

**WINNETKA-NORTHFIELD PUBLIC  
LIBRARY DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**



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## **Independent Auditor's Report**

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Board of Trustees  
Winnetka-Northfield Public Library District  
Winnetka, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Winnetka-Northfield Public Library District 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 accounting principles generally accepted in the United States of America; this includes 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 entity'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 entity'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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Winnetka-Northfield Public Library District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In Association With:

MCCLURE INSERRA  
& COMPANY CHARTERED  
ACCOUNTANTS AND CONSULTANTS



## **Independent Auditor's Report**

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### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3 through 6 and 25 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Winnetka-Northfield Public Library District's basic financial statements. The accompanying financial information listed as Additional Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

ATA GROUP, LLP

December 6, 2021

## **Management's Discussion and Analysis**

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As management of Winnetka-Northfield Public Library District, this narrative overview and analysis is provided of the District's financial activities for the fiscal year ending June 30, 2021. We recommend readers consider this information in conjunction with the financial statements as a whole.

### **Required Financial Statements**

Fund and government-wide financial statements are combined on pages 7 and 8.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They are prepared using the full accrual basis of accounting.

The Statement of Net Position presents information on all the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful 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 position changed during the most recent fiscal year.

Fund financial statements tell how library services were paid for as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's major funds and the total of all other funds.

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

### **Financial Analysis**

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Winnetka-Northfield Public Library District, assets/deferred outflows of resources exceeded liabilities/deferred inflows of resources by \$10,924,441 and \$9,791,597 for the years ended June 30, 2021 and 2020, respectively. A large portion of the District's net position reflects its net investment in capital assets. The District uses these capital assets to provide services and consequently these assets are not available to liquidate liabilities or for other spending.

For the years ended June 30, 2021 and 2020, the District's net position increased by \$1,132,844 and \$846,780, respectively.

# Management's Discussion and Analysis

## Condensed Statement of Net Position

	June 30,	
	2021	2020
Current and Other Assets	\$ 9,133,676	\$ 8,180,164
Net Pension Asset	776,029	-
Capital Assets, net of accumulated depreciation	4,340,552	4,472,128
Total Assets	<u>14,250,257</u>	<u>12,652,292</u>
Deferred Outflows of Resources	106,515	189,214
Current Liabilities	154,455	228,930
Non-Current Liabilities	202,208	251,057
Total Liabilities	<u>356,663</u>	<u>479,987</u>
Deferred Inflows of Resources	3,075,668	2,569,922
Net Position		
Net Investment in Capital Assets	4,340,552	4,472,128
Restricted	855,309	57,015
Unrestricted	5,728,580	5,262,454
Total Net Position	<u>\$ 10,924,441</u>	<u>\$ 9,791,597</u>

## Condensed Statement of Activities

	For Years Ended June 30,	
	2021	2020
Revenues		
Property Taxes	\$ 4,307,089	\$ 4,282,785
Personal Property Replacement Taxes	47,067	37,107
Per Capita Grant	23,172	21,696
Kenilworth Service Contract	132,769	117,273
Fines, Fees and Services	5,374	19,599
Interest Income	45,541	116,709
Contributions	46,993	166
Other Revenue	1,534	39,624
Total Revenues	<u>4,609,539</u>	<u>4,634,959</u>
Expenses		
Personnel	1,699,739	1,775,807
FICA	105,053	113,886
Library Materials and Services	394,661	481,504
Computer Services	122,556	146,912
Administrative	321,065	294,933
Capital Outlay	138,208	82,207
Insurance	20,742	18,439
Maintenance	255,675	298,599
Retirement	(211,176)	(25,142)
Audit	12,000	9,850
Unemployment	6,292	6,410
Loss on Disposal of Capital Asset	-	2,876
Depreciation	611,880	581,898
Total Expenses	<u>3,476,695</u>	<u>3,788,179</u>
Increase in Net Position	1,132,844	846,780
Net Position, Beginning of Year	9,791,597	8,944,817
Net Position, End of Year	<u>\$ 10,924,441</u>	<u>\$ 9,791,597</u>

## Management's Discussion and Analysis

The following is a summary of changes in fund balances for the year ended June 30, 2021:

<u>Governmental Funds</u>	<u>Fund Balance June 30, 2020</u>	<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	<u>Fund Balance June 30, 2021</u>
General	\$ 4,427,081	\$ 914,269	\$ 5,341,350
Special Reserve	1,333,624	-	1,333,624
Building & Equipment Maintenance	-	9,344	9,344
IMRF	-	18,185	18,185
Unemployment Insurance	57,015	(5,264)	51,751
	<u>\$ 5,817,720</u>	<u>\$ 936,534</u>	<u>\$ 6,754,254</u>

### Budgetary Highlight

The District's General Fund expended \$3,282,647 which was \$696,353 less than the appropriation of \$3,979,000.

### Capital Assets and Debt Administration

The following is a summary of capital assets:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 33,666	\$ 33,666
Construction in Progress	18,164	173,897
Building and Improvements	6,834,151	6,506,454
Furniture and Equipment	416,429	373,159
Computer Equipment	166,159	166,159
Books and Library Materials	2,102,649	2,161,099
	<u>9,571,218</u>	<u>9,414,434</u>
Cost of Capital Assets		
	9,571,218	9,414,434
Less Accumulated Depreciation	<u>5,230,666</u>	<u>4,942,306</u>
Net Capital Assets	<u>\$ 4,340,552</u>	<u>\$ 4,472,128</u>

Capital asset acquisitions during the year included library materials of \$265,070, and equipment of \$43,270. In addition, the District finished a patio renovation of \$327,697 and started a window replacement project. The District has paid \$18,164 through June 30, 2021. Additional information regarding the District's capital assets can be found in Note 4, on page 14.

### Description of Current or Expected Conditions

In 2020, the COVID-19 pandemic struck the world with far reaching effects. Due to this virus, many businesses and individuals have been harmed financially. This may result in a decrease in future tax revenue collections, the amount of which cannot be currently quantified.

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

## **Management's Discussion and Analysis**

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### **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 its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Winnetka-Northfield Public Library District, 768 Oak St., Winnetka, Illinois 60093.



# Basic Financial Statements

## WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

### GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

JUNE 30, 2021

	GENERAL FUND	SPECIAL RESERVE FUND	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 11)	STATEMENT OF NET POSITION
<b>ASSETS</b>						
Cash and Cash Investments	\$ 5,477,081	\$ 1,333,624	\$ 89,282	\$ 6,899,987	\$ -	\$ 6,899,987
Property Taxes Receivable	1,936,862	-	288,105	2,224,967	-	2,224,967
Other Receivables and Assets	8,722	-	-	8,722	-	8,722
Net Pension Asset	-	-	-	-	776,029	776,029
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	4,340,552	4,340,552
<b>Total Assets</b>	<b>7,422,665</b>	<b>1,333,624</b>	<b>377,387</b>	<b>9,133,676</b>	<b>5,116,581</b>	<b>14,250,257</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Outflows Related to Pensions	-	-	-	-	106,515	106,515
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 7,422,665</b>	<b>\$ 1,333,624</b>	<b>\$ 377,387</b>	<b>\$ 9,133,676</b>	<b>\$ 5,223,096</b>	<b>\$ 14,356,772</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 98,560	\$ -	\$ 10,002	\$ 108,562	\$ -	108,562
Accrued Payroll	45,893	-	-	45,893	-	45,893
Compensated Absences Payable, Long-Term	-	-	-	-	24,049	24,049
Net Other Post-Employment Benefit Obligation, Long-Term	-	-	-	-	178,159	178,159
<b>Total Liabilities</b>	<b>144,453</b>	<b>-</b>	<b>10,002</b>	<b>154,455</b>	<b>202,208</b>	<b>356,663</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows Related to Pensions	-	-	-	-	850,701	850,701
Deferred Property Tax Revenue	1,936,862	-	288,105	2,224,967	-	2,224,967
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,081,315</b>	<b>-</b>	<b>298,107</b>	<b>2,379,422</b>	<b>1,052,909</b>	<b>3,432,331</b>
<b>FUND BALANCES / NET POSITION</b>						
<b>Fund Balances</b>						
Restricted for Statutory Purposes	-	-	79,280	79,280	(79,280)	-
Committed for Capital Projects	-	1,333,624	-	1,333,624	(1,333,624)	-
Unassigned	5,341,350	-	-	5,341,350	(5,341,350)	-
<b>Total Fund Balances</b>	<b>5,341,350</b>	<b>1,333,624</b>	<b>79,280</b>	<b>6,754,254</b>	<b>(6,754,254)</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 7,422,665</b>	<b>\$ 1,333,624</b>	<b>\$ 377,387</b>	<b>\$ 9,133,676</b>		
<b>Net Position</b>						
Net Investment in Capital Assets					4,340,552	4,340,552
Restricted					855,309	855,309
Unrestricted					5,728,580	5,728,580
<b>Total Net Position</b>					<b>\$ 10,924,441</b>	<b>\$ 10,924,441</b>

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

# Basic Financial Statements

## WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL RESERVE FUND	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 11)	STATEMENT OF ACTIVITIES
<b>REVENUES</b>						
Property Taxes	\$ 3,894,466	\$ -	\$ 412,623	\$ 4,307,089	\$ -	\$ 4,307,089
Personal Property Replacement Taxes	47,067	-	-	47,067	-	47,067
Per Capita Grant	23,172	-	-	23,172	-	23,172
Kenilworth Service Contract	132,769	-	-	132,769	-	132,769
Fines, Fees and Services	5,374	-	-	5,374	-	5,374
Interest Income	45,541	-	-	45,541	-	45,541
Contributions	46,993	-	-	46,993	-	46,993
Other Revenue	1,534	-	-	1,534	-	1,534
<b>Total Revenues</b>	<b>4,196,916</b>	<b>-</b>	<b>412,623</b>	<b>4,609,539</b>	<b>-</b>	<b>4,609,539</b>
<b>EXPENDITURES / EXPENSES</b>						
Personnel	1,698,504	-	-	1,698,504	1,235	1,699,739
FICA	105,053	-	-	105,053	-	105,053
Library Materials and Services	659,731	-	-	659,731	(265,070)	394,661
Computer Services	122,556	-	-	122,556	-	122,556
Administrative	325,909	-	-	325,909	(4,844)	321,065
Capital Outlay	338,152	-	5,599	343,751	(205,543)	138,208
Insurance	20,742	-	-	20,742	-	20,742
Maintenance	-	-	260,522	260,522	(4,847)	255,675
Retirement	-	-	117,945	117,945	(329,121)	(211,176)
Audit	12,000	-	-	12,000	-	12,000
Unemployment	-	-	6,292	6,292	-	6,292
Loss on Disposal of Capital Asset	-	-	-	-	-	-
Depreciation	-	-	-	-	611,880	611,880
<b>Total Expenditures / Expenses</b>	<b>3,282,647</b>	<b>-</b>	<b>390,358</b>	<b>3,673,005</b>	<b>(196,310)</b>	<b>3,476,695</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	914,269	-	22,265	936,534	196,310	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating Transfers In (Out)	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>914,269</b>	<b>-</b>	<b>22,265</b>	<b>936,534</b>	<b>(936,534)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,132,844</b>	<b>1,132,844</b>
<b>FUND BALANCES / NET POSITION</b>						
Beginning of Year	4,427,081	1,333,624	57,015	5,817,720	3,973,877	9,791,597
End of Year	\$ 5,341,350	\$ 1,333,624	\$ 79,280	\$ 6,754,254	\$ 4,170,187	\$ 10,924,441

The accompanying notes are an integral part of these financial statements

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

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

#### A. Reporting Entity

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

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

#### B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them.

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

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the General Fund and Special Reserve Fund. Following is a description of the major and non-major funds.

General Fund Type – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund Type – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds of the District are: Building and Equipment, IMRF, and Unemployment Insurance.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

Capital Projects Fund Type – The Special Reserve Fund is used to account for the acquisition or construction of general capital assets.

#### C. Basis of Accounting

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

The District reports deferred inflows of resources on its balance sheet and statement of net position. Deferred inflows of resources arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when the District receives resources before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

#### D. Budgets

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

#### E. Cash and Cash Investments

Cash includes amounts in a demand deposit account, money market accounts, and petty cash. Cash investments represent money invested in certificates of deposits and are stated at cost, which approximates market value.

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

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### F. Capital Assets

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

##### *Government-wide Statements*

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation with half year depreciation taken in the year of acquisition and disposal. The range of estimated useful lives by type of asset is as follows:

Building and Improvements	10-50 years
Furniture and Fixtures	7-15 years
Computer Equipment	4-10 years
Books and Library Materials	7 years

The minimum capitalization threshold is any item with a total cost greater than \$2,000, except for library materials.

##### *Fund Financial Statements*

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

#### G. Deferred Outflows and Inflows of Resources

Deferred outflows of resources related to pension expense represent amounts related to the differences between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on pension plan investments and post measurement date payments.

Deferred inflows of resources may consist of two items. Deferred inflows relating to property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather, deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources. Deferred inflows related to pensions represent changes in assumptions and projected and actual experience on pension plan investments.

See Note 7 for additional information on these deferred outflows and inflows.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### H. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave since it does not vest. Earned but unused vacation pay is reported as an expense and a liability in the government-wide statements.

#### I. Defined Benefit Pension Plan (IMRF)

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

The District has elected to use a December 31, 2020 measurement date. All IMRF liabilities, assets and deferred inflows and outflows are measured as of that date. This measurement date conforms to the requirements of GASB 68.

#### J. Interfund Transactions

Interfund transfers are reported as operating transfers.

#### K. Fund Equity

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

- Non-spendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; 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 – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body or by an official or body to which the governing body delegates the authority;

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board of trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as Special Reserve Fund expenditures). An assigned fund balance is established by the board of trustees through adoption or amendment of the budget as intended for specific purpose.

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. Although not specifically assigned, due to the timing of property tax collections, the District uses year end fund balances to fund operating expenses for most of the next year.

#### L. Interest Income Allocation

The District does not allocate interest income to the Special Reserve Fund.

#### M. Estimates

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

### Note 2: Deposits

At year-end, the carrying amount of the District's deposits, excluding petty cash of \$269, was \$6,899,718, and the bank balance was \$6,955,444. Of the bank balance, \$3,740,910 was covered by federal depository insurance, and \$3,214,534 was collateralized with securities held by the pledging financial institution's agent in the District's name.

Included in deposits are fourteen (14) certificates of deposits (CDs) totaling \$3,489,000, all of which are due within one year or less. Interest rates range from 0.14% to 0.35%.

### Note 3: Property Tax Revenue Recognition

The Library's property tax was levied in November 2020 by passage of a Tax Levy Ordinance. Property taxes, which are due within the current fiscal year and collected, are recorded as revenues.

The County Assessor is responsible for assessment of all taxable real property within Cook County (County) except for certain railroad property, which is assessed directly by the State. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the governmental units their respective share of the collections.

## Notes to Financial Statements

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### Note 3: Property Tax Revenue Recognition (Continued)

Tax bills are to be issued on or around February 1 and July 1. Payment is due 30 days following the issuance date.

The 2020 property taxes attach as an enforceable lien on January 1, 2020. Taxes are payable in two installments on or around March 1 and August 1. The County collects such taxes and remits them periodically, with the majority being collected between March 2021 through January 2022.

The second installment of the 2020 property tax levy is recorded as a receivable at June 30, 2021. The second installment is not deemed available as of June 30, 2021 and is therefore reflected as deferred property taxes at June 30, 2021 in the funds balance sheet.

### Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated				
Land	\$ 33,666	-	-	\$ 33,666
Construction in Progress	173,897	(155,733)	-	18,164
Total capital assets, not being depreciated	207,563	(155,733)	-	51,830
Capital assets, being depreciated				
Building and Improvements	6,506,454	327,697	-	6,834,151
Furniture and Equipment	373,159	43,270	-	416,429
Computer Equipment	166,159	-	-	166,159
Books and Library Materials	2,161,099	265,070	(323,520)	2,102,649
Total capital assets being depreciated	9,206,871	636,037	(323,520)	9,519,388
Less accumulated depreciation for				
Building and Improvements	3,375,193	250,625	-	3,625,818
Furniture and Equipment	196,065	30,620	-	226,685
Computer Equipment	153,445	2,973	-	156,418
Books and Library Materials	1,217,603	327,662	(323,520)	1,221,745
Total accumulated depreciation	4,942,306	611,880	(323,520)	5,230,666
Total capital assets being depreciated, net	4,264,565	24,157	-	4,288,722
Capital assets, net	\$ 4,472,128	\$ (131,576)	\$ -	\$ 4,340,552



## Notes to Financial Statements

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### Note 5: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As such, the District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have historically not exceeded insurance coverage in the past three years and there have been no significant reductions in coverage.

### Note 6: Long-Term Liabilities

Changes in long-term liabilities during the year were as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due In One Year
Compensated Absences	\$ 29,175	\$ -	\$ 5,126	\$ 24,049	\$ -
Net Pension Obligation	50,084	-	826,113	(776,029)	-
Net OPEB Liability	171,798	6,361	-	178,159	-

### Note 7: Defined Benefit Pension Plan

**IMRF Plan Description.** The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided.** IMRF has three benefit plans. The District participates in the Regular Plan (RP). All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years 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,

## Notes to Financial Statements

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### Note 7: Defined Benefit Pension Plan (Continued)

plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by Benefit Terms. As of December 31, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	47
Inactive Plan Members entitled to but not yet receiving benefits	35
Active Plan Members	<u>25</u>
Total	<u><u>107</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2020 was 9.08%. For the fiscal year ended June 30, 2021 the District contributed \$117,945 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 2.25%.
- *Salary Increases* were expected to be 2.85% to 13.75%, including inflation.
- The *Investment Rate of Return* was assumed to be 7.25%.
- Projected *Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for *Mortality* (for non-disabled retirees) were developed from the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables with 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 were used with future mortality improvements projected using scale MP-2020.

## Notes to Financial Statements

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### Note 7: Defined Benefit Pension Plan (Continued)

- For *Active Members*, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables were used with 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 as of December 31, 2020:

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

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

## Notes to Financial Statements

### Note 7: Defined Benefit Pension Plan (Continued)

#### Changes in the Net Pension (Asset) Liability.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A)-(B)
Balances at December 31, 2020	\$ 8,399,013	\$ 8,348,929	\$ 50,084
Change for the year:			
Service Cost	115,505	-	115,505
Interest on the Total Pension Liability	592,469	-	592,469
Change in Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	34,150	-	34,150
Changes in Assumptions	(110,471)	-	(110,471)
Contributions - Employer	-	119,214	(119,214)
Contributions - Employees	-	59,082	(59,082)
Net Investment Income	-	1,233,777	(1,233,777)
Benefit Payments, including Refunds of			
Employee Contributions	(569,568)	(569,568)	-
Other (Net Transfers)	-	45,693	(45,693)
Net Changes	62,085	888,198	(826,113)
Balances at December 31, 2021	\$ 8,461,098	\$ 9,237,127	\$ (776,029)

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

	1% Lower (6.25%)	Current (7.25%)	1% Higher (8.25%)
Net Pension (Asset) Liability	\$ 131,901	\$ (776,029)	\$ (1,491,607)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2021, the District recognized pension income of \$211,176. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## Notes to Financial Statements

### Note 7: Defined Benefit Pension Plan (Continued)

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 48,463	\$ -
Changes of assumptions		70,035
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>780,666</u>
Total Deferred Amounts to be recognized in pension expense in future periods	48,463	850,701
Pension Contributions made subsequent to the Measurement Date, through June 30, 2021	<u>58,052</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 106,515</u>	<u>\$ 850,701</u>

Deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date were \$58,052. Other 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:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2021	\$ (254,431)
2022	(108,968)
2023	(310,636)
2024	(128,203)
Thereafter	<u>-</u>
Total	<u>\$ (802,238)</u>

### Note 8: Other Post-Employment Benefits

#### Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described above, the District provides post-employment health care benefits (OPEB) for retired employees of the District through a single employer defined benefit 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. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

## Notes to Financial Statements

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### Note 8: Other Post-Employment Benefits (Continued)

All health care benefits for retired employees of the District are provided through the District's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions.

All retirees contribute 100% of the paid premium to the plan. For the fiscal year ending June 30, 2021, retirees contributed \$0. Active employees do not contribute to the plan until retirement.

At June 30, 2021, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>20</u>
	<u>20</u>

#### Contributions

There are no actuarially determined contributions or employer contributions as there is no Trust that exists for funding the OPEB liabilities. There are only contributions from other district resources which relate to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

#### Net OPEB Liability

The District's net OPEB liability of \$178,159 was measured as of June 30, 2021, and was determined by an actuarial valuation performed as of July 1, 2020.

Actuarial Assumptions and Other Inputs. The net OPEB liability in the July 1, 2020 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

- The *Actuarial Valuation Method* used was the Alternative Measurement Method.
- *Salary Increases* are expected to be 2.5%, average, including inflation.
- The *Discount Rate* used was 2.16%, based on the High Quality 20-Year Tax Exempt G.O. Bond Rate.
- The *Health Care Cost Trend Rates* beginning July 1, 2020 at rates ranging from 6.30% to 6.80% reduced annually in increments ranging from .14% to .20% to 5.00%.
- *Plan Participation Rate* assumes 20% of employees currently enrolled in medical plans will participate in the plan.
- *Retirement Rates* used were Age 60 for Tier 1 IMRF Employees and Age 62 for Tier II IMRF employees.
- *Retiree Lapse Rates* used was 100% at age 65 once Medicare eligible.
- *Mortality Rates* follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates.

## Notes to Financial Statements

### Note 8: Other Post-Employment Benefits (Continued)

- *Spouse Mortality* follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates.

#### Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>OPEB Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2020	\$ 171,798	\$ -	\$ 171,798
Changes for the Year:			
Service Cost	2,466	-	2,466
Interest	3,784	-	3,784
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	1,307	-	1,307
Contributions - Employer	-	1,196	(1,196)
Contributions - Employee	-	-	-
Benefit Payments	(1,196)	(1,196)	-
Administrative Expense	-	-	-
Net Changes	<u>6,361</u>	<u>-</u>	<u>6,361</u>
Balance at June 30, 2021	<u>\$ 178,159</u>	<u>\$ -</u>	<u>\$ 178,159</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability, calculated using a Single Discount Rate of 2.16%, as well as what the plan's total OPEB liability would be if it were calculated using a Discount Rate that is 1% lower or 1% higher:

	<u>1% Lower (1.16%)</u>	<u>Current (2.16%)</u>	<u>1% Higher (3.16%)</u>
Net Pension Liability	\$ 207,390	\$ 178,159	\$ 154,397

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the sensitivity of the net OPEB Liability to the Healthcare Cost Trend Rates assumption:

	<u>1% Decrease (Varies)</u>	<u>Healthcare Cost Trend Rates (Varies)</u>	<u>1% Increase (Varies)</u>
Net OPEB Liability	\$ 152,065	\$ 178,159	\$ 209,972

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2021, the District recognized OPEB expense of \$6,361. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

## Notes to Financial Statements

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### Note 8: Other Post-Employment Benefits (Continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Total Deferred Amounts Related to OPEB	\$ -	\$ -

### Note 9: Jointly Governed Organization

The District participates in Cooperative Computer Services (CCS). CCS is an intergovernmental instrumentality formed by library members of the former North Suburban Library System and exists to administer a jointly owned integrated library automation system. CCS's governing board is comprised of one member from each participating library.

No participant has any obligation, entitlement, or residual interest in CCS. In order to terminate membership in CCS, member libraries must provide one-year notice of termination. The District's expenditures to CCS for the year ended June 30, 2021 were \$77,883. The District received rebates of \$16,245 during the year as well.

### Note 10: Kenilworth Public Library District Agreement

The Kenilworth Public Library District has entered into an agreement with the Winnetka-Northfield and Wilmette Public Library Districts (Winnetka-Northfield and Wilmette Libraries) dated July 1, 2011, which provides that the Winnetka-Northfield and Wilmette Libraries will provide library services to the residents of the Kenilworth Public Library District. Contractual amounts for services and administrative fees are paid by Kenilworth Public Library District and divided between Winnetka-Northfield and Wilmette Libraries.

Payments are made to the Winnetka-Northfield and Wilmette Libraries based on circulation for each library attributed to a Kenilworth residence and increase with inflation.

During the year ended June 30, 2021, Kenilworth paid \$132,769 to Winnetka-Northfield Public Library District.



## Notes to Financial Statements

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### Note 11: Adjustments

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

Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	\$ 4,340,552
Net Pension Asset	776,029
Deferred inflows (outflows), net, related to: IMRF Pension	(744,186)
Liabilities for compensated absences, which will not mature in the current period, are not included in the governmental fund balances and, therefore, are deducted from net position.	(24,049)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet: Net OPEB Liability	<u>(178,159)</u>
	<u>\$ 4,170,187</u>

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

The government funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which net depreciation expense exceeded capital asset purchases (\$611,880 less \$480,304).	\$ 131,576
Recognizing the change in pension expense relating to change in deferred outflows, deferred inflows and net pension obligation.	(329,121)
Recognizing the expense relating to the change in other post-employment benefits.	6,361
Other differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities: Changes in compensated absences	<u>(5,126)</u>
	<u>\$ (196,310)</u>

### Note 12: Commitments

The District is committed under five leases, one for the building used for the Northfield branch, one for photocopy equipment and three for phone and other office equipment at June 30, 2021. These leases are considered for accounting purposes to be operating leases.

## Notes to Financial Statements

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### Note 12: Commitments (Continued)

The Northfield branch rent shall increase annually by the lesser of 3% or the increase in consumer price index.

Lease expenditures for the year ended June 30, 2021 amounted to \$78,641. Future minimum lease payments are as follows:

Year Ending June 30	
2022	\$ 102,872
2023	102,416
2024	102,416
2025	<u>9,342</u>
	<u>\$ 317,046</u>

During the year ended June 30, 2021, the Board approved and signed contracts totaling \$428,979 for window replacement. As of June 30, 2021, the District has paid \$20,699 toward this contract, leaving an outstanding commitment of \$411,130.

### Note 13: Contingency

In 2020, the COVID-19 pandemic struck the world with far reaching effects. Due to this virus, many businesses and individuals have been harmed financially. This may result in a decrease in future tax revenue collections, the amount of which cannot be currently quantified.

### Note 14: Future Change in Accounting Principle

In June 2017, the Governmental Accounting Standards Board released Standard No. 87 – Leases. The revised standard is intended to increase transparency by recognizing lease assets and liabilities on the statement of net position and enhancing the related disclosures. Under current standards, a lease was only recognized on the statement of net position if it met the definition of a capital lease. However, under the new standard, a lessee will be required to:

- Recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of net position.
- Recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis.

The District is in the process of evaluating the potential impacts of its adoption but has yet to determine its effect.

## Required Supplementary Information

### WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

#### SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

CALENDAR YEAR ENDED DECEMBER 31,

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 115,505	\$ 115,073	\$ 121,575	\$ 139,374	\$ 150,440	\$ 125,771	\$ 161,936
Interest on the Total Pension Liability	592,469	574,460	578,681	592,482	587,688	543,663	464,315
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	34,150	119,669	(148,031)	(93,761)	(148,728)	388,546	557,823
Changes of Assumptions	(110,471)	-	212,096	(274,230)	(8,805)	8,791	274,485
Benefit Payments and Refunds	(569,568)	(552,475)	(553,981)	(523,989)	(519,212)	(444,066)	(320,948)
Net Change in Total Pension Liability	62,085	256,727	210,340	(160,124)	61,383	622,705	1,137,611
Total Pension Liability – Beginning	8,399,013	8,142,286	7,931,946	8,092,070	8,030,687	7,407,982	6,270,371
Total Pension Liability – Ending (A)	<u>\$ 8,461,098</u>	<u>\$ 8,399,013</u>	<u>\$ 8,142,286</u>	<u>\$ 7,931,946</u>	<u>\$ 8,092,070</u>	<u>\$ 8,030,687</u>	<u>\$ 7,407,982</u>
Plan Fiduciary Net Position							
Contributions – Employer	\$ 119,214	\$ 82,069	\$ 133,622	\$ 129,677	\$ 131,956	\$ 108,949	\$ 145,039
Contributions – Employee	59,082	53,601	58,721	67,133	67,277	64,121	60,448
Net Investment Income	1,233,777	1,426,547	(513,319)	1,353,676	498,722	36,024	421,393
Benefit Payments and Refunds	(569,568)	(552,475)	(553,981)	(523,989)	(519,212)	(444,066)	(320,948)
Other (Net Transfer)	45,693	71,881	(4,186)	(213,511)	(80,518)	129,911	68,557
Net Change in Plan Fiduciary Net Position	888,198	1,081,623	(879,143)	812,986	98,225	(105,061)	374,489
Plan Fiduciary Net Position - Beginning	8,348,929	7,267,306	8,146,449	7,333,463	7,235,238	7,340,299	6,965,810
Plan Fiduciary Net Position – Ending (B)	<u>\$ 9,237,127</u>	<u>\$ 8,348,929</u>	<u>\$ 7,267,306</u>	<u>\$ 8,146,449</u>	<u>\$ 7,333,463</u>	<u>\$ 7,235,238</u>	<u>\$ 7,340,299</u>
Net Pension (Asset)/Liability – Ending (A) – (B)	<u>\$ (776,029)</u>	<u>\$ 50,084</u>	<u>\$ 874,980</u>	<u>\$ (214,503)</u>	<u>\$ 758,607</u>	<u>\$ 795,449</u>	<u>\$ 67,683</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	109.17%	99.40%	89.25%	102.70%	90.63%	90.09%	99.09%
Covered Valuation Payroll	1,312,929	1,191,126	1,304,908	1,308,561	1,302,626	1,338,450	1,125,783
Net Pension (Asset)/Liability as a Percentage of Covered Valuation Payroll	-59.11%	4.20%	67.05%	-16.39%	58.24%	59.43%	6.01%

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

## Required Supplementary Information

### WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

#### SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 110,439	\$ 145,039	\$ (34,600)	\$ 1,125,783	12.88%
2015	108,950	108,949	1	1,338,450	8.14%
2016	131,956	131,956	-	1,302,626	10.13%
2017	129,678	129,677	1	1,308,561	9.91%
2018	133,623	133,622	1	1,304,908	10.24%
2019	82,069	82,069	-	1,191,126	6.89%
2020	119,214	119,214	-	1,312,929	9.08%

#### *Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate\**

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

#### Methods and Assumptions Used to Determine 2020 Contribution Rates:

*Actuarial Cost Method:* Aggregate entry age = normal  
*Amortization Method:* Level percentage of payroll, closed  
*Remaining Amortization Period:* 23-year closed period  
*Asset Valuation Method:* 5-year smoothed market; 20% corridor  
*Wage Growth:* 3.25%  
*Price Inflation:* 2.50% approximate; No explicit price inflation assumption is used in this valuation.  
*Salary Increases:* 3.35% to 14.25%, including inflation  
*Investment Rate of Return:* 7.25%  
*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.  
*Mortality:* For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table

## Required Supplementary Information

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applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Other Information:*

*Notes:*

There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2018, actuarial valuation; note two year lag between valuation and rate setting.

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

## Required Supplementary Information

### WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

#### SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

YEAR ENDED JUNE 30,

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 2,466	\$ 992	\$ 2,065	\$ 1,988
Interest	3,784	3,943	4,104	4,077
Changes on Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	-	26,540	-	-
Changes in Assumptions	1,307	29,947	5,112	-
Benefit Payments	(1,196)	(4,567)	(4,784)	(5,933)
Net Change in Total OPEB Liability	6,361	56,855	6,497	132
Total OPEB Liability - Beginning	171,798	114,943	108,446	108,314
Total OPEB Liability - Ending (a)	<u>\$ 178,159</u>	<u>\$ 171,798</u>	<u>\$ 114,943</u>	<u>\$ 108,446</u>
OPEB Plan Net Position				
Contributions - Employer	\$ 1,196	\$ 4,567	\$ 4,784	\$ 5,933
Contributions - Employee	-	-	-	-
Contributions - Other	-	-	-	-
Net Investment Income	-	-	-	-
Benefit Payments	(1,196)	(4,567)	(4,784)	(5,933)
Administrative Expense	-	-	-	-
Employer Net Change in OPEB Plan Net Position	-	-	-	-
OPEB Plan Net Position - Beginning	-	-	-	-
OPEB Plan Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 178,159</u>	<u>\$ 171,798</u>	<u>\$ 114,943</u>	<u>\$ 108,446</u>
OPEB Plan Net Position as a Percentage of Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 1,516,233	\$ 1,119,288	\$ 1,097,180	\$ 1,211,591
Employer Net OPEB Liability as a Percentage of Covered-Employee Payroll	11.75%	15.35%	10.48%	8.95%

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

## Required Supplementary Information

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### WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

#### SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual as a Percentage of Covered Valuation Payroll
2018	N/A	-	N/A	1,211,591	0.0%
2019	N/A	-	N/A	1,097,180	0.0%
2020	N/A	-	N/A	1,119,288	0.0%
2021	N/A	-	N/A	1,516,233	0.0%

#### *Notes to the Required Supplementary Information*

There is no Actuarially Determined Contribution (ADC) or employer contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liabilities. However, the District did make contributions from other District resources in the current year in the amount of \$1,196 as a pass-thru.

## Required Supplementary Information

### WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

#### GENERAL FUND

#### SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS, APPROPRIATIONS, AND WORKING BUDGET COMPARED TO ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL FUND		
	APPROPRIATION - ORIGINAL AND FINAL	WORKING BUDGET	ACTUAL
REVENUES			
Property Taxes	\$ 3,956,860	\$ 3,956,860	\$ 3,894,466
Replacement Taxes	20,000	20,000	47,067
Grants	15,000	15,000	23,172
Kenilworth Service Contract	100,000	100,000	132,769
Fines, Fees, Services, Interest and Other	70,500	68,500	52,449
Contributions	20,000	22,000	46,993
Total Revenues	<u>4,182,360</u>	<u>4,182,360</u>	<u>4,196,916</u>
EXPENDITURES			
Personnel	1,862,000	1,790,000	1,698,504
FICA	150,000	123,000	105,053
Library Materials and Services	828,000	733,840	659,731
Computer Services	180,000	171,250	122,556
Administrative	377,000	329,806	325,909
Capital Outlay	547,000	410,000	338,152
Insurance	35,000	30,000	20,742
Maintenance	-	-	-
Audit	-	12,000	12,000
Contingency	-	-	-
Total Expenditures	<u>3,979,000</u>	<u>3,599,896</u>	<u>3,282,647</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 203,360</u>	<u>\$ 582,464</u>	<u>\$ 914,269</u>

Budgets are adopted on a basis consistent with generally accepted accounting principles.  
All annual appropriations lapse at fiscal year end.



## Additional Information

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### WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

#### OTHER FUNDS

#### COMBINING BALANCE SHEET

JUNE 30, 2021

	<u>BUILDING &amp; EQUIPMENT</u>	<u>IMRF</u>	<u>UNEMPLOYMENT INSURANCE</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Cash and Cash Investments	\$ 19,346	\$ 18,185	\$ 51,751	\$ 89,282
Property Taxes Receivable	<u>199,725</u>	<u>87,381</u>	<u>999</u>	<u>288,105</u>
Total Assets	<u>\$ 219,071</u>	<u>\$ 105,566</u>	<u>\$ 52,750</u>	<u>\$ 377,387</u>
<b>LIABILITIES</b>				
Accounts Payable	<u>\$ 10,002</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,002</u>
Total Liabilities	10,002	-	-	10,002
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	<u>199,725</u>	<u>87,381</u>	<u>999</u>	<u>288,105</u>
Total Liabilities and Deferred Inflows of Resources	209,727	87,381	999	298,107
<b>FUND BALANCES</b>				
Restricted	<u>9,344</u>	<u>18,185</u>	<u>51,751</u>	<u>79,280</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 219,071</u>	<u>\$ 105,566</u>	<u>\$ 52,750</u>	<u>\$ 377,387</u>

## Additional Information

### WINNETKA-NORTHFIELD PUBLIC LIBRARY DISTRICT

#### OTHER FUNDS

#### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2021

	BUILDING & EQUIPMENT	IMRF	UNEMPLOYMENT INSURANCE	TOTAL
REVENUES				
Property Taxes	\$ 275,465	\$ 136,130	\$ 1,028	\$ 412,623
Total Revenues	<u>275,465</u>	<u>136,130</u>	<u>1,028</u>	<u>412,623</u>
EXPENDITURES				
Capital Outlay	5,599	-	-	5,599
Maintenance	260,522	-	-	260,522
IMRF	-	117,945	-	117,945
Unemployment Insurance	-	-	6,292	6,292
Total Expenditures	<u>266,121</u>	<u>117,945</u>	<u>6,292</u>	<u>390,358</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,344	18,185	(5,264)	22,265
OTHER FINANCING SOURCES				
Operating Transfers	-	-	-	-
Net Change in Fund Balances	9,344	18,185	(5,264)	22,265
FUND BALANCES				
Beginning of Year	-	-	57,015	57,015
End of Year	<u>\$ 9,344</u>	<u>\$ 18,185</u>	<u>\$ 51,751</u>	<u>\$ 79,280</u>