



**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020

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WILMETTE, ILLINOIS
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WILMETTE, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Wilmette Public Library District
Wilmette, Illinois

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting for government-wide financial statements and cash basis of accounting for the governmental fund financial statements, as described in Note 1d; this includes determining that the modified cash basis and 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, and the cash basis financial position of each major fund, and the aggregate remaining fund information of the Wilmette Public Library District, as of June 30, 2020, and the respective changes in modified cash/cash basis financial position for the year then ended in accordance with modified cash basis/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 and 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2019 (not presented herein) and have issued our report thereon dated November 14, 2019, which contained unmodified opinions on the respective modified cash basis financial position of the governmental activities, and the cash basis financial position of each major fund, and the aggregate remaining fund information. The comparative data for the year ended June 30, 2019 are presented for purposes of additional analysis and are 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 2019 financial statements. The individual fund financial statements have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

Sikich LLP

Naperville, Illinois
November 10, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Wilmette Public Library District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2020

The discussion and analysis of the Wilmette Public Library District provides a general review of the financial activities for the year ended June 30, 2020. The information presented should be considered in conjunction with the financial statements as a whole.

Required Financial Statements

The basic financial statements are prepared using the modified-cash basis of accounting which more closely conforms to our monthly reports. These consist of three components:

- Government-wide financial statements;
- Fund financial statements;
- Notes to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide a synopsis of the District's finances.

The Statement of Net Positions presents information on all of the District's assets and liabilities arising from cash transactions adjusted for long term capital assets and depreciation expenses, with the difference reported as net positions. Over time, increases or decreases in net positions may serve as an indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net positions changed during the reported fiscal year.

Fund financial statements

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements show amounts expended to provide Library services. Funds remaining are also shown. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's two major funds and the total of all other funds.

Notes to the basic financial statements

Notes to the financial statements provide additional information that is essential for a full understanding of the data in the basic financial statements. Required supplementary information consists of the Schedule of Revenues Collected, Expenditures Paid and Changes in Fund Balance - Appropriation and Actual of the General Fund and the Special Reserve Funds and more detailed data concerning the District's contributions and funding progress of the Illinois Municipal Retirement Fund.

Government-Wide Financial Analysis

Statement of Net Positions

Condensed Statement of Net Positions		
June 30, 2020	<i>Governmental Activities</i>	
	<i>2020</i>	<i>2019</i>
Current Assets		
Cash and Investments	\$15,415,787	\$15,420,271
Capital Assets, not depreciated	\$51,384	\$497,474
Capital Assets, net of depreciation	\$8,287,207	\$7,842,598
Total Assets	\$23,754,378	\$23,760,343
Liabilities		
None	\$2,632	\$0
Net positions:		
Net investment in capital assets	\$8,338,591	\$8,340,072
Restricted (Special Reserve and other funds)	\$6,490,981	\$6,793,944
Unrestricted	\$8,922,174	\$8,626,327
Total Net Positions	\$23,751,746	\$23,760,343

Changes in Net Positions

Change in Net Positions		
June 30, 2019	<i>Governmental Activities</i>	
	<i>2020</i>	<i>2019</i>
Revenues Collected:		
Charges for Services	\$238,691	\$247,519
Operating Grants	\$50,255	\$61,302
Property and Replacement Taxes	\$5,410,533	\$5,760,162
Investment Income	\$348,448	\$276,955
Donations	\$24,790	\$5,294
Miscellaneous	\$22,068	\$35,695
Total Revenues	\$6,094,785	\$6,386,927
Expenses Paid:		
Culture and Recreation	\$6,103,382	\$6,330,667
Capital Outlay	\$0	\$0
Total Expenses	\$6,103,382	\$6,330,667
Increase (Decrease) in Net Positions	(\$8,597)	\$56,260

Financial Analysis

Revenues decreased 4.6% and Expenses decreased by 3.6% in governmental activities during the fiscal year ending June 30, 2020 resulting in a decrease in net positions of (\$8,597).

Wilmette Public Library District's assets exceeded liabilities by \$23,751,746 for the year ended June 30, 2020, and \$23,760,343 for the year ended June 30, 2019.

A large portion (35.0%) of the District's net positions reflects its investment in capital assets used in governmental activities. These assets cannot be liquidated for use in operations and therefore are unavailable.

A portion of the net positions is restricted for special projects. The District maintains sufficient unrestricted net positions to provide for normal Library operations in the near future. In addition, funds are available for expenses associated with periodic activities such as computer network upgrades and landscape and parking lots improvements.

General Fund Appropriation and Actual Comparison

The original appropriation was not amended during the year.

Condensed General Fund Revenues and Expenditures			
June 30, 2019			
	<i>2020</i>		<i>2019</i>
	<i>Appropriation</i>	<i>Actual</i>	<i>Actual</i>
Revenues			
Property and Replacement Taxes	\$5,343,603	\$4,922,511	\$5,316,123
Grant Income	\$33,859	\$50,255	\$33,859
Investment Income	\$95,000	\$225,921	\$163,475
Kenilworth Library Services Contract	\$186,406	\$202,092	\$198,452
Fines and Fees	\$51,000	\$36,599	\$49,067
Friends Donations	\$0	\$24,790	\$27,443
Miscellaneous	\$41,000	\$22,068	\$40,989
Total Revenues	\$5,750,868	\$5,484,236	\$5,829,408
Expenditures			
Personnel Services	\$3,904,268	\$3,729,387	\$3,630,407
Patron Materials/Services	\$1,159,000	\$1,005,417	\$1,087,384
Operation	\$728,600	\$511,519	\$1,143,907
Transfers	-	(\$38,091)	\$300,000
Total Expenditures	\$5,791,868	\$5,208,232	\$6,161,698
Excess (Deficiency) of Revenues			
Over Expenditures	(\$41,000)	\$276,004	(\$332,290)

Actual revenues in governmental activities were less than budgeted revenues by \$266,632 primarily due to a decrease in property and replacement taxes collected. The District spent \$583,636 less than the appropriated amount due to savings attributed to the library closure related to the pandemic.

At the end of fiscal year 2020, the District's governmental funds reported a balance of \$15,413,155, a decrease of \$7,116 from fiscal year 2019.

Capital Assets

At the end of fiscal year 2020, Wilmette Public Library had total capital assets, net of depreciation, of \$8,287,207, invested in a large collection of library materials, computers and other electronics and the building which houses the Library operations.

Economic Factors on the District's Future

Wilmette Public Library District is subject to the property tax caps in accordance with state statutes. With the tax caps in place, the District is limited to the amount of increase it is able to obtain with the tax levy. In addition, the District is subject to tax rate objections and property tax assessment objections. These objections can erode the amount collected by the District with no recourse for collections. A potential decrease in the assessed valuation of property in the District may create a further decline in income.

Beginning in March 2020, the COVID-19 pandemic had been declared a global pandemic as it continued to spread rapidly. The economic impact of the State of Illinois' Executive Order imposing "stay at home" restrictions were widespread and may have lingering effects for years to come. Wilmette Public Library District is carefully monitoring the situation and evaluating its options for the current year and the following year's budgetary position as the situation continues to develop.

Contact Information

This financial report is designed to provide Wilmette Public Library District's citizens and taxpayers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you need additional information, contact the District:

Anthony Auston, Director
Wilmette Public Library District
1242 Wilmette Avenue
Wilmette, IL 60091-2558

BASIC FINANCIAL STATEMENTS

WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2020

	Governmental Activities
<hr/>	
ASSETS	
Cash and investments	\$ 15,415,787
Capital assets not being depreciated	51,384
Capital assets (net of accumulated depreciation)	<u>8,287,207</u>
Total assets	<u>23,754,378</u>
 LIABILITIES	
Withholdings payable	<u>2,632</u>
 NET POSITION	
Invested in capital assets	8,338,591
Restricted for	
Audit	5,456
Liability insurance	40,944
Retirement (IMRF/SS)	306,119
Specific programs	163,304
Capital improvements (Special Reserve Fund)	5,975,158
Unrestricted	<u>8,922,174</u>
 TOTAL NET POSITION	<u><u>\$ 23,751,746</u></u>

See accompanying notes to financial statements.

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental Activities					
Culture and recreation	\$ 6,103,382	\$ 238,691	\$ 50,255	\$ -	\$ (5,814,436)
Total governmental activities	6,103,382	238,691	50,255	-	(5,814,436)
TOTAL PRIMARY GOVERNMENT	\$ 6,103,382	\$ 238,691	\$ 50,255	\$ -	(5,814,436)
			General Revenues		
			Property taxes		5,355,151
			Replacement taxes		55,382
			Investment income		348,448
			Miscellaneous		46,858
			Donations		-
			Total		5,805,839
			CHANGE IN NET POSITION		(8,597)
			NET POSITION, JULY 1		23,760,343
			NET POSITION, JUNE 30		\$ 23,751,746

See accompanying notes to financial statements.

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

June 30, 2020

	General	Special Reserve	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 9,088,110	\$ 5,975,158	\$ 352,519	\$ 15,415,787
TOTAL ASSETS	\$ 9,088,110	\$ 5,975,158	\$ 352,519	\$ 15,415,787
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Withholdings payable	\$ 2,632	\$ -	\$ -	\$ 2,632
FUND BALANCES				
Restricted				
Audit	-	-	5,456	5,456
Liability insurance	-	-	40,944	40,944
Retirement	-	-	306,119	306,119
Specific programs	163,304	-	-	163,304
Capital improvements	-	5,975,158	-	5,975,158
Unassigned				
General Fund	8,922,174	-	-	8,922,174
Total fund balances	9,085,478	5,975,158	352,519	15,413,155
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,088,110	\$ 5,975,158	\$ 352,519	\$ 15,415,787

See accompanying notes to financial statements.

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

June 30, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 15,413,155
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Amounts reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>8,338,591</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 23,751,746</u></u>
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See accompanying notes to financial statements.

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

For the Year Ended June 30, 2020

	General	Special Reserve	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES COLLECTED				
Property taxes	\$ 4,867,129	\$ -	\$ 488,022	\$ 5,355,151
Replacement taxes	55,382	-	-	55,382
Grant	50,255	-	-	50,255
Investment income	225,921	120,723	1,804	348,448
Kenilworth Library services contract	202,092	-	-	202,092
Fines and fees	36,599	-	-	36,599
Friends donations	24,790	-	-	24,790
Miscellaneous	22,068	-	-	22,068
Total revenues collected	5,484,236	120,723	489,826	6,094,785
EXPENDITURES PAID				
Current				
Culture and recreation	5,246,323	-	555,108	5,801,431
Capital outlay	-	300,470	-	300,470
Total expenditures paid	5,246,323	300,470	555,108	6,101,901
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	237,913	(179,747)	(65,282)	(7,116)
OTHER FINANCING SOURCES (USES)				
Transfers in	38,091	-	-	38,091
Transfers (out)	-	-	(38,091)	(38,091)
Total other financing sources (uses)	38,091	-	(38,091)	-
NET CHANGE IN FUND BALANCES	276,004	(179,747)	(103,373)	(7,116)
FUND BALANCES, JULY 1	8,809,474	6,154,905	455,892	15,420,271
FUND BALANCES, JUNE 30	\$ 9,085,478	\$ 5,975,158	\$ 352,519	\$ 15,413,155

See accompanying notes to financial statements.

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

For the Year Ended June 30, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (7,116)
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	660,833
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>(662,314)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (8,597)</u></u>

See accompanying notes to financial statements.

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wilmette 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 GAAP. 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 the 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

The 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 cash basis of accounting. Revenues are recorded at the time of receipt by the District. Expenditures are recorded when the funds are disbursed.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

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 \$5,000 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:

Assets	Years
Buildings and building improvements	10-40
Furniture and equipment	3-20
Books and library materials	7

g. 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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Fund Balance/Net Position (Continued)

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 General Fund fund balance is reported as unassigned. Any deficit fund balances in any other governmental funds are also reported as unassigned.

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.

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.

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 accordance with ILCS, namely in interest-bearing savings accounts, interest-bearing certificates of deposit, 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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

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

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.

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 District's investment policy does not require diversification of investment to avoid unreasonable risk.

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds based on the time line for the funds use. Unless matched to a specific cash flow, the District will not directly invest in certificates of deposit with a maturity of greater than three years from the date of purchase.

As of June 30, 2020, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
Negotiable certificates of deposit	\$ 4,600,000	\$ 3,000,000	\$ 1,600,000	\$ -	\$ -
TOTAL	\$ 4,600,000	\$ 3,000,000	\$ 1,600,000	\$ -	\$ -

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

The District has the following recurring fair value measurements as of June 30, 2020: negotiable certificates of deposit of \$4.6 million are valued using quoted matrix pricing models (Level 2 inputs).

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 certificates of deposit. The negotiable certificates of deposit are not rated.

The investment policy does not include any limitations on how much of any type of security can be held in the portfolio.

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.

3. CAPITAL ASSETS

Capital asset activity resulting from modified cash transactions for the year ended June 30, 2020 was as follows:

	Balances July 1	Increases	Decreases	Balances June 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 51,384	\$ -	\$ -	\$ 51,384
Construction in progress	446,090	76,267	522,357	-
Total capital assets not being depreciated	497,474	76,267	522,357	51,384
Capital assets being depreciated				
Buildings and improvements	13,223,074	527,464	-	13,750,538
Furniture and equipment	425,537	18,584	-	444,121
Library materials	4,917,268	560,875	379,750	5,098,393
Total capital assets being depreciated	18,565,879	1,106,923	379,750	19,293,052
Less accumulated depreciation for				
Buildings and building improvements	6,098,530	387,811	-	6,486,341
Furniture and equipment	365,504	13,046	-	378,550
Library materials	4,259,247	261,457	379,750	4,140,954
Total accumulated depreciation	10,723,281	662,314	379,750	11,005,845
Total capital assets being depreciated, net	7,842,598	444,609	-	8,287,207
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 8,340,072	\$ 520,876	\$ 522,357	\$ 8,338,591

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

3. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

Culture and recreation	<u>\$ 662,314</u>
------------------------	-------------------

4. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the government.

- The property tax lien date is January 1;
- The annual tax levy ordinance for 2019 was passed November 19, 2019;
- Property taxes are due to the County Collector in two installments, March 1 and September 1 or within 30 days of the County issuing the final property tax bills; and
- Property taxes for 2019 are normally received monthly beginning in March 2020 and generally ending by January 2021.

5. INDIVIDUAL FUND DISCLOSURES

During fiscal year 2020, the District made the following operating transfers:

Transferred To	Transferred From	Amount
General Fund	Endowment Fund	<u>\$ 38,091</u>
TOTAL		<u>\$ 38,091</u>

The interfund transaction between the Endowment Fund and General Fund was to close the Endowment Fund.

6. RISK MANAGEMENT

The District is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers' compensation, illnesses of employees and public officials' liability. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the fiscal year or prior two fiscal years.

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

7. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

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

Plan Administration

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

Plan Membership

At December 31, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	21
Active employees	<u>51</u>
 TOTAL	 <u><u>114</u></u>

Benefits

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

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

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits (Continued)

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

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rates for the fiscal year ended June 30, 2020 was 10.25% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

Actuarial Assumptions

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

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

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

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

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

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

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 13,771,013	\$ 11,737,159	\$ 2,033,854
Changes for the period			
Service cost	254,628	-	254,628
Interest	978,392	-	978,392
Difference between expected and actual experience	(239,477)	-	(239,477)
Changes in assumptions	-	-	-
Employer contributions	-	222,883	(222,883)
Employee contributions	-	113,037	(113,037)
Net investment income	-	2,270,491	(2,270,491)
Benefit payments and refunds	(806,530)	(806,530)	-
Administrative expense	-	-	-
Other (net transfer)	-	100,711	(100,711)
Net changes	187,013	1,900,592	(1,713,579)
BALANCES AT DECEMBER 31, 2019	\$ 13,958,026	\$ 13,637,751	\$ 320,275

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

For the year ended June 30, 2020, the District would recognize pension expense of \$257,045; however, this is not reported on the District's financial statements due to their modified cash basis of accounting as discussed in Note 1d.

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

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 208,745	\$ 176,305
Changes in assumption	136,038	62,784
Net difference between projected and actual earnings on pension plan investments	-	596,795
Contributions made subsequent to the measurement date	141,573	-
TOTAL	<u><u>\$ 486,356</u></u>	<u><u>\$ 835,884</u></u>

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

\$141,573 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ (58,338)
2022	(147,154)
2023	983
2024	(286,592)
Thereafter	-
TOTAL	<u><u>\$ (491,101)</u></u>

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

7. 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)	\$ 1,752,913	\$ 320,275	\$ (888,710)

The net pension liability, deferred outflows of resources and deferred inflows of resources are not reported on the District's financial statements on the modified cash basis of accounting as discussed in Note 1d.

8. OPERATING LEASES

The District is committed under various leases for copiers and postage equipment. The leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2020 amounted to \$19,436. Future minimum lease payments for this lease are as follows:

<u>Year Ending June 30,</u>	
2021	\$ 25,776
2022	25,776
2023	25,776
2024	<u>12,888</u>
TOTAL	<u>\$ 90,216</u>

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

9. JOINTLY GOVERNED ORGANIZATION

The District participates in Cooperative Computer Services (CCS). CCS is an intergovernmental entity formed by library members of the 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 \$73,205.

10. KENILWORTH CONTRACT

The Kenilworth Public Library District entered into a contract with the District and the Winnetka-Northfield Public Library District to pay for services provided to Kenilworth District residents. The amounts to be paid are based on an agreed-upon amount, adjusted for inflation, divided between the two libraries based on their proportion of circulation.

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the District provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District 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. Additionally, the total OPEB liability, deferred outflows of resources and deferred inflows of resources are not reported on the District's financial statements on the modified cash basis of accounting as discussed in Note 1d.

The following are the summary results from the District's actuarial valuation performed as of June 30, 2018 (most recent data available).

Liabilities	\$	54,357
Deferred outflows of resources		319
Deferred inflows of resources		510
Total OPEB expense		5,002

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided

The District provides OPEB and life insurance benefits to its retirees. To be eligible for benefits, the employee must qualify for retirement under the District's retirement plan. The retirees pay 100% of the average employer group cost.

c. Membership

At June 30, 2018 (most recent data available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>26</u>
 TOTAL	 <u>26</u>
 Participating employers	 <u>1</u>

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

MAJOR GOVERNMENTAL FUNDS

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

For the Year Ended June 30, 2020
(with comparative actual)

	2020		2019
	Original and Final Appropriations	Actual	Actual
REVENUES COLLECTED			
Property taxes	\$ 5,308,603	\$ 4,867,129	\$ 5,265,528
Replacement taxes	35,000	55,382	50,595
Grant	33,859	50,255	33,859
Investment income	95,000	225,921	163,475
Kenilworth Library services contract	186,406	202,092	198,452
Fines and fees	51,000	36,599	49,067
Friends donations	33,000	24,790	27,443
Miscellaneous			
Gifts	6,000	15,901	5,294
Other	35,000	6,167	35,695
Total revenues collected	5,783,868	5,484,236	5,829,408
EXPENDITURES PAID			
Current			
Culture and recreation			
Personnel services	3,904,268	3,729,387	3,630,407
Patron materials/services	1,159,000	1,005,417	1,087,384
Operation	728,600	511,519	1,143,907
Total expenditures paid	5,791,868	5,246,323	5,861,698
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(8,000)	237,913	(32,290)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	38,091	-
Transfers (out)	-	-	(300,000)
Total other financing sources (uses)	-	38,091	(300,000)
NET CHANGE IN FUND BALANCE	\$ (8,000)	276,004	(332,290)
FUND BALANCE, JULY 1		8,809,474	9,141,764
FUND BALANCE, JUNE 30		\$ 9,085,478	\$ 8,809,474

(See independent auditor's report.)

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

For the Year Ended June 30, 2020
(with comparative actual)

	2020		
	Original and Final Appropriation	Actual	2019 Actual
PERSONNEL SERVICES			
Salaries			
Librarian	\$ 1,578,704	\$ 1,388,102	\$ 1,354,561
Nonlibrarian	1,495,487	1,480,007	1,435,474
Custodial	200,277	213,921	200,099
Professional memberships	6,500	6,267	6,195
Registrations	10,000	4,671	6,042
Travel - mileage	35,000	8,024	6,625
Staff development	30,000	5,219	28,273
Insurance - employee	548,300	623,176	593,138
Total personnel services	3,904,268	3,729,387	3,630,407
PATRON MATERIALS/SERVICES			
Books and continuations	326,500	285,926	346,669
Audio visual materials	113,000	80,163	101,711
Periodicals	58,500	42,732	42,473
Electronic resources	400,000	416,473	374,982
Computer software	14,000	12,079	11,765
Electronic service providers	115,000	115,282	111,919
Programming	44,000	15,140	18,791
Friends purchases	28,800	14,205	36,582
Web design	7,000	1,512	1,314
Newsletter	41,200	18,663	28,636
Promotion	10,000	3,242	11,342
Grant expenses	1,000	-	1,200
Total patron materials/services	1,159,000	1,005,417	1,087,384
OPERATION			
Accounting	16,000	10,188	10,478
Professional fees	20,000	12,422	19,036
Library supplies	35,000	21,403	18,003
Office supplies	45,000	28,379	38,283
Copiers	28,000	27,494	30,724
Printing	11,000	463	2,118
Postage and shipping	6,000	5,463	6,509

(This schedule is continued on the following page.)

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

For the Year Ended June 30, 2020
(with comparative actual)

	<u>2020</u>		
	Original and Final		2019
	Appropriation	Actual	Actual
OPERATION (Continued)			
Telephone	\$ 13,000	\$ 11,955	\$ 10,485
Equipment/furniture/computers	125,000	60,574	72,376
Equipment/computer maintenance	86,000	74,159	123,642
Insurance - property/casualty	27,500	11,782	11,000
Building improvements	20,000	19,600	12,151
Building supplies	24,000	26,875	26,432
Building maintenance	85,000	52,939	70,739
Building maintenance contracts	100,000	90,441	95,984
Grounds maintenance	45,000	16,905	18,378
Outdoor renovation project	-	-	538,691
Parking lot rental	12,000	12,900	12,740
Contingency	-	-	-
Utilities	21,000	22,205	17,442
Miscellaneous	9,100	5,372	8,696
Total operation	728,600	511,519	1,143,907
TOTAL EXPENDITURES PAID	\$ 5,791,868	\$ 5,246,323	\$ 5,861,698

(See independent auditor's report.)

WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS

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

For the Year Ended June 30, 2020
(with comparative actual)

	2020		2019
	Original and Final Appropriations	Actual	Actual
REVENUES COLLECTED			
Investment income	\$ -	\$ 120,723	\$ 111,272
Total revenues collected	-	120,723	111,272
EXPENDITURES PAID			
Current			
Capital outlay	6,000,000	300,470	42,349
Total expenditures paid	6,000,000	300,470	42,349
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(6,000,000)	(179,747)	68,923
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	300,000
Total other financing sources (uses)	-	-	300,000
NET CHANGE IN FUND BALANCE	<u>\$ (6,000,000)</u>	(179,747)	368,923
FUND BALANCE, JULY 1		6,154,905	5,785,982
FUND BALANCE, JUNE 30		<u>\$ 5,975,158</u>	<u>\$ 6,154,905</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

June 30, 2020

	Special Revenue				Total
	Retirement	Audit	Liability Insurance	Permanent Endowment	
ASSETS					
Cash and investments	\$ 306,119	\$ 5,456	\$ 40,944	\$ -	\$ 352,519
TOTAL ASSETS	<u>\$ 306,119</u>	<u>\$ 5,456</u>	<u>\$ 40,944</u>	<u>\$ -</u>	<u>\$ 352,519</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable - endowment	-	-	-	-	-
Restricted					
Audit	-	5,456	-	-	5,456
Liability insurance	-	-	40,944	-	40,944
Retirement	<u>306,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,119</u>
Total fund balances	<u>306,119</u>	<u>5,456</u>	<u>40,944</u>	<u>-</u>	<u>352,519</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 306,119</u>	<u>\$ 5,456</u>	<u>\$ 40,944</u>	<u>\$ -</u>	<u>\$ 352,519</u>

(See independent auditor's report.)

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

For the Year Ended June 30, 2020

	<u>Special Revenue</u>			<u>Permanent</u>	
	<u>Retirement</u>	<u>Audit</u>	<u>Liability Insurance</u>	<u>Endowment</u>	<u>Total</u>
REVENUES COLLECTED					
Property taxes	\$ 445,098	\$ 9,329	\$ 33,595	\$ -	\$ 488,022
Investment income	1,262	-	-	542	1,804
Total revenues collected	446,360	9,329	33,595	542	489,826
EXPENDITURES PAID					
Current					
Culture and recreation					
Fringe benefits					
IMRF	282,571	-	-	-	282,571
FICA	226,266	-	-	-	226,266
Liability insurance	-	-	17,608	-	17,608
Unemployment insurance	-	-	18,502	-	18,502
Audit	-	10,132	-	-	10,132
Miscellaneous	-	-	-	29	29
Total expenditures paid	508,837	10,132	36,110	29	555,108
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(62,477)	(803)	(2,515)	513	(65,282)
OTHER FINANCING SOURCES (USES)					
Transfers (out)	-	-	-	(38,091)	(38,091)
Total other financing sources (uses)	-	-	-	(38,091)	(38,091)
NET CHANGE IN FUND BALANCES	(62,477)	(803)	(2,515)	(37,578)	(103,373)
FUND BALANCES, JULY 1	368,596	6,259	43,459	37,578	455,892
FUND BALANCES, JUNE 30	\$ 306,119	\$ 5,456	\$ 40,944	\$ -	\$ 352,519

(See independent auditor's report.)

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

For the Year Ended June 30, 2020
(with comparative actual)

	2020		2019
	Original and Final Appropriation	Actual	Actual
REVENUES COLLECTED			
Property taxes	\$ 468,000	\$ 445,098	\$ 400,035
Investment income	-	1,262	1,841
Total revenues collected	468,000	446,360	401,876
EXPENDITURES PAID			
Current			
Culture and recreation			
Personnel services			
Fringe benefits			
IMRF	468,000	282,571	249,946
FICA	-	226,266	221,382
Total expenditures paid	468,000	508,837	471,328
NET CHANGE IN FUND BALANCE	\$ -	(62,477)	(69,452)
FUND BALANCE, JULY 1		368,596	438,048
FUND BALANCE, JUNE 30		\$ 306,119	\$ 368,596

(See independent auditor's report.)

WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS

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

For the Year Ended June 30, 2020
(with comparative actual)

	<u>2020</u>		
	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>2019 Actual</u>
REVENUES COLLECTED			
Property taxes	\$ 8,500	\$ 9,329	\$ 9,001
Total revenues collected	8,500	9,329	9,001
EXPENDITURES PAID			
Current			
Culture and recreation			
Miscellaneous			
Audit	10,000	10,132	9,837
Total expenditures paid	10,000	10,132	9,837
NET CHANGE IN FUND BALANCE	<u>\$ (1,500)</u>	(803)	(836)
FUND BALANCE, JULY 1		6,259	7,095
FUND BALANCE, JUNE 30		<u>\$ 5,456</u>	<u>\$ 6,259</u>

(See independent auditor's report.)

WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS

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

For the Year Ended June 30, 2020
(with comparative actual)

	2020		2019
	Original and Final Appropriation	Actual	Actual
REVENUES COLLECTED			
Property taxes	\$ 30,000	\$ 33,595	\$ 35,003
Total revenues collected	30,000	33,595	35,003
EXPENDITURES PAID			
Current			
Culture and recreation			
Fringe benefits			
Liability insurance	20,000	17,608	13,101
Unemployment insurance	20,000	18,502	16,674
Total expenditures paid	40,000	36,110	29,775
NET CHANGE IN FUND BALANCE	<u>\$ (10,000)</u>	(2,515)	5,228
FUND BALANCE, JULY 1		<u>43,459</u>	<u>38,231</u>
FUND BALANCE, JUNE 30		<u>\$ 40,944</u>	<u>\$ 43,459</u>

(See independent auditor's report.)

WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS

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

For the Year Ended June 30, 2020
(with comparative actual)

	<u>2020</u>	<u>2019</u>
	<u>Actual</u>	<u>Actual</u>
REVENUES COLLECTED		
Investment income	\$ 542	\$ 367
Total revenues collected	<u>542</u>	<u>367</u>
EXPENDITURES PAID		
Current		
Culture and recreation		
Miscellaneous	<u>29</u>	<u>34</u>
Total expenditures paid	<u>29</u>	<u>34</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>513</u>	<u>333</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	<u>(38,091)</u>	<u>-</u>
Total other financing sources (uses)	<u>(38,091)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(37,578)</u>	<u>333</u>
FUND BALANCE, JULY 1	<u>37,578</u>	<u>37,245</u>
FUND BALANCE, JUNE 30	<u><u>\$ -</u></u>	<u><u>\$ 37,578</u></u>

(See independent auditor's report.)

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

June 30, 2020

BUDGETS

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

1. The Board of Trustees prepares a Combined Annual Budget and Appropriation Ordinance for all funds, except for the Endowment Fund.
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 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.
7. The following funds had an excess of actual expenditures over budget for the year ended June 30, 2020:

<u>Fund</u>	<u>Excess</u>
Audit	\$ 132
Retirement	40,837

SUPPLEMENTARY INFORMATION

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES,
EXTENSIONS AND COLLECTIONS

Last Ten Levy Years

TAX LEVY YEAR	2019		2018		2017		2016		2015	
ASSESSED VALUATION	\$	2,062,021,187	\$	1,900,968,654	\$	1,961,313,130	\$	1,922,332,036	\$	1,540,264,790
	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
TAX EXTENSIONS										
General	0.2440	\$ 5,030,779	0.2707	\$ 5,145,212	0.2791	\$ 5,473,629	0.2920	\$ 5,613,979	0.3612	\$ 5,563,200
IMRF	0.0137	283,250	0.0130	247,200	0.0126	247,200	0.0129	247,200	0.0128	197,760
FICA	0.0112	231,750	0.0081	154,500	0.0079	154,500	0.0086	164,800	0.0166	255,440
Liability insurance	0.0017	35,020	0.0018	35,149	0.0018	35,149	0.0019	36,050	0.0030	46,350
Audit	0.0005	10,300	0.0005	9,038	0.0050	9,038	0.0005	9,270	0.0006	8,549
TOTAL TAX EXTENSIONS	0.2711	\$ 5,591,099	0.2941	\$ 5,591,099	0.3064	\$ 5,919,516	0.3159	\$ 6,071,299	0.3942	\$ 6,071,299
TOTAL TAX COLLECTIONS		<u>\$ 2,978,149</u>		<u>\$ 5,538,543</u>		<u>\$ 5,816,322</u>		<u>\$ 5,932,416</u>		<u>\$ 6,091,734</u>
PERCENT COLLECTED		<u>53.27%</u>		<u>99.06%</u>		<u>98.26%</u>		<u>97.71%</u>		<u>100.34%</u>

(This schedule is continued on the following page.)

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES,
EXTENSIONS AND COLLECTIONS (Continued)

Last Ten Levy Years

TAX LEVY YEAR	2014		2013		2012		2011		2010	
ASSESSED VALUATION	\$	1,583,111,678	\$	1,559,393,904	\$	1,733,948,674	\$	1,868,468,004	\$	2,078,041,264
	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
TAX EXTENSIONS										
General	0.3487	\$ 5,519,541	0.3474	\$ 5,417,334	0.3068	\$ 5,139,550	0.2768	\$ 5,171,990	0.2430	\$ 5,049,730
IMRF	0.0172	271,920	0.0169	263,537	0.0138	239,259	0.0006	10,300	0.0124	258,273
FICA	0.0115	181,280	0.0122	190,246	0.0100	173,256	0.0215	402,215	0.0086	179,478
Liability insurance	0.0029	46,350	0.0037	57,697	0.0030	51,500	0.0025	46,350	0.0015	30,900
Audit	0.0005	8,549	0.0006	9,356	0.0005	8,858	0.0005	8,858	0.0002	5,150
TOTAL TAX EXTENSIONS	0.3808	\$ 6,027,640	0.3808	\$ 5,938,170	0.3341	\$ 5,612,423	0.3019	\$ 5,639,713	0.2657	\$ 5,523,531
TOTAL TAX COLLECTIONS		<u>\$ 5,948,702</u>		<u>\$ 5,771,752</u>		<u>\$ 5,610,642</u>		<u>\$ 5,557,633</u>		<u>\$ 5,449,491</u>
PERCENT COLLECTED		<u>98.69%</u>		<u>97.20%</u>		<u>99.97%</u>		<u>98.54%</u>		<u>98.66%</u>

* Property tax rates are per \$100 of assessed valuation.

(See independent auditor's report.)

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

Last Six Fiscal Years

FISCAL YEAR ENDED JUNE 30,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 244,487	\$ 248,140	\$ 242,530	\$ 242,018	\$ 249,946	\$ 282,571
Contributions in relation to the actuarially determined contribution	244,487	248,140	242,530	242,018	249,946	282,571
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,980,561	\$ 2,064,161	\$ 2,044,912	\$ 2,146,702	\$ 2,431,018	\$ 2,756,619
Contributions as a percentage of covered payroll	12.34%	12.02%	11.86%	11.27%	10.28%	10.25%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% 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.)

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

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

Last Six Calendar Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service cost	\$ 221,975	\$ 223,722	\$ 224,722	\$ 230,400	\$ 217,813	\$ 254,628
Interest	789,283	864,059	881,555	920,306	928,618	978,392
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	10,152	(198,907)	96,893	194,285	429,170	(239,477)
Changes of assumptions	653,312	12,088	(37,758)	(458,226)	320,570	-
Benefit payments, including refunds of member contributions	(645,909)	(649,641)	(653,929)	(743,635)	(795,646)	(806,530)
Net change in total pension liability	1,028,813	251,321	511,483	143,130	1,100,525	187,013
Total pension liability - beginning	10,735,741	11,764,554	12,015,875	12,527,358	12,670,488	13,771,013
TOTAL PENSION LIABILITY - ENDING	\$ 11,764,554	\$ 12,015,875	\$ 12,527,358	\$ 12,670,488	\$ 13,771,013	\$ 13,958,026
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 245,788	\$ 238,069	\$ 254,528	\$ 234,556	\$ 263,835	\$ 222,883
Contributions - member	100,484	90,708	109,923	92,996	104,237	113,037
Net investment income	630,484	53,037	730,139	2,002,380	(746,583)	2,270,491
Benefit payments, including refunds of member contributions	(645,909)	(649,641)	(653,929)	(743,635)	(795,646)	(806,530)
Other	(48,545)	94,607	112,377	(122,208)	299,478	100,711
Net change in plan fiduciary net position	282,302	(173,220)	553,038	1,464,089	(874,679)	1,900,592
Plan fiduciary net position - beginning	10,485,629	10,767,931	10,594,711	11,147,749	12,611,838	11,737,159
PLAN FIDUCIARY NET POSITION - ENDING	\$ 10,767,931	\$ 10,594,711	\$ 11,147,749	\$ 12,611,838	\$ 11,737,159	\$ 13,637,751
EMPLOYER'S NET PENSION LIABILITY	\$ 996,623	\$ 1,421,164	\$ 1,379,609	\$ 58,650	\$ 2,033,854	\$ 320,275
Plan fiduciary net position as a percentage of the total pension liability	91.50%	88.20%	89.00%	99.50%	85.20%	97.70%
Covered payroll	\$ 1,958,000	\$ 1,997,222	\$ 2,076,076	\$ 2,066,571	\$ 2,316,376	\$ 2,501,501
Employer's net pension liability as a percentage of covered payroll	50.90%	71.20%	66.50%	2.80%	87.80%	12.80%

In 2018, changes in assumptions related to the discount rate were made since the prior measurement date.

In 2017, changes in assumptions related to salary rates, inflation rates and mortality were made since the prior measurement date.

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.)



**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

**AUDITOR'S COMMUNICATION TO THE
BOARD OF TRUSTEES**

For the Year Ended June 30, 2020



WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS
AUDITOR’S COMMUNICATION TO
THE BOARD OF TRUSTEES
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CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Members of American Institute of Certified Public Accountants

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

November 10, 2020

The Honorable President
Members of the Board of Trustees
Wilmette Public Library District
1242 Wilmette Avenue
Wilmette, Illinois 60091

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you in August, 2020.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect Wilmette Public Library District, are enclosed within this document.

This information is intended solely for the use of the President, the Board of Trustees and management of the Wilmette Public Library District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP
By: Daniel A. Berg, CPA
Partner



1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

November 10, 2020

Members of the Board of Trustees
Wilmette Public Library District
Wilmette, Illinois

Ladies and Gentlemen:

We have audited the financial statements of the of the governmental activities, each major fund, and the aggregate remaining fund information of Wilmette Public Library District (the District) for the year ended June 30, 2020 and have issued our report thereon dated November 10, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending June 30, 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no particularly sensitive estimates made by management during our audit of the financial statements except for the actuarial valuations and related estimates for the pension plan.

The disclosures in the financial statements are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole, except for AJE#01 and AJE#02.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or audit matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 10, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the combining and individual fund financial statements and schedules, which accompany the basic financial statements but are not required supplementary information (RSI). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the Management's Discussion and Analysis and supplementary information, which accompany the basic financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the Wilmette Public Library District and is not intended nor should it be, and should not be, used by anyone other than these specified parties.

We appreciate the courtesies extended to us by the District and those associated with it during our audit for this year. If you have any questions regarding the purpose of this letter or the requirement mentioned, please give me a call.

Sincerely,

Sikich LLP

Sikich LLP

By: Daniel A. Berg, CPA

Partner

WILMETTE PUBLIC LIBRARY DISTRICT

Year End: June 30, 2020

Adjusting Journal Entries

Number	Date	Name	Account No	Amount
AJE 01	6/30/2020	General Fund Checking	01-10101 GF-01	38,091.04
AJE 01	6/30/2020	Transfer In/Out GF	01-49910 GF-01	(38,091.04)
AJE 01	6/30/2020	Operating Checking	07-10100 E-07	(38,091.04)
AJE 01	6/30/2020	Transfer Out	07-49910 E-07	38,091.04
To record transfer out of endowment fund to general fund, closing of endowment fund				
AJE 02	6/30/2020	Construction in Progress	30-1050 GF-30	(446,090.00)
AJE 02	6/30/2020	Building and Improvement	30-1502 GF-30	527,464.00
AJE 02	6/30/2020	Furniture and Fixtures	30-1503 GF-30	18,583.00
AJE 02	6/30/2020	Library Materials Collection	30-1506 GF-30	560,875.00
AJE 02	6/30/2020	Library Materials Collection	30-1506 GF-30	(379,750.00)
AJE 02	6/30/2020	Bulding and Improvements A/D	30-2052 GF-30	(387,811.07)
AJE 02	6/30/2020	Furniture and Fixtures A/D	30-2503 GF-30	(13,045.60)
AJE 02	6/30/2020	Library Materials Collection A/D	30-2506 GF-30	(261,457.00)
AJE 02	6/30/2020	Library Materials Collection A/D	30-2506 GF-30	379,750.00
AJE 02	6/30/2020	Culture and Recreation Expense	30-5000 GF-30	(660,832.00)
AJE 02	6/30/2020	Depreciation Expense - Culture	30-6000 GF-30	662,313.67
To record capital asset activity				

PASSED ADJUSTMENTS

Description	WILMETTE PUBLIC LIBRARY		GENERAL FUND, SPECIAL RESERVE FUND AND GOVERNMENTAL TYPE ACTIVITIES	
	6/30/2020		(FUND OR FUND TYPE)	
	Assets	(Liabilities)	(Retained Earnings/Fund Balance)	(Profit) Loss
GENERAL FUND				
To record the fair value of General Fund CD investments	\$ 11,593	\$ -	\$ (7,468)	\$ (4,125)
SPECIAL RESERVE FUND				
To record the fair value of Special Reserve CD investments	\$ 24,365	\$ -	\$ 3,848	\$ (28,213)
GOVERNMENTAL ACTIVITIES				
To record the fair value of General Fund CD investments	\$ 11,593	\$ -	\$ (7,468)	\$ (4,125)
To record the fair value of Special Reserve CD investments	24,365	-	3,848	(28,213)
Totals	\$ 35,958	\$ -	\$ (3,620)	\$ (32,338)

**WILMETTE PUBLIC LIBRARY DISTRICT
WILMETTE, ILLINOIS**

MANAGEMENT LETTER

June 30, 2020



1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

Members of the Board of Trustees
Wilmette Public Library District
Wilmette, Illinois

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Wilmette Public Library District (the District) as of and for the year ended June 30, 2020, in accordance with the modified cash basis/cash basis of accounting, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. We did not identify any new deficiencies in internal control that we consider to be material weakness. As discussed on the following pages, we identified certain matters that are opportunities for strengthening internal controls and operating efficiency, of which management should be aware. In addition, we reviewed the status of the deficiencies from June 30, 2019. The status of these comments is included in Appendix A. This letter does not affect our report dated November 10, 2020, on the basic financial statements of the District.

This report is intended solely for the information and use of the President, the Board of Trustees and Management and is not intended to be, and should not be, used by anyone other than these specified parties.

SiKich LLP

Naperville, Illinois
November 10, 2020

OTHER INFORMATION

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that may impact the District in the future.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for the fiscal year June 30, 2021.

GASB Statement No. 91, *Conduit Debt Obligations*, which intends to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for the fiscal year ending June 30, 2021.

GASB Statement No. 92, *Omnibus 2020*, addresses a variety of topics including: The effective date of Statement No. 87 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73 to Certain Provisions of GASB Statement Nos. 67 and 68, as amended, and No. 74, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The requirements of this Statement are effective for the fiscal years ending June 30, 2021.

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The London Interbank Offered Rate (LIBOR), a result of global reference rate reform, is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for fiscal year ending June 30, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued to address tissues related to accounting and reporting for public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for fiscal year ending June 30, 2023.

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, was issued to provide temporary relief to governments and other stakeholders due to the COVID-19 pandemic.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

GASB Statement No. 96, *Solution-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for the fiscal year ending June 30, 2023.

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASBS No. 14 and No. 84, and a supersession of GASB Statement No. 32*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement is effective for the fiscal year ending June 30, 2022. Earlier application is encouraged if Statement No. 84, as amended, has been implemented.

We will advise the District of any progress made by GASB in developing these and other future pronouncements that may have an impact on the financial position and changes in financial position of the District.

APPENDIX A

STATUS OF COMMENTS FROM JUNE 30, 2019

DEFICIENCY

1. Segregation of Duties

A system of internal control provides for a proper segregation of the accounting functions. This system would segregate recording of transactions, custody of assets and authorization of transactions. Proper segregation is not always possible in smaller entities, but limited segregation to the extent possible can and should be implemented to reduce the risk of errors or fraud. At the District, there is a lack of segregation of duties due to the number of personnel performing the accounting functions. The Business Manager and Accounting Assistant conduct the vast majority of data entry, processing and reconciliations of the various transaction cycles. The District does have significant compensating controls, such as Board approval of bills lists and Director review and approval of payroll transactions, accounts payable invoices and checks and monthly bank reconciliations. We recommend that management continuously review the current assignments of accounting functions and, when possible, segregate duties and/or implement compensating controls to reduce the risk of errors or fraud.

Status: Comment still applicable at June 30, 2020.

OTHER COMMENTS

1. Reporting on the Cash Basis/Modified Cash Basis

The District currently records and reports their financial activity on the Cash Basis/Modified Cash Basis of Accounting, which is another comprehensive basis of accounting that is not a generally accepted accounting principle (GAAP). GAAP requires that governmental agencies report their governmental funds on the modified accrual basis of accounting, which require the recognition of revenues when they are both measurable and available and expenditures when they are due and payable, rather than when the cash comes in or out of the District. The modified cash basis of accounting is frequently used by smaller governmental entities in the State of Illinois. The District has determined that the needs and requirements of the external report users (i.e. the Board of Trustee, citizens of the District and the various State agencies) are being met with the modified cash basis of accounting. The District's current reporting is acceptable and allows the financial records to be reported fairly in accordance with the cash basis/modified cash basis of accounting. If the District were to seek to issue debt in order to finance a project, we would encourage the District to seek the advice of a bond consultant to determine if a change in accounting basis is warranted.

Status: Comment still applicable at June 30, 2020.

OTHER COMMENTS (Continued)

2. Market Value of Investments

We noted during our procedures on investments that the Library did not adjust its negotiable certificate of deposit balances to market value at June 30, 2019. This is a requirement of GASB Statement No. 31 for any investments that have a maturity date greater than one year from the date of purchase. For the Library, multiple negotiable certificates of deposit had maturity dates greater than one year, however the total investment value difference was immaterial to the financial statements and thus no adjustment was posted. We recommend that the Library review its year end investment statement and adjust the necessary investment balances to market value at year end.

Status: Comment still applicable at June 30, 2020.

FIRM PROFILE



ORGANIZATION

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services**, has 1,000+ professionals throughout the country. Founded in 1982, Sikich now ranks within the country's top 30 largest Certified Public Accounting firms and is among the top one percent of all enterprise resource planning solution partners in the world. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.

INDUSTRIES

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

AGRICULTURE	AUTOMOTIVE	CONSTRUCTION & REAL ESTATE
DISTRIBUTION & SUPPLY CHAIN	GOVERNMENT	HIGH-TECH
LIFE SCIENCES	MANUFACTURING	NOT-FOR-PROFIT
PRIVATE EQUITY	PROFESSIONAL SERVICES	

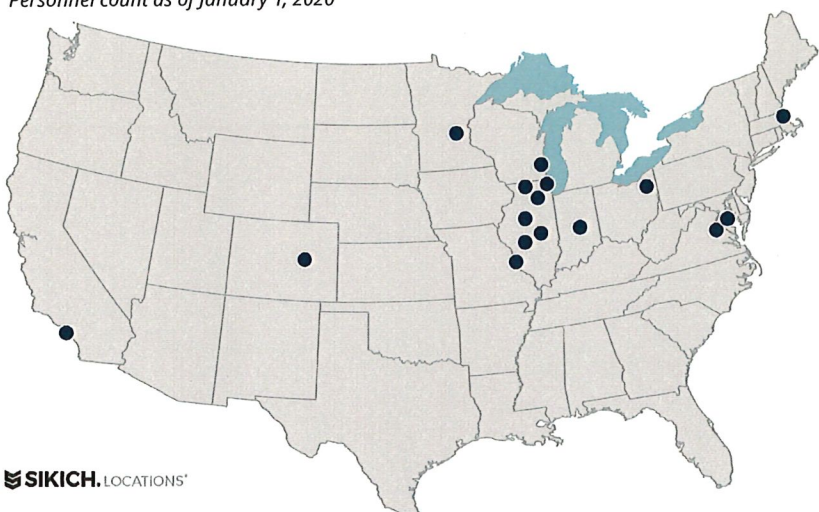
STATISTICS

2019 Revenue\$167.4M

Total Partners 100+

Total Personnel 1,000+

Personnel count as of January 1, 2020



● SIKICH. LOCATIONS*

Alexandria, VA
(703) 836-1350

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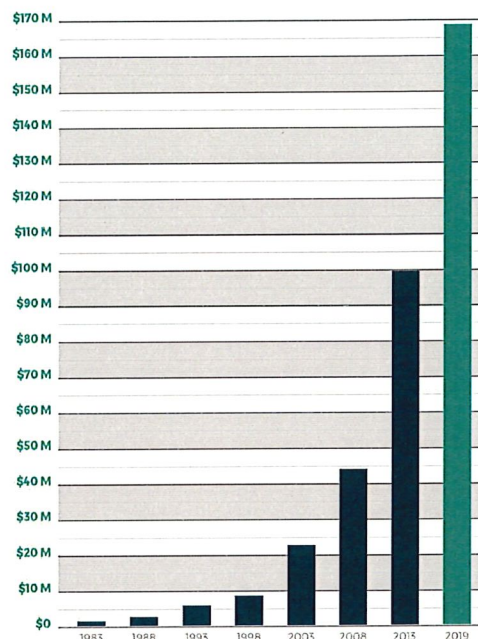
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SIKICH TOTAL REVENUE



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** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.

FIRM PROFILE



CERTIFICATIONS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality

Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2017 Sikich LLP received its 10th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

AWARDS

2018-2020 AWARDS

- 2020 & 2019 Oracle® NetSuite 5 Star Award
- 2019/2020 & 2018/2019 Inner Circle for Microsoft Dynamics
- *Accounting Today* Top 100 Firms - ranked top 30 nationally
- *Accounting Today* Top 100 Value Added Reseller Stars (VARs) 2020 - ranked #5
- Best Places to Work in Illinois
- Best Places to Work in Indiana
- Milwaukee's Best and Brightest Companies to Work For®
- Chicago's Best and Brightest Companies to Work For®
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 VARs 2020 - ranked #5

2017 AWARDS

- Bob Scott's Top 100 (VARs) - ranked #7
- *Accounting Today* Top 100 VARs - ranked #6
- Vault Accounting Top Ranked
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest Companies to Work For®
- Best Places to Work in Indiana
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Chicago Tribune's* Top Workplaces
- *Crain's List* Chicago's Largest Privately Held Companies - ranked #234
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For

2019/2020
INNERCIRCLE
for Microsoft Business Applications

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