

**LINCOLNWOOD PUBLIC
LIBRARY DISTRICT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**



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Independent Auditor's Report

Board of Trustees
Lincolnwood Public Library District
Lincolnwood, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincolnwood 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 Lincolnwood 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

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 5 and page 17 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 Lincolnwood Public Library District's 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 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 information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

ATA Group, LLP

October 20, 2021

Management's Discussion and Analysis

Management of Lincolnwood Public Library District provides this narrative overview and analysis for the fiscal year ended June 30, 2021. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the District's financial statements. The statements presented include a Governmental Funds Balance Sheet and Statement of Net Position, a Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities, and notes to the 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 financial statements to the government-wide statements.

Financial Highlights

The District's total net position as of June 30, 2021 and 2020 were \$7,451,143 and \$7,395,999, respectively. For the years ended June 30, 2021 and 2020, net position increased \$55,144 and \$50,090, respectively. The term "net position" represents the difference between total assets and total liabilities/deferred inflows of resources.

Financial Statements

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

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

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

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of a comparison of appropriation to actual revenues and expenditures.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. The District's assets exceed liabilities/deferred inflows of resources by \$7,451,143 as of the close of the year. Of the net position balance, \$199,395 is restricted, \$2,426,402 is unrestricted and \$4,825,346 is the net investment in capital assets.

Management's Discussion and Analysis

Condensed Statement of Net Position

	June 30,	
	2021	2020
Current Assets	\$ 4,153,314	\$ 3,781,162
Capital Assets, net of Accumulated Depreciation	6,549,318	6,915,541
Total Assets	10,702,632	10,696,703
Current Liabilities	167,688	165,632
Non-Current Liabilities	1,723,972	1,894,083
Total Liabilities	1,891,660	2,059,715
Deferred Inflows of Resources	1,359,829	1,240,989
Net Position		
Net Investment in Capital Assets	4,825,346	5,021,458
Restricted	199,395	186,264
Unrestricted	2,426,402	2,188,277
Total Net Position	\$ 7,451,143	\$ 7,395,999

Condensed Statement of Activities

	For Years Ended June 30,	
	2021	2020
Revenues		
Property Taxes	\$ 2,674,549	\$ 2,589,924
Grants	23,570	15,738
Fines, Fees and Other	1,657	12,491
Gifts and Memorials	200	30
Interest Income	3,439	29,226
Total Revenues	2,703,415	2,647,409
Expenses		
Library Materials	176,486	168,808
Supplies	23,750	29,484
Outside Services	39,214	49,964
Operating	156,103	146,994
Training and Development	29,926	36,100
Community Relations	30,620	25,419
Salaries and Benefits	1,292,409	1,240,333
Capital Equipment and Lease	37,551	38,199
Contingency and Other	3,082	1,974
Building Maintenance	127,972	115,405
Social Security	83,857	83,688
Liability Insurance	22,208	21,838
Audit	9,600	9,600
Special Reserve	24,465	45,682
Interest and Fees	45,689	48,240
Depreciation	545,339	535,591
Total Expenses	2,648,271	2,597,319
Increase (Decrease) in Net Position	55,144	50,090
Net Position, Beginning of Year	7,395,999	7,345,909
Net Position, End of Year	\$ 7,451,143	\$ 7,395,999

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>Increase (Decrease)</u>	<u>Fund Balance June 30, 2021</u>
General	\$ 1,934,088	\$ 120,026	\$ 2,054,114
Building Maintenance	100,356	3,124	103,480
Social Security	60,301	18,688	78,989
Liability Insurance	20,596	(7,731)	12,865
Audit	5,011	(950)	4,061
Special Reserve	319,570	122,119	441,689
	<u>\$ 2,439,922</u>	<u>\$ 255,276</u>	<u>\$ 2,695,198</u>

The General Fund transferred \$200,000 to the Special Reserve Fund.

Budgetary Highlight

The District's General Fund expended \$2,126,621, which was \$1,015,672 less than the final appropriation of \$3,142,293.

Capital Assets and Debt Administration

The following is a summary of capital assets on June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 829,514	\$ 829,514
Sculpture	18,000	18,000
Land Improvements	650,777	650,777
Building and Improvements	7,730,710	7,730,710
Furniture and Equipment	586,576	551,067
Computer Equipment	40,683	30,986
Books and Other Library Materials	843,785	971,307
	<u>10,700,045</u>	<u>10,782,361</u>
Cost of Capital Assets		
	10,700,045	10,782,361
Less Accumulated Depreciation	<u>4,150,727</u>	<u>3,866,820</u>
Net Capital Assets	<u>\$ 6,549,318</u>	<u>\$ 6,915,541</u>

Significant capital asset purchases during the year include computer equipment, security equipment and shelving. Note 4 on page 13 contains more detail on capital assets. During the year, the District retired \$165,000 in debt certificates bringing the outstanding balance to \$1,700,000. Note 5 on pages 13 and 14 contains more details.

Description of Current or Expected Conditions

Presently, 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.

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 Library Director, Lincolnwood Public Library District, 4000 W. Pratt Avenue, Lincolnwood, Illinois 60712-3531.

Basic Financial Statements

LINCOLNWOOD 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 10)	STATEMENT OF NET POSITION
ASSETS						
Cash	\$ 2,111,690	\$ 461,620	\$ 201,604	\$ 2,774,914	\$ -	\$ 2,774,914
Property Taxes Receivable, net of allowance of \$87,667	1,221,672	-	138,158	1,359,830	-	1,359,830
Other Receivables	18,570	-	-	18,570	-	18,570
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	6,549,318	6,549,318
Total Assets	<u>\$ 3,351,932</u>	<u>\$ 461,620</u>	<u>\$ 339,762</u>	<u>\$ 4,153,314</u>	<u>6,549,318</u>	<u>10,702,632</u>
LIABILITIES						
Accounts Payable	\$ 15,842	\$ 19,931	\$ 2,210	\$ 37,983	-	37,983
Accrued Salaries	60,304	-	-	60,304	-	60,304
Accrued Compensated Absences	-	-	-	-	61,184	61,184
Accrued Interest Payable	-	-	-	-	8,217	8,217
Long-Term Liabilities						
Due within one year	-	-	-	-	174,795	174,795
Due after one year	-	-	-	-	1,549,177	1,549,177
Total Liabilities	76,146	19,931	2,210	98,287	1,793,373	1,891,660
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	1,221,672	-	138,157	1,359,829	-	1,359,829
Total Liabilities and Deferred Inflows of Resources	<u>1,297,818</u>	<u>19,931</u>	<u>140,367</u>	<u>1,458,116</u>	<u>1,793,373</u>	<u>3,251,489</u>
FUND BALANCES / NET POSITION						
Fund Balances						
Restricted for Statutory Purposes	-	-	199,395	199,395	(199,395)	-
Committed for Capital Projects	-	441,689	-	441,689	(441,689)	-
Unassigned	2,054,114	-	-	2,054,114	(2,054,114)	-
Total Fund Balances	<u>2,054,114</u>	<u>441,689</u>	<u>199,395</u>	<u>2,695,198</u>	<u>(2,695,198)</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 3,351,932</u>	<u>\$ 461,620</u>	<u>\$ 339,762</u>	<u>\$ 4,153,314</u>		
Net Position						
Net Investment in Capital Assets					4,825,346	4,825,346
Restricted					199,395	199,395
Unrestricted					2,426,402	2,426,402
Total Net Position					<u>\$ 7,451,143</u>	<u>\$ 7,451,143</u>

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

Basic Financial Statements

LINCOLNWOOD 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 10)	STATEMENT OF ACTIVITIES
REVENUES						
Property Taxes	\$2,418,055	\$ -	\$ 256,494	\$ 2,674,549	\$ -	\$ 2,674,549
Grants	23,570	-	-	23,570	-	23,570
Fines, Fees and Other	1,657	-	-	1,657	-	1,657
Gifts and Memorials	200	-	-	200	-	200
Interest Income	3,165	-	274	3,439	-	3,439
Total Revenues	<u>2,446,647</u>	<u>-</u>	<u>256,768</u>	<u>2,703,415</u>	<u>-</u>	<u>2,703,415</u>
EXPENDITURES / EXPENSES						
Library Materials	296,284	-	-	296,284	(119,798)	176,486
Supplies	23,750	-	-	23,750	-	23,750
Outside Services	39,214	-	-	39,214	-	39,214
Operating	156,103	-	-	156,103	-	156,103
Training and Development	29,926	-	-	29,926	-	29,926
Community Relations	30,620	-	-	30,620	-	30,620
Salaries and Benefits	1,287,839	-	-	1,287,839	4,570	1,292,409
Capital Equipment and Lease	43,453	-	-	43,453	(5,902)	37,551
Contingency and Other	3,082	-	-	3,082	-	3,082
Building Maintenance	-	-	127,972	127,972	-	127,972
Social Security	-	-	83,857	83,857	-	83,857
Liability Insurance	-	-	22,208	22,208	-	22,208
Audit	-	-	9,600	9,600	-	9,600
Special Reserve	-	77,881	-	77,881	(53,416)	24,465
Debt Certificate Principal	165,000	-	-	165,000	(165,000)	-
Interest and Fees	51,350	-	-	51,350	(5,661)	45,689
Depreciation	-	-	-	-	545,339	545,339
Total Expenditures / Expenses	<u>2,126,621</u>	<u>77,881</u>	<u>243,637</u>	<u>2,448,139</u>	<u>200,132</u>	<u>2,648,271</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	320,026	(77,881)	13,131	255,276	(200,132)	-
OTHER FINANCING SOURCES (USES)						
Operating Transfer	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	120,026	122,119	13,131	255,276	(255,276)	-
Change in Net Position	-	-	-	-	55,144	55,144
FUND BALANCES / NET POSITION						
Beginning of Year	<u>1,934,088</u>	<u>319,570</u>	<u>186,264</u>	<u>2,439,922</u>	<u>4,956,077</u>	<u>7,395,999</u>
End of Year	<u>\$2,054,114</u>	<u>\$ 441,689</u>	<u>\$ 199,395</u>	<u>\$ 2,695,198</u>	<u>\$ 4,755,945</u>	<u>\$ 7,451,143</u>

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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The financial statements of Lincolnwood Public Library District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) 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 Governmental Accounting Standards Board (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 combines 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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

restricted to expenditures for specified purposes. The special revenue funds of the District are: Building Maintenance, Social Security, Liability Insurance and Audit.

Capital Projects Fund Type - Used to account for the acquisition of capital assets or construction of major capital projects. The Special Reserve Fund is used in this fund type.

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 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. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Typically, Cook County has accelerated collections of taxes so that a substantial amount of property taxes receivable at year end are now collected within 60 days after year end. This year these collections are occurring later. The District has not treated these funds as being available for the year ended June 30, 2021, and the District has designated the second installment for the subsequent year budget. As such, the entire property tax receivable at year end has been treated as deferred inflows of resources.

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 statement of net position 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 and in a NOW account. 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,

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 ICLS 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.

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

Land Improvements	10-20 years
Building and Improvements	5-40 years
Furniture and Equipment	5-20 years
Computer Equipment	3-5 years
Books and Other Library Materials	6-7 years

Effective July 1, 2005, the minimum capitalization threshold is any item with a total cost greater than \$2,500, except for books and other library materials.

Fund Financial Statements

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

G. 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. Vacation pay is expected be liquidated with expendable available financial resources and is reported as an expenditure and a liability in the government-wide statements.

Note 1: Summary of Significant Accounting Policies (Continued)

H. Deferred Inflows of Resources

The District follows GASB Statement 65 which pertains to classification of certain items previously reported as assets and liabilities. The District has only one type of item, under the modified accrual basis of accounting, which is affected by this change in classification; deferred property taxes. Deferred 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.

I. Interfund Transactions

Interfund transfers between the General Fund and the Special Reserve Fund are reported as operating transfers. The purpose of these transfers is to accumulate resources for future capital acquisitions.

J. 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 inventory) 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 delegates the authority;
- 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. Assigned fund balance is established by the board of trustees or management through adoption or amendment of the budget as intended for specific purpose.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

K. 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.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as a liability in the statement of net position. Bond premiums are deferred and amortized over the life of the bonds using a weighted average. Bonds payable are reported including the applicable bond premium.

M. Interest Income Allocation

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

Note 2: Deposits

At year-end, the carrying amount of the District's deposits, excluding petty cash of \$300, was \$2,774,614 and the bank balance was \$2,812,759. The entire bank balance was covered by federal depository insurance (\$500,000) and collateral with securities held by pledging institution's agent in the District's name (\$2,312,759).

Note 3: Property Taxes

Property taxes for 2020 attached as an enforceable lien on property as of January 1, 2020. They were levied in November 2020 by passage of a Tax Levy Ordinance. Taxes are generally payable in two installments on or around March 1 and August 1 (October 1 this year). As such, significant tax monies are received in February, March, July and August (October this year). The County of Cook collects such taxes and remits them periodically during the period of February 2021 through January 2022. The second installment of the 2020 property tax levy is recorded as a receivable and deferred inflows of resources at June 30, 2021 net of estimated uncollectibles. The District has provided an allowance for uncollectible real property taxes equivalent to 3% of the current year's levy. All uncollected taxes relating to prior years' levies have been written off. The second installment will be used for year ending June 30, 2022 operations and is reflected as deferred inflows of resources at June 30, 2021.

Notes to Financial Statements

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	\$ 829,514	\$ -	\$ -	\$ 829,514
Sculpture	18,000	-	-	18,000
Total capital assets not being depreciated	<u>847,514</u>	<u>-</u>	<u>-</u>	<u>847,514</u>
Capital assets, being depreciated				
Land Improvements	650,777	-	-	650,777
Building and Improvements	7,730,710	-	-	7,730,710
Furniture and Equipment	551,067	35,509	-	586,576
Computer Equipment	30,986	23,809	(14,112)	40,683
Books and Other Library Materials	971,307	119,798	(247,320)	843,785
Total capital assets being depreciated	<u>9,934,847</u>	<u>179,116</u>	<u>(261,432)</u>	<u>9,852,531</u>
Less accumulated depreciation for				
Land Improvements	358,170	32,539	-	390,709
Building and Improvements	2,835,108	307,832	-	3,142,940
Furniture and Equipment	169,508	48,764	-	218,272
Computer Equipment	30,124	3,243	(14,112)	19,255
Books and Other Library Materials	473,910	152,961	(247,320)	379,551
Total accumulated depreciation	<u>3,866,820</u>	<u>545,339</u>	<u>(261,432)</u>	<u>4,150,727</u>
Total capital assets being depreciated, net	<u>6,068,027</u>	<u>(366,223)</u>	<u>-</u>	<u>5,701,804</u>
Capital assets, net	<u>\$ 6,915,541</u>	<u>\$ (366,223)</u>	<u>\$ -</u>	<u>\$ 6,549,318</u>

Note 5: Long-Term Debt

Debt Certificates to a Bank. The District issued debt certificates in 2016 to provide funds to finance a renovation project at the library. The debt certificates have been designated as term certificates and have mandatory sinking fund payments due through November 1, 2029. There is a call option on November 1, 2024.

Long-term debt consists of the following debt certificates:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due In One Year
\$2,490,000 thirteen year debt certificates dated May 3, 2016 with interest rates of 2.0% and 3.0%.	\$ 1,865,000	\$ -	\$ (165,000)	\$ 1,700,000	\$ 170,000
Plus (Minus) Deferred Amounts For Issuance Premium	<u>29,083</u>	<u>-</u>	<u>(5,111)</u>	<u>23,972</u>	<u>4,795</u>
	<u>\$ 1,894,083</u>	<u>\$ -</u>	<u>\$ (170,111)</u>	<u>\$ 1,723,972</u>	<u>\$ 174,795</u>

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

Annual debt service requirements to maturity for debt certificates, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
2022	\$ 170,000	\$ 47,600	\$ 217,600	2.00%
2023	170,000	43,350	213,350	3.00%
2024	175,000	38,175	213,175	3.00%
2025	185,000	32,775	217,775	3.00%
2026	190,000	27,150	217,150	3.00%
2027	195,000	21,375	216,375	3.00%
2028	200,000	15,450	215,450	3.00%
2029	205,000	9,375	214,375	3.00%
2030	<u>210,000</u>	<u>3,150</u>	<u>213,150</u>	3.00%
Total	<u>\$ 1,700,000</u>	<u>\$ 238,400</u>	<u>\$ 1,938,400</u>	

Note 6: Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan (Schwab Personal Choice Retirement Account), available to all full time employees, permits them to defer a portion of their salary until future years.

Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation are deferred under the plan or held in trust on behalf of the employees and are fully vested. Accordingly, the assets are not reported in these financial statements. Furthermore, the District made contributions of either 5% or 10% of the eligible employee's compensation, depending on their employee classification. This feature is available to all full time employees with one year of service (earlier for the Director and department heads). For the year ended June 30, 2021, the District contributed \$77,140 to the deferred compensation plan, whereas employees contributed \$19,482.

Note 7: 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; and natural disasters for which the District carries commercial insurance. Settlements did not exceed coverage during the year.

Note 8: Operating Leases

The District is committed under a lease for photocopy equipment. The lease is considered for accounting purposes to be an operating lease.

Notes to Financial Statements

Note 8: Operating Leases (Continued)

Lease expenditures for the year ended June 30, 2021 amounted to \$4,050. Future minimum lease payments for the equipment lease are as follows:

Year Ending June 30	
2022	\$ 3,980
2023	3,980
2024	<u>2,654</u>
	<u>\$ 10,614</u>

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 \$63,513. The District received \$16,245 in rebates and grant passthrough during the year as well.

Note 10: 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.	\$ 6,549,318
Accrued compensated absences are recognized in governmental activities as they accrue.	(61,184)
Interest payable is recognized in governmental activities as it accrues.	(8,217)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	<u>(1,723,972)</u>
	<u>\$ 4,755,945</u>

The governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation exceeded capital outlays is \$366,223 (\$545,339 less \$179,116). Also, there is a change in accrued compensated

Notes to Financial Statements

Note 10: Adjustments (Continued)

absences of \$4,570. Furthermore there was a change in accrued interest payable of \$550 and amortization of debt premium of \$5,111. Finally, there was a debt certificate payment of \$165,000.

Note 11: Contingency

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

Required Supplementary Information

LINCOLNWOOD PUBLIC LIBRARY DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
REVENUES			
Property Taxes	\$ 2,422,470	\$ 2,422,470	\$ 2,418,055
Fines, Fees, Grants, Gifts and Other	28,050	28,050	25,427
Interest Income	23,100	23,100	3,165
Total Revenues	<u>2,473,620</u>	<u>2,473,620</u>	<u>2,446,647</u>
EXPENDITURES			
Library Materials	465,348	465,348	296,284
Supplies	55,081	55,081	23,750
Outside Services	62,192	62,192	39,214
Operating	213,980	213,980	156,103
Training and Development	44,005	44,005	29,926
Community Relations	37,060	37,060	30,620
Salaries and Benefits	1,766,508	1,766,508	1,287,839
Capital Equipment and Lease	64,610	64,610	43,453
Debt Service	281,190	281,190	216,350
Contingency and Other	152,319	152,319	3,082
Total Expenditures	<u>3,142,293</u>	<u>3,142,293</u>	<u>2,126,621</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (668,673)</u>	<u>\$ (668,673)</u>	<u>\$ 320,026</u>

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

Additional Information**LINCOLNWOOD PUBLIC LIBRARY DISTRICT****OTHER FUNDS****COMBINING BALANCE SHEET**

JUNE 30, 2021

	<u>BUILDING MAINTENANCE</u>	<u>SOCIAL SECURITY</u>	<u>LIABILITY INSURANCE</u>	<u>AUDIT</u>	<u>TOTAL</u>
ASSETS					
Cash	\$ 104,582	\$ 78,988	\$ 13,973	\$ 4,061	\$ 201,604
Property Taxes Receivable	68,536	55,209	9,654	4,759	138,158
Total Assets	<u>\$ 173,118</u>	<u>\$ 134,197</u>	<u>\$ 23,627</u>	<u>\$ 8,820</u>	<u>\$ 339,762</u>
LIABILITIES					
Accounts Payable	\$ 1,102	\$ -	\$ 1,108	\$ -	\$ 2,210
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	68,536	55,208	9,654	4,759	138,157
Total Liabilities and Deferred Inflows of Resources	<u>69,638</u>	<u>55,208</u>	<u>10,762</u>	<u>4,759</u>	<u>140,367</u>
FUND BALANCES					
Restricted	103,480	78,989	12,865	4,061	199,395
Total Fund Balances	<u>103,480</u>	<u>78,989</u>	<u>12,865</u>	<u>4,061</u>	<u>199,395</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 173,118</u>	<u>\$ 134,197</u>	<u>\$ 23,627</u>	<u>\$ 8,820</u>	<u>\$ 339,762</u>

Additional Information**LINCOLNWOOD PUBLIC LIBRARY DISTRICT****OTHER FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED JUNE 30, 2021

	<u>BUILDING MAINTENANCE</u>	<u>SOCIAL SECURITY</u>	<u>LIABILITY INSURANCE</u>	<u>AUDIT</u>	<u>TOTALS</u>
REVENUES					
Property Taxes	\$ 130,956	\$ 102,467	\$ 14,430	\$ 8,641	\$ 256,494
Interest Income	140	78	47	9	274
Total Revenues	<u>131,096</u>	<u>102,545</u>	<u>14,477</u>	<u>8,650</u>	<u>256,768</u>
EXPENDITURES					
Building Maintenance	127,972	-	-	-	127,972
Social Security	-	83,857	-	-	83,857
Liability Insurance	-	-	22,208	-	22,208
Audit	-	-	-	9,600	9,600
Total Expenditures	<u>127,972</u>	<u>83,857</u>	<u>22,208</u>	<u>9,600</u>	<u>243,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,124	18,688	(7,731)	(950)	13,131
FUND BALANCES					
Beginning of Year	<u>100,356</u>	<u>60,301</u>	<u>20,596</u>	<u>5,011</u>	<u>186,264</u>
End of Year	<u>\$ 103,480</u>	<u>\$ 78,989</u>	<u>\$ 12,865</u>	<u>\$ 4,061</u>	<u>\$ 199,395</u>