-	-	62,081
Total Assets	\$ 1,100,687	\$ -	\$ -	\$ 1,100,687
Liabilities				
Due to General Fund	\$ -	\$ 4,118	\$ 57,963	\$ 62,081
Total Liabilities	-	4,118	57,963	62,081
Fund Balance				
Nonspendable	-	-	-	-
Restricted	-	(4,118)	(57,963)	(62,081)
Restricted - Social Security	11,411	-	-	11,411
Restricted - Unemployment	37,014	-	-	37,014
Restricted - IMRF	102,043	-	-	102,043
Restricted - Audit	1,956	-	-	1,956
Committed	-	-	-	-
Assigned - capital improvements	-	-	-	-
Unassigned	948,263	-	-	948,263
Total Fund Balance	1,100,687	(4,118)	(57,963)	1,038,606
Total Liabilities and Fund Balance	\$ 1,100,687	\$ -	\$ -	\$ 1,100,687

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

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund

For the Year Ended June 30, 2021

	General	Liability Insurance	Building & Maintenance	Total
Revenues				
Property taxes - current year	\$ 558,167	\$ 12,718	\$ 47,019	\$ 617,904
Property taxes - prior year	489,973	10,491	39,779	540,243
Replacement taxes	22,655	-	-	22,655
Fines and fees	20,419	-	-	20,419
Per Capita grant	46,665	-	-	46,665
Gifts and donations	5,000	-	-	5,000
Interest	3,428	-	-	3,428
Other	9,131	-	-	9,131
Total Revenues	1,155,438	23,209	86,798	1,265,445
Expenditures				
Salaries and benefits	690,887	-	-	690,887
Materials	73,402	-	-	73,402
Operating expenses	68,336	24,437	97,283	190,056
Auxiliary programs	6,256	-	-	6,256
Capital equipment	55,441	-	-	55,441
Principal debt payments	271,000	-	-	271,000
Interest, fiscal, refunding	14,817	-	-	14,817
Total Expenditures	1,202,495	24,437	97,283	1,324,215
Net Change in Fund Balance	(47,057)	(1,228)	(10,485)	(58,770)
District Fund Balance				
Balance, beginning of year	1,147,744	(2,890)	(47,478)	1,097,376
Total District Fund Balance	\$ 1,100,687	\$ (4,118)	\$ (57,963)	\$ 1,038,606

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

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Reconciliation of the Governmental Fund Balance to the Statement of Net Position and the Statement of Activities and Changes in Net Position

For the Year Ended June 30, 2021

Reconciliation of the Governmental Fund Balance to the Statement of Net Position

Total Fund Balances - Total Governmental Funds	\$ 1,038,606
---	---------------------

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	1,752,442
--	-----------

Bond outstanding are not shown as liabilities in the funds	(220,000)
--	-----------

Net Position of Government	\$ 2,571,048
-----------------------------------	---------------------

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to The Statement of Activities and Changes in Net Position

Net Change in Fund Balance - Governmental Funds	\$ (58,770)
--	--------------------

Amounts reported for governmental activities in the Statement of Revenues, Expenditures, and Changes in Fund Balance are different because:

Depreciation is shown as an expense in the Statement of Activities and not in the governmental funds	(73,662)
--	----------

Debt repayment is not an expense in the Statement of Activities but is an expense the in governmental funds	271,000
---	---------

Changes in Net Position	\$ 138,568
--------------------------------	-------------------

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

NOTES TO THE BASIC
FINANCIAL STATEMENTS

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Acorn Public Library District (Library) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Library's overall financial position and results of operations
- Financial statements prepared using modified accrual accounting for all of the Library's activities
- A change in the fund financial statements to focus on the major funds

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

REPORTING ENTITY -

The Library is located in Oak Forest, Illinois and is governed by a board. The Library is primarily funded through a tax levy, fines and fees, and charitable donations. Revenue is used to operate and staff the Library. The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of any operational or financial relationships with the Library, there are no component units to be included in these financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION -

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).

GOVERNMENT-WIDE FINANCIAL STATEMENTS -

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities and Changes in Net Position) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Statement of Activities and Changes in Net Position demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to library patrons 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 meet the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues, and are reported instead as general revenue.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenue is recognized when received and expenditures are recorded when paid. Assets of a fund are only recorded when a right to receive cash exists from a previous cash transaction. Liabilities of a fund result from previous cash transactions. Modified cash basis financial statements omit recognition of receivables and payables and other accrued or deferred items that do not arise from previous transactions. The primary sources of revenue are property taxes, state-shared revenue, fines, fees, grants, donations and interest.

THE LIBRARY REPORTS THE FOLLOWING MAJOR GOVERNMENTAL FUNDS –

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library, except those required to be accounted for in another fund, while the Library Special Revenue Funds account for the resources associated with restricted expenditures the Library considers all funds to be major funds. The Library has no Special Revenue Funds.

FINANCIAL STATEMENT AMOUNTS -

Bank Deposits and Investments - The Library has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. The Library maintains a cash and investment pool which is available for use by the General and Special Revenue Funds.

The Library's investment policies are governed by state statutes. All funds are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts and deposits in the Illinois Funds.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

Property taxes are levied on December 1st based on the taxable valuation of the property as of the preceding December 31st.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets - Capital assets are defined by the Library as assets with an initial cost of more than \$2,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	20-40 years
Equipment, furniture and fixtures	5-20 years

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represents tentative management plans that are subject to change.

The Library has a pension plan covering substantially all the full-time employees and part-time employees working 1,000 or more hours per year. Employees are covered by the Illinois Municipal Retirement Fund.

The budget represents departmental appropriations as authorized by the Library's appropriation ordinance and includes revisions authorized by the Library Board to reflect changes in departmental programs. At June 30, 2021, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified cash basis. The 2020-21 appropriations ordinance was adopted September 9, 2020.

GOVERNMENTAL FUND BALANCES –

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Library is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

NONSPENDABLE –

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Library has classified no items as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

GOVERNMENTAL FUND BALANCES – (CONCLUDED)

RESTRICTED –

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants.

COMMITTED –

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Library Board of Trustees. These amounts cannot be used for any other purpose unless the Library Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Library did not have any committed resources as of June 30, 2021.

ASSIGNED –

This classification includes amounts that are constrained by the Library's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Library Board of Trustees or through the Library Board delegating this responsibility to the Library manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

UNASSIGNED –

This classification includes the residual fund balance for the General Fund and the amount established for minimum funding which represents the portion of the General Fund balance that has been established by the board and management, to be used for debt service or in emergency situations. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Library would typically use Restricted Fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

NOTE 2 – CASH AND INVESTMENTS

The Library's investment policies are governed by state statutes whereby Library money must be deposited in FDIC - insured banks located within the state. Permissible investments include demand accounts and certificates of deposits.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 2 – CASH AND INVESTMENTS (CONCLUDED)

The Library's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the Library at June 30, 2010. The categories are described as follows:

- Category 1 Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 Uncollateralized.

	Category			Bank	Carrying
	1	2	3	Balance	Value
Pooled deposits					
Checking/Savings	\$ 500,000	\$ 285,990	\$ -	\$ 785,990	\$ 776,719
Illinois Funds	-	-	-	261,887	261,887
Totals	<u>\$ 500,000</u>	<u>\$ 285,990</u>	<u>\$ -</u>	<u>\$ 1,047,877</u>	<u>\$ 1,038,606</u>

NOTE 3 – CHANGES IN FIXED ASSETS

Governmental Type Activities:	Beginning			Ending
	Balances	Increases	Decreases	Balances
Nondepreciable capital assets				
Land	\$ 215,595	\$ -	\$ -	\$ 215,595
Depreciable capital assets				
Building & Improvements	3,495,373	-	-	3,495,373
Furniture & Equipment	374,400	-	-	374,400
Land Improvements	41,067	-	-	41,067
Total depreciable capital assets	<u>3,910,840</u>	<u>-</u>	<u>-</u>	<u>3,910,840</u>
Less accumulated depreciation				
Building & Improvements	1,988,744	60,772	-	2,049,516
Furniture & Equipment	300,454	10,686	-	311,140
Land Improvements	11,133	2,204	-	13,337
Total accumulated depreciation	<u>2,300,331</u>	<u>73,662</u>	<u>-</u>	<u>2,373,993</u>
Total net depreciable capital assets	<u>1,610,509</u>	<u>\$ (73,662)</u>	<u>\$ -</u>	<u>1,536,847</u>
Total net capital assets	<u>\$ 1,826,104</u>			<u>\$ 1,752,442</u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 4 – GENERAL OBLIGATION BONDS

The District issued general obligation bonds Dated October 28, 2010 with The Depository Trust Company in the amount of \$800,000 for a building remodeling project. The bonds were issued with interest rate from 3.50%-4.30% and will mature on December 1, 2029.

Bonds dated October 28, 2010	
Final payment date	December 1, 2029
Interest rate (range)	3.5% to 4.3%

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities: Long-Term Debt					
General Obligation Refunding Bonds - October 28, 2010	\$ 491,000	\$ -	\$ 271,000	\$ 220,000	\$ 21,000
Total Long-Term Debt	491,000	-	271,000	220,000	21,000

	Maturity Dates	Interest Rates	Face Amount	Carrying Amount
Long-term liabilities at June 30, 2021				
Governmental Activities:				
General Obligation Refunding Bonds - October 28, 2010	12/1/2029	Variable	\$ 800,000	\$ 220,000

General Obligation Bonds

Bonds Dated March 20, 2014

Interest Rate	Fiscal Year Ended Date	Outstanding June 30, 2021	
		Principal	Interest
4.000	6/30/2022	21,000	8,698
4.000	6/30/2023	22,000	7,838
4.000	6/30/2024	23,000	6,938
4.000	6/30/2025	24,000	5,998
4.000	6/30/2026	24,000	5,038
4.300	6/30/2027	25,000	4,020
4.300	6/30/2028	26,000	2,924
4.300	6/30/2029	27,000	1,785
4.300	6/30/2030	28,000	602
TOTALS		<u>\$ 220,000</u>	<u>\$ 43,841</u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 5 – FUND BALANCE

The Library has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

NONSPENDABLE –

Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

RESTRICTED –

Amounts that can be spent only for specific purposes because of the Library Charter, Library Code, state or federal laws, or externally imposed conditions by grantors or creditors.

COMMITTED –

Amounts that can be used only for specific purposes determined by a formal action by the Library Board of Trustees ordinance or resolution. This includes the budget reserve account.

ASSIGNED –

Amounts that are designated by the Library manager for a specific purpose but are not spendable until a budget ordinance is passed by the Library Board of Trustees.

UNASSIGNED –

All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Combined Balance Sheet. As discussed in Note 1, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted or the Assignment has been changed by the Library management. Decreases to fund balance first reduce Unassigned Fund balance. In the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

NOTE 6 – OPERATING LEASE

The District entered into an operating lease for a color copier. The lease requires minimum monthly payments of \$348 monthly for 60 months. Remaining minimum obligations are as follows:

Due in Fiscal Year	Amount
2022	\$ 4,176
2023	4,176
2024	4,176
Total	<u>\$ 12,528</u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 7 – DEFERRED COMPENSATION PLAN

The Library maintains for its employees a deferred compensation plan structured and operated in accordance with the provisions of Internal Revenue Code 457. The plan, available to all Library District employees, permits them to defer a portion of their salary until future years. The deferred compensation and accumulated earnings thereon are not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan is fully funded by the Library District as the deferred compensation is earned by employees. Payroll withholdings and payments to a trustee are accounted for in the Employees' Deferred Compensation Fund, an agency fund. The investments are held by the Library District's Employees' Deferred Compensation Fund.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are, until paid or made available to the employee or other beneficiary, solely the property and rights of the Library District and are not restricted to the provision of benefits under the plan. Plan assets are not subject to the claims of the Library District's general creditors. Participant's rights under the plan are equal to those of general creditors of the Library District in an amount equal to the fair market value of the deferred amount for each participant.

NOTE 8 – ILLINOIS MUNICIPAL RETIREMENT

PROFILE OF IMRF –

IMRF is the administrator of an agent multiple-employer public employee retirement system. The Illinois State Legislature established IMRF in 1939. IMRF began operations in 1941 in order to provide retirement, death, and disability benefits to employees of local units of government in Illinois. Members, employers, and annuitants elect eight trustees who govern IMRF. IMRF is separate and apart from the Illinois state government and is not included in the state's financial statements. The Illinois Pension Code requires IMRF to provide its financial statements to participating employers and to any participating member who requests them.

PLAN DESCRIPTION –

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

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 8 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

FUNDING POLICY –

As set by statute, the Library's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library's contribution rate for calendar year 2020 was 8.85 percent of annual covered payroll. The Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 8 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Executive Summary as of December 31, 2020

Actuarial Valuation Date	December 31, 2020
Measurement Date of the Net Pension Liability	December 31, 2020
Fiscal Year End	June 30, 2021

Membership

Number of	
-Retirees and Beneficiaries	24
-Inactive, Non-Retired Members	21
-Active Members	11
-Total	56
Covered Valuation Payroll*	\$ 441,214

Net Pension Liability

Total Pension Liability/(Assets)	\$ 3,064,070
Plan Fiduciary Net Position	3,433,588
Net Pension Liability/(Assets)	\$ (369,518)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.06%
Net Pension Liability as a Percentage of Covered Valuation Payroll	(83.75%)

Development of the Single Discount Rate as of December 31, 2020

Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate**	2.00%
Last year ending December 31 in the 2021 to 2120 projection period of which projected benefit payments are fully funded	2120
Resulting Single Discount Rate based on the above development	7.25%

Single Discount Rate calculated using December 31, 2019 Measurement Date 7.25%

Total Pension Expense/(Income) \$ (22,911)

Deferred Outflows and deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,546	\$ 118,184
Changes in assumptions	3,125	33,711
Net Difference between projected and actual earnings on pension plan investments	166,185	463,363
Total	\$ 183,856	\$ 615,258

*Source: * Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 68.

** Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds are reported in Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 8 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

For the year ended June 30, 2021, the District recognized pension income of \$22,911. At June 30, 2021, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in pension Expense in Future Periods</i>		
Difference between expected and actual experiences	\$ 14,546	\$ 118,184
Changes of assumptions	3,125	33,711
Net difference between projected and actual earnings on pension plan investments	166,185	463,363
Total Deferred Amounts to be recognized in pension expense in future periods	<u>\$ 183,856</u>	<u>\$ 615,258</u>
Pensions contributions made subsequent to the measurement date	18,780	-
Total Deferred Amounts Related to Pensions	<u><u>\$ 202,636</u></u>	<u><u>\$ 615,258</u></u>

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:

Year Ending December 31	Net Deferred Outflows of
2021	\$ (170,748)
2022	(93,608)
2023	(118,066)
2024	(48,980)
2025	-
Thereafter	-
Total	<u>\$ (431,402)</u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 8 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios

Current Period

Calendar Year Ended December 31, 2020

A. Total pension liability

1. Service Cost	\$ 46,396
2. Interest on the Total Pension Liability	229,112
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	(188,753)
5. Changes in assumptions	(54,319)
6. Benefit payments, including refunds of employee contributions	(210,654)
7. Net change in total pension liability	\$ (178,218)
8. Total pension liability - beginning	3,242,288
9. Total pension liability - ending	<u>\$ 3,064,070</u>

B. Plan fiduciary net position

1. Contributions - employer	\$ 39,048
2. Contributions - employee	19,855
3. Net investment income	468,794
4. Benefit payments, including refunds of employee contributions	(210,654)
5. Other (Net Transfer)	(94,837)
6. Net change in plan fiduciary net position	\$ 222,206
7. Plan fiduciary net position - beginning	3,211,382
8. Plan fiduciary net position - ending	<u>\$ 3,433,588</u>

C. Net pension liability/(asset) \$ (369,518)

D. Plan fiduciary net position as a percentage
of the total pension liability 112.06%

E. Covered Valuation payroll \$ 441,214

F. Net pension liability as a percentage
of covered valuation payroll (83.75%)

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% increase 8.25%
Total Pension Liability	\$ 3,397,449	\$ 3,064,070	\$ 2,799,486
Plan Fiduciary Net Position	3,433,588	3,433,588	3,433,588
Net Pension Liability/(Asset)	<u>\$ (36,139)</u>	<u>\$ (369,518)</u>	<u>\$ (634,102)</u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 8 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

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

Valuation Date:

December 31, 2020

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior contributions are reported.

Notes

Methods and Assumptions Used to Determine 2020 Contribution Rates:

Actuarial Cost Method

Aggregate Entry Age Normal

Amortization Method

Level Percentage of Payroll, Closed

Remaining Amortization
Period

Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 23-year closed period Early Retirement Incentive Plan liabilities:

a period up to 10 years selected by the employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were finance over 28 years).

Asset Valuation Method

5-Year smoothed market; 20% corridor

Wage growth

3.25%

Price 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-2014 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 (based on 2015). The IMRF specific rates were developed from the RP-2014 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-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

There were no benefit changes during the year

Notes

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 8 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

CALCULATION OF THE SINGLE DISCOUNT RATE

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.00%; and the resulting single discount rate is 7.25%.

Expected Contributions are developed based on the following:

- Member Contributions for current members
- Normal Cost contributions for current members
- Unfunded Liability contributions for current and future members

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 8 – ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the Total Pension Liability

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
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 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled 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.

Other Information: There were no benefit changes during the year.
Notes

NOTE 9 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to The Basic Financial Statements

For the Year Ended June 30, 2021

NOTE 10 – CONTINGENCIES

The Library is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the Statement of Net Position date but before the financial statements are issued, or are available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no other recognized or non-recognized subsequent events that have occurred between June 30, 2021 and the date of this audit report requiring disclosure in the financial statements.

OTHER INFORMATION

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Schedule of Revenues - Estimated and Actual

For the Year Ended June 30, 2021

General Fund Revenues		
	Estimated	Actual Amounts
Property taxes	\$ 1,081,955	\$ 617,904
Property taxes - prior year	-	540,243
Replacement taxes	18,000	22,655
Per Capita grant	50,000	46,665
Fines and fees	50,000	20,419
Gifts and donations	100,000	5,000
Interest	10,000	3,428
Miscellaneous	-	9,131
Total General Fund Revenues	\$ 1,309,955	\$ 1,265,445

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Schedule of Expenditures - Appropriations and Actual

For the Year Ended June 30, 2021

	Appropriations		Actual
	Original	Final	Amounts
Salaries			
Salaries	\$ 619,180	\$ 619,180	\$ 551,099
Secretarial contract	2,552	2,552	370
Payroll taxes	55,000	55,000	44,647
Board expense	1,000	1,000	-
Staff expense	5,227	5,227	1,509
Hospitalization & life insurance	90,951	90,951	54,763
IMRF	70,000	70,000	38,300
Professional growth	4,190	4,190	199
Total Salaries	848,100	848,100	690,887
Materials			
Books	140,078	140,078	42,807
Magazines & newspapers	15,507	15,507	6,252
On-line reference	28,143	28,143	8,787
Audio - visual	25,996	25,996	15,556
Total Materials	209,724	209,724	73,402
Debt Service			
Bond payment	312,000	312,000	271,000
Interest	-	-	14,817
Total Debt Service	312,000	312,000	285,817
Capital Property and Equipment			
Information technology	106,904	106,904	49,119
Furniture, fixtures & equipment	26,111	26,111	6,322
Total Capital Property and Equipment	133,015	133,015	55,441
Contractual Services			
Legal expense	8,317	8,317	2,334
Professional fees	13,285	13,285	6,239
Equipment lease and maintenance	31,587	31,587	13,783
Total Contractual Services	53,189	53,189	22,356
Operating Expenses			
Dues	4,127	4,127	1,555
Fuel, Water & Electric	35,777	35,777	23,453
Audit	8,000	8,000	6,200
Supplies	15,444	15,444	6,762
Telephone and internet	10,498	10,498	4,778

continued

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund - Schedule of Expenditures - Appropriations and Actual

For the Year Ended June 30, 2021

	Appropriations		Actual Amounts
	Original	Final	
Operating Expenses (Concluded)			
Bulk postage, printing, marketing	\$ 17,691	\$ 17,691	\$ 2,030
SWAN membership	26,728	26,728	23,040
Miscellaneous	2,000	2,000	518
Total Operating Expenses	120,265	120,265	68,336
Auxiliary Programs			
Programs - children, young adult and adult	24,856	24,856	6,256
Total Auxiliary Programs	24,856	24,856	6,256
Total General Expenditures	1,701,149	1,701,149	1,202,495
Total Expenditures General Fund	\$ 1,701,149	\$ 1,701,149	\$ 1,202,495 concluded

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Liability Insurance Fund - Schedule of Revenue, Expenditures and Changes in Fund Balance

- Appropriation and Actual

For the Year Ended June 30, 2021

	Appropriations		Actual Amounts
	Original	Final	
Revenue			
Property taxes	\$ 26,000	\$ 26,000	\$ 12,718
Property taxes - Prior Years	-	-	10,491
Total Revenue	26,000	26,000	23,209
Expenditures			
Contractual Services			
Liability Insurance	26,000	26,000	21,585
Worker's compensation insurance	6,500	6,500	2,852
Total Expenditures	32,500	32,500	24,437
Net Change in Fund Balance	\$ (6,500)	\$ (6,500)	(1,228)
Fund Balance			
Balance, Beginning of Year			(2,890)
Fund Balance, End of Year			\$ (4,118)

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Building Maintenance Fund - Schedule of Revenue, Expenditures and Changes in Fund Balance

- Appropriation and Actual

For the Year Ended June 30, 2021

	Appropriations		Actual
	Original	Final	Amounts
Revenue			
Property taxes	\$ 130,000	\$ 130,000	\$ 47,019
Property taxes - Prior Years	(3,000)	(3,000)	39,779
Total Revenue	<u>127,000</u>	<u>127,000</u>	<u>86,798</u>
Personnel			
Salaries	-	-	22,445
Total Personnel	<u>-</u>	<u>-</u>	<u>22,445</u>
Contractual Services			
Cleaning service	-	-	10,200
Waste management	-	-	1,758
Maintenance and repairs	130,000	130,000	22,249
Elevator	-	-	2,014
Building projects	-	-	13,218
Service contracts	-	-	20,695
Total Contractual Services	<u>130,000</u>	<u>130,000</u>	<u>70,134</u>
Materials and Supplies			
Supplies	-	-	4,704
Total Material and Supplies	<u>-</u>	<u>-</u>	<u>4,704</u>
Total Expenditures	<u>130,000</u>	<u>130,000</u>	<u>97,283</u>
Excess (Deficiency) of Revenue			
Over Expenditures	<u>(3,000)</u>	<u>(3,000)</u>	<u>(10,485)</u>
Net Change in Fund Balance	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>(10,485)</u>
Fund Balance			
Balance, Beginning of Year			(47,478)
Fund Balance, End of Year			<u>\$ (57,963)</u>

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS
Multi-year Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Calendar Years
(schedule to be built prospectively from 2014)

Calendar Year Ending	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability												
Service Cost	\$ 46,396	\$ 45,816	\$ 43,704	\$ 37,927	\$ 41,320	\$ 45,113	\$ 45,510					
Interest on the Total Pension Liability	229,112	220,969	219,418	218,832	216,262	215,370	204,264					
Benefit Changes	-	-	-	-	-	-	-					
Difference between Expected and Actual Experience	(188,753)	51,822	(26,137)	29,024	(39,542)	(73,747)	(74,938)					
Assumption Changes	(54,319)	-	78,458	(97,780)	(3,199)	(3,272)	137,945					
Benefit Payments and Refunds	(210,654)	(202,508)	(185,954)	(180,191)	(185,261)	(161,747)	(151,901)					
Net Change in Total Pension Liability	(178,218)	116,099	129,489	7,812	29,580	21,717	160,880					
Total Pension Liability - Beginning	3,242,288	3,126,189	2,996,700	2,988,888	2,959,308	2,937,591	2,776,711					
Total Pension Liability - Ending (a)	\$ 3,064,070	\$ 3,242,288	\$ 3,126,189	\$ 2,996,700	\$ 2,988,888	\$ 2,959,308	\$ 2,937,591					
Plan Fiduciary Net Position												
Employer Contributions	\$ 39,048	\$ 33,400	\$ 52,623	\$ 51,037	\$ 54,067	\$ 55,364	\$ 60,939					
Employee Contributions	19,855	30,283	21,926	20,451	18,279	17,682	18,137					
Pension Plan Net Investment Income	468,794	542,881	(190,878)	495,858	176,177	13,009	155,067					
Benefit Payments and Refunds	(210,654)	(202,508)	(185,954)	(180,191)	(185,261)	(161,747)	(151,901)					
Other	(94,837)	28,738	61,447	(42,444)	(16,718)	57,736	(14,609)					
Net Change in Plan Fiduciary Net Position	222,206	432,794	(240,836)	344,711	46,544	(17,956)	67,633					
Plan Fiduciary Net Position - Beginning	3,211,382	2,778,588	3,019,424	2,674,713	2,628,169	2,646,125	2,578,492					
Plan Fiduciary Net Position - Ending (b)	\$ 3,433,588	\$ 3,211,382	\$ 2,778,588	\$ 3,019,424	\$ 2,674,713	\$ 2,628,169	\$ 2,646,125					
Net Pension Liability/(Asset) - Ending (a) - (b)	(369,518)	30,906	347,601	(22,724)	314,175	331,139	291,466					
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.06%	99.05%	88.88%	100.76%	89.49%	88.81%	90.08%					
Covered Valuation Payroll	\$ 441,214	\$ 461,956	\$ 487,251	\$ 454,471	\$ 406,209	\$ 392,931	\$ 405,722					
Net Pension Liability as a Percentage of Covered Valuation Payroll	(83.750%)	6.69%	71.34%	(5.00%)	77.34%	84.27%	71.84%					

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS
Multi-year Schedule of Pension Contributions
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 61,345	\$ 60,939	\$ 406	\$ 405,722	15.02%
2015	55,364	55,364	-	392,931	14.09%
2016	54,066	54,067	(1)	406,209	13.31%
2017	51,037	51,037	-	454,471	11.23%
2018	52,623	52,623	-	487,251	10.80%
2019	33,399	33,400	(1)	461,956	7.23%
2020	39,047 *	39,048	(1)	441,214	8.85%

* Estimated based on a contribution rate of 8.85% and covered valuation payroll of \$441,214.

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to Other Information

For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Library District prepares its budget on the modified cash basis of accounting.

Under the modified cash basis of accounting, revenues are recorded when received in cash and expenditures are recorded when the cash is disbursed. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The Library District procedures in establishing the budgetary data reflected in the General Fund Financial Statements is presented below:

- Prior to September 15th the Library District Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on proceeding July 1st. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted at a public meeting to obtain taxpayers comments.
- The budget is legally enacted through passage of an ordinance prior to September 30th.
- The Library District Treasurer, in conjunction with the Board, is authorized to expend the unexpensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original budget was not amended during the fiscal year.
- Formal budgetary integration is not employed as a management control device during the year for any fund.

ACORN PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to Other Information

For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.
- The budget for the Library District was adopted on September 9, 2020.

The budget represents departmental appropriations as authorized by the Library District's appropriation ordinance and includes revisions authorized by the Library District Board to reflect changes in departmental programs. At June 30, 2021, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified cash basis. The 2021 appropriations ordinance was adopted September 9, 2020.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No fund had expenditures that exceeded the appropriations