

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

NORTH RIVERSIDE, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021



GW & ASSOCIATES, PC

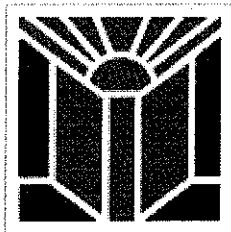
Certified Public Accountants

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

NORTH RIVERSIDE, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021



**NORTH RIVERSIDE
PUBLIC LIBRARY**

NORTH RIVERSIDE, IL

NORTH RIVERSIDE PUBLIC LIBRARY

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
North Riverside Public Library District
North Riverside, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Riverside Public Library District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City'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 District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of changes in the District's net pension liability and related ratios - IMRF, and schedule of District contributions - IMRF on pages 3-8 and 31-36 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.

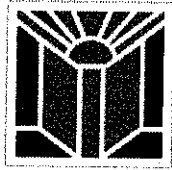
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

MW & Associates, P.C.

Hillside, Illinois
November 10, 2021



NORTH RIVERSIDE PUBLIC LIBRARY

NORTH RIVERSIDE, IL

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the North Riverside Public Library District (the "District") we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2021. We encourage readers to read this information in conjunction with the District's financial statements.

Financial Highlights

The District's total net position at June 30, 2021 was \$3,554,036, a decrease of \$149,664 from June 30, 2020.

The District's governmental activities had revenues of \$1,094,399 in the year ended June 30, 2021 as compared to revenues of \$1,049,558 in the prior year. The District's governmental activities had expenses of \$1,244,063 in the year ended June 30, 2021 as compared to expenses of \$1,144,938 in the prior year. This represented a 4.27% increase in revenues and 8.66% increase in expenses.

Overview of the Financial Statements

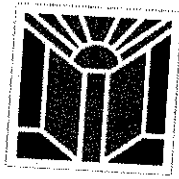
Management's discussion and analysis serves as an introduction to the District's financial statements. The basic financial statements include the Governmental Funds Balance Sheet and Statement of Net Position, Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities,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

Government-wide Financial Statements

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.

The Statement of Net Position includes all of the District's assets, liabilities and deferred inflows with the difference reported as net position. Increases and decreases in net position serve as a useful indicator of change in net position and whether the financial position of the District as a whole is improving or deteriorating. Non-financial factors, such as changes in the District's property tax base and condition of the District's buildings and equipment, should be considered regarding the overall health of the District.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All revenues and expenses are included regardless of when cash is received or paid.



Fund Financial Statements

A fund is a group of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are reported separately while all other funds are combined into a single aggregated presentation.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and the balance of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the short-term.

Both the Governmental Funds Balance Sheet and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to assist in understanding the difference between the government-wide and fund financial statements.

In addition to the basic financial statements, notes to the financial statements provide further information to the reader and should be considered an integral part of the financial statements.

Budgetary comparison schedules are also provided as required supplemental information, which is useful in comparing how District expenditures were made in comparison to budgeted amounts.

Financial Analysis

Net position may serve, over time, as a useful indicator of a District's financial position. The District's assets exceeded liabilities and deferred inflows of resources by \$3,554,036 at the end of the fiscal year. Of the net position balance, \$2,207,712 is invested in capital assets, \$743,759 is restricted and \$602,565 is unrestricted net assets.



NORTH RIVERSIDE PUBLIC LIBRARY

NORTH RIVERSIDE, IL

Condensed Statement of Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Assets		
Current assets:		
Cash and investments	\$ 557,931	\$ 568,820
Property tax receivables	506,555	487,783
Grant receivables	9,841	-
Prepaid expenses	3,498	11,438
Total current assets	<u>\$ 1,077,825</u>	<u>\$ 1,068,041</u>
Noncurrent assets:		
Investments	813,853	823,394
Capital assets	2,480,712	2,605,735
Total noncurrent assets	<u>3,294,565</u>	<u>3,429,129</u>
Total assets	<u>4,372,390</u>	<u>4,497,170</u>
Deferred outflows of resources		
Pension related	247,037	273,563
Total deferred outflows of resources	<u>247,037</u>	<u>273,563</u>
Total assets and deferred outflows of resources	<u>\$ 4,619,427</u>	<u>\$ 4,770,733</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 46,790	\$ 45,491
Debt certificates, current	25,700	27,000
Total current liabilities	<u>72,490</u>	<u>72,491</u>
Long-term liabilities:		
Debt certificates, long-term	247,300	273,000
Pension liability	234,878	233,759
Total long-term liabilities	<u>482,178</u>	<u>506,759</u>
Total liabilities	<u>554,668</u>	<u>579,250</u>
Deferred inflows of resources:		
Property taxes	506,555	487,783
Pension related	4,168	-
Total deferred inflows of resources	<u>510,723</u>	<u>487,783</u>
Net Position		
Net investment in capital assets	2,207,712	2,305,735
Restricted	743,759	752,284
Unrestricted	602,565	645,681
Total net position	<u>3,554,036</u>	<u>3,703,700</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 4,619,427</u>	<u>\$ 4,770,733</u>



**NORTH RIVERSIDE
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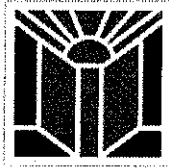
Twenty-five percent of the District's assets at June 30, 2021 were current and consisted of cash, investments, prepaid expenses, grant receivable and property tax receivables. The remainder was noncurrent investments and capital (tangible) assets. Thirteen percent of liabilities were current and consisted of accounts payable, accrued expenses, and the current portion of debt certificate liability. The other liabilities were the long-term portion of debt certificates and net pension liability. Net investment in capital assets of \$2,207,712 was sixty-two percent of total net position and restricted net position of \$743,759 was twenty-one percent of total net position. The remaining net position was unrestricted net assets of \$602,565.

The following summarizes the revenue and expenses of the District's governmental activities for fiscal year ended June 30, 2021. Governmental activities decreased the District's net position by \$149,664.

Condensed Statement of Activities

	<u>July 1, 2020 to June 30, 2021</u>	<u>July 1, 2019 to June 30, 2020</u>
Revenues:		
General Revenues:		
Property taxes	\$ 1,014,302	\$ 1,010,591
Operating grants	39,800	20,016
Fines and fees	11,530	16,214
Gifts, memorials and donations	38,081	9,298
Investment income	226	2,323
Net increase in fair value of investments	(9,540)	(8,884)
Total revenues	<u>1,094,399</u>	<u>1,049,558</u>
Expenses:		
Cultural	1,232,406	1,130,056
Interest of long-term debt	11,657	4,882
Debt issuance costs	-	10,000
Total expenses	<u>1,244,063</u>	<u>1,144,938</u>
Change in net position	<u>(149,664)</u>	<u>(95,380)</u>
Net position - beginning	<u>3,703,700</u>	<u>3,799,080</u>
Net position - ending	<u>\$ 3,554,036</u>	<u>\$ 3,703,700</u>

The Statement of Activities shows the nature and source of the changes in net position. The tax levy collections for the first and second installment were comparable. The increase in operating expenses is due to the District increasing tech services and computer equipment.



**NORTH RIVERSIDE
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NORTH RIVERSIDE, IL

Budget

The District did not amend their budget during the fiscal year. The actual funds received for the general fund were \$987,473 which was \$66,490 lower than budgeted. Actual expenditures for the general fund of \$986,269 were \$9,210 lower than budgeted, due mainly to conservative spending practices.

Financial Analysis of District's Funds

	<u>General</u>	<u>Building</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Total revenues	\$ 987,473	\$ 46,335	\$ -	\$ 60,591	\$1,094,399
Total expenditures	986,269	21,684	-	107,142	1,115,095
Change in fund balance	1,204	24,651	-	(46,551)	(20,696)
Fund balance at June 30, 2020	1,440,067	(158,975)	30,000	52,648	1,363,740
Fund balance at June 30, 2021	<u>\$1,441,271</u>	<u>\$ (134,324)</u>	<u>\$ 30,000</u>	<u>\$ 6,097</u>	<u>\$1,343,044</u>

The capital project fund was created by the Board of Trustees to set aside funds for future repairs and maintenance for the District's building. The other fund balances are nonspendable, restricted or committed for specific purposes. \$698,500 of the general fund balance is restricted for the purchase of publications and District programs and \$564,791 is unassigned, and can be used for any purpose.

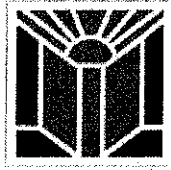
Capital Assets

The District's investment in capital assets, net of accumulated depreciation was \$2,480,712 as of June 30, 2021. This was a decrease of \$125,023 from June 30, 2020, and was due to depreciation expense exceeding the capitalized costs of new additions in the current year.

The following summarizes capital assets.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land	\$ 330,127	\$ 330,127
Building and grounds	3,083,156	3,083,156
Furniture and equipment	779,562	777,444
Library collection	294,800	314,520
Total capital assets	4,487,645	4,505,247
Less: accumulated depreciation	<u>(2,006,933)</u>	<u>(1,899,512)</u>
Net capital assets	<u>\$ 2,480,712</u>	<u>\$ 2,605,735</u>

Additional information regarding capital assets may be found in the accompanying notes to the financial statements.



NORTH RIVERSIDE PUBLIC LIBRARY

NORTH RIVERSIDE, IL

Debt

In February 2020, the District approved to issue general obligation debt certificates for \$472,200 to replace their HVAC system. The District only issued \$300,000 of these debt certificates and has no plans on issuing the remaining certificates. This loan has an annual interest rate of 4.10% and matures on December 1, 2029. At June 30, 2021, the note payable balance was \$273,000.

Additional information regarding debt can be found in the accompanying notes to the financial statements.

Economic Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of the following circumstances that could significantly affect its financial health in the future.

- The District's service area is smaller than the boundaries for the Village of North Riverside; as such the District's ability to generate tax receipts is directly linked to the Equalized Assessed Valuation (EAV) of the property within the Village of North Riverside. The EAV increased from \$260,702,246 to \$278,938,974 in 2020. In 2021, the District will annex a section of property that will allow the District boundaries to match those of the Village and increase the EAV.
- The minimum wage in Illinois will increase on January 1, 2020 and increases are anticipated yearly until the minimum wage reaches \$15 per hour on January 1, 2025. Wage increases will also impact the District's contributions to payroll taxes and IMRF.
- Library Systems in Illinois are funded by the State of Illinois. Despite the State's financial constraints, system funds seem to be arriving in a more timely fashion. Resource sharing, delivery of materials, and continuing education continue to be the system's highest priorities for service. RAILS (Reaching Across Illinois Library System) provides a variety of continuing education training opportunities for its members. Most training is offered online or as archived recordings which saves staff time and does not require mileage reimbursement.
- Public Library Per Capita Grants are funded through the State. The population determined by the 2020 census will have an effect on future grants. The Library had not received the Per Capita Grant as of June 30, 2021, and it has been recorded as a receivable at year-end.
- Anticipated long-term effects of the COVID-19 pandemic as it continues into the next fiscal year include costs for PPE, rising costs for property/liability insurance, lower property values, failure of businesses, lingering unemployment.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, North Riverside Public Library District, 2400 S. Des Plaines Ave., North Riverside, Illinois 60546.

BASIC FINANCIAL STATEMENTS

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION
JUNE 30, 2021

	General	Building	Capital Projects	Nonmajor Funds	Total	Adjustments	Statement of Net Position
Assets							
Current:							
Cash and investments	\$ 476,323	-	\$ 30,000	\$ 51,608	\$ 557,931	\$ -	\$ 557,931
Property tax receivables	452,919	23,243	-	30,393	506,555	-	506,555
Grant receivables	9,841	-	-	-	9,841	-	9,841
Prepaid expenses	3,119	-	-	379	3,498	-	3,498
Interfund balances (advances)	174,861	-	-	-	174,861	(174,861)	-
Total current	1,117,063	23,243	30,000	82,380	1,252,686	(174,861)	1,077,825
Noncurrent:							
Investments	813,853	-	-	-	813,853	-	813,853
Land (not depreciated)	-	-	-	-	-	330,127	330,127
Other capital assets, net of depreciation	-	-	-	-	-	2,150,585	2,150,585
Total noncurrent	813,853	-	-	-	813,853	2,480,712	3,294,565
Total assets	1,930,916	23,243	30,000	82,380	2,066,539	2,305,851	4,372,390
Deferred outflows of resources							
Deferred amount of IMRF pension	-	-	-	-	-	247,037	247,037
Total deferred outflows of resources	-	-	-	-	-	247,037	247,037
Total assets and deferred outflows of resources	1,930,916	23,243	30,000	82,380	2,066,539	2,552,888	4,619,427
Liabilities							
Current:							
Accounts Payable	19,059	1,581	-	3,772	24,412	-	24,412
Accrued Payroll	17,667	-	-	-	17,667	-	17,667
Interfund balances (advances)	-	132,743	-	42,118	174,861	(174,861)	-
Accrued compensated absences	-	-	-	-	-	3,822	3,822
Accrued interest	-	-	-	-	-	889	889
Debt certificates	-	-	-	-	-	25,700	25,700
Total current liabilities	36,726	134,324	-	45,890	216,940	(144,450)	72,490
Noncurrent							
Debt certificates	-	-	-	-	-	247,300	247,300
Net pension liability	-	-	-	-	-	234,878	234,878
Total noncurrent liabilities	-	-	-	-	-	482,178	482,178
Total liabilities	\$ 36,726	\$ 134,324	\$ -	\$ 45,890	\$ 216,940	\$ 337,728	\$ 554,668

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION (Continued)
JUNE 30, 2021

	General	Building	Capital Projects	Nonmajor Funds	Total	Adjustments	Statement of Net Position
Deferred inflows of resources							
Unavailable property tax revenue	\$ 452,919	\$ 23,243	\$ -	\$ 30,393	\$ 506,555	\$ -	\$ 506,555
Deferred amount of IMRF pension	-	-	-	-	-	4,168	4,168
Total deferred inflows of resources	452,919	23,243	-	30,393	506,555	4,168	510,723
Fund balance/net position							
Fund balances:							
Nonspendable	177,980	-	-	379	178,359	(178,359)	-
Restricted	698,500	-	-	45,259	743,759	(743,759)	-
Committed	-	-	30,000	6,349	36,349	(36,349)	-
Unassigned	564,791	(134,324)	-	(45,890)	384,577	(384,577)	-
Total fund balances	1,441,271	(134,324)	30,000	6,097	1,343,044	(1,343,044)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 1,930,916	\$ 23,243	\$ 30,000	\$ 82,380	\$ 2,066,539		\$ 1,065,391
Net position							
Net investment in capital assets						2,207,712	2,207,712
Restricted						743,759	743,759
Unrestricted						602,565	602,565
Total net position						\$ 3,554,036	\$ 3,554,036

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances - governmental funds	\$	1,343,044
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets are not current financial resources and therefore are not reported on the Governmental Funds Balance Sheet.		2,480,712
Net deferred outflows/inflows of resources related to IMRF pension is not a current financial resource and therefore is not reported on the Governmental Funds Balance Sheet.		242,869
Liabilities are not due and payable in the current period and therefore are not reported on the Governmental Funds Balance Sheet.		
Accrued compensated absences		(3,822)
Accrued interest		(889)
Debt certificates		(273,000)
Net pension liability		(234,878)
		(512,589)
Net position of governmental activities	\$	3,554,036

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES
NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
FOR THE YEAR ENDED JUNE 30, 2021

	General	Building	Capital Projects	Nonmajor Funds	Total	Adjustments	Statement of Activities
Revenues							
Property taxes	\$ 907,376	\$ 46,335	\$ -	\$ 60,591	\$ 1,014,302	\$ -	\$ 1,014,302
Operating grants	39,800	-	-	-	39,800	-	39,800
Fines and fees	11,530	-	-	-	11,530	-	11,530
Gifts, memorials and donations	38,081	-	-	-	38,081	-	38,081
Investment income	226	-	-	-	226	-	226
Net decrease in fair value of investments	(9,540)	-	-	-	(9,540)	-	(9,540)
Total revenues	987,473	46,335	-	60,591	1,094,399	-	1,094,399
Expenditures/expenses							
Current:							
Cultural	871,751	9,332	-	107,142	988,225	244,181	1,232,406
Debt service:							
Principal	27,000	-	-	-	27,000	(27,000)	-
Interest	11,793	-	-	-	11,793	(136)	11,657
Capital outlay	75,725	12,352	-	-	88,077	(88,077)	-
Total expenditures/expenses	986,269	21,684	-	107,142	1,115,095	128,968	1,244,063
Net change in fund balances/net position	1,204	24,651	-	(46,551)	(20,696)	(128,968)	(149,664)
Fund balances/net position							
Beginning of year	1,440,067	(158,975)	30,000	52,648	1,363,740	2,339,960	3,703,700
End of year	\$ 1,441,271	\$ (134,324)	\$ 30,000	\$ 6,097	\$ 1,343,044	\$ 2,210,992	\$ 3,554,036

**NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds \$ (20,696)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.

Expenditures for capital assets in the current year	48,371	
Current year depreciation	<u>(173,394)</u>	(125,023)

Some expenses reported on the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued compensated absences from the prior year	732	
Change in accrued interest from the prior year	136	
Change in net deferred outflows/inflows of resources for IMRF pension plan from the prior year	(30,694)	
Change in net pension liability / asset from the prior year	(1,119)	
Retirement of debt	<u>27,000</u>	
Total adjustments		<u>(3,945)</u>

Change in net position of governmental activities \$ (149,664)

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Riverside Public Library District (the "District") is located in North Riverside, Illinois. The District was organized under state law to provide cultural and library services to local residents.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. 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.

Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature or significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these criteria, there are no agencies or entities whose financial data should be combined with and included in the financial statements of the District. Also, the District is not considered a component unit of any other government entity.

Basis of Presentation

The fund and government-wide financial statements are combined, with a reconciliation shown between them. Therefore, the Governmental Funds Balance Sheet and Statement of Net Position are combined, and the Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities are combined. The government-wide statements are designed to report the District's financial position and results of operations as a whole. The fund financial statements are designed to demonstrate legal compliance and to aid financial management by segregating transactions by fund. Program revenues include operating grants, fines and fees.

Major individual governmental funds are reported as separate columns on the fund financial statements and all other funds are combined under a single column. The major funds are the general fund, building fund and capital projects fund. Following is a brief description of the major funds used by the District.

General Fund – The general fund is the general operating fund of the District and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. In addition, general operating expenditures and the capital improvement costs that are not paid through other funds are paid from this fund.

Building Fund – The building fund accounts for financial resources used to pay for building maintenance and building improvements.

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Projects Fund – The capital projects fund accounts for special resources to be used for the acquisition or construction of capital facilities and equipment.

Basis of Accounting

The government-wide statements (Statement of Net Position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Property taxes are recognized as revenue in the year in which they are intended to finance. Interfund balances between funds have been eliminated in the government-wide statements.

Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund equity. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter (defined as within 60 days after the fiscal year-end) to be used to pay liabilities of the current period. Material revenues susceptible to accrual include property taxes and operating grant revenue. Expenditures are recognized when the related fund liability is incurred.

Investments

Investments are held in an Illinois Funds Money Market account and are carried at cost, which approximates market. Investments held in annuities are carried at fair value.

Capital Assets

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

On the government-wide financial statements capital assets are valued at historical cost, or the estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at the acquisition value at the date of donation. Depreciation of all exhaustible capital assets is recorded as a cultural expense on the Statement of Activities, with accumulated depreciation reflected on the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation.

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The range of estimated useful lives by type of asset is as follows:

Building and grounds	15 - 40 years
Furniture and equipment	5 - 20 years
Library collection (books and audio-visual)	15-75 years

The minimum capitalization threshold is any item with a total cost greater than \$2,000, except for purchases of books and audio visual, which are always capitalized.

On the fund financial statements, capital assets are accounted for as expenditures of the governmental fund upon acquisition.

Compensated Absences

The District’s personnel policy permits employees to accumulate earned but unused vacation and sick pay benefits. No liability is recorded for unpaid accumulated sick leave since it is the District’s policy to not pay unused sick leave when employees separate from the District. On the fund financial statements, accrued vacation is recorded in the general fund when payable (i.e. upon resignation or retirement). On the government-wide financial statements, accrued vacation is recorded when earned.

Deferred Outflows/Inflows of Resources

The District reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net position that applies to future fiscal years, so will not be recognized as an outflow of resources (expenditure or expense) on the Statement of Activities until then. The District only has one item that qualifies for reporting in this category, the outflows related to the pension, which represents pension items that will be recognized in future periods.

The District also reports deferred inflows of resources on its Governmental Funds Balance Sheet and Statement of Net Position. Deferred inflows of resources represent an acquisition of net position that applies to future fiscal years, so will not be recognized as an inflow of resources (revenue or reduction of expenditure or expense) on the Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Statement of Activities until then. The District has two items that qualify for reporting in this category, levied property taxes intended to finance the next fiscal year and inflows related to pensions, which will be recognized as revenue in the next fiscal year.

Property Taxes

The District annually establishes a legal right to revenue from property tax assessments upon enactment of a levy ordinance by its Board. Property taxes are recognized as a receivable at the time they are levied. Property tax revenues are recognized in the fiscal year they are intended to finance. In

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

addition, revenue under the modified accrual basis (fund financial statements) is not recognized unless it is also available (collected within 60 days after fiscal year end). Property tax collections and property taxes receivable not recognized as revenue are reported as deferred inflows of resources. Property tax revenues on the fund financial statements are allocated to each fund in accordance with the applicable fund levy amounts.

The second installment of the 2019 levy and the first installment of the 2020 levy were intended to finance the fiscal year ended June 30, 2021. Therefore, the property taxes collected within 60 days of June 30, 2021 for these installments have been recorded as revenue, along with collections of prior levies. The second installment of the 2020 levy is intended to finance the fiscal year ending June 30, 2022. Therefore, the property taxes receivable of this levy as of June 30, 2021 has been recorded as a deferred inflow of resources.

The District recorded an allowance for uncollectible property taxes of 2.00% of the 2020 levy (\$10,338). All uncollected taxes relating to prior years' levies have been written off. Significant dates for the 2020 levy are as follows:

Lien Date	January 1, 2020
Levy Date	November 30, 2020
First Installment Due	March 2, 2021
Second Installment Due	August 2, 2021

Property taxes are billed and collected by the Cook County, Illinois Treasurer. Property tax bills are typically mailed at least 30 days prior to due dates. Substantially all of the collected taxes for the 2020 tax levy will be received by the District between March 2021 and December 2021.

Elimination and Reclassifications

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund receivables and payables on the fund financial statements may be eliminated or reclassified.

Fund Balance

Equity is classified as fund balance on the fund financial statements and displayed in five components:

- Nonspendable includes amounts not in spendable form, such as prepaid expenses or Interfund balances or amounts required to be maintained intact legally or contractually.
- Restricted includes amounts constrained for a specific purpose by external parties.
- Committed includes amounts constrained for a specific purpose by a government using its highest level of decision making authority (the Board of Trustees for the District). This formal action must occur prior to the end of the reporting period, but the amount of the committed

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- balance may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Trustees that originally created the commitment.
- Assigned includes general fund amounts constrained for a specific purpose by the Board of Trustees or by an official who has been delegated authority to assign amounts. The Board of Trustees has not delegated this authority as of June 30, 2021. Additionally, all remaining positive spendable amounts in government funds other than the general fund, that are neither restricted nor committed, are considered assigned. Assignments may take place after the end of the reporting period.
 - Unassigned includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

In circumstances where an expenditure relates to amounts available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed, assigned and unassigned fund balances.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District uses restricted resources when an expense is incurred before using unrestricted resources.

Estimates

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

NOTE 2. 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 multiple-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

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

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.

Benefits Provided

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 1½% 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 1½% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and beneficiaries currently receiving benefits	0
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>8</u>
Total	<u><u>8</u></u>

Contributions

As set by statute, the District's regular plan members are required to contribute 4.50% 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

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

contribution rate for calendar year 2020 was 10.01% of members' wages. For the fiscal year ended June 30, 2021, the District contributed \$39,325 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 Liability

The District'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 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%.
- 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 pursuant to an experience study of the period 2017-2019.
- Mortality (for non-disabled retirees) – The Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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:

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	37%	5.00%
International Equity	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	2.85-6.95%
Cash Equivalents	1%	0.70%
	<u>100%</u>	

No changes were made to the District's assumptions.

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 the 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:

- 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
- 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%.

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2019	\$ 386,425	\$ 152,666	\$ 233,759
Changes for the year:			
Service Cost	32,194	-	32,194
Interest on the Total Pension Liability	29,183	-	29,183
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	7,968	-	7,968
Changes of Assumptions	(4,639)	-	(4,639)
Contributions - Employer	-	35,518	(35,518)
Contributions - Employees	-	15,967	(15,967)
Net Investment Income	-	14,243	(14,243)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	(2,141)	2,141
Net Changes	<u>64,706</u>	<u>63,587</u>	<u>1,119</u>
District Balances at December 31, 2020	<u>\$ 451,131</u>	<u>\$ 216,253</u>	<u>\$ 234,878</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
IMRF Net Pension Liability/(Asset)	\$ 300,731	\$ 234,878	\$ 187,702

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

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 expense of \$67,331. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 218,059	\$ -
Changes of assumptions	6,439	4,168
Net difference between projected and actual earnings on pension plan investments	<u>787</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	225,285	4,168
Pension Contributions made subsequent to the Measurement Date	<u>21,752</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 247,037</u>	<u>\$ 4,168</u>

Deferred outflows related to pension contributions made subsequent to the measurement date will be recognized in next year's pension expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the future periods as follows:

Year Ended <u>June 30</u>	
2022	\$ 33,814
2023	33,816
2024	33,077
2025	32,936
2026	33,214
Thereafter	54,260

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 3. CASH AND INVESTMENTS

Reconciled cash and investments were as follows at June 30, 2021:

First American Bank - Maxrate public funds account	\$	455,779
Chase Bank - Money market account		7,766
Annuities		813,853
Illinois Funds (investment pool - does not require categorization)		94,386
Total cash and investments	\$	<u>1,371,784</u>

The District's investment policy (the "policy") authorizes the District to invest in obligations of the U.S. government and its agencies, interest-bearing savings account, certain short-term obligations of U.S. corporations, money market mutual funds, certificates of deposit, Illinois Public Treasurer's Investment Pool (Illinois Funds), and other securities authorized by the Illinois Public Funds Investment Act. The District purchased four annuities with Athene Annuity and Life Company ("Athene"). These annuities are not permitted according to the District's investment policy.

The District's deposits and investments are subject to the following risks:

- Custodial credit risk is the risk that the District will not be able to recover its deposits with financial institutions in the event of the failure of the financial institutions. The District's policy limits this risk by only allowing deposits in Federally Insured or Licensed Institutions Permitted to Hold Public Funds, provided that such investments shall not exceed federal insurance limits. The District's policy limits this risk by only allowing investments in securities guaranteed by the United States government or in FDIC insured institutions.
- Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations, resulting in investment losses by the District. The District's policy limits this risk by requiring uninsured investments be collateralized by securities or mortgages in an amount equal to at least fair value of the uninsured amount. The District's annuities are not collateralized by securities or mortgages equal to the fair value of their balances. There is a risk Athene could fail and the District would not receive full value of these annuities.
- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy does not limit the term of investments to specific maturities.
- Concentration of credit risk is the risk of loss attributed to funds being concentrated in a limited number of investments. The District's policy does not restrict the amount of investments in any one issue. More than 5% of the District's investments are in annuities. The investment in annuities comprises 59% of the District's total cash and investments at June 30, 2021.

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements

JUNE 30, 2021

NOTE 3. CASH AND INVESTMENTS – Continued

Illinois Funds

Illinois Funds is an investment pool managed by the State of Illinois, Office of Treasurer, 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 but operates in a manner consistent with Rule 2(a)7 of the Investment Company Act of 1940. Illinois Funds is rated AAAM by Standard & Poor's. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold. Illinois Funds issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained on-line at www.treasurer.il.gov.

The District's deposits with financial institutions were categorized as follows at June 30, 2021:

Insured by federal depository insurance	\$	257,766
Collateralized by securities held by the pledging financial institution's trust department or agent in the District's name		227,765
Collateralized by securities held by the pledging financial institution's trust department or agent, but not in the District's name		-
Uncollateralized		-
Total deposits with financial institutions	<u>\$</u>	<u>485,531</u>

Athene has a rating of "A" with A.M Best and Fitch and "A+" with S&P as of the Independent Auditor's Report Date. The District receives annual statements and estimated the value of these annuities based on these statements at June 30, 2021. The following table presents the reported values and purchase dates of the District's investment in annuities (using the specific identification method) for the governmental funds as of June 30, 2021:

	<u>Annuity #1</u>	<u>Annuity #2</u>	<u>Annuity #3</u>	<u>Annuity #4</u>	<u>Total</u>
Purchase date	8/14/2014	9/10/2014	8/28/2015	6/6/2017	
Maturity date	8/14/2042	9/10/2042	8/28/2043	6/6/2045	
Fair market value	\$ 247,935	\$ 115,937	\$ 392,611	\$ 57,370	\$ 813,853
Cash surrender value	213,812	100,317	341,419	50,125	705,673
Difference	<u>\$ 34,123</u>	<u>\$ 15,620</u>	<u>\$ 51,192</u>	<u>\$ 7,245</u>	<u>\$ 108,180</u>

The maturity date is the earlier of the annuity maturity date or death of the annuitant. The cash surrender value is the value of the annuity if the District requests the balance prior to the annuity maturity date. In addition, after twelve years, the District is allowed to request a principal portion of the annuity without penalties being assessed. It is the District's intent to hold the annuities until maturity date or the death of the annuitant.

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
 JUNE 30, 2021

NOTE 3. CASH AND INVESTMENTS – Continued

Annuities #1 and #2 earnings are based on the S&P 500 Index.

Annuity #3 earnings are based on the Hang Seng, Eurostoxx 50 and S&P 500 Indexes.

Annuity #4 earnings are based on the Merrill Lynch RPM Index.

The indexes for the four annuities can be changed or adjusted on an annual basis by the District. Also, all annuities guarantee that investment returns will never be negative.

Investment Type	Credit Rating	Fair Value	Investment Maturities			
			Less than one year	One to five years	Six to ten years	More than ten years
Annuities	N/A	\$ 813,853	\$ -	\$ -	\$ -	\$ 813,853
Total		\$ 813,853	\$ -	\$ -	\$ -	\$ 813,853

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit on the Statement of Net Position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: 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. The investments' fair value measurements are as follows at June 30, 2021:

Investment Type	Level 1 inputs	Level 2 inputs	Level 3 inputs
Annuities	\$ -	\$ 813,853	\$ -
Total	\$ -	\$ 813,853	\$ -

NOTE 4. RISK OF LOSS

The District is exposed to various risks of loss through property ownership, employee injury, liability of employees, actions of elected officials and other risks. The District purchased commercial insurance policies to overcome these risks. There was no significant decrease in coverage from the prior year, and claims have not exceeded coverage in the last three years.

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 5. CAPITAL ASSETS

Following is a summary of changes in the capital assets for the year ended June 30, 2021:

	Balance at July 1, 2020	Increase	Decrease	Balance at June 30, 2021
Capital assets not being depreciated:				
Land	\$ 330,127	-	-	\$ 330,127
Subtotal	<u>330,127</u>	<u>-</u>	<u>-</u>	<u>330,127</u>
Capital assets being depreciated:				
Building and grounds	3,083,156	-	-	3,083,156
Furniture and equipment	777,444	2,118	-	779,562
Library collection	314,520	46,253	(65,973)	294,800
Subtotal	<u>4,175,120</u>	<u>48,371</u>	<u>(65,973)</u>	<u>4,157,518</u>
Accumulated depreciation				
Building and grounds	(1,515,046)	(76,054)	-	(1,591,100)
Furniture and equipment	(225,569)	(36,409)	-	(261,978)
Library collection	(158,897)	(60,931)	65,973	(153,855)
Subtotal	<u>(1,899,512)</u>	<u>(173,394)</u>	<u>65,973</u>	<u>(2,006,933)</u>
Total capital assets being depreciated, net	<u>2,275,608</u>	<u>(125,023)</u>	<u>-</u>	<u>2,150,585</u>
Governmental activities capital assets, net	<u>\$ 2,605,735</u>	<u>\$ (125,023)</u>	<u>\$ -</u>	<u>\$ 2,480,712</u>

Depreciation expense is charged solely to the cultural function in the District's governmental activities.

NOTE 6. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
Notes payable:					
2020 debt certificates	\$ 300,000	\$ -	\$ (27,000)	\$ 273,000	\$ 25,700
Other liabilities:					
Accrued compensated absences	4,554	3,822	(4,554)	3,822	3,822
Accrued interest	1,025	-	(136)	889	889
Net pension liability	233,759	1,119	-	234,878	-
Totals	<u>\$ 539,338</u>	<u>\$ 4,941</u>	<u>\$ (31,690)</u>	<u>\$ 512,589</u>	<u>\$ 30,411</u>

General obligation (limited tax) debt certificates, series 2020 were issued in February 2020 in the amount of \$300,000. These certificates bear a fixed interest rate of 4.10%. They require semi-annual interest payments on June 1st and December 1st and annual principal payments on December 1st.

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 6. LONG-TERM LIABILITIES – Continued

Principal payments began in December 2020 and end in December 2029. Principal payments range from \$25,700 to \$35,400. The balance at June 30, 2021 was \$273,000.

The general fund will be used to liquidate the general obligation 2020 debt certificates series, accrued compensated absences and accrued interest, and the IMRF Fund is used to liquidate the net pension liability.

The combined aggregated amounts of maturities for all borrowings at June 30, 2021 were as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30, 2022	\$ 25,700	\$ 10,667	\$ 36,367
June 30, 2023	26,700	9,592	36,292
June 30, 2024	27,800	8,474	36,274
June 30, 2025	28,900	7,312	36,212
June 30, 2026	30,100	6,103	36,203
Thereafter	133,800	11,237	145,037
	<u>\$ 273,000</u>	<u>\$ 53,385</u>	<u>\$ 326,385</u>

A computation of the legal debt margin of the District as of June 30, 2021 is as follows:

Equalized assessed valuation - tax year 2020	\$ 278,938,974
Legal debt limit - 2.875%	\$ 8,019,496
Amount of debt applicable to limit	(273,000)
Estimated legal debt margin	<u>\$ 7,746,496</u>

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
 JUNE 30, 2021

NOTE 7. FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the government funds at June 30, 2021:

	<u>General</u>	<u>Building</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>
Fund balance:				
Nonspendable:				
Interfund loans	\$ 174,861	\$ -	\$ -	\$ -
Prepaid expenses	3,119	-	-	379
Restricted due to enabling legislation (tax levy) for:				
Liability insurance	-	-	-	42,923
Unemployment insurance	-	-	-	2,336
Restricted for purchase of publications or programs	698,500	-	-	-
Committed by Board of Trustees for:				
Capital projects	-	-	30,000	-
Audit	-	-	-	4,281
Unemployment insurance	-	-	-	2,068
Unassigned	<u>564,791</u>	<u>(134,324)</u>	<u>-</u>	<u>(45,890)</u>
Total fund balances	<u>\$1,441,271</u>	<u>\$ (134,324)</u>	<u>\$ 30,000</u>	<u>\$ 6,097</u>

NOTE 8. RESTRICTED NET POSITION

The following is a schedule of restricted net position on the Statement of Net Position at June 30, 2021. These balances are restricted by tax levies or by the contributor.

Restricted by contributor for:	
Purchase of publications or programs	\$ 698,500
Restricted by tax levies for:	
Liability insurance	42,923
Unemployment insurance	<u>2,336</u>
Total restricted by tax levies	<u>45,259</u>
Total restricted net position	<u>\$ 743,759</u>

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to financial statements
JUNE 30, 2021

NOTE 9. DEFERRED COMPENSATION

The District has a 457 deferred compensation plan. Employees may make voluntary contributions to the plan within the limits allowed by Internal Revenue Service Code Section 457.

NOTE 10. OTHER FUND DISCLOSURES

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds including:

The following funds had deficit balances at June 30, 2021:

Major fund - building fund	<u>\$ 134,324</u>
Nonmajor fund - IMRF	<u>\$ 42,705</u>
Nonmajor fund - social security	<u>\$ 3,185</u>

The following interfund balances existed as of June 30, 2021:

Advance to building fund from general fund	<u>\$ 132,743</u>
Advances to nonmajor funds from general fund	<u>\$ 42,118</u>

The District's interfund balances were made to cover the expenditures of the building, IMRF and social security funds. Repayments of the loans are expected to occur in future years as resources allow.

NOTE 11. SUBSEQUENT EVENTS

The District has evaluated events subsequent to June 30, 2021 for possible adjustment or disclosure to the accompanying financial statements. This evaluation was done through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original/Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 962,963	\$ 907,376	\$ (55,587)
Other revenues:			
Operating grants	50,000	39,800	(10,200)
Fines and fees	12,000	11,530	(470)
Gifts, memorials and donations	8,000	38,081	30,081
Investment income	1,000	226	(774)
Net decrease in fair value of investments	20,000	(9,540)	(29,540)
Total other revenues	<u>91,000</u>	<u>80,097</u>	<u>(10,903)</u>
Total revenues	<u>1,053,963</u>	<u>987,473</u>	<u>(66,490)</u>
Expenditures			
Cultural:			
Salaries	506,620	525,708	19,088
Audio visual materials	21,000	10,294	(10,706)
Books	69,250	46,445	(22,805)
Periodicals	-	3,275	3,275
Other media	-	14,527	14,527
Library programs	22,000	13,432	(8,568)
Office supplies	14,000	20,255	6,255
Printing	10,000	8,573	(1,427)
Postage	2,500	1,877	(623)
Legal fees	6,000	6,887	887
Public information	2,200	2,460	260
Health insurance	31,000	33,162	2,162
Library promotion and miscellaneous service fees	19,000	35,183	16,183
Utilities	39,000	26,291	(12,709)
Telephone	13,500	19,836	6,336
Contingency	3,000	1,945	(1,055)
Strategic initiatives	500	-	(500)
Accounting	15,000	11,875	(3,125)
Service contracts	50,500	55,135	4,635
Grants	50,000	29,732	(20,268)
Professional education and training - trustees	500	706	206
Professional education and training - staff	8,950	4,153	(4,797)
Total cultural expenditures	<u>884,520</u>	<u>871,751</u>	<u>(12,769)</u>

**NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Final Budget</u>
Debt Service:			
Principal	39,100	27,000	(12,100)
Interest	18,559	11,793	(6,766)
Total Debt Service	<u>57,659</u>	<u>38,793</u>	<u>(18,866)</u>
Capital outlay:			
Information technology	53,300	75,725	22,425
Total capital outlay	<u>53,300</u>	<u>75,725</u>	<u>22,425</u>
Total expenditures	<u>995,479</u>	<u>986,269</u>	<u>(9,210)</u>
Net change in fund balance	<u>\$ 58,484</u>	<u>1,204</u>	<u>\$ (57,280)</u>
Fund balance, beginning		<u>1,440,067</u>	
Fund balance, ending		<u>\$ 1,441,271</u>	

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original/Final Budget	Actual	Variance Over (Under) Final Budget
Revenues			
Property taxes	\$ 49,418	\$ 46,335	\$ (3,083)
Total revenues	<u>49,418</u>	<u>46,335</u>	<u>(3,083)</u>
Expenditures			
Cultural:			
Building supplies and maintenance	12,000	4,687	(7,313)
Building repairs	32,000	3,638	(28,362)
Casual labor and fees	1,750	1,007	(743)
Total cultural expenditures	<u>45,750</u>	<u>9,332</u>	<u>(36,418)</u>
Capital outlay	-	12,352	12,352
Total expenditures	<u>45,750</u>	<u>21,684</u>	<u>(24,066)</u>
Net change in fund balance	<u>\$ 3,668</u>	<u>24,651</u>	<u>\$ 20,983</u>
Fund balance, beginning		<u>(158,975)</u>	
Fund balance, ending		<u>\$ (134,324)</u>	

**NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2021**

Last 3 Calendar Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Pension Liability			
Service cost	\$ 32,194	\$ 28,047	\$ 24,570
Interest	29,183	22,045	921
Changes of benefit terms	-	-	-
Differences between expected and actual experience	7,968	46,291	255,157
Changes of assumptions	(4,639)	-	9,394
Benefit payments, including refunds of member contributions	-	-	-
Net Change in Total Pension Liability	<u>64,706</u>	<u>96,383</u>	<u>290,042</u>
Total Pension Liability - Beginning	<u>386,425</u>	<u>290,042</u>	<u>-</u>
Total Pension Liability - Ending (a)	<u>\$ 451,131</u>	<u>\$ 386,425</u>	<u>\$ 290,042</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 35,518	\$ 31,651	\$ 7,349
Contributions - member	15,967	17,728	91,210
Net investment income	14,243	8,096	-
Benefit payments, including refunds of member contributions	-	-	-
Other	(2,141)	(2,986)	(382)
Net Change in Fiduciary Net Position	<u>\$ 63,587</u>	<u>\$ 54,489</u>	<u>\$ 98,177</u>
Plan Fiduciary Net Position - Beginning	<u>152,666</u>	<u>98,177</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 216,253</u>	<u>\$ 152,666</u>	<u>\$ 98,177</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ 234,878</u>	<u>\$ 233,759</u>	<u>\$ 191,865</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.94%	39.51%	33.85%
Covered-Employee Payroll	\$ 354,822	\$ 342,652	\$ 81,748
Net Pension Liability as a Percentage of Covered-Employee Payroll	66.20%	68.22%	234.70%

Note to Schedule:

The District became a member of IMRF on October 1, 2018. Information is presented for those years for which it was available.

**NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
JUNE 30, 2021**

Last 3 Fiscal Years

	2021	2020	2019
Actuarially Determined Contribution	\$ 35,518	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	39,325	35,281	22,326
Contribution Deficiency (Excess)	(3,807)	(35,281)	(22,326)
Covered-Employee Payroll	354,822	342,652	81,748
Contributions as a Percentage of Covered-Employee Payroll	11.08%	10.30%	27.31%

Notes to Schedule:

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which is 6 months prior to the beginning of the fiscal year in which contributions are reported

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%

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 2014-2016

Mortality

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

There were no benefit changes during the year.

Information is presented for those years for which it was available.

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT

Notes to the Required Supplementary Information
JUNE 30, 2021

NOTE 1. BUDGETS

Budgets for funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The following procedures are used to establish the budgets:

- (a) The District's Director submits a proposed operating budget to the Board of Trustees for approval.
- (b) The Board of Trustees makes any adjustments to the budget deemed necessary and approves the proposed budget and appropriation ordinance.
- (c) Notice is published in a newspaper that the tentative Annual Budget and Appropriation Ordinance of the District is available for inspection and then is subsequently presented at a public hearing.
- (d) The District's Board of Trustees adopts the Annual Budget and Appropriation Ordinance after the public hearing.

Expenditures may not legally exceed the budgeted appropriations at the fund level. The budget may be amended by the District's Board of Trustees. There were no amendments to the budget for the year ended June 30, 2021.

NOTE 2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Expenditures did not exceed the appropriations for the year ended June 30, 2021 for the general fund or the building fund.

COMBINING FINANCIAL STATEMENTS

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Assets	Special Revenue Fund						Total
	Liability Insurance	Audit	Unemployment Insurance	IMRF	Social Security		
Cash and investments	\$ 42,923	\$ 4,281	\$ 4,404	\$ -	\$ -	\$ -	\$ 51,608
Property tax receivables	2,200	3,575	825	6,326	17,467		30,393
Prepaid expenses	379	-	-	-	-	-	379
Total assets	45,502	7,856	5,229	6,326	17,467		82,380
Liabilities							
Accounts payable	-	-	-	3,772	-	-	3,772
Interfund balances	-	-	-	38,933	3,185	-	42,118
Total liabilities	-	-	-	42,705	3,185	-	45,890
Deferred inflows of resources							
Unearned property tax revenue	2,200	3,575	825		17,467		30,393
Total deferred inflows of resources	2,200	3,575	825	6,326	17,467		30,393
Fund balances							
Nonspendable	379	-	-	-	-	-	379
Restricted	42,923	-	2,336	-	-	-	45,259
Committed	-	4,281	2,068	-	-	-	6,349
Unassigned	-	-	-	(42,705)	(3,185)	-	(45,890)
Total fund balances	43,302	4,281	4,404	(42,705)	(3,185)		6,097
Total liabilities, deferred inflows of resources and fund balances	\$ 45,502	\$ 7,856	\$ 5,229	\$ 6,326	\$ 17,467	\$ -	\$ 82,380

NORTH RIVERSIDE PUBLIC LIBRARY DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Fund					Total
	Liability Insurance	Audit	Unemployment Insurance	IMRF	Social Security	
Revenues						
Property taxes	\$ 4,327	\$ 7,128	\$ 1,527	\$ 12,730	\$ 34,879	\$ 60,591
Total revenues	<u>4,327</u>	<u>7,128</u>	<u>1,527</u>	<u>12,730</u>	<u>34,879</u>	<u>60,591</u>
Expenditures						
Liability insurance	17,590	-	-	-	-	17,590
Audit fees	-	10,000	-	-	-	10,000
Unemployment insurance	-	-	420	-	-	420
Pension	-	-	-	-	-	-
Social security	-	-	-	39,325	-	39,325
Total expenditures	<u>17,590</u>	<u>10,000</u>	<u>420</u>	<u>39,325</u>	<u>39,807</u>	<u>39,807</u>
Net change in fund balances	<u>(13,263)</u>	<u>(2,872)</u>	<u>1,107</u>	<u>(26,595)</u>	<u>(4,928)</u>	<u>(46,551)</u>
Fund Balance - Beginning of year	<u>56,565</u>	<u>7,153</u>	<u>3,297</u>	<u>(16,110)</u>	<u>1,743</u>	<u>52,648</u>
Fund Balance - End of year	<u>\$ 43,302</u>	<u>\$ 4,281</u>	<u>\$ 4,404</u>	<u>\$ (42,705)</u>	<u>\$ (3,185)</u>	<u>\$ 6,097</u>