

ROLLING MEADOWS LIBRARY

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021



Contents

INDEPENDENT AUDITOR'S REPORT.....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	4
BASIC FINANCIAL STATEMENTS	
Governmental Funds Balance Sheet and Statement of Net Position.....	7
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities.....	8
Notes to Financial Statements.....	9
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund – Schedule of Revenues and Expenditures – Budget Compared to Actual.....	23
Schedule of the Library's Proportionate Share of the Net Pension (Asset) Liability.....	24
Schedule of Employer IMRF Contributions.....	25
Schedule of the Library's Proportionate Share of the OPEB Liability.....	26
Schedule of Employer OPEB Contributions.....	27
SUPPLEMENTARY INFORMATION	
Statement of Expenditures – Budget and Actual – General Fund.....	28

Independent Auditor's Report

Board of Trustees
Rolling Meadows Library
Rolling Meadows, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of Rolling Meadows Library, a component unit of the City of Rolling Meadows, Illinois, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Rolling Meadows Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Rolling Meadows Library as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rolling Meadows Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rolling Meadows Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

Independent Auditor's Report

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individual or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Rolling Meadows Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rolling Meadows Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4 through 6 and 23 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's financial statements. The accompanying financial information listed as Supplementary Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing

Independent Auditor's Report

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

June 2, 2022

ATA Group, LLP

Management's Discussion and Analysis

Management of the Rolling Meadows Library (Library) provides this narrative overview and analysis for the fiscal year ended December 31, 2021. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the Library's financial statements. The statements presented include a Governmental Funds Balance Sheet and Statement of Net Position, a Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities, and notes to the financial statements. The Library qualifies as a special-purpose government engaged in only one governmental type activity allowing it to combine the fund and government-wide financial statements. This is done through the use of an adjustment column, on the face of the statements, which reconciles the fund based financial statements to the government-wide statements.

Financial Highlights

The Library's total net position as of December 31, 2021 and 2020 were \$6,176,667 and \$4,941,704 respectively. For the years ended December 31, 2021 and 2020, net position increased \$1,234,963 and \$243,395, respectively. The increase in net position in 2021 is due primarily to a change in the net pension obligation from a liability to a net pension asset. The term "net position" represents the difference between total assets/deferred outflows and total liabilities/deferred inflows of resources.

Financial Statements

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

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

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities reflects the results of the Library's revenues, expenditures/expenses and activities during the year and the corresponding effect on fund and net position balances. This statement shows the source of Library revenues and how those revenues were used to provide Library services.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of a comparison of budget to actual, revenues and expenditures, IMRF pension information, and other post-employment benefits plan schedules.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. The Library's assets/deferred outflows exceed liabilities/deferred inflows by \$6,176,667 as of the close of the year. Of the net position balance, \$1,695,700 is unrestricted, \$360,838 is restricted and \$4,120,129 is the net investment in capital assets.

Management's Discussion and Analysis

Condensed Statement of Net Position

	December 31,	
	2021	2020
Current Assets	\$ 7,240,839	\$ 6,827,631
Net Pension Asset	1,245,211	-
Capital Assets, net of accumulated depreciation	4,141,229	4,290,057
Total Assets	12,627,279	11,117,688
Deferred Outflows of Resources	276,159	175,243
Current Liabilities	306,693	302,901
Non-Current Liabilities	491,005	789,507
Total Liabilities	797,698	1,092,408
Deferred Inflows of Resources	5,929,073	5,258,819
Net Position		
Net Investment in Capital Assets	4,120,129	4,290,057
Restricted	360,838	336,623
Unrestricted	1,695,700	315,024
Total Net Position	\$ 6,176,667	\$ 4,941,704

Condensed Statement of Activities

	For the Years Ended December 31,	
	2021	2020
Revenues		
Property and Replacement Taxes	\$ 3,927,117	\$ 3,951,953
Fines, Fees and Rentals	5,797	8,522
Intergovernmental Grants	35,546	30,124
Interest Income	415	4,078
Gifts and Donations	14,102	4,809
Miscellaneous	1,444	1,501
Total Revenues	3,984,421	4,000,987
Expenses		
Salaries and Employee Benefits	1,518,759	2,514,861
Library Materials and Services	207,589	226,769
Operational Costs	250,423	237,012
Maintenance	286,433	191,345
Capital Projects (Non-Capitalized)	42,597	133,101
Other	-	521
Depreciation	443,657	453,983
Total Expenses	2,749,458	3,757,592
Increase in Net Position	1,234,963	243,395
Net Position, Beginning of Year	4,941,704	4,698,309
Net Position, End of Year	\$ 6,176,667	\$ 4,941,704

Management's Discussion and Analysis

The following is a summary of changes in fund balances for the year ended December 31, 2021:

<u>Governmental Funds</u>	<u>Fund Balance December 31, 2020</u>	<u>Increase (Decrease)</u>	<u>Fund Balance December 31, 2021</u>
General	\$ 2,125,618	\$ 282,733	\$ 2,408,351
Working Cash	265,875	-	265,875
Capital Projects	385,447	70,942	456,389
	<u>\$ 2,776,940</u>	<u>\$ 353,675</u>	<u>\$ 3,130,615</u>

The General Fund includes the board designated funds of \$360,000 (Assigned). During 2021, the General Fund transferred \$100,000 to the Capital Projects Fund.

Budgetary Highlight

The Library's General Fund expended \$3,601,688, which was \$222,102 less than the budget of \$3,823,790, for the year ended December 31, 2021.

Capital Assets

The following is a summary of capital assets as of December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 608,893	\$ 608,893
Building and Improvements	5,794,632	5,794,632
Furniture and Equipment	593,673	566,291
Books and Other Library Materials	2,517,733	2,500,493
Audio Visual Materials	559,892	582,779
Cost of Capital Assets	10,074,823	10,053,088
Less Accumulated Depreciation	<u>(5,933,594)</u>	<u>(5,763,031)</u>
Net Capital Assets	<u>\$ 4,141,229</u>	<u>\$ 4,290,057</u>

Major capital expenditures for the year ended December 31, 2021 included Phase 2 of the indoor LED lighting project, and books and audiovisual materials. Periodicals are not capitalized. See Note 4 on page 14 for a more complete disclosure.

Description of Current or Expected Conditions

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

Requests for Information

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Rolling Meadows Library, 3110 Martin Lane, Rolling Meadows, Illinois 60008.

Basic Financial Statements

ROLLING MEADOWS LIBRARY

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

DECEMBER 31, 2021

	GENERAL FUND	WORKING CASH FUND	CAPITAL PROJECTS FUND	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF NET POSITION
ASSETS						
Cash (Note 2)	\$ 2,601,073	\$ 265,875	\$ 477,489	\$ 3,344,437	\$ -	\$ 3,344,437
Property Taxes Receivable, Net of Allowance	3,896,402	-	-	3,896,402	-	3,896,402
Net Pension Asset (Note 5)	-	-	-	-	1,245,211	1,245,211
Capital Assets, Net of Accumulated Depreciation (Note 4)	-	-	-	-	4,141,229	4,141,229
Total Assets	6,497,475	265,875	477,489	7,240,839	5,386,440	12,627,279
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Items Related to IMRF Pension (Note 6)	-	-	-	-	150,736	150,736
Deferred Items Related to OPEB (Note 7)	-	-	-	-	125,423	125,423
Total Assets and Deferred Outflows of Resources	\$ 6,497,475	\$ 265,875	\$ 477,489	\$ 7,240,839	5,662,599	12,903,438
LIABILITIES						
Accounts Payable	\$ 132,393	\$ -	\$ 21,100	\$ 153,493	-	153,493
Accrued Payroll	60,329	-	-	60,329	-	60,329
Compensated Absences	-	-	-	-	92,871	92,871
Long-Term Liabilities Due After One Year (Note 5)	-	-	-	-	491,005	491,005
Total Liabilities	192,722	-	21,100	213,822	583,876	797,698
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	3,896,402	-	-	3,896,402	-	3,896,402
Deferred Items Related to IMRF Pension (Note 6)	-	-	-	-	1,965,322	1,965,322
Deferred Items Related to OPEB (Note 7)	-	-	-	-	67,349	67,349
Total Liabilities and Deferred Inflows of Resources	4,089,124	-	21,100	4,110,224	2,616,547	6,726,771
FUND BALANCES / NET POSITION						
Fund Balances						
Restricted for Statutory Purposes	94,963	265,875	-	360,838	(360,838)	-
Committed for Capital Projects	-	-	456,389	456,389	(456,389)	-
Assigned	360,000	-	-	360,000	(360,000)	-
Unassigned	1,953,388	-	-	1,953,388	(1,953,388)	-
Total Fund Balances	2,408,351	265,875	456,389	3,130,615	(3,130,615)	-
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 6,497,475	\$ 265,875	\$ 477,489	\$ 7,240,839		
Net Position						
Net Investment in Capital Assets					4,120,129	4,120,129
Restricted					360,838	360,838
Unrestricted					1,695,700	1,695,700
Total Net Position					\$ 6,176,667	\$ 6,176,667

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

Basic Financial Statements

ROLLING MEADOWS LIBRARY

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	GENERAL FUND	WORKING CASH FUND	CAPITAL PROJECTS FUND	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF ACTIVITIES
REVENUES						
Property Taxes (Note 3)	\$ 3,805,738	\$ -	\$ -	\$ 3,805,738	\$ -	\$ 3,805,738
Personal Property Replacement Taxes	121,379	-	-	121,379	-	121,379
Fines, Fees and Rentals	5,797	-	-	5,797	-	5,797
Intergovernmental Grants	35,546	-	-	35,546	-	35,546
Interest Income	415	-	-	415	-	415
Gifts and Donations	14,102	-	-	14,102	-	14,102
Miscellaneous	1,444	-	-	1,444	-	1,444
Total Revenues	3,984,421	-	-	3,984,421	-	3,984,421
EXPENDITURES / EXPENSES						
Salaries and Employee Benefits	2,548,875	-	-	2,548,875	(1,030,116)	1,518,759
Library Materials and Services	475,036	-	-	475,036	(267,447)	207,589
Operational Costs	250,423	-	-	250,423	-	250,423
Maintenance	286,433	-	-	286,433	-	286,433
Capital Projects	40,921	-	29,058	69,979	(27,382)	42,597
Other	-	-	-	-	-	-
Depreciation	-	-	-	-	443,657	443,657
Total Expenditures / Expenses	3,601,688	-	29,058	3,630,746	(881,288)	2,749,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	382,733	-	(29,058)	353,675	-	-
Other Financing Sources (Uses)						
Operating Transfer In (Out)	(100,000)	-	100,000	-	-	-
Net Change in Fund Balances	282,733	-	70,942	353,675	(353,675)	-
Change in Net Position	-	-	-	-	1,234,963	1,234,963
FUND BALANCES / NET POSITION						
Beginning of Year	2,125,618	265,875	385,447	2,776,940	2,164,764	4,941,704
End of Year	\$ 2,408,351	\$ 265,875	\$ 456,389	\$ 3,130,615	\$ 3,046,052	\$ 6,176,667

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

Note 1: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The Library has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Library (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the Library has not included in its financial statements the activities of any other entity.

The Library is a component unit of the City of Rolling Meadows (City).

B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them. The Governmental Funds Balance Sheet and Statement of Net Position and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities combine information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Library functions or activities.

All of the funds of the Library are considered major and are reported as separate columns in the fund financial statements.

Governmental funds are used to account for all or most of a Library's general activities, including the collection and disbursement of earmarked monies for working cash (special revenue fund), and the acquisition or construction of general capital assets (capital projects fund). The general fund is used to account for all activities of the Library not accounted for in some other fund.

C. Basis of Accounting

The government-wide statements (the Statement of Net Position and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Fund financial statements (the Governmental Funds

Note 1: Summary of Significant Accounting Policies (Continued)

Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the current financial measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or within sixty days after the year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general fund. All annual budget amounts lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

E. Cash and Investments

Illinois Revised Statutes authorize the Library to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks that are insured by the Federal Deposit Insurance Corporation. The Library is guided by the Illinois Revised Statutes and has a written investment policy.

F. Capital Assets

The accounting treatment over property, furniture, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Building and Improvements	10-45 years
Furniture and Equipment	5-10 years
Audio Visual Materials	5 years
Books and Other Library Materials	7 years

The Library adopted a minimum capitalization threshold of any item with a total cost greater than \$5,000, except for audio visual, books and other library materials.

Fund Financial Statements

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

G. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period which will not be recognized as an outflow of resources (expense/expenditure) until a later date. These deferred outflows of resources includes amounts related to the differences between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on pension plan investments. See Notes 6 and 7 for additional information on these deferred outflows.

Deferred inflows of resources represent the acquisition of fund balance/net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until a later date. Deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources. Deferred inflows related to a pension plan and OPEB plan, are reported in accordance with GASB 68 and 75, respectively. These deferred inflows consist of the differences between expected and actual experience and changes in assumptions.

H. Fund Equity

The Library follows GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as prepaid expense) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation; specifically for IMRF and working cash.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as

Note 1: Summary of Significant Accounting Policies (Continued)

committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body or by an official or body to which the governing body delegates the authority: the assigned fund balance is for future purposes;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board of trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as Special Reserve Fund expenditures). An assigned fund balance is established by the board of trustees through adoption or amendment of the budget as intended for specific purpose (designated by the Board for working cash purposes) but is neither restricted nor committed.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available (i.e. patron donations), the Library's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

I. Compensated Absences

It is the Library's policy to permit employees to accumulate earned but unused vacation pay benefits (not to exceed one year's accumulation as of December 31). No liability is reported for unpaid accumulated sick leave. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current liability in the government-wide statements.

J. Defined Benefit Pension Plan (IMRF)

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Postemployment Benefits Other than Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the City of Rolling Meadows

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

OPEB plan (CRMP). For this purpose, CRMP recognizes benefit payments when due and payable in accordance with benefit terms.

L. Interfund Transactions

Investment interest associated with the Working Cash Fund and the Capital Projects Fund is administratively assigned and allocated to the General Fund.

Interfund transfers are reported as operating transfers, the principal purpose of which is to set aside funds for future needs.

M. Estimates

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

Note 2: Deposits

Deposits. At year-end, the carrying amount of the Library's deposits, excluding petty cash of \$522, was \$3,343,915 and the bank balance was \$3,342,845. The bank balance is fully collateralized with securities held by the pledging financial institution's agent in the City of Rolling Meadows' name.

Note 3: Property Taxes

The City of Rolling Meadows passed the Library's 2021 Tax Levy Ordinance on October 26, 2021. Property Taxes for 2021 attached as an enforceable lien on property as of January 1, 2021. Taxes are payable in two installments on or around March 1 and August 1. As such, significant tax monies are received between March and September. The County of Cook collects such taxes and remits them periodically. The 2021 property tax levy is established to fund the 2022 budget and therefore is reflected as both a receivable and as a deferred inflow of resources. The Library estimates the loss and cost of the 2021 levy at 3 percent.

Property tax revenue is budgeted and recognized based upon prior year's levy. The receipts from the 2020 levy are reported as property tax revenue in the financial statements. Substantially all of the 2020 taxes were collected by year end and within 60 days after year end.

Notes to Financial Statements

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance December 31, 2020	Increases	Decreases	Balance December 31, 2021
Capital assets, not being depreciated				
Land	\$ 608,893	\$ -	\$ -	\$ 608,893
Capital assets, being depreciated				
Building and Improvements	5,794,632	-	-	5,794,632
Furniture and Equipment	566,291	27,382	-	593,673
Books and Other Library Materials	2,500,493	221,908	(204,668)	2,517,733
Audio Visual Materials	582,779	45,539	(68,426)	559,892
Total capital assets being depreciated	9,444,195	294,829	(273,094)	9,465,930
Less accumulated depreciation for:				
Building and Improvements	3,192,516	131,226	-	3,323,742
Furniture and Equipment	432,115	17,392	-	449,507
Books and Other Library Materials	1,674,046	243,321	(204,668)	1,712,699
Audio Visual Materials	464,354	51,718	(68,426)	447,646
Total accumulated depreciation	5,763,031	443,657	(273,094)	5,933,594
Total capital assets being depreciated, net	3,681,164	(148,828)	-	3,532,336
Capital assets, net	\$ 4,290,057	\$ (148,828)	\$ -	\$ 4,141,229

Note 5: Long Term (Asset)/Liability

Changes in long-term (asset)/liability during the year were as follows:

Type of Debt	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021	Amounts Due Within One Year
Net Pension (Asset)/Liability	\$ 235,916	\$ -	\$ 1,481,127	\$(1,245,211)	\$ -
Net Other Post-Employment Benefit Obligation	553,591	-	62,586	491,005	-
	\$ 789,507	\$ -	\$ 1,543,713	\$ (754,206)	\$ -

Note 6: Defined Benefit Pension Plan

Plan Description: The Library's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Library's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. It is a cost-sharing plan with

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan (Continued)

the City of Rolling Meadows. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org. The Library participates in IMRF through the City of Rolling Meadows.

Benefits Provided: IMRF has three benefit plans. The Library participates in the Regular Plan (RP). All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of services, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Employees Covered by Benefit Terms. As of December 31, 2021, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	32
Inactive Plan Members entitled to but not yet receiving benefits	29
Active Plan Members	<u>38</u>
Total	<u><u>99</u></u>

Contributions: As set by statute, the Library's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library's annual required contribution rate for calendar year 2021 was 15.18%. For calendar year 2021, the Library contributed \$262,411 to the plan. The Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level.

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan (Continued)

Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension (Asset)/Liability: At December 31, 2021, the Library reported an asset of \$1,245,211 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset was based on a projection of the Library's long-term share of the contributions to the pension plan relative to the projected contributions of the City of Rolling Meadows actuarially determined. At December 31, 2021, the Library's proportion was 18.60%, which was a decrease from its proportion measured as of December 31, 2020 of 21.51%.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021 using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	7.25%
Inflation	2.25%
Salary increases	2.85% to 13.75%

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

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

Long-Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.00%
International Equity	18	6.00%
Fixed Income	28	1.30%
Real Estate	9	6.20%
Alternative Investments	7	2.85-6.95%
Cash Equivalents	1	.70%
Total	100%	

Discount Rate: A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 1.84%, and the resulting single discount rate is 7.25%.

Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate: The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current (7.25%)	1% Higher (8.25%)
Library's proportionate share of Net Pension (Asset)/Liability	\$ <u>388,629</u>	\$ <u>(1,245,211)</u>	\$ <u>(2,564,534)</u>

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

For the year ended December 31, 2021, the Library recognized pension income of \$771,674. At December 31, 2021, the Library reported deferred outflows of resources

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan (Continued)

and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 150,736	\$ -
Changes of assumptions	-	19,607
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,945,715</u>
Total Deferred Amounts Related to Pensions	<u>\$ 150,736</u>	<u>\$ 1,965,322</u>

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

Year ended December 31:	
2022	\$ (358,638)
2023	(692,604)
2024	(476,418)
2025	<u>(286,926)</u>
	<u>\$ (1,814,586)</u>

Pension plan fiduciary net position: Detailed information about pension plan's fiduciary net position is available in the separately issued IMRF financial report.

Note 7: Other Post-Employment Benefits

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described above, the City of Rolling Meadows (City) provides post-employment health care benefits (OPEB) for retired employees of the Library through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual. The plan is not accounted for as a trust fund; as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits for retired employees of the Library are provided through the City's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 100% of the paid premium to the plan. For the calendar year ending

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

December 31, 2021, retirees contributed \$18,292. Active employees do not contribute to the plan until retirement.

At December 31, 2021, membership consisted of:

Active Plan Members	18
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet	
Receiving Benefit	<u> -</u>
	<u> 21</u>

Contributions

There are no actuarially determined contributions or employer contributions as there is no Trust that exists for funding the OPEB liabilities.

Total OPEB Liability

The Library reported an OPEB liability of \$491,005 for its proportionate share of the City's total OPEB liability. The total OPEB liability was measured as of December 31, 2021, and was determined by a roll forward valuation performed as of that date. The Library's proportionate share of the OPEB liability was determined utilizing participant data. At December 31, 2021, the Library's proportion was 7.49%.

Actuarial Assumptions and Other Inputs. The total OPEB liability actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

- *Inflation* expected to be 2.5% per year
- *Salary Rate Increases* are expected to be 3.50%.
- The *Discount Rate* used was 1.93% as of December 31, 2020; 2.25% as of December 31, 2021. Rates based on Fidelity's 20-year municipal GO bond rating of AA/Aa or higher as of each measurement date.
- The *Health Care Cost Trend Rates* beginning in 2021 at 6.0% reduced annually in .10% increments to an ultimate rate of 4.5%.
- *Mortality Rates* were based on the RP-2014 Blue Collar Mortality Table with adjustments to match current IMRF experience.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.25%, as well as what the plan's total OPEB liability would be if it were calculated using a Discount Rate that is one percentage point lower or one percentage point higher:

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

	1% Lower (1.25%)	Current Discount (2.25%)	1% Higher (3.25%)
Net OPEB Liability	\$ 532,004	\$ 491,005	\$ 453,672

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability, calculated using a Healthcare Trend Rate of 6.0% as well as what the plan's total OPEB liability would be if it were calculated using healthcare cost trend rate that is one percentage point lower or one percentage point higher:

	1% Lower Varies	Current Rate Varies	1% Higher Varies
Net OPEB Liability	\$ 441,227	\$ 491,005	\$ 550,043

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2021, the Library recognized OPEB a credit to expense of \$9,183. At December 31, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual	\$ 34,899	\$ 9,655
Changes of assumptions or other inputs	90,524	57,694
Total Deferred Amounts Related to OPEB	<u>\$ 125,423</u>	<u>\$ 67,349</u>

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

Year Ended December 31:	<u>Net Deferred Outflows of Resources</u>
2022	\$ 14,279
2023	14,279
2024	14,279
2025	14,279
2026	10,765
Thereafter	<u>(9,807)</u>
	<u>\$ 58,074</u>

Note 8: Deferred Compensation Plan

The Library offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees with

Note 8: Deferred Compensation Plan (Continued)

one year of service, permits them to defer a portion of their salary until future years.

Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. An outside trustee holds all amounts of compensation in trust. The deferred compensation is not subject to the claims of the Library's creditors.

Investments are managed by the plan's administrator under one of seven investment options, or combination thereof. The choice of the investment option(s) is made by the participants. The Library does not contribute to the plan.

Note 9: Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; natural disasters; and injuries to the government's employees. These risks along with medical claims for employees and retirees are provided for through the Library's participation in the Intergovernmental Risk Management Agency and the Intergovernmental Personnel Benefit Cooperative. The Library currently reports all its risk management activities in its General Fund. There has been no significant reduction in coverage from the prior year, and settled claims have not exceeded coverage for any of the past three years.

The Library (through the City) participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts within Illinois, which have formed an association under the Illinois Intergovernmental Corporations Statute to pool their risk management needs. The Agency administers a mix of self-insurance and commercial insurance coverage; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The City is a direct member of IRMA, whereas the Library is not. The Library is covered under IRMA through the City's membership. The Library's payments for insurance coverage are displayed on the financial statements as expenditures/expenses in appropriate funds. The Library paid \$82,317 to the city for the Library's share of IRMA coverage. Because the Library is not a direct member of IRMA, it is not contractually obligated to fund any deficits of IRMA nor does it benefit from excesses in IRMA's terminal reserve account.

Note 10: Adjustments

Amounts reported in the statement of net position are different from the governmental funds balance sheet because:

Notes to Financial Statements

Note 10: Adjustments (Continued)

Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	\$ 4,141,229
Deferred Outflows related to Pensions and OPEB	276,159
Accrued compensated absences are recognized in governmental activities as they accrue.	(92,871)
Other post-employment obligation is accrued in the statement of net position but is not recognized in the government funds.	(491,005)
The Net Pension Asset for IMRF is recorded in the statement of net position but is not recognized in the government funds.	1,245,211
Deferred Inflows related to Pensions and OPEB	<u>(2,032,671)</u>
	<u>\$ 3,046,052</u>

Amounts reported on the statement of activities are different from governmental funds statement of revenues, expenditures and changes in fund balances because:

The government funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded net capital asset purchases (\$443,657 less \$294,829)	\$ (148,828)
Recognizing the revenue or (expense) related to the change in the other post-employment obligation	9,183
Recognizing the pension revenue or (expense) relating to the change in the net pension obligations	1,034,087
Recognizing a decrease in the accrual for compensated absences	<u>(13,154)</u>
	<u>\$ 881,288</u>

Required Supplementary Information

ROLLING MEADOWS LIBRARY

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET COMPARED TO ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET - ORIGINAL AND FINAL	ACTUAL
REVENUES		
Property Taxes	\$ 3,827,507	\$ 3,805,738
Personal Property Replacement Taxes	57,200	121,379
Fines, Fees and Rentals	9,287	5,797
Intergovernmental Grants	30,123	35,546
Interest Income	6,342	415
Gifts and Donations	10,000	14,102
Miscellaneous	3,331	1,444
	<u>3,943,790</u>	<u>3,984,421</u>
EXPENDITURES		
Salaries and Employee Benefits	2,681,244	2,548,875
Library Materials and Services	452,636	475,036
Operational Costs	269,936	250,423
Maintenance	309,156	286,433
Capital Projects	110,818	40,921
Other	-	-
	<u>3,823,790</u>	<u>3,601,688</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	120,000	382,733
Other Financing Sources (Uses)		
Operating Transfer	<u>(120,000)</u>	<u>(100,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 282,733</u>

Note: Budgets are adopted on the modified accrual basis of accounting. All budgets lapse at fiscal year end.

Required Supplementary Information

ROLLING MEADOWS LIBRARY

SCHEDULE OF THE LIBRARY'S PROPRTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY

YEAR ENDED DECEMBER 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's Proportion of the Net Pension (Asset)/Liability	18.60%	21.51%	20.37%	21.79%	22.82%	22.79%	22.40%
Library's Proportionate Share of the Net Pension (Asset)/Liability	<u>\$ (1,245,211)</u>	<u>\$ 235,916</u>	<u>\$ 1,366,719</u>	<u>\$ 2,961,370</u>	<u>\$ 756,389</u>	<u>\$ 2,273,428</u>	<u>\$ 2,391,634</u>
Library's Covered-Employee Payroll	<u>\$ 1,728,666</u>	<u>\$ 1,782,846</u>	<u>\$ 1,785,662</u>	<u>\$ 1,766,241</u>	<u>\$ 1,716,879</u>	<u>\$ 1,692,021</u>	<u>\$ 1,638,898</u>
Library's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered-Employee Payroll	-72.03%	13.23%	76.54%	167.67%	44.06%	134.36%	145.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.08%	98.58%	91.10%	81.51%	95.11%	85.23%	83.72%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Required Supplementary Information

ROLLING MEADOWS LIBRARY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

<u>Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a Percentage of Covered Valuation Payroll</u>
2014	\$ 280,034	\$ 280,034	-	\$ 1,607,541	17.42%
2015	253,538	253,538	-	1,638,898	15.47%
2016	275,461	275,461	-	1,692,021	16.27%
2017	263,884	263,884	-	1,716,879	15.37%
2018	264,936	264,936	-	1,766,241	15.00%
2019	222,315	222,315	-	1,785,662	12.45%
2020	288,643	288,643	-	1,782,846	16.19%
2021	236,200	262,411	(26,211)	1,728,666	16.85%

Notes to the Required Supplementary Information*

Valuation Date

Notes

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

Methods and Assumptions Used to Determine 2021 Contribution Rates

Actuarial Cost Method	Aggregate entry age = normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	22-year closed period
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality	RP-2014 Blue Collar Health Annuitant Mortality Table and RP-2014 Disabled Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes

There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2019, actuarial valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Required Supplementary Information

ROLLING MEADOWS LIBRARY

SCHEDULE OF THE LIBRARY'S PROPRTIONATE SHARE OF THE OTHER POST-EMPLOYMENT BENEFITS LIABILITY

YEAR ENDED DECEMBER 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Library's Proportion of the Net OPEB Liability	7.49%	6.85%	4.60%	3.00%
Library's Proportionate Share of the Net OPEB Liability	<u>\$ 491,005</u>	<u>\$ 553,591</u>	<u>\$ 322,187</u>	<u>\$ 173,402</u>
Library's Covered-Employee Payroll	<u>\$ 1,000,258</u>	<u>\$ 1,037,148</u>	<u>\$ 975,033</u>	<u>\$ 1,039,506</u>
Library's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	49.09%	53.38%	33.04%	16.68%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	N/A	N/A	N/A	N/A

Notes:

There were no changes in benefits during calendar year 2021.

Changes in assumption in 2020 were related to the discount rate being decreased from 1.93% as of December 31, 2020 to 12.25% as of December 31, 2021.

The Library is a component unit of the City of Rolling Meadows. The City is required to have an actuarial valuation performed bi-annually.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Required Supplementary Information

ROLLING MEADOWS LIBRARY

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

<u>Fiscal Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual as a Percentage of Covered Valuation Payroll</u>
2018	N/A	\$ -	N/A	\$ 1,039,506	0.0%
2019	N/A	-	N/A	975,033	0.0%
2020	N/A	-	N/A	1,037,148	0.0%
2021	N/A	-	N/A	1,000,258	0.0%

Notes to the Required Supplementary Information

There is no Actuarially Determined Contribution (ADC) or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liabilities.

Supplementary Information

ROLLING MEADOWS LIBRARY

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
SALARIES AND EMPLOYEE BENEFITS			
General Salaries and Wages	\$ 2,014,190	\$ 1,852,068	\$ 162,122
IMRF	268,323	262,699	5,624
FICA	151,348	139,339	12,009
Health Insurance	239,703	278,568	(38,865)
Dental Insurance	5,980	14,767	(8,787)
Employee Assistance Program	1,700	1,434	266
	<u>2,681,244</u>	<u>2,548,875</u>	<u>132,369</u>
LIBRARY MATERIALS AND SERVICES			
Books and Materials	210,236	221,909	(11,673)
Audio/Visual	32,146	32,645	(499)
Periodicals	30,498	26,515	3,983
Electronics	75,393	111,628	(36,235)
E-Materials	76,136	50,377	25,759
Programs	28,227	31,962	(3,735)
	<u>452,636</u>	<u>475,036</u>	<u>(22,400)</u>
OPERATIONAL COSTS			
Professional Development	4,901	700	4,201
Dues	1,001	2,239	(1,238)
Transportation	2,173	1,591	582
Circulation Services	2,700	2,682	18
Special Services	6,300	5,232	1,068
Technical Services	24,150	11,643	12,507
Supplies	17,981	20,864	(2,883)
City Services	46,406	45,947	459
Utilities	8,276	5,300	2,976
Liability Insurance and Unemployment Compensation	82,317	82,317	-
Professional Fees	14,600	14,783	(183)
Newsletter costs	14,096	10,850	3,246
Postage	4,012	3,994	18
OCLC Fee	34,107	35,303	(1,196)
Staff Vending Machines	3,186	2,181	1,005
Other	3,730	4,797	(1,067)
	<u>269,936</u>	<u>250,423</u>	<u>19,513</u>

Supplementary Information

ROLLING MEADOWS LIBRARY

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2021

(Continued)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
MAINTENANCE			
Telephone	\$ 6,600	\$ 15,165	\$ (8,565)
Internet	24,284	19,434	4,850
System Maintenance	80,825	77,145	3,680
Other Equipment Maintenance	109,909	101,899	8,010
Alarms	5,363	5,519	(156)
Cleaning Services	23,467	22,275	1,192
HVAC	14,851	16,336	(1,485)
Carpet Cleaner	8,343	1,275	7,068
Other Building Maintenance	35,514	27,385	8,129
	<u>309,156</u>	<u>286,433</u>	<u>22,723</u>
CAPITAL PROJECTS			
Improvements to Building	69,000	9,382	59,618
Machinery and Equipment	41,818	31,539	10,279
	<u>110,818</u>	<u>40,921</u>	<u>69,897</u>
OTHER	-	-	-
	<u>\$ 3,823,790</u>	<u>\$ 3,601,688</u>	<u>\$ 222,102</u>