



**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

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ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2021



SIKICH.COM

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 MUNDELEIN, ILLINOIS  
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**FREMONT PUBLIC LIBRARY DISTRICT**  
**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, 2021, 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, 2021, 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 23, 2021

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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As management of the Fremont Public Library District, we provide this narrative overview and analysis for the fiscal year ending June 30, 2021. 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.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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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 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.



**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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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.

**Government-wide Financial Analysis**

A condensed version of the Summary of Net Position and Statement of Activities as of June 30, 2021 and 2020 is shown in the following for comparison purposes.

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and investments	\$ 6,578,439	\$ 5,940,139
Other assets	9,077	8,901
Capital assets not being depreciated	1,342,543	965,000
Capital assets (net of accumulated depreciation)	6,983,832	7,405,539
Total assets	14,913,891	14,319,579
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred property taxes	2,164,374	1,913,110
<b>NET POSITION</b>		
Invested in capital assets	8,326,375	8,370,539
Restricted for		
Capital improvements	1,647,565	1,575,148
Liability insurance	770	770
Audit	40	40
Maintenance	15,391	3,620
Retirement	78,486	57,374
Unrestricted	2,680,890	2,398,978
<b>TOTAL NET POSITION</b>	<b>\$ 12,749,517</b>	<b>\$ 12,406,469</b>

Net position increased by \$343,048 during the year ended June 30, 2021. Factors contributing to the increase 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 \$387,212 were offset by capital asset transactions (additions, depreciation) of (\$44,164).

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

The following table presents a consolidated statement of activities.

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Property taxes	\$ 4,410,090	\$ 4,310,242
Replacement taxes	11,357	8,954
Intergovernmental	14,953	14,044
Grants	108,029	59,514
Investment income	5,479	82,002
Miscellaneous	95,114	81,641
<b>Total revenue</b>	<b>4,645,022</b>	<b>4,556,397</b>
<b>EXPENSES</b>		
Culture and recreation	4,301,974	4,405,073
<b>Total expenses</b>	<b>4,301,974</b>	<b>4,405,073</b>
<b>CHANGE IN NET POSITION</b>	<b>343,048</b>	<b>151,324</b>
<b>NET POSITION, JULY 1</b>	<b>12,406,469</b>	<b>12,255,145</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ 12,749,517</b>	<b>\$ 12,406,469</b>

**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.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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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 government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate 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, 2021. General Fund revenues anticipated to be received during the year were 4,179,045 while General Fund appropriations totaled 4,755,000. Actual General Fund revenues were 4,195,154 while total General Fund expenditures were 3,413,242, well below amounts appropriated due to the continued impact of the COVID-19 pandemic.

### **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 \$8,326,375 at year end. This is a decrease of \$44,164 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, 2020 was \$241,093, a decrease of \$489,121 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.

**FREMONT PUBLIC LIBRARY DISTRICT, FREMONT, ILLINOIS  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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The COVID-19 outbreak in the United States has continued to cause business disruption since March 2020. 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.

**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, 2021

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	<b><u>Governmental Activities</u></b>
<b>ASSETS</b>	
Cash and investments	\$ 6,578,439
Other assets	9,077
Capital assets not being depreciated	1,342,543
Capital assets (net of accumulated depreciation)	<u>6,983,832</u>
Total assets	<u>14,913,891</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property taxes	<u>2,164,374</u>
<b>NET POSITION</b>	
Invested in capital assets	8,326,375
Restricted for	
Capital improvements	1,647,565
Liability insurance	770
Audit	40
Maintenance	15,391
Retirement	78,486
Unrestricted	<u>2,680,890</u>
<b>TOTAL NET POSITION</b>	<b><u><u>\$ 12,749,517</u></u></b>

See accompanying notes to financial statements.

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2021

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	\$ 4,301,974	\$ -	\$ 108,029	\$ -	\$ (4,193,945)
Total governmental activities	4,301,974	-	108,029	-	(4,193,945)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 4,301,974</b>	<b>\$ -</b>	<b>\$ 108,029</b>	<b>\$ -</b>	<b>(4,193,945)</b>
			General Revenues		
			Property taxes	4,410,090	
			Replacement taxes	11,357	
			Intergovernmental	14,953	
			Investment income	5,479	
			Miscellaneous	95,114	
			Total	4,536,993	
			CHANGE IN NET POSITION		343,048
			NET POSITION, JULY 1		12,406,469
			<b>NET POSITION, JUNE 30</b>		<b>\$ 12,749,517</b>

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, 2021

	<u>General</u>	<u>Special Reserve</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 4,733,414	\$ 1,647,565	\$ 197,460	\$ 6,578,439
Other assets	9,077	-	-	9,077
<b>TOTAL ASSETS</b>	<u>\$ 4,742,491</u>	<u>\$ 1,647,565</u>	<u>\$ 197,460</u>	<u>\$ 6,587,516</u>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	\$ 2,061,601	\$ -	\$ 102,773	\$ 2,164,374
<b>FUND BALANCES</b>				
Restricted				
Capital improvements	-	1,647,565	-	1,647,565
Liability insurance	-	-	770	770
Audit	-	-	40	40
Maintenance	-	-	15,391	15,391
Retirement	-	-	78,486	78,486
Unassigned				
General Fund	2,680,890	-	-	2,680,890
<b>Total fund balances</b>	<u>2,680,890</u>	<u>1,647,565</u>	<u>94,687</u>	<u>4,423,142</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,742,491</u>	<u>\$ 1,647,565</u>	<u>\$ 197,460</u>	<u>\$ 6,587,516</u>

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, 2021

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 4,423,142
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>8,326,375</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 12,749,517</u></u>

See accompanying notes to financial statements



**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, 2021

	<b>General</b>	<b>Special Reserve</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ 3,961,439	\$ -	\$ 448,651	\$ 4,410,090
State replacement taxes	11,357	-	-	11,357
Intergovernmental	14,953	-	-	14,953
Investment income	4,262	913	304	5,479
Grants	108,029	-	-	108,029
Donations	63,398	-	-	63,398
Fines, fees and other	31,716	-	-	31,716
<b>Total revenues collected</b>	<b>4,195,154</b>	<b>913</b>	<b>448,955</b>	<b>4,645,022</b>
<b>EXPENDITURES PAID</b>				
Current				
Culture and recreation	3,413,242	-	376,994	3,790,236
Capital outlay	-	428,496	39,078	467,574
<b>Total expenditures paid</b>	<b>3,413,242</b>	<b>428,496</b>	<b>416,072</b>	<b>4,257,810</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>781,912</b>	<b>(427,583)</b>	<b>32,883</b>	<b>387,212</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	500,000	-	500,000
Transfers (out)	(500,000)	-	-	(500,000)
<b>Total other financing sources (uses)</b>	<b>(500,000)</b>	<b>500,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>281,912</b>	<b>72,417</b>	<b>32,883</b>	<b>387,212</b>
<b>FUND BALANCES, JULY 1</b>	<b>2,398,978</b>	<b>1,575,148</b>	<b>61,804</b>	<b>4,035,930</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 2,680,890</b>	<b>\$ 1,647,565</b>	<b>\$ 94,687</b>	<b>\$ 4,423,142</b>

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, 2021

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 387,212</b>
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	668,748
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>(712,912)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 343,048</u></u></b>

See accompanying notes to financial statements

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

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**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)

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**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)

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**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, 2021 is from the collection of property taxes levied in 2019 and prior. Property taxes levied in 2020 and collected during the year ended June 30, 2021, are deferred to the fiscal year beginning July 1, 2021. Receivables have not been recorded for the balance of the property taxes to be received from the 2020 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)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Capital Assets (Continued)

Assets	Years
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)

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**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, 2021, 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)

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**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, 2021.

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 2019 property tax levy attached as an enforceable lien on January 1, 2019. Property taxes were levied on November 2019 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 2019 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
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 965,000	\$ -	\$ -	\$ 965,000
Construction in progress	-	377,543	-	377,543
Total capital assets not being depreciated	965,000	377,543	-	1,342,543
Capital assets being depreciated				
Land improvements	652,698	-	-	652,698
Building	11,587,317	-	-	11,587,317
Equipment	1,122,764	47,185	-	1,169,949
Furniture and fixtures	896,108	8,442	-	904,550
Books	1,470,979	170,669	(371,034)	1,270,614
Audio visual materials	748,410	64,909	(151,248)	662,071
Total capital assets being depreciated	16,478,276	291,205	(522,282)	16,247,199
Less accumulated depreciation for				
Land improvements	128,636	44,984	-	173,620
Building	5,768,906	326,793	-	6,095,699
Equipment	1,022,825	39,270	-	1,062,095
Furniture and fixtures	786,784	27,656	-	814,440
Books	841,468	184,277	(371,034)	654,711
Audio visual materials	524,118	89,932	(151,248)	462,802
Total accumulated depreciation	9,072,737	712,912	(522,282)	9,263,367
Total capital assets being depreciated, net	7,405,539	(421,707)	-	6,983,832
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 8,370,539</b>	<b>\$ (44,164)</b>	<b>\$ -</b>	<b>\$ 8,326,375</b>

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

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**4. CAPITAL ASSETS (Continued)**

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

GOVERNMENTAL ACTIVITIES	
Culture and recreation	<u>\$ 712,912</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](http://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, 2020, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	25
Inactive employees entitled to but not yet	21
receiving benefits	
Active employees	<u>32</u>
<b>TOTAL</b>	<u><u>78</u></u>

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

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**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  $1\frac{2}{3}\%$  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  $1\frac{2}{3}\%$  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 2021 was 10.92%. 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, 2020 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.

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

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**5. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

Actuarial valuation date	December 31, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Market value

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

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2020 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, 2020	\$ 7,625,543	\$ 6,895,329	\$ 730,214
Changes for the period			
Service cost	167,020	-	167,020
Interest	546,994	-	546,994
Difference between expected and actual experience	170,382	-	170,382
Changes in assumptions	(91,364)	-	(91,364)
Employer contributions	-	184,626	(184,626)
Employee contributions	-	77,429	(77,429)
Net investment income	-	967,316	(967,316)
Benefit payments and refunds	(328,609)	(328,609)	-
Administrative expense	-	-	-
Other (net transfer)	-	52,782	(52,782)
Net changes	464,423	953,544	(489,121)
BALANCES AT DECEMBER 31, 2020	\$ 8,089,966	\$ 7,848,873	\$ 241,093

There was a change in assumptions related to the salary rates, price inflation, retirement age and mortality rates in 2020.

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

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**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, 2021, the District reported pension expense of (\$11,933).

At June 30, 2021, 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	\$ 194,946	\$ 3,884
Changes in assumption	67,743	98,857
Net difference between projected and actual earnings on pension plan investments	-	549,672
Contributions subsequent to measurement date	82,978	-
<b>TOTAL</b>	<u>\$ 345,667</u>	<u>\$ 652,413</u>

\$82,978 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, 2022. 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>	
2022	\$ (101,767)
2023	(6,832)
2024	(189,367)
2025	(91,758)
<b>TOTAL</b>	<u>\$ (389,724)</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)

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**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)	\$ 1,282,763	\$ 241,093	\$ (593,719)

**6. 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.

**7. 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, 2020 were \$70,677.

**8. 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, 2021 amounted to \$7,837.

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

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**8. OPERATING LEASES (Continued)**

Future minimum lease payments for this lease are as follows:

Year Ending June 30,	
2022	\$ 5,892
2023	5,892
2024	<u>5,892</u>
TOTAL	<u>\$ 17,676</u>

**9. 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, 2021, the Foundation/Friends received approximately \$15,500 in donations and expended approximately \$24,700 (which includes payments to the District). As of June 30, 2021, the Foundation/Friends' investment balance was \$28,890. 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.

**10. 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. 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, 2021.



**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, 2021

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES COLLECTED</b>			
Property taxes	\$ 3,964,742		\$ 3,961,439
State replacement taxes	8,500		11,357
Intergovernmental	14,953		14,953
Investment income	56,000		4,262
Grants	98,750		108,029
Donations	19,000		63,398
Fines, fees and other	17,100		31,716
Total revenues collected	4,179,045		4,195,154
<b>EXPENDITURES PAID</b>			
Current			
Culture and recreation			
Personnel	\$ 2,858,000	2,577,000	2,211,773
Building operating costs	260,500	219,000	161,664
Library materials	644,000	537,500	504,185
Library operations	419,000	352,500	227,823
Automation	355,500	297,000	214,059
Insurance	58,750	50,000	35,149
Grants and donations	97,750	96,750	50,111
Contingency	1,500	-	-
Capital outlay	60,000	50,000	8,478
Total expenditures paid	\$ 4,755,000	4,179,750	3,413,242
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
		(705)	781,912
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)		-	(500,000)
Total other financing sources (uses)		-	(500,000)
<b>NET CHANGE IN FUND BALANCE</b>			
	\$ (705)		281,912
<b>FUND BALANCE, JULY 1</b>			
			2,398,978
<b>FUND BALANCE, JUNE 30</b>			
			\$ 2,680,890

(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, 2021

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>
<b>PERSONNEL</b>			
Salaries	\$ 2,365,000	\$ 2,150,000	\$ 1,872,686
Group medical insurance	275,000	230,000	195,622
Employee conferences, education and other	38,000	32,000	6,677
Social security	180,000	165,000	136,788
	<hr/>		
Total personnel	2,858,000	2,577,000	2,211,773
<hr/>			
<b>BUILDING OPERATING COSTS</b>			
Utilities-electric	100,000	85,000	71,652
Utilities-gas	36,000	30,000	19,775
Utilities-water	20,000	17,000	12,396
Garbage removal	8,500	7,000	7,267
Housekeeping supplies	96,000	80,000	50,574
	<hr/>		
Total building operating costs	260,500	219,000	161,664
<hr/>			
<b>LIBRARY MATERIALS</b>			
Books	222,000	170,000	170,669
Periodicals	15,500	13,000	10,572
Audio-visual materials	124,500	75,000	64,909
Electronic materials	282,000	279,500	258,035
	<hr/>		
Total library materials	644,000	537,500	504,185
<hr/>			
<b>LIBRARY OPERATIONS</b>			
Trustee professional fees	2,500	2,000	-
Legal notices	1,500	1,000	1,344
Legal services	10,000	8,000	5,119
Accounting fees	20,500	17,000	13,500
Payroll processing	14,500	12,000	11,622
Audit	14,000	12,000	10,570
Other professional fees	36,000	32,000	5,382
Library programs	62,000	52,500	38,300
Public relations	27,000	23,000	15,538
Outreach/volunteer programs	8,000	7,000	1,370
Newsletter printing and postage	42,000	35,000	24,966
Office supplies	18,000	15,000	7,736

(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, 2021

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>
<b>LIBRARY OPERATIONS (Continued)</b>			
Tech processing	\$ 54,000	\$ 45,000	\$ 33,115
Postage and printing	12,000	10,000	12,117
Copy machine supplies	16,500	14,000	7,837
Small equipment	30,000	25,000	4,401
Telephone	48,000	40,000	33,991
Office equipment maintenance	2,500	2,000	915
	<hr/>		
Total library operations	419,000	352,500	227,823
<hr/>			
<b>AUTOMATION</b>			
Computer equipment	156,000	130,000	82,634
Computer repair	48,000	40,000	36,640
CCS operating	95,000	80,000	61,351
OCLC operating	14,500	12,000	9,326
Circulation supplies and operations	12,000	10,000	6,466
Internet	30,000	25,000	17,642
	<hr/>		
Total automation	355,500	297,000	214,059
<hr/>			
<b>INSURANCE</b>			
General liability	28,000	24,000	22,060
Unemployment compensation	12,000	10,000	4,110
Workers' compensation	14,000	12,000	5,664
Other insurance	4,750	4,000	3,315
	<hr/>		
Total insurance	58,750	50,000	35,149
<hr/>			
<b>GRANTS AND DONATIONS</b>			
Per capita	93,750	93,750	46,874
Other gifts and grants	4,000	3,000	3,237
	<hr/>		
Total grants and donations	97,750	96,750	50,111
<hr/>			
<b>CONTINGENCY</b>			
	1,500	-	-
<hr/>			
<b>CAPITAL OUTLAY</b>			
	60,000	50,000	8,478
<hr/>			
<b>TOTAL EXPENDITURES PAID</b>	<b>\$ 4,755,000</b>	<b>\$ 4,179,750</b>	<b>\$ 3,413,242</b>
<hr/>			

(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, 2021

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>
<b>REVENUES COLLECTED</b>			
Investment income		\$ 12,000	\$ 913
Total revenues collected		12,000	913
<b>EXPENDITURES PAID</b>			
Current			
Capital outlay	\$ 1,500,000	1,085,000	428,496
Total expenditures paid	\$ 1,500,000	1,085,000	428,496
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(1,073,000)	(427,583)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		-	500,000
Total other financing sources (uses)		-	500,000
NET CHANGE IN FUND BALANCE		\$ (1,073,000)	72,417
FUND BALANCE, JULY 1			1,575,148
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 1,647,565</b>

(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, 2021

	Special Revenue				Total
	Liability Insurance	Audit	Building and Equipment Maintenance	IMRF/ FICA	
<b>ASSETS</b>					
Cash and investments	\$ 770	\$ 40	\$ 15,391	\$ 181,259	\$ 197,460
<b>TOTAL ASSETS</b>	<b>\$ 770</b>	<b>\$ 40</b>	<b>\$ 15,391</b>	<b>\$ 181,259</b>	<b>\$ 197,460</b>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property taxes	\$ -	\$ -	\$ -	\$ 102,773	\$ 102,773
Total liabilities	-	-	-	102,773	102,773
<b>FUND BALANCES</b>					
Restricted					
Liability insurance	770	-	-	-	770
Audit	-	40	-	-	40
Maintenance	-	-	15,391	-	15,391
Retirement	-	-	-	78,486	78,486
Total fund balances	770	40	15,391	78,486	94,687
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 770</b>	<b>\$ 40</b>	<b>\$ 15,391</b>	<b>\$ 181,259</b>	<b>\$ 197,460</b>

(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, 2021

	<u>Special Revenue</u>				<b>Total</b>
	<b>Liability Insurance</b>	<b>Audit</b>	<b>Building and Equipment Maintenance</b>	<b>IMRF/ FICA</b>	
<b>REVENUES COLLECTED</b>					
Property taxes	\$ -	\$ -	\$ 248,815	\$ 199,836	\$ 448,651
Investment income	-	-	152	152	304
Total revenues collected	-	-	248,967	199,988	448,955
<b>EXPENDITURES PAID</b>					
Current					
Culture and recreation					
Building operating costs	-	-	198,118	-	198,118
Personnel services					
IMRF	-	-	-	178,876	178,876
Capital outlay	-	-	39,078	-	39,078
Total expenditures paid	-	-	237,196	178,876	416,072
NET CHANGE IN FUND BALANCES	-	-	11,771	21,112	32,883
FUND BALANCES, JULY 1	770	40	3,620	57,374	61,804
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 770</b>	<b>\$ 40</b>	<b>\$ 15,391</b>	<b>\$ 78,486</b>	<b>\$ 94,687</b>

(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, 2021

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES COLLECTED</b>			
Property taxes	\$ 200,000	\$ 199,836	
Investment income	2,000	152	
Total revenues collected	202,000	199,988	
<b>EXPENDITURES PAID</b>			
Current			
Culture and recreation			
Personnel services			
IMRF	\$ 252,000	210,000	178,876
Total expenditures paid	\$ 252,000	210,000	178,876
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (8,000)</b>		21,112
<b>FUND BALANCE, JULY 1</b>			57,374
<b>FUND BALANCE, JUNE 30</b>			<b>\$ 78,486</b>

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

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

June 30, 2021

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**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 Seven Levy Years

<b>TAX LEVY YEAR</b>	<b>2020*</b>		<b>2019</b>		<b>2018</b>		<b>2017</b>		<b>2016</b>		<b>2015</b>		<b>2014</b>	
<b>ASSESSED VALUATION</b>	\$	1,264,323,675	\$	1,245,114,061	\$	1,208,344,080	\$	1,169,803,588	\$	1,115,864,500	\$	1,041,813,428	\$	1,011,504,869
	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>
<b>TAX EXTENSIONS</b>														
General	0.341	\$ 4,313,038	0.318	\$ 3,964,742	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	0.017	215,011	0.016	200,003	0.017	200,005	0.017	199,896	0.000	-	0.000	-	0.000	-
Equipment, sites and building	0.000	-	0.020	249,023	0.000	-	0.000	-	0.000	-	0.000	-	0.000	-
Building maintenance	0.000	-	0.000	-	0.000	-	0.000	-	0.020	223,173	0.000	-	0.000	-
Debt service	0.000	-	0.000	-	0.000	-	0.000	-	0.092	1,024,453	0.098	1,021,311	0.097	985,661
<b>TOTAL TAX EXTENSIONS</b>	<b>0.358</b>	<b>\$ 4,528,049</b>	<b>0.354</b>	<b>\$ 4,413,768</b>	<b>0.357</b>	<b>\$ 4,310,937</b>	<b>0.358</b>	<b>\$ 4,187,756</b>	<b>0.457</b>	<b>\$ 5,102,458</b>	<b>0.483</b>	<b>\$ 5,036,918</b>	<b>0.489</b>	<b>\$ 4,949,010</b>
<b>TOTAL TAX COLLECTIONS</b>		<u>\$ 2,164,374</u>		<u>\$ 4,410,090</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>
<b>PERCENT COLLECTED</b>		<u>47.80%</u>		<u>99.92%</u>		<u>99.98%</u>		<u>100.19%</u>		<u>99.97%</u>		<u>99.90%</u>		<u>99.93%</u>

\* 2020 tax receipts not received in full as of June 30, 2021.

(See independent auditor's report.)

**FREMONT PUBLIC LIBRARY DISTRICT  
MUNDELEIN, ILLINOIS**

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

Last Seven Fiscal Years

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 178,876	\$ 171,818	\$ 178,248	\$ 176,343	\$ 172,945	\$ 172,941	\$ 160,448
Contributions in relation to the actuarially determined contribution	178,876	171,818	178,248	176,343	172,944	172,942	161,731
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ (1)</b>	<b>\$ (1,283)</b>
Covered payroll	\$ 1,637,939	\$ 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	10.92%	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 23 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% 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 Seven Calendar Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 167,020	\$ 173,302	\$ 160,719	\$ 172,148	\$ 173,154	\$ 169,586	\$ 179,114
Interest	546,994	509,865	481,535	465,305	424,468	389,971	349,690
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	170,382	123,090	(12,650)	101	119,085	33,525	(103,862)
Changes of assumptions	(91,364)	-	220,617	(203,247)	(25,414)	15,881	231,183
Benefit payments, including refunds of member contributions	(328,609)	(253,377)	(235,318)	(189,083)	(148,974)	(121,012)	(93,665)
Net change in total pension liability	464,423	552,880	614,903	245,224	542,319	487,951	562,460
Total pension liability - beginning	7,625,543	7,072,663	6,457,760	6,212,536	5,670,217	5,182,266	4,619,806
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 8,089,966</b>	<b>\$ 7,625,543</b>	<b>\$ 7,072,663</b>	<b>\$ 6,457,760</b>	<b>\$ 6,212,536</b>	<b>\$ 5,670,217</b>	<b>\$ 5,182,266</b>
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions - employer	\$ 184,626	\$ 165,707	\$ 190,555	\$ 176,343	\$ 172,944	\$ 172,942	\$ 161,731
Contributions - member	77,429	77,433	74,826	71,234	70,050	69,734	65,923
Net investment income	967,316	1,043,989	(284,420)	871,059	317,544	23,564	263,046
Benefit payments, including refunds of member contributions	(328,609)	(253,377)	(235,318)	(189,083)	(148,974)	(121,012)	(93,665)
Other	52,782	60,990	60,027	(58,955)	51,999	(136,446)	9,696
Net change in plan fiduciary net position	953,544	1,094,742	(194,330)	870,598	463,563	8,782	406,731
Plan fiduciary net position - beginning	6,895,329	5,800,587	5,994,917	5,124,319	4,660,756	4,651,974	4,245,243
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 7,848,873</b>	<b>\$ 6,895,329</b>	<b>\$ 5,800,587</b>	<b>\$ 5,994,917</b>	<b>\$ 5,124,319</b>	<b>\$ 4,660,756</b>	<b>\$ 4,651,974</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 241,093</b>	<b>\$ 730,214</b>	<b>\$ 1,272,076</b>	<b>\$ 462,843</b>	<b>\$ 1,088,217</b>	<b>\$ 1,009,461</b>	<b>\$ 530,292</b>

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Plan fiduciary net position as a percentage of the total pension liability	97.02%	90.42%	82.01%	92.83%	82.48%	82.20%	89.77%
Covered payroll	\$ 1,720,640	\$ 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	14.01%	42.44%	76.50%	29.24%	69.91%	65.14%	36.49%

There was a change in assumptions related to the salary rates, price inflation, retirement age and mortality rates in 2020.

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.)