



**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020



SIKICH.COM

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 MUNDELEIN, ILLINOIS
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MUNDELEIN, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Fremont Public Library District
Mundelein, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Fremont Public Library District (the District) as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1d; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fremont Public Library District, as of June 30, 2020, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1d.

Basis of Accounting

We draw attention to Note 1d 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 purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management discussion and analysis and combining and individual fund financial statements and schedules and supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The management discussion and analysis and supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sikich LLP

Naperville, Illinois
November 19, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

As management of the Fremont Public Library District, we provide this narrative overview and analysis for the fiscal year ending June 30, 2020. We recommend that readers consider this information in conjunction with the financial statements as a whole.

The financial statements are prepared in accordance with the modified cash basis of accounting.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Library's basic financial statements. The basic financial statements are: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements.

The government-wide financial statements incorporate all of the Library's governmental activities, in a manner similar to a private-sector business, using the economic resources measurement focus and the modified cash basis of accounting.

The Statement of Net Position presents information on all of the Library's assets, liabilities and deferred inflows of resources, 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 government's net position changed during the most recent fiscal year. All changes in net position are reported on the modified cash basis.

Both of the government-wide financial statements distinguish functions of the Library that are principally supported by taxes (governmental activities). The governmental activities of the Library include culture and recreation. Individual fund data for each of the non-major governmental funds is provided in the combining and individual fund financial statements and schedules section found later in this report.

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 Fremont Public Library District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

With the focus on significant balances and operations, major funds are reported individually, while all others are combined into a single, aggregated presentation.

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 short-term inflows and outflows of available resources, as well as on balances of expendable resources

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

available at the end of the fiscal year. This information is useful in evaluating a government's near-term financing requirements.

The short-term focus of governmental funds is narrower than the long-term focus of the government-wide financial statements, making it useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and income statement provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains individual governmental funds to control resources for individual activities or objectives. Information is presented separately for activities considered as major funds. Major funds are those whose revenues, expenditures, assets or liabilities are at least ten percent of the total for their fund category or type (governmental) and at least five percent of the aggregate amount for all governmental funds. Any fund may be reported as a major fund if management considers the fund particularly important to financial statement users. Data from the other governmental funds are combined into a single aggregated presentation.

Major Funds

General

Special Reserve

Nonmajor Funds

Liability Insurance

Audit

Building and Equipment Maintenance

Building Maintenance

FICA

Budgetary Information

The Fremont Public Library District adopts an annual appropriated budget. Budgetary comparison schedules demonstrate compliance with the budget and can be found later in this report.

Notes to the Financial Statements. Additional information that is essential to a full understanding of the government-wide and fund financial statements is provided in the notes to the financial statements.

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

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Government-wide Financial Analysis

A condensed version of the Summary of Net Position and Statement of Activities as of June 30, 2020 and 2019 is shown in the following for comparison purposes.

	2020	2019
ASSETS		
Cash and investments	\$ 5,940,139	\$ 5,542,117
Other assets	8,901	13,669
Capital assets not being depreciated	965,000	965,000
Capital assets (net of accumulated depreciation)	7,405,539	7,874,686
Total assets	14,319,579	14,395,472
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	1,913,110	2,140,327
NET POSITION		
Invested in capital assets	8,370,539	8,839,686
Restricted for		
Capital improvements	1,575,148	1,641,658
Liability insurance	770	770
Audit	40	40
Maintenance	3,620	3,620
Retirement	57,374	26,759
Unrestricted	2,398,978	1,742,612
TOTAL NET POSITION	\$ 12,406,469	\$ 12,255,145

Net position increased by \$151,324 during the year ended June 30, 2020. Factors contributing to the increase in net position included expenditures coming in lower than budgeted in the General Fund and the timing of projects in the Special Reserve Fund. The increases at the fund level of \$620,471 were offset by capital asset transactions (additions, depreciation) of (\$469,147).

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

The following table presents a consolidated statement of activities.

	2020	2019
REVENUES		
Property taxes	\$ 4,324,286	\$ 4,213,412
Replacement taxes	8,954	8,180
Grants	59,514	46,874
Investment income	82,002	104,338
Miscellaneous	81,641	94,106
Total revenue	4,556,397	4,466,910
EXPENSES		
Culture and recreation	4,405,073	4,388,309
Total expenses	4,405,073	4,388,309
CHANGE IN NET POSITION	151,324	78,601
NET POSITION, JULY 1	12,255,145	12,176,544
NET POSITION, JUNE 30	\$ 12,406,469	\$ 12,255,145

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Library uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Library's most significant funds rather than the Library as a whole, and therefore provide additional information that won't be found in the statement of net position or the statement of activities. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

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

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 for governmental activities in the governmental-wide financial statements.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

General Fund & Budgetary Highlights

The Board of Trustees approved appropriations for the fiscal year ended June 30, 2020. General Fund revenues anticipated to be received during the year were 4,389,075 while General Fund appropriations totaled 4,939,750. Actual General Fund revenues were 4,335,514 while total General Fund expenditures were 3,679,148, well below amounts appropriated.

Capital Assets

Capital assets are used to provide services to users of the Library and are not available for future spending. Capital assets, net of depreciation, were \$8,370,539 at year end. This is a decrease of \$469,147 due to depreciation exceeding our investment in capital projects during the fiscal year.

The Library staff is constantly reviewing the books, materials, and equipment available for use by its patrons. The assets are constantly being rotated with new materials being purchased while dated and worn out materials are being removed. After employee costs, this is the Library's largest annual expense.

Additional information on the Library's capital assets can be found in Note 4.

Long-Term Debt

GASB 68

GASB 68 implemented a new valuation system for Illinois Municipal Retirement Fund (IMRF) and changed reporting requirements throughout the government-wide financial statements. The Library's net pension liability as of December 31, 2019 was \$730,214, a decrease of \$541,862 from the prior year. Additional information on the IMRF can be found in Note 5.

Description of Current or Expected Conditions

Currently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the Library in the near future.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of the Library. While considerable uncertainty remains about the long-term impact, management, with the support of the Board, have responded with adjustments to operating expenditures to ensure the financial position of the Library remains stable. However, the duration and ultimate financial impact cannot be reasonably estimated at this time.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Requests for Information

This financial report is designed to provide a general overview of the Library's finances, comply with finance related laws and regulations and demonstrate the Library's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact Scott Davis, Library Director, Fremont Public Library District, 1170 N. Midlothian Road, Mundelein, IL 60060.

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 5,940,139
Other assets	8,901
Capital assets not being depreciated	965,000
Capital assets (net of accumulated depreciation)	<u>7,405,539</u>
Total assets	<u>14,319,579</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	<u>1,913,110</u>
NET POSITION	
Invested in capital assets	8,370,539
Restricted for	
Capital improvements	1,575,148
Liability insurance	770
Audit	40
Maintenance	3,620
Retirement	57,374
Unrestricted	<u>2,398,978</u>
TOTAL NET POSITION	<u><u>\$ 12,406,469</u></u>

See accompanying notes to financial statements.

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Culture and recreation	\$ 4,405,073	\$ -	\$ 59,514	\$ -	\$ (4,345,559)
Total governmental activities	4,405,073	-	59,514	-	(4,345,559)
TOTAL PRIMARY GOVERNMENT	\$ 4,405,073	\$ -	\$ 59,514	\$ -	(4,345,559)
			General Revenues		
			Property taxes		4,324,286
			Replacement taxes		8,954
			Investment income		82,002
			Miscellaneous		81,641
			Total		4,496,883
			CHANGE IN NET POSITION		151,324
			NET POSITION, JULY 1		12,255,145
			NET POSITION, JUNE 30		\$ 12,406,469

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ARISING FROM MODIFIED CASH TRANSACTIONS
GOVERNMENTAL FUNDS

June 30, 2020

	General	Special Reserve	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 4,108,561	\$ 1,575,148	\$ 256,430	\$ 5,940,139
Other assets	8,901	-	-	8,901
TOTAL ASSETS	\$ 4,117,462	\$ 1,575,148	\$ 256,430	\$ 5,949,040
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	\$ 1,718,484	\$ -	\$ 194,626	\$ 1,913,110
FUND BALANCES				
Restricted				
Capital improvements	-	1,575,148	-	1,575,148
Liability insurance	-	-	770	770
Audit	-	-	40	40
Maintenance	-	-	3,620	3,620
Retirement	-	-	57,374	57,374
Unassigned				
General Fund	2,398,978	-	-	2,398,978
Total fund balances	2,398,978	1,575,148	61,804	4,035,930
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,117,462	\$ 1,575,148	\$ 256,430	\$ 5,949,040

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

RECONCILIATION OF STATEMENT OF ASSETS, LIABILITIES AND FUND
BALANCES - MODIFIED CASH BASIS - OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 4,035,930
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Amounts reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>8,370,539</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 12,406,469</u></u>
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**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

	<u>General</u>	<u>Special Reserve</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES COLLECTED				
Property taxes	\$ 4,124,313	\$ -	\$ 199,973	\$ 4,324,286
State replacement taxes	8,954	-	-	8,954
Investment income	61,092	18,450	2,460	82,002
Grants	59,514	-	-	59,514
Donations	50,995	-	-	50,995
Fines, fees and other	30,646	-	-	30,646
	<hr/>			
Total revenues collected	4,335,514	18,450	202,433	4,556,397
<hr/>				
EXPENDITURES PAID				
Current				
Culture and recreation	3,679,148	-	171,818	3,850,966
Capital outlay	-	84,960	-	84,960
	<hr/>			
Total expenditures paid	3,679,148	84,960	171,818	3,935,926
<hr/>				
NET CHANGE IN FUND BALANCES	656,366	(66,510)	30,615	620,471
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FUND BALANCES, JULY 1	1,742,612	1,641,658	31,189	3,415,459
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FUND BALANCES, JUNE 30	\$ 2,398,978	\$ 1,575,148	\$ 61,804	\$ 4,035,930
<hr/>				

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS**

For the Year Ended June 30, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 620,471
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	276,603
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	<u>(745,750)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 151,324</u></u>

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fremont Public Library District (the District), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)) except for the basis of accounting described in Note 1d. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The more significant of the accounting policies are described below.

a. Reporting Entity

The District is a body corporate and politic established under Illinois Compiled Statutes (ILCS) governed by an elected Board of Trustees. These financial statements present the District's reporting entity as required by generally accepted accounting principles. The District is considered to be a primary government since its board is separately elected and the District is fiscally independent. Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the District does not have any component units. The Friends of Fremont Library, while a potential component unit, is not significant to the District and, therefore, has been excluded from its reporting entity.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following category: governmental.

Governmental funds are used to account for all or most of the District's general activities, including the collection and disbursement of restricted, committed or assigned funds (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and management of funds held in trust that can be used for library services (permanent fund). The General Fund is used to account for all activities of the District not accounted for in some other fund. The District has no fiduciary funds.

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. 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, if any, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues 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 District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The Special Reserve Fund is used to account for resources restricted for capital improvements at the District.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and using the modified cash basis of accounting. The District reports capital assets and liabilities issued to acquire capital assets, not long-term operating liabilities. Revenues are recorded at the time of receipt by the District. Expenses are recorded when the funds are disbursed. Depreciation of capital assets has also been shown on the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recorded at the time of receipt by the District. Expenditures are recorded when the funds are disbursed.

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The property tax revenue reported for the fiscal year ended June 30, 2020 is from the collection of property taxes levied in 2018 and prior. Property taxes levied in 2019 and collected during the year ended June 30, 2020, are deferred to the fiscal year beginning July 1, 2020. Receivables have not been recorded for the balance of the property taxes to be received from the 2019 levy, since the District uses the modified cash basis of accounting.

e. Cash and Investments

Cash includes amounts in money market accounts, demand deposits and petty cash. Investments include amounts on deposit with The Illinois Funds. Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$2,500 and an estimated useful life in excess of one year except for library materials. The District capitalizes all of its library materials. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

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

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets (Continued)

<u>Assets</u>	<u>Years</u>
Land improvements	10-15
Building	10-40
Equipment	5-15
Furniture and fixtures	5-15
Books	7
Audio visual materials	5

g. Deferred Inflows of Resources

The District follows GASB Statement No. 65 which pertains to the classification of certain items previously reported as assets and liabilities. The District has only one type of item, under the modified cash basis of accounting, which is affected by this classification; deferred/unavailable property taxes. Deferred/unavailable property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather deferred/unavailable property taxes represent a future recognition of revenue; therefore, are classified as deferred inflows of resources.

h. Fund Balance/Net Position

In the fund financial statements, governmental funds can report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Trustees, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Director by the District Board of Trustees. Any residual fund balance in the General Fund is reported as unassigned. Any deficit fund balances in any other governmental funds are also reported as unassigned.

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Fund Balance/Net Position (Continued)

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

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the District. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

i. Estimates

The preparation of financial statements in conformity with GAAP, or other comprehensive basis of accounting, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The District categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of June 30, 2020, the District had no investments valued at fair value.

The District maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the statement of net position as cash and investments.

The District's investment policy allows the District to make deposits/invest in any type of security allowed for by ILCS regarding the investment of public funds, namely in interest-bearing savings accounts, interest-bearing time deposits or any other investment constituting direct obligations of any institution as defined by the Illinois Banking Act and is insured by the Federal Depository Insurance Corporation (FDIC) and The Illinois Funds.

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704. The Illinois Funds are rated AAAM.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions, the District's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral held by an independent third party in the name of the District. The District's deposits were fully collateralized at June 30, 2020.

b. Investments

Concentration of credit risk is the risk that the District has too high a percentage of their investments invested in one type of investment. The investment policy does not include any limitations on how much of any type of security can be held in the portfolio.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in The Illinois Funds.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy does not define procedures to reducing custodial credit risk.

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. PROPERTY TAX REVENUE RECOGNITION

The 2018 property tax levy attached as an enforceable lien on January 1, 2018. Property taxes were levied on November 2018 by passage of a Tax Levy Ordinance. Tax bills were prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically during the period of May through November with a final settlement payment in January. Property tax receipts from the 2018 and prior levies have been recognized as revenue.

4. CAPITAL ASSETS

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

	Balances July 1	Increases	Decreases	Balances June 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 965,000	\$ -	\$ -	\$ 965,000
Total capital assets not being depreciated	965,000	-	-	965,000
Capital assets being depreciated				
Land improvements	652,698	-	-	652,698
Building	11,563,013	24,304	-	11,587,317
Equipment	1,102,279	20,485	-	1,122,764
Furniture and fixtures	891,887	4,221	-	896,108
Books	1,513,897	147,064	(189,982)	1,470,979
Audio visual materials	747,329	80,529	(79,448)	748,410
Total capital assets being depreciated	16,471,103	276,603	(269,430)	16,478,276
Less accumulated depreciation for				
Land improvements	83,652	44,984	-	128,636
Building	5,437,278	331,628	-	5,768,906
Equipment	984,858	37,967	-	1,022,825
Furniture and fixtures	757,660	29,124	-	786,784
Books	826,547	204,903	(189,982)	841,468
Audio visual materials	506,422	97,144	(79,448)	524,118
Total accumulated depreciation	8,596,417	745,750	(269,430)	9,072,737
Total capital assets being depreciated, net	7,874,686	(469,147)	-	7,405,539
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 8,839,686	\$ (469,147)	\$ -	\$ 8,370,539

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
Culture and recreation	<u>\$ 745,750</u>

5. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

The District's defined benefit pension plan (the Plan), Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the Plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the Plan as a whole but not by individual employer. That report may be obtained at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Plan Administration

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

Plan Membership

At December 31, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	24
Inactive employees entitled to but not yet	22
receiving benefits	
Active employees	<u>32</u>
TOTAL	<u><u>78</u></u>

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits

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

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

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rates for fiscal year 2020 was 10.18%. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Asset valuation method	Market value

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For nondisabled 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 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled 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.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2019 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 7,072,663	\$ 5,800,587	\$ 1,272,076
Changes for the period			
Service cost	173,302	-	173,302
Interest	509,865	-	509,865
Difference between expected and actual experience	123,090	-	123,090
Changes in assumptions	-	-	-
Employer contributions	-	165,707	(165,707)
Employee contributions	-	77,433	(77,433)
Net investment income	-	1,043,989	(1,043,989)
Benefit payments and refunds	(253,377)	(253,377)	-
Administrative expense	-	-	-
Other (net transfer)	-	60,990	(60,990)
Net changes	552,880	1,094,742	(541,862)
BALANCES AT DECEMBER 31, 2019	\$ 7,625,543	\$ 6,895,329	\$ 730,214

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended June 30, 2020, the District reported pension expense of \$171,818.

At June 30, 2020, the District had deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 109,543	\$ 6,806
Changes in assumption	118,701	76,341
Net difference between projected and actual earnings on pension plan investments	-	242,041
Contributions subsequent to measurement date	88,510	-
TOTAL	<u>\$ 316,754</u>	<u>\$ 325,188</u>

\$88,510 reported as deferred outflows of pensions result from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized as follows:

<u>Year Ending June 30,</u>	
2021	\$ (21,824)
2022	(27,485)
2023	67,450
2024	<u>(115,085)</u>
TOTAL	<u>\$ (96,944)</u>

Note: The information presented above is for disclosure purposes only and are not reported on the District's financial statements under the modified cash basis of accounting as described in Note 1d.

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 1,780,195	\$ 730,214	\$ (135,024)

6. DEFERRED COMPENSATION PLAN

The District provides a voluntary retirement benefit for all of its employees through a defined contribution plan created in accordance with Internal Revenue Code Section 457. Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate after three months from the date of employment and are fully vested at that time. Employees can contribute any dollar amount up to the IRS respective annual limit. Provisions may be amended only by the District's Board of Trustees. There were no forfeitures reflected for the year ended June 30, 2020.

The plan, available to all permanent District employees at their option, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The District does not contribute to the Plan.

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

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health and injuries; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in the fiscal year or prior two fiscal years.

FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. JOINTLY GOVERNED ORGANIZATION

The District participates in Cooperative Computer Services (CCS). CCS is an intergovernmental 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 District’s expenditures to CCS for the year ended June 30, 2019 were \$83,144.

9. OPERATING LEASES

The District is committed under a lease for copiers. The lease is considered for accounting purposes to be an operating lease. Lease expenditures for the year ended June 30, 2020 amounted to \$9,281. Future minimum lease payments for this lease are as follows:

Year Ending June 30	
2021	\$ 5,892
2022	5,892
2023	5,892
2024	<u>5,892</u>
 TOTAL	 <u>\$ 23,568</u>

10. FOUNDATION

In 2006, the Fremont Public Library Foundation (the Foundation) was established which is a federally tax-exempt 501 (c)(3) organization. In 2014, the Friends of the Library (Friends) was combined with the Foundation. During the year ended June 30, 2020, the Foundation/Friends received approximately \$24,000 in donations and expended approximately \$39,750 (which includes payments to the District). As of June 30, 2020, the Foundation/Friends’ investment balance was \$26,945. The activity of the Foundation/Friends is not reflected in the District’s financial statements as a component unit. The Foundation/Friends’ financial statements may be obtained by writing to Fremont Public Library District Foundation, 1170 N. Midlothian Road, Mundelein, Illinois, 60060.

11. OTHER POSTEMPLOYMENT BENEFITS

The District has evaluated its potential other postemployment benefits liability. The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, no former employees have chosen to stay in the District's health insurance plan. Additionally, the District had no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. As a result, the District has determined that no material liability is required to be reported under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition, the total other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources would not be reported on the District's financial statements as the District reports on the modified cash basis of accounting as discussed in Note 1d. Therefore, the District has not recorded any postemployment benefit liability as of June 30, 2020.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND**

For the Year Ended June 30, 2020

	Appropriation	Original and Final Budget	Actual
REVENUES COLLECTED			
Property taxes	\$ 4,124,975		\$ 4,124,313
State replacement taxes		8,500	8,954
Investment income		78,000	61,092
Grants		98,750	59,514
Donations		47,200	50,995
Fines, fees and other		31,650	30,646
		4,389,075	4,335,514
Total revenues collected			
EXPENDITURES PAID			
Current			
Culture and recreation			
Personnel	\$ 2,806,000	2,573,000	2,315,158
Building operating costs	498,000	416,000	300,974
Library materials	629,000	525,000	459,044
Library operations	388,000	326,000	237,048
Automation	332,000	277,000	225,897
Insurance	59,000	50,000	30,218
Grants and donations	100,750	99,750	49,558
Contingency	1,000	-	-
Capital outlay	126,000	55,000	61,251
		4,939,750	3,679,148
Total expenditures paid			
NET CHANGE IN FUND BALANCE		\$ 67,325	656,366
FUND BALANCE, JULY 1			1,742,612
FUND BALANCE, JUNE 30			\$ 2,398,978

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

SCHEDULE OF EXPENDITURES PAID - APPROPRIATION AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND

For the Year Ended June 30, 2020

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>
PERSONNEL			
Salaries	\$ 2,300,000	\$ 2,150,000	\$ 1,945,004
Group medical insurance	264,000	220,000	184,728
Employee conferences, education and other	44,000	38,000	20,966
Social security	198,000	165,000	164,460
	<hr/>		
Total personnel	2,806,000	2,573,000	2,315,158
<hr/>			
BUILDING OPERATING COSTS			
Utilities-electric	114,000	95,000	71,988
Utilities-gas	40,000	34,000	20,922
Utilities-water	20,000	17,000	11,462
Garbage removal	6,000	5,000	6,092
Building maintenance	168,000	140,000	122,366
Maintenance supplies	54,000	45,000	30,214
Housekeeping supplies	96,000	80,000	37,930
	<hr/>		
Total building operating costs	498,000	416,000	300,974
<hr/>			
LIBRARY MATERIALS			
Books	217,500	181,500	147,064
Periodicals	13,000	11,000	11,203
Audio-visual materials	124,500	104,000	80,529
Electronic materials	198,500	165,500	160,364
Databases	75,000	62,500	59,591
Other	500	500	293
	<hr/>		
Total library materials	629,000	525,000	459,044
<hr/>			
LIBRARY OPERATIONS			
Trustee professional fees	2,000	2,000	140
Legal notices	1,000	1,000	914
Legal services	10,000	8,000	4,788
Accounting fees	17,000	15,000	14,200
Payroll processing	12,000	10,000	8,099
Audit	13,000	11,000	10,360
Other professional fees	36,000	31,000	3,111
Library programs	60,000	50,000	41,276
Public relations	21,500	18,000	15,116
Outreach/volunteer programs	10,500	9,000	2,291
Newsletter printing and postage	48,000	40,000	32,475

(This schedule is continued on the following page.)

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

SCHEDULE OF EXPENDITURES PAID - APPROPRIATION AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND (Continued)

For the Year Ended June 30, 2020

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>
LIBRARY OPERATIONS (Continued)			
Office supplies	\$ 20,500	\$ 17,000	\$ 11,606
Tech processing	57,500	48,000	38,626
Postage and printing	12,000	10,000	4,933
Copy machine supplies	16,500	14,000	9,281
Small equipment	18,000	15,000	7,615
Telephone	30,000	25,000	32,217
Office equipment maintenance	2,500	2,000	-
Total library operations	<u>388,000</u>	<u>326,000</u>	<u>237,048</u>
AUTOMATION			
Computer equipment	156,000	130,000	102,099
Computer repair	48,000	40,000	33,776
CCS operating	96,000	80,000	63,341
OCLC operating	14,000	12,000	10,043
Internet	18,000	15,000	16,638
Total automation	<u>332,000</u>	<u>277,000</u>	<u>225,897</u>
INSURANCE			
General liability	28,500	24,000	20,869
Unemployment compensation	12,000	10,000	812
Workers' compensation	14,000	12,000	5,342
Other insurance	4,500	4,000	3,195
Total insurance	<u>59,000</u>	<u>50,000</u>	<u>30,218</u>
GRANTS AND DONATIONS			
Per capita	93,750	93,750	46,875
Other gifts and grants	7,000	6,000	2,683
Total grants and donations	<u>100,750</u>	<u>99,750</u>	<u>49,558</u>
CONTINGENCY			
	<u>1,000</u>	-	-
CAPITAL OUTLAY			
	<u>126,000</u>	<u>55,000</u>	<u>61,251</u>
TOTAL EXPENDITURES PAID	<u>\$ 4,939,750</u>	<u>\$ 4,321,750</u>	<u>\$ 3,679,148</u>

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
SPECIAL RESERVE FUND**

For the Year Ended June 30, 2020

	Appropriation	Original and Final Budget	Actual
REVENUES COLLECTED			
Investment income		\$ 17,000	\$ 18,450
Total revenues collected		17,000	18,450
EXPENDITURES PAID			
Current			
Capital outlay	\$ 1,000,000	750,000	84,960
Total expenditures paid	\$ 1,000,000	750,000	84,960
NET CHANGE IN FUND BALANCE		\$ (733,000)	(66,510)
FUND BALANCE, JULY 1			1,641,658
FUND BALANCE, JUNE 30			\$ 1,575,148

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

COMBINING STATEMENT OF ASSETS, DEFERRED INFLOWS OF RESOURCES
AND FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2020

	Special Revenue				
	Liability Insurance	Audit	Building and Equipment Maintenance	IMRF/ FICA	Total
ASSETS					
Cash and investments	\$ 770	\$ 40	\$ 111,557	\$ 144,063	\$ 256,430
TOTAL ASSETS	\$ 770	\$ 40	\$ 111,557	\$ 144,063	\$ 256,430
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	\$ -	\$ -	\$ 107,937	\$ 86,689	\$ 194,626
Total liabilities	-	-	107,937	86,689	194,626
FUND BALANCES					
Restricted					
Liability insurance	770	-	-	-	770
Audit	-	40	-	-	40
Maintenance	-	-	3,620	-	3,620
Retirement	-	-	-	57,374	57,374
Total fund balances	770	40	3,620	57,374	61,804
TOTAL LIABILITIES AND FUND BALANCES	\$ 770	\$ 40	\$ 111,557	\$ 144,063	\$ 256,430

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2020

	Special Revenue				Total
	Liability Insurance	Audit	Building and Equipment Maintenance	IMRF/ FICA	
REVENUES COLLECTED					
Property taxes	\$ -	\$ -	\$ -	\$ 199,973	\$ 199,973
Investment income	-	-	-	2,460	2,460
Total revenues collected	-	-	-	202,433	202,433
EXPENDITURES PAID					
Current					
Culture and recreation					
Fringe benefits					
IMRF	-	-	-	171,818	171,818
Total expenditures paid	-	-	-	171,818	171,818
NET CHANGE IN FUND BALANCES	-	-	-	30,615	30,615
FUND BALANCES, JULY 1	770	40	3,620	26,759	31,189
FUND BALANCES, JUNE 30	\$ 770	\$ 40	\$ 3,620	\$ 57,374	\$ 61,804

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL -
MODIFIED CASH BASIS - FICA/IMRF FUND**

For the Year Ended June 30, 2020

	Appropriation	Original and Final Budget	Actual
REVENUES COLLECTED			
Property taxes		\$ 200,005	\$ 199,973
Investment income		3,000	2,460
		203,005	202,433
EXPENDITURES PAID			
Current			
Culture and recreation			
Personnel services			
IMRF	\$ 252,000	210,000	171,818
		210,000	171,818
Total expenditures paid	\$ 252,000	210,000	171,818
NET CHANGE IN FUND BALANCE		\$ (6,995)	30,615
FUND BALANCE, JULY 1			26,759
FUND BALANCE, JUNE 30			\$ 57,374

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

**NOTES TO COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

June 30, 2020

BUDGETS

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Board of Trustees prepares a Combined Annual Budget and Appropriation Ordinance for all funds, except the Liability Insurance, Audit and Building and Equipment Maintenance Funds.
2. Budget hearings are conducted.
3. The budget is legally enacted through passage of an ordinance.
4. The budget may be amended by the Board of Trustees. No supplemental appropriations were adopted by the Board of Trustees in the current fiscal year.
5. Budgets are adopted on the modified cash basis.
6. The level of control (level at which expenditures/expenses may not exceed appropriations) is the fund level. All appropriations lapse at year end.

SUPPLEMENTARY INFORMATION

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES,
EXTENSIONS AND COLLECTIONS

Last Six Levy Years

TAX LEVY YEAR	2019*		2018		2017		2016		2015		2014	
ASSESSED VALUATION	\$	1,245,114,061	\$	1,208,344,080	\$	1,169,803,588	\$	1,115,864,500	\$	1,041,813,428	\$	1,011,504,869
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
TAX EXTENSIONS												
General	0.318	\$ 3,967,742	0.340	\$ 4,110,932	0.341	\$ 3,987,860	0.345	\$ 3,854,832	0.385	\$ 4,015,607	0.392	\$ 3,963,349
IMRF	0.016	200,003	0.017	200,005	0.017	199,896	0.000	-	0.000	-	0.000	-
Equipment, sites and building	0.020	249,023	0.000	-	0.000	-	0.000	-	0.000	-	0.000	-
Building maintenance	0.000	-	0.000	-	0.000	-	0.020	223,173	0.000	-	0.000	-
Debt service	0.000	-	0.000	-	0.000	-	0.092	1,024,453	0.098	1,021,311	0.097	985,661
TOTAL TAX EXTENSIONS	0.354	\$ 4,416,768	0.357	\$ 4,310,937	0.358	\$ 4,187,756	0.457	\$ 5,102,458	0.483	\$ 5,036,918	0.489	\$ 4,949,010
TOTAL TAX COLLECTIONS		<u>\$ 1,913,110</u>		<u>\$ 4,310,038</u>		<u>\$ 4,195,650</u>		<u>\$ 5,101,053</u>		<u>\$ 5,031,656</u>		<u>\$ 4,945,682</u>
PERCENT COLLECTED		<u>43.31%</u>		<u>99.98%</u>		<u>100.19%</u>		<u>99.97%</u>		<u>99.90%</u>		<u>99.93%</u>

* 2019 tax receipts not received in full as of June 30, 2020.

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED JUNE 30,	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 171,818	\$ 178,248	\$ 176,343	\$ 172,945	\$ 172,941	\$ 160,448
Contributions in relation to the actuarially determined contribution	<u>171,818</u>	<u>178,248</u>	<u>176,343</u>	<u>172,944</u>	<u>172,942</u>	<u>161,731</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ (1,283)</u>
Covered payroll	\$ 1,688,402	\$ 1,691,805	\$ 1,582,972	\$ 1,556,660	\$ 1,549,652	\$ 1,453,331
Contributions as a percentage of covered payroll	10.18%	10.54%	11.14%	11.11%	11.16%	11.13%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as available.

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT
MUNDELEIN, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Six Calendar Years

MEASUREMENT DATE DECEMBER 31,	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
Service cost	\$ 173,302	\$ 160,719	\$ 172,148	\$ 173,154	\$ 169,586	\$ 179,114
Interest	509,865	481,535	465,305	424,468	389,971	349,690
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	123,090	(12,650)	101	119,085	33,525	(103,862)
Changes of assumptions	-	220,617	(203,247)	(25,414)	15,881	231,183
Benefit payments, including refunds of member contributions	(253,377)	(235,318)	(189,083)	(148,974)	(121,012)	(93,665)
Net change in total pension liability	552,880	614,903	245,224	542,319	487,951	562,460
Total pension liability - beginning	7,072,663	6,457,760	6,212,536	5,670,217	5,182,266	4,619,806
TOTAL PENSION LIABILITY - ENDING	\$ 7,625,543	\$ 7,072,663	\$ 6,457,760	\$ 6,212,536	\$ 5,670,217	\$ 5,182,266
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 165,707	\$ 190,555	\$ 176,343	\$ 172,944	\$ 172,942	\$ 161,731
Contributions - member	77,433	74,826	71,234	70,050	69,734	65,923
Net investment income	1,043,989	(284,420)	871,059	317,544	23,564	263,046
Benefit payments, including refunds of member contributions	(253,377)	(235,318)	(189,083)	(148,974)	(121,012)	(93,665)
Other	60,990	60,027	(58,955)	51,999	(136,446)	9,696
Net change in plan fiduciary net position	1,094,742	(194,330)	870,598	463,563	8,782	406,731
Plan fiduciary net position - beginning	5,800,587	5,994,917	5,124,319	4,660,756	4,651,974	4,245,243
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,895,329	\$ 5,800,587	\$ 5,994,917	\$ 5,124,319	\$ 4,660,756	\$ 4,651,974
EMPLOYER'S NET PENSION LIABILITY	\$ 730,214	\$ 1,272,076	\$ 462,843	\$ 1,088,217	\$ 1,009,461	\$ 530,292
Plan fiduciary net position as a percentage of the total pension liability	90.42%	82.01%	92.83%	82.48%	82.20%	89.77%
Covered payroll	\$ 1,720,736	\$ 1,662,783	\$ 1,582,972	\$ 1,556,660	\$ 1,549,652	\$ 1,453,331
Employer's net pension liability as a percentage of covered payroll	42.44%	76.50%	29.24%	69.91%	65.14%	36.49%

The discount rate assumption was changed from 7.50% to 7.25% in 2018.

The price inflation assumption was changed from 2.75% to 2.50%, and the salary increase assumption was changed from 3.75% - 14.50% to 3.39% - 14.25% in 2017.

The discount rate assumption was changed from 7.48% to 7.50% in 2016.

The retirement age and mortality assumptions were changed in 2015.

The inflation rate, salary increase assumptions, and other employment and mortality tables were changed in 2014.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as available.

(See independent auditor's report.)