

WILMETTE PUBLIC LIBRARY, ILLINOIS

ANNUAL FINANCIAL REPORT



Wilmette Public Library

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

WILMETTE PUBLIC LIBRARY, ILLINOIS

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INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

October 28, 2021

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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wilmette Public Library District, Illinois, as of June 30, 2021, and the respective changes in modified cash basis financial position the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Wilmette Public Library District, Illinois' basic financial statements. The other supplementary information, and supplemental schedule, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental schedule 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 other supplementary information and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

WILMETTE PUBLIC LIBRARY, ILLINOIS

Management's Discussion and Analysis

June 30, 2021

Our discussion and analysis of the Wilmette Public Library District's (District) financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the District's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The District's net position decreased from \$23,716,926 beginning balance to \$23,646,197, a decrease of \$70,729 or 0.30 percent.
- During the year, government-wide revenues totaled \$6,028,714, while government-wide expenses totaled \$6,099,443, resulting in a decrease to net position of \$70,729.
- Total fund balances for the governmental funds were \$14,919,894 at June 30, 2021 compared to a prior year balance of \$15,413,155, a decrease of \$493,261 or 3.20 percent.
- Beginning net position was restated to correct an error in recognitions of prior year capital assets.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operation in more detail than the government-wide statements by providing information about the District's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Library's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base, is needed to assess the overall health of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Management's Discussion and Analysis

June 30, 2021

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

Both of the government-wide financial statements report functions of the District that are principally supported by taxes and charges for services revenues (governmental activities). The governmental activities of the District include the cultural function.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only maintains governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Special Reserve Funds, which are considered major funds. Data from the other three governmental funds are presented as a nonmajor fund.

The Library adopts an annual appropriated budget for all of the governmental funds, except for the Unemployment Compensation Fund. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

WILMETTE PUBLIC LIBRARY, ILLINOIS

Management's Discussion and Analysis

June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a District's financial position. The following tables show that in the case of the District, assets exceeded liabilities by \$23,646,197.

	Statement of Net Position	
	2021	2020
Assets		
Current Assets	\$ 14,923,849	15,415,787
Capital Assets	8,726,303	8,338,591
Total Assets	23,650,152	23,754,378
Other Liabilities	3,955	2,632
Net Position		
Investment in Capital Assets	8,726,303	8,338,591
Restricted	6,065,687	6,490,981
Unrestricted	8,854,207	8,922,174
Total Net Position	23,646,197	23,751,746

A large portion of the District's net position \$8,726,303 or 36.90 percent reflects its investment in capital assets (for example, land, buildings, equipment and furniture), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of \$6,065,687 or 25.65 percent of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$8,854,207 or 37.44 percent represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

WILMETTE PUBLIC LIBRARY, ILLINOIS

Management's Discussion and Analysis

June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 175,418	238,691
Operating Grants/Contributions	85,536	50,255
General Revenues		
Property Taxes	5,501,780	5,355,151
Replacement Taxes	70,246	55,382
Interest	187,404	348,448
Miscellaneous	8,330	46,858
Total Revenues	6,028,714	6,094,785
Expenses		
Culture and Recreation	6,099,443	6,103,382
Change in Net Position	(70,729)	(8,597)
Net Position-Beginning as Restated	23,716,926	23,760,343
Net Position-Ending	23,646,197	23,751,746

Net position of the District's governmental activities decreased from a restated balance \$23,716,926 to \$23,646,197.

Expenses of \$6,099,443 exceeded revenues of \$6,028,714, resulting in the decrease to net position in the current year of \$70,729.

Management's Discussion and Analysis

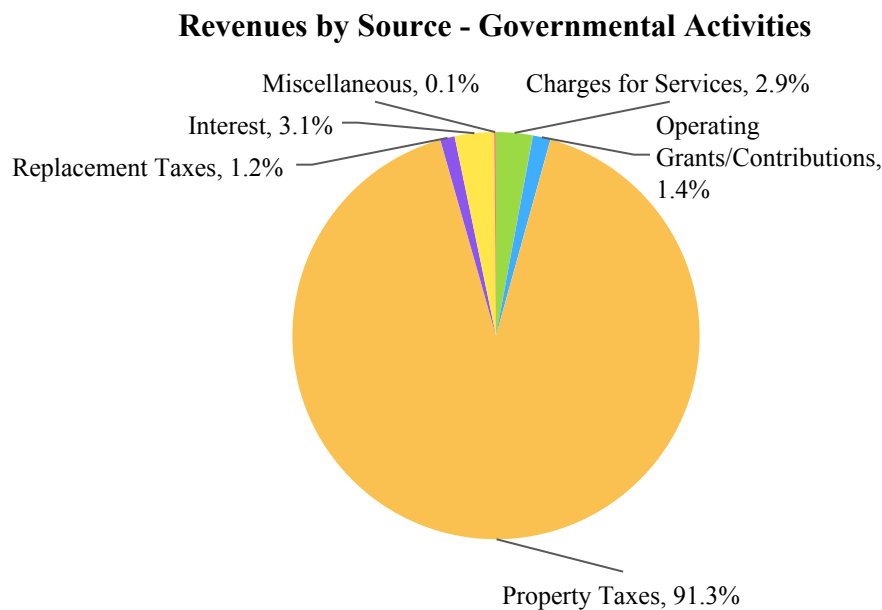
June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities

In the current year, governmental net position decreased \$70,729, a decrease of 0.30 percent. This decrease was due to a decrease in revenue compared to the prior fiscal year.

The following table graphically depicts the major revenue sources of the District. It depicts very clearly the reliance of property taxes to fund governmental activities.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$14,919,894 which is a decrease of 3.20 percent from last year's ending fund balance of \$15,413,155.

In the current year, governmental fund balances decreased by \$493,261. The General Fund reported a decrease to fund balance due to an increase in total expenditures compared to prior year. The Special Reserve Fund reported a decrease to fund balance due to a decrease in revenues and an increase in expenditures compared to prior year.

WILMETTE PUBLIC LIBRARY, ILLINOIS

Management's Discussion and Analysis

June 30, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, no supplemental amendments were made to the budget for the General Fund.

The General Fund actual revenues were lower than budgeted revenues. Actual revenues for the current year were \$5,409,659, compared to budgeted revenues of \$5,771,665. This resulted primarily from property taxes being \$358,192 lower than the budgeted amount of \$5,308,603.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$5,479,797, while budgeted expenditures totaled \$6,001,389. This was due primarily to substantial savings realized versus the budgeted expenditures in the areas of culture and recreation and operations.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2021 was \$8,726,303 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and improvements, furniture and fixtures, and library materials.

	Capital Assets - net of Depreciation	
	2021	2020
Land	\$ 51,384	51,384
Construction in Progress	512,972	—
Building and Improvements	7,085,889	7,264,197
Furniture and Fixtures	94,155	65,571
Library Materials	981,903	922,619
Total Net Capital Assets	8,726,303	8,303,771

This year's additions to capital assets included:

Construction in Progress	\$ 512,972
Furniture and Fixtures	42,194
Library Materials	333,572
Total	888,738

Additional information on the District's capital assets can be found in Note 3 of this report.

WILMETTE PUBLIC LIBRARY, ILLINOIS

Management's Discussion and Analysis

June 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's elected officials and staff considered many factors when setting the fiscal-year 2022 budget. Those factors include tax rates, patron services, resources, and capital improvement projects. The District is faced with similar economic challenges as other local municipalities, including inflation and unemployment rates. The District is committed to providing high quality library services to its constituents, while remaining a fiscally responsible unit of government.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Library Director at Wilmette Public Library District, 1242 Wilmette Avenue, Wilmette, Illinois 60091-2558.

BASIC FINANCIAL STATEMENTS

WILMETTE PUBLIC LIBRARY, ILLINOIS

Statement of Net Position - Modified Cash Basis

June 30, 2021

ASSETS	
Current Assets	
Cash and Investments	<u>\$ 14,923,849</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	564,356
Depreciable	16,156,872
Accumulated Depreciation	<u>(7,994,925)</u>
Total Noncurrent Assets	<u>8,726,303</u>
Total Assets	<u>23,650,152</u>
LIABILITIES	
Current Liabilities	
Accrued Payroll	<u>3,955</u>
NET POSITION	
Investment in Capital Assets	8,726,303
Restricted	
Audit	5,155
Liability Insurance	19,549
Retirement	353,980
Specific Programs	161,133
Capital Improvements	5,525,870
Unrestricted	<u>8,854,207</u>
Total Net Position	<u>23,646,197</u>

The notes to the financial statements are an integral part of this statement.

WILMETTE PUBLIC LIBRARY, ILLINOIS**Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2021**

	Program Revenues		Net
	Charges for Services	Operating Grants/ Contributions	(Expenses) Revenues and Changes in Net Position
Expenses			
Functions/Programs			
Culture and Recreation	\$ 6,099,443	175,418	85,536
			(5,838,489)
	General Revenues		
	Taxes		5,501,780
	Intergovernmental		
	Replacement Taxes		70,246
	Investment Income		187,404
	Miscellaneous		8,330
			5,767,760
	Change in Net Position		(70,729)
	Net Position - Beginning as Restated		23,716,926
	Net Position - Ending		23,646,197

The notes to the financial statements are an integral part of this statement.

WILMETTE PUBLIC LIBRARY, ILLINOIS**Balance Sheet - Governmental Funds - Modified Cash Basis
June 30, 2021**

	General	Capital Projects Special Reserve	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 9,019,295	5,525,870	378,684	14,923,849
LIABILITIES				
Accrued Payroll	3,955	—	—	3,955
FUND BALANCES				
Restricted	161,133	5,525,870	378,684	6,065,687
Unassigned	8,854,207	—	—	8,854,207
Total Fund Balances	9,015,340	5,525,870	378,684	14,919,894
Total Liabilities and Fund Balances	9,019,295	5,525,870	378,684	14,923,849

The notes to the financial statements are an integral part of this statement.

WILMETTE PUBLIC LIBRARY, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities - Modified Cash Basis

June 30, 2021

Total Fund Balances	\$ 14,919,894
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	<u>8,726,303</u>
Net Position	<u><u>23,646,197</u></u>

The notes to the financial statements are an integral part of this statement.

WILMETTE PUBLIC LIBRARY, ILLINOIS**Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended June 30, 2021**

	General	Capital Projects Special Reserve	Nonmajor	Totals
Revenues				
Property Taxes	\$ 4,950,411	—	551,369	5,501,780
Intergovernmental				
Replacement Taxes	70,246	—	—	70,246
Grant	51,768	—	—	51,768
Kenilworth Library Services Contract	166,292	—	—	166,292
Interest	119,718	67,289	397	187,404
Fines and Fees	9,126	—	—	9,126
Friends Donations	33,768	—	—	33,768
Miscellaneous	8,330	—	—	8,330
Total Revenues	5,409,659	67,289	551,766	6,028,714
Expenditures				
Culture and Recreation	5,479,797	—	525,601	6,005,398
Capital Outlay	—	516,577	—	516,577
Total Expenditures	5,479,797	516,577	525,601	6,521,975
Net Change in Fund Balance	(70,138)	(449,288)	26,165	(493,261)
Fund Balances - Beginning	9,085,478	5,975,158	352,519	15,413,155
Fund Balances - Ending	9,015,340	5,525,870	378,684	14,919,894

The notes to the financial statements are an integral part of this statement.

WILMETTE PUBLIC LIBRARY, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2021**

Net Change in Fund Balances	\$ (493,261)
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Amounts reported in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	888,738
Depreciation Expense	(466,206)
Disposal of Capital Assets - Cost	(243,754)
Disposal of Capital Assets - Depreciation	<u>243,754</u>

Changes in Net Position	<u>(70,729)</u>
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Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wilmette Public Library District (the "District"), Illinois have been prepared in conformity with accounting principals generally accepted in the United States of America, as applied to government units (hereinafter referred to generally accepted accounting principals (GAAP) except for the basis of accounting. The Governmental Accounting Standards Board (GASB) is accepted standard-setting body for establishing governmental accounting and reporting principles.

The basic financial statements of the District have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. Criteria for including a component unit in the District's reporting entity principally consist of the potential component unit's financial interdependency and accountability to the District. Based on those criteria, there are no potential component units to be included in the reporting entity. The District is not a component unit of another governmental entity.

BASIS OF PRESENTATION

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in two parts: investment in capital assets and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (culture and recreation). These functions are supported by program revenues (fines and fees) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The net costs (by function) are normally covered by general revenue. The District does not allocate indirect costs. This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in a single governmental fund in the fund financial statements. This fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures. The District's fund is organized into governmental category. The emphasis in fund financial statements is on the major fund.

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

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

Capital Projects Funds. The Special Reserve Fund is used to account for resources restricted for capital improvements a the District.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental funds are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the "economic resources" measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

WILMETTE PUBLIC LIBRARY, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

In the fund financial statements, governmental funds are presented on the modified cash basis of accounting. The modified cash basis of accounting omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, the cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

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

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund position is available.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

- The Board of Trustees prepares a Combined Annual Budget and Appropriation Ordinance for all funds, except for the Special Reserve Fund.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- 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.
- Budgets are adopted on the cash basis.
- The level of control (level at which expenditures/expenses may not exceed appropriations) is the fund level. All appropriations lapse at year end.

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the District's deposits totaled \$14,304,959 and the bank balances totaled \$14,560,711. The District also has \$618,890 invested in the Illinois Funds at year end.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy states they will attempt to match its investments with anticipated cash flows requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of purchase. Any investment purchased with a maturity longer than four years must be supported with written documentation explaining the reason for the purchase and must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the District Board. The District's investments in the Illinois Funds has an average maturity of less than one year.

Custodial Credit Risk. Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District 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.

For an investment, this 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. At June 30, 2021, the District's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have an investment policy that addresses concentration of credit risk. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Credit Risk. 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 investment policy does not require diversification of investment to avoid.

WILMETTE PUBLIC LIBRARY, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by County Collector and are payable in two installments, on or about March 1, and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

CAPITAL ASSETS

The following is a summary of capital asset activity for the fiscal year ended June 30, 2021:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 51,384	—	—	51,384
Construction in Progress	—	512,972	—	512,972
	51,384	512,972	—	564,356
Depreciable Capital Assets				
Building and Improvements	13,750,538	—	—	13,750,538
Furniture and Fixtures	444,121	42,194	—	486,315
Library Materials	1,830,201	333,572	243,754	1,920,019
	16,024,860	375,766	243,754	16,156,872
Less Accumulated Depreciation				
Building and Improvements	6,486,341	178,308	—	6,664,649
Furniture and Fixtures	378,550	13,610	—	392,160
Library Materials	907,582	274,288	243,754	938,116
	7,772,473	466,206	243,754	7,994,925
Total Net Depreciable Capital Assets	8,252,387	(90,440)	—	8,161,947
Total Net Capital Assets	8,303,771	422,532	—	8,726,303

Depreciation expense of \$466,206 was charged to the culture and recreation function.

WILMETTE PUBLIC LIBRARY, ILLINOIS**Notes to the Financial Statements****June 30, 2021****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****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, 2021 amounted to \$25,776. Future minimum lease payments for this lease are as follows:

Fiscal Year	Operating Leases
2022	\$ 25,776
2023	25,776
2024	12,888
	64,440

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Reserve	Nonmajor	Totals
Fund Balances				
Restricted				
Audit	\$ —	—	5,155	5,155
Liability Insurance	—	—	19,549	19,549
Retirement	—	—	353,980	353,980
Specific Programs	161,133	—	—	161,133
Capital Improvements	—	5,525,870	—	5,525,870
	161,133	5,525,870	378,684	6,065,687
Unassigned	8,854,207	—	—	8,854,207
Total Fund Balances	9,015,340	5,525,870	378,684	14,919,894

WILMETTE PUBLIC LIBRARY, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Library's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

NET POSITION RESTATEMENT

Beginning net position was restated to correct an error in capital assets. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 23,751,746	23,716,926	(34,820)

NOTE 4 - OTHER INFORMATION

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 years.

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

The District does not have any pending or threatened litigation, claims or assessments as of the opinion date.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

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, 2021 were \$72,614.

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.

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Library contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All 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.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

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

WILMETTE PUBLIC LIBRARY, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	53
Inactive Plan Members Entitled to but not yet Receiving Benefits	18
Active Plan Members	<u>49</u>
Total	<u>120</u>

Contributions. As set by statute, the Library's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended June 30, 2021, the Library's contribution was 10.21% of covered payroll.

Net Pension Liability. The Library's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. 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 Library contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

WILMETTE PUBLIC LIBRARY, ILLINOIS**Notes to the Financial Statements****June 30, 2021****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability/(asset) of the Library calculated using the discount rate as well as what the Library's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 1,122,641	(319,385)	(1,514,158)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2019	\$ 13,958,026	13,637,751	320,275
Changes for the Year:			
Service Cost	262,000	—	262,000
Interest	987,045	—	987,045
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	727,200	—	727,200
Changes of Assumptions	(199,117)	—	(199,117)
Contributions - Employer	—	289,384	(289,384)
Contributions - Employees	—	119,077	(119,077)
Net Investment Income	—	1,918,887	(1,918,887)
Benefit Payments, Including Refunds of Employee Contributions	(949,227)	(949,227)	—
Other (Net Transfer)	—	89,440	(89,440)
Net Changes	827,901	1,467,561	(639,660)
Balances at December 31, 2020	14,785,927	15,105,312	(319,385)

WILMETTE PUBLIC LIBRARY, ILLINOIS**Notes to the Financial Statements****June 30, 2021****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the Library recognized pension expense of \$250,131. At June 30, 2021, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 584,109	(113,133)	470,976
Change in Assumptions	43,772	(143,891)	(100,119)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(1,179,212)	(1,179,212)
Total Expense to be Recognized in Future Periods	627,881	(1,436,236)	(808,355)
Pension Contributions Made Subsequent to the Measurement Date	102,500	—	102,500
Total Deferred Amounts Related to IMRF	730,381	(1,436,236)	(705,855)

\$102,500 reported as deferred outflows of resources related to pension resulting from employer contributions subsequent to the measurement date and would be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022, on an accrual basis of accounting. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (189,990)
2023	(41,853)
2024	(387,209)
2025	(189,303)
2026	—
Thereafter	—
Total	(808,355)

WILMETTE PUBLIC LIBRARY, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The Library has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Library are required to pay 100% of the current premium. However, there is minimal participation. As the Library provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. Therefore, the Library has not recorded a liability as of June 30, 2021.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund
Special Reserve - Capital Projects Fund
Retirement - Special Revenue Fund
Audit - Special Revenue Fund
Liability - Special Revenue Fund

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Retirement Fund

The Retirement Fund is used to account for the Library's participation in the Illinois Municipal Retirement Fund. Financing is provided by a specific annual property tax levy.

Audit Fund

The Audit Fund is used to account for the expenses related to the District's annual audit. Financing is provided by a specific annual tax levy.

Liability Insurance Fund

The Liability Insurance Fund is used to account for the operations of the Library's insurance and risk management activities. Financing is provided by a specific annual levy.

CAPITAL PROJECTS FUND

Special Reserve Fund

The Special Reserve Fund is used to account for financial resources used for the acquisition or construction of major capital assets.

WILMETTE PUBLIC LIBRARY, ILLINOIS
Illinois Municipal Retirement Fund
Schedule of Employer Contributions
June 30, 2021

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 244,487	\$ 244,487	\$ —	\$ 1,980,561	12.34%
2017	248,140	248,140	—	2,064,161	12.02%
2018	242,530	242,530	—	2,044,912	11.86%
2019	242,018	242,018	—	2,146,702	11.27%
2020	249,946	249,946	—	2,431,018	10.28%
2021	250,131	250,131	—	2,449,107	10.21%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

WILMETTE PUBLIC LIBRARY, ILLINOIS**Illinois Municipal Retirement Fund****Schedule of Changes in the Employer's Net Pension Liability****June 30, 2021**

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 221,975
Interest	789,283
Changes in Benefit Terms	—
Difference Between Expected and Actual Experience	10,152
Change of Assumptions	653,312
Benefit Payments, Including Refunds of Member Contributions	<u>(645,909)</u>
Net Change in Total Pension Liability	1,028,813
Total Pension Liability - Beginning	<u>10,735,741</u>
Total Pension Liability - Ending	<u><u>11,764,554</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 245,788
Contributions - Members	100,484
Net Investment Income	630,484
Benefit Payments, Including Refunds of Member Contributions	(645,909)
Other (Net Transfer)	<u>(48,545)</u>
Net Change in Plan Fiduciary Net Position	282,302
Plan Net Position - Beginning	<u>10,485,629</u>
Plan Net Position - Ending	<u><u>10,767,931</u></u>
Employer's Net Pension Liability	<u><u>\$ 996,623</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.53%
Covered Payroll	\$ 1,958,000
Employer's Net Pension Liability as a Percentage of Covered Payroll	50.90%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/30/2019	12/31/2020
223,722	224,722	230,400	217,813	254,628	262,000
864,059	881,555	920,306	928,618	978,392	987,045
—	—	—	—	—	—
(198,907)	96,893	194,285	429,170	(239,477)	727,200
12,088	(37,758)	(458,226)	320,570	—	(199,117)
(649,641)	(653,929)	(743,635)	(795,646)	(806,530)	(949,227)
251,321	511,483	143,130	1,100,525	187,013	827,901
11,764,554	12,015,875	12,527,358	12,670,488	13,771,013	13,958,026
12,015,875	12,527,358	12,670,488	13,771,013	13,958,026	14,785,927
238,069	254,528	234,556	263,835	222,883	289,384
90,708	109,923	92,996	104,237	113,037	119,077
53,037	730,139	2,002,380	(746,583)	2,270,491	1,918,887
(649,641)	(653,929)	(743,635)	(795,646)	(806,530)	(949,227)
94,607	112,377	(122,208)	299,478	100,711	89,440
(173,220)	553,038	1,464,089	(874,679)	1,900,592	1,467,561
10,767,931	10,594,711	11,147,749	12,611,838	11,737,159	13,637,751
10,594,711	11,147,749	12,611,838	11,737,159	13,637,751	15,105,312
1,421,164	1,379,609	58,650	2,033,854	320,275	(319,385)
88.17%	88.99%	99.54%	85.23%	97.71%	102.16%
1,997,222	2,076,076	2,066,571	2,316,376	2,501,501	2,637,959
71.16%	66.45%	2.84%	87.80%	12.80%	(12.11%)

WILMETTE PUBLIC LIBRARY, ILLINOIS**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended June 30, 2021****(with Comparative Information for the Fiscal Year Ended June 30, 2020)**

	2021		2020
	Original and Final Budget	Actual	Actual
Revenues			
Property Taxes	\$ 5,308,603	4,950,411	4,867,129
Intergovernmental			
Replacement Taxes	45,000	70,246	55,382
Grant	38,656	51,768	50,255
Interest	125,000	119,718	225,921
Kenilworth Library Services Contract	186,406	166,292	202,092
Fines and Fees	9,500	9,126	36,599
Friends Donations	30,000	33,768	24,790
Miscellaneous	28,500	8,330	22,068
Total Revenue	5,771,665	5,409,659	5,484,236
Expenditures			
Culture and Recreation			
Personnel Services	4,092,789	3,541,320	3,729,387
Patron Materials/Services	1,211,500	1,264,850	1,005,417
Operation	697,100	673,627	511,519
Total Expenditures	6,001,389	5,479,797	5,246,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	(229,724)	(70,138)	237,913
Other Financing Sources			
Transfers In	—	—	38,091
Net Change in Fund Balance	(229,724)	(70,138)	276,004
Fund Balance - Beginning		9,085,478	8,809,474
Fund Balance - Ending		9,015,340	9,085,478

WILMETTE PUBLIC LIBRARY, ILLINOIS**General Fund****Scheduling of Expenditures - Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended June 30, 2021****(with Comparative Information for the Fiscal Year Ended June 30, 2020)**

	2021		2020
	Original and Final Budget	Actual	Actual
Culture and Recreation			
Personnel Services			
Salaries			
Librarian	\$ 1,663,954	1,281,119	1,388,102
Non-Librarian	1,576,243	1,326,748	1,480,007
Custodial	211,092	260,355	213,921
Professional Memberships	6,500	7,958	6,267
Registrations	10,000	9,828	4,671
Travel - Mileage	10,000	478	8,024
Staff Development	15,000	14,075	5,219
Insurance	600,000	640,759	623,176
Total Personnel Services	4,092,789	3,541,320	3,729,387
Patron Materials/Services			
Books and Continuations	275,000	350,938	285,926
Audio Visual Materials	100,000	90,666	80,163
Periodicals	45,000	43,260	42,732
Electronic Resources	500,000	530,299	416,473
Computer Software	10,000	8,751	12,079
Electronic Service Providers	150,000	118,371	115,282
Programming	45,000	44,977	15,140
Friends Purchases	30,000	32,275	14,205
Web Design	—	19,925	1,512
Newsletter	36,500	14,943	18,663
Promotion	10,000	8,060	3,242
Rutherford Trust Expenditures	10,000	2,385	—
Total Patron Materials/Services	1,211,500	1,264,850	1,005,417
Operation			
Accounting	15,000	10,209	10,188
Administrative	—	16,785	—
Professional Fees	35,000	10,560	12,422
Legal Fees	—	5,558	—
Bank and Other Fees	—	13,099	—
Library Supplies	30,000	23,770	21,403

WILMETTE PUBLIC LIBRARY, ILLINOIS**General Fund****Scheduling of Expenditures - Budget and Actual - Modified Cash Basis - Continued****For the Fiscal Year Ended June 30, 2021****(with Comparative Information for the Fiscal Year Ended June 30, 2020)**

	2021		2020
	Original and Final Budget	Actual	Actual
Culture and Recreation - Continued			
Operation - Continued			
Office Supplies	\$ 40,000	30,241	28,379
Copiers	28,000	27,529	27,494
Printing	5,000	1,026	463
Postage and Shipping	6,000	4,722	5,463
Telephone	15,000	13,746	11,955
Equipment/Furniture/Computers	125,000	43,643	60,574
Equipment/Computer/Maintenance	86,000	185,991	74,159
Insurance - Property/Casualty	—	—	11,782
Building Improvement	20,000	10,991	19,600
Building Supplies	28,000	32,263	26,875
Building Maintenance	85,000	38,235	52,939
Building Maintenance Contracts	100,000	94,367	90,441
Grounds Maintenance	40,000	36,521	16,905
Parking Lot Rental	13,000	11,400	12,900
Utilities	22,000	16,770	22,205
Vehicle Maintenance	4,100	3,907	—
Miscellaneous	—	42,294	5,372
Total Operation	697,100	673,627	511,519
Total Expenditures	6,001,389	5,479,797	5,246,323

WILMETTE PUBLIC LIBRARY, ILLINOIS**Nonmajor Governmental - Special Revenue Funds
Combining Balance Sheet - Modified Cash Basis
June 30, 2021**

	Retirement	Audit	Liability Insurance	Total
ASSETS				
Cash and Investments	\$ 353,980	5,155	19,549	378,684
LIABILITIES				
Accounts Payable	—	—	—	—
FUND BALANCES				
Restricted				
Audit	—	5,155	—	5,155
Liability	—	—	19,549	19,549
Retirement	353,980	—	—	353,980
Total Fund Balances	353,980	5,155	19,549	378,684
Total Liabilities and Fund Balances	353,980	5,155	19,549	378,684

WILMETTE PUBLIC LIBRARY, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended June 30, 2021**

	Retirement	Audit	Liability Insurance	Total
Revenues				
Property Taxes	\$ 506,773	10,135	34,461	551,369
Interest	397	—	—	397
Total Revenues	507,170	10,135	34,461	551,766
Expenditures				
Culture and Recreation				
Fringe Benefits				
IMRF	459,309	—	—	459,309
Liability Insurance	—	—	55,856	55,856
Audit	—	10,436	—	10,436
Total Expenditures	459,309	10,436	55,856	525,601
Net Change in Fund Balances	47,861	(301)	(21,395)	26,165
Fund Balances - Beginning	306,119	5,456	40,944	352,519
Fund Balances - Ending	353,980	5,155	19,549	378,684

WILMETTE PUBLIC LIBRARY, ILLINOIS**Retirement - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended June 30, 2021****(with Comparative Information for the Fiscal Year Ended June 30, 2020)**

	2021		2020
	Original and Final Budget	Actual	Actual
Revenues			
Property Taxes	\$ 468,000	506,773	445,098
Interest	—	397	1,262
Total Revenue	468,000	507,170	446,360
Expenditures			
Culture and Recreation			
Personnel Services			
IMRF	—	249,269	282,571
FICA	—	210,040	226,266
Total Expenditures	—	459,309	508,837
Net Change in Fund Balance	468,000	47,861	(62,477)
Fund Balance - Beginning		306,119	368,596
Fund Balance - Ending		353,980	306,119

WILMETTE PUBLIC LIBRARY, ILLINOIS

Audit - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2021

(with Comparative Information for the Fiscal Year Ended June 30, 2020)

	2021		2020
	Original and Final Budget	Actual	Actual
Revenues			
Property Taxes	\$ 8,500	10,135	9,329
Expenditures			
Culture and Recreation			
Miscellaneous			
Audit	—	10,436	10,132
Net Change in Fund Balance	8,500	(301)	(803)
Fund Balance - Beginning		5,456	6,259
Fund Balance - Ending		5,155	5,456

WILMETTE PUBLIC LIBRARY, ILLINOIS**Liability Insurance - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis****For the Fiscal Year Ended June 30, 2021****(with Comparative Information for the Fiscal Year Ended June 30, 2020)**

	2021		2020
	Original and Final Budget	Actual	Actual
Revenues			
Property Taxes	\$ 30,000	34,461	33,595
Expenditures			
Culture and Recreation			
Personnel Services			
Liability Insurance	27,500	36,576	17,608
Unemployment Insurance	—	19,280	18,502
Total Expenditures	27,500	55,856	36,110
Net Change in Fund Balance	2,500	(21,395)	(2,515)
Fund Balance - Beginning		40,944	43,459
Fund Balance - Ending		19,549	40,944

SUPPLEMENTAL SCHEDULE

WILMETTE PUBLIC LIBRARY, ILLINOIS

**Property Tax Assessed Valuations, Rates, Extensions and Collections - Last Ten Tax Levy Years
June 30, 2021**

See Following Page

WILMETTE PUBLIC LIBRARY, ILLINOIS**Property Tax Assessed Valuations, Rates, Extensions and Collections - Last Ten Tax Levy Years
June 30, 2021**

Tax Levy Year	2011	2012	2013	2014
Assessed Valuations	\$ 1,868,468,004	1,733,948,674	1,559,393,904	1,583,111,678
Tax Rates:				
General	0.2768	0.3068	0.3474	0.3487
IMRF	0.0006	0.0138	0.0169	0.0172
FICA	0.0215	0.0100	0.0122	0.0115
Liability Insurance	0.0025	0.0030	0.0037	0.0029
Audit	0.0005	0.0005	0.0006	0.0005
Total Tax Rates	0.3019	0.3341	0.3808	0.3808
Tax Extensions:				
General	5,171,990	5,139,550	5,417,334	5,519,541
IMRF	10,300	239,259	263,537	271,920
FICA	402,215	173,256	190,246	181,280
Liability Insurance	46,350	51,500	57,697	46,350
Audit	8,858	8,858	9,356	8,549
Total Tax Extensions	5,639,713	5,612,423	5,938,170	6,027,640
Tax Collections	\$ 5,557,633	5,610,642	5,771,752	5,948,702
Percentage Collected	98.54%	99.97%	97.20%	98.69%

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

2015	2016	2017	2018	2019	2020
\$ 1,540,264,790	1,922,332,036	1,961,313,130	1,900,968,654	2,062,021,187	2,066,495,782
0.3612	0.2920	0.2791	0.2707	0.2440	0.2434
0.0128	0.0129	0.0126	0.0130	0.0137	0.0137
0.0166	0.0086	0.0079	0.0081	0.0112	0.0112
0.0030	0.0019	0.0018	0.0018	0.0017	0.0017
0.0006	0.0005	0.0050	0.0005	0.0005	0.0005
0.3942	0.3159	0.3064	0.2941	0.2711	0.2705
5,563,200	5,613,979	5,473,629	5,145,212	5,030,779	5,030,779
197,760	247,200	247,200	247,200	283,250	283,250
255,440	164,800	154,500	154,500	231,750	231,750
46,350	36,050	35,149	35,149	35,020	35,020
8,549	9,270	9,038	9,038	10,300	10,300
6,071,299	6,071,299	5,919,516	5,591,099	5,591,099	5,591,099
\$ 6,091,734	5,932,416	5,816,322	5,538,543	5,501,780	2,939,438
100.34%	97.71%	98.26%	99.06%	98.40%	52.57%

WILMETTE PUBLIC LIBRARY, ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021



October 28, 2021

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

In planning and performing our audit of the financial statements of the Wilmette Public Library District (the District), Illinois, for the year ended June 30, 2021, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board, Finance Manager and senior management of the Wilmette Public Library District, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire District staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. OUTSTANDING CHECK WRITE-OFF POLICY

Comment

During our current year-end audit procedures, we noted that the Library does not have a formal policy for following up and processing old outstanding checks, which has resulted in several old outstanding checks being included in the bank reconciliations.

Recommendation

We recommend the Library develop and implement an outstanding check policy that includes procedures to follow-up and subsequently how to process the outstanding checks. This policy should be in written form and should set specific instructions for these procedures including steps to be in compliance with State unclaimed property statutes. State unclaimed property statutes note that all checks that are greater than three years old are to be sent to the State of Illinois Treasurer along with the required forms.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.

2. GASB STATEMENT NO. 87 LEASES

Comment

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. 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. In accordance with GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued as temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, *Leases* is applicable to the Library's financial statements for the year ended June 30, 2022.

Recommendation

Lauterbach & Amen, LLP will work directly with the Library to review the new lease criteria in conjunction with the Library's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

Management Response

Management acknowledges this comment and will work to implement it by June 30, 2022, as required by GASB.

CURRENT RECOMMENDATIONS - Continued

3. CAPITAL ASSET POLICY

Comment

During our current year-end audit procedures, we noted the Library does not have a formal capital asset policy to provide guidance on the financial aspects and stewardship of capital assets. With respect to the financial aspects, guidance should be provided on the minimum dollar amount and minimum useful life for an item to be capitalized as a capital asset. Stewardship issues include the physical custody of capital assets.

Recommendation

We recommend that the Library adopt a capital asset policy, which addresses both financial, and stewardship issues. As part of developing the capital asset policy, a review of the current capitalization amount and estimated useful life should be performed for both financial reporting and stewardship. The capital asset policy should also establish standard depreciation methods and useful lives to be applied to specific categories of assets. With respect to stewardship, the policy should address location of assets, tagging, physical access and security and frequency of periodic inventories. Once the policy has been established, we recommended the Library undertake a complete inventory and valuation of capital assets to create detail capital asset records that are in compliance with the new policy. Additionally, as part of this process we recommended land be inventoried and valued at its estimated fair value on the date donated.

Management Response

Management acknowledges this comment and will work to correct it in the coming year.