

# **CRETE PUBLIC LIBRARY DISTRICT**

**CRETE, ILLINOIS**

## **ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2021**

## CRETE PUBLIC LIBRARY DISTRICT

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
**CRETE PUBLIC LIBRARY DISTRICT**  
Crete, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **CRETE 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 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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## **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 general accepted in the United States of America.

## **Other Matters**

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the accompanying financial information listed as required supplemental information in the table of contents be presented to the 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 supplemental 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 accompanying financial information listed as other supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.



O'NEILL & GASPARDO, LLC  
Mokena, Illinois  
November 3, 2021

## **CRETE PUBLIC LIBRARY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Crete 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 \$3,578,418, an increase of \$51,994 from June 30, 2020.

The District's governmental activities had revenues of \$1,838,731 in the year ended June 30, 2021 compared to revenues of \$1,822,274 in the prior year. The District's governmental activities had expenses of \$1,786,737 in the year ended June 30, 2021 compared to expenses of \$1,973,422 in the prior year. This represented a 0.90% increase in revenues and 9.46% decrease 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, deferred outflows, 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-financials 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,578,418 at the end of the fiscal year. Of the net position balance, \$1,952,398 is invested in capital assets, \$640,894 is restricted and \$985,126 is unrestricted net assets.

## Condensed Statement of Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 3,326,128	\$ 3,270,607
Property tax receivables	1,014,326	919,795
Other receivables	7,188	16,875
Prepaid expenses	9,619	7,113
Total current assets	<u>4,357,261</u>	<u>4,214,390</u>
Capital assets	<u>1,952,398</u>	<u>2,042,921</u>
Total assets	<u>6,309,659</u>	<u>6,257,311</u>
 Deferred outflows of resources	 <u>134,774</u>	 <u>196,058</u>
 Total assets and deferred outflows of resources	 <u>\$ 6,444,433</u>	 <u>\$ 6,453,369</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 91,843	\$ 55,969
Total current liabilities	<u>91,843</u>	<u>55,969</u>
Pension liability	<u>645,234</u>	<u>923,191</u>
Total liabilities	<u>737,077</u>	<u>979,160</u>
Deferred inflows of resources:		
Property taxes	1,826,046	1,783,531
Pension related	302,892	164,254
Total deferred inflows of resources	<u>2,128,938</u>	<u>1,947,785</u>
<b>Net Position</b>		
Net investment in capital assets	1,952,398	2,042,921
Restricted	640,894	637,511
Unrestricted	<u>985,126</u>	<u>845,992</u>
Total net position	<u>3,578,418</u>	<u>3,526,424</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 6,444,433</u>	 <u>\$ 6,453,369</u>

Sixty-eight percent of the District's assets at June 30, 2021 were current and consisted of cash, investments, receivables and prepaid expenses. The remainder was capital (tangible) assets. Twelve percent of liabilities were current. Net investment in capital assets of \$1,952,398 was fifty-five percent of total net position and restricted net position of \$640,894 was eighteen percent of total net position. The remaining net position was unrestricted net assets of \$985,126.

The following summarizes the revenues and expenses of the District’s governmental activities for the fiscal year ended June 30, 2021. Governmental activities increased the District’s net position by \$51,994.

**Condensed Statement of Activities**

	<u>July 1, 2020 to June 30, 2021</u>	<u>July 1, 2019 to June 30, 2020</u>
<b>Revenues</b>		
General Revenues:		
Property taxes	\$ 1,776,422	\$ 1,760,767
Replacement tax	5,072	3,999
Receipts	26,469	18,712
Grants	22,608	22,608
Gifts and donations	6,695	1,676
Investment income	1,465	14,512
Total revenues	<u>1,838,731</u>	<u>1,822,274</u>
<b>Expenses</b>		
Cultural	1,760,197	1,942,226
Capital outlay	26,540	31,196
Total expenses	<u>1,786,737</u>	<u>1,973,422</u>
Change in net position	51,994	(151,148)
Net position, beginning of year	<u>3,526,424</u>	<u>3,677,572</u>
Net position, end of year	<u>\$ 3,578,418</u>	<u>\$ 3,526,424</u>

The statement of activities shows the nature and source of the changes in net position.

The nature of this year’s revenue are quite similar to the previous fiscal year with the majority portion of revenues used to fund cultural expenses. Revenues increased \$16,457 but expenses decreased \$186,685. The decrease in expenses is because the District purchasing fewer materials while the building was closed for several months during the COVID-19 pandemic, and their IMRF return on investment was higher, reducing the District’s expense.

**Budget**

The District did not amend their budget during the fiscal year. The actual funds received for the general fund were \$1,629,188 which was \$24,260 higher than budgeted. Actual expenditures for the general fund of \$1,387,798 were \$384,002 lower than budgeted, due mainly to conservative spending practices.

## Financial Analysis of District's Funds

	<u>General</u>	<u>Special Reserve</u>	<u>Working Cash</u>	<u>Other Funds</u>	<u>Total</u>
Total revenues	\$ 1,629,188	\$ -	\$ -	\$ 209,543	\$ 1,838,731
Total expenditures	1,387,798	159,270	-	227,181	1,774,249
Excess (deficiency) of revenues over (under) expenditures	241,390	(159,270)	-	(17,638)	64,482
Transfers	(150,000)	50,000	-	100,000	-
Change in fund balance	91,390	(109,270)	-	82,362	64,482
Fund balance at June 30, 2020	462,217	1,074,122	611,528	227,023	2,374,890
Fund balance at June 30, 2021	<u>\$ 553,607</u>	<u>\$ 964,852</u>	<u>\$ 611,528</u>	<u>\$ 309,385</u>	<u>\$ 2,439,372</u>

The special reserve fund balance was committed by the Board for maintaining, renovating or enlarging the existing District's property, building repairs and equipment purchases. The working cash fund is restricted for loans to other funds within the District. The other fund balances are primarily restricted or committed for specific purposes. The general fund balance is unrestricted and can be used for any purpose.

At the February 17, 2021 board meeting, the Board of Trustees approved transfers from the general fund of \$50,000 to the special reserve fund, \$50,000 to the IMRF fund, \$30,000 to the FICA fund and \$20,000 to the unemployment compensation fund for future operating expenses of those funds.

### Capital Assets

The District's investment in capital assets, net of accumulated depreciation was \$1,952,398 as of June 30, 2021. This was a decrease of \$90,523 from June 30, 2020 and was due to depreciation expense exceeding fixed asset additions. The following summarizes capital assets.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land	\$ 133,932	\$ 133,932
Building and improvements	4,102,269	3,969,539
Furniture and equipment	419,276	474,097
Library collection	574,908	633,543
Total capital assets	<u>5,230,385</u>	<u>5,211,111</u>
Less: accumulated depreciation	<u>3,277,987</u>	<u>3,168,190</u>
Net capital assets	<u>\$ 1,952,398</u>	<u>\$ 2,042,921</u>

Additional information regarding capital assets may 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 the same as the boundaries for the Village of Crete and Crete Township; 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 Crete and Crete Township. The EAV increased from \$324,160,359 to \$345,318,598. It is likely to decrease somewhat in the following year due to property tax appeals.
- Library systems in Illinois are funded by the State of Illinois. Despite the State's financial constraints, it is hoped that system funds will arrive in a more timely fashion. Resource sharing and delivery of materials continue to be the highest priorities for service. RAILS (Reaching Across Illinois Library System) adopted new membership standards that include ongoing continuing education requirements. RAILS increased continuing education opportunities for its members and offers most at very low or no cost. Many training sessions are offered online which saves staff time and does not require mileage reimbursement. If system funding is decreased, this could have an effect on future continuing education opportunities.
- The SWAN (System Wide Automated Network) consortium provides software and support services for bibliographic and circulation functions of almost 100 libraries. Fees for these vital services were slightly increased this year.
- The District continues to offer a variety of e-resource products, which were heavily used during the District's closure due to the pandemic. The District will continue to increase its digital offerings.
- The District's health insurance pool costs will increase this year.
- It is unknown what impact any State pension reforms or changes to the minimum wage may be forthcoming.
- The District's liability insurance pool conducts annual risk assessment evaluations. The costs have also shown an increase, due to several large claims against other members of the pool. Cyber security is expected to be a growing problem in the future and may be reflected in future rate increases.
- The District has had to expand many more of its resources on PPE and cleaning supplies due to the pandemic. These increased costs will likely continue.

## **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 Executive Director, Crete Public Library District, 1177 N. Main Street, Crete, Illinois 60417.

End of Management's Discussion and Analysis

**CRETE PUBLIC LIBRARY DISTRICT**

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

June 30, 2021

	<u>General</u>	<u>Special Reserve</u>	<u>Working Cash</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:							
Current:							
Cash and investments	\$ 1,327,745	\$ 1,000,930	\$ 611,528	\$ 385,925	\$ 3,326,128	\$ -	\$ 3,326,128
Property tax receivables	918,034	-	-	96,292	1,014,326	-	1,014,326
Other receivables	7,188	-	-	-	7,188	-	7,188
Prepaid expenses	-	-	-	9,619	9,619	-	9,619
Total current	<u>2,252,967</u>	<u>1,000,930</u>	<u>611,528</u>	<u>491,836</u>	<u>4,357,261</u>	<u>-</u>	<u>4,357,261</u>
Noncurrent:							
Land (not depreciated)	-	-	-	-	-	133,932	133,932
Other capital assets, net of depreciation	-	-	-	-	-	1,818,466	1,818,466
Total noncurrent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,952,398</u>	<u>1,952,398</u>
Total assets	<u>2,252,967</u>	<u>1,000,930</u>	<u>611,528</u>	<u>491,836</u>	<u>4,357,261</u>	<u>1,952,398</u>	<u>6,309,659</u>
Deferred outflows of resources:							
Deferred amount of IMRF pension	-	-	-	-	-	134,774	134,774
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,774</u>	<u>134,774</u>
Total assets and deferred outflows of resources	<u>\$ 2,252,967</u>	<u>\$ 1,000,930</u>	<u>\$ 611,528</u>	<u>\$ 491,836</u>	<u>\$ 4,357,261</u>	<u>\$ 2,087,172</u>	<u>\$ 6,444,433</u>

## CRETE PUBLIC LIBRARY DISTRICT

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

June 30, 2021

	General	Special Reserve	Working Cash	Other Funds	Total	Adjustments	Statement of Net Position
Liabilities:							
Current:							
Accounts payable	\$ 10,800	\$ 36,078	\$ -	\$ -	\$ 46,878	\$ -	\$ 46,878
Accrued expenses	35,865	-	-	9,100	44,965	-	44,965
Total current	<u>46,665</u>	<u>36,078</u>	<u>-</u>	<u>9,100</u>	<u>91,843</u>	<u>-</u>	<u>91,843</u>
Noncurrent:							
Net pension liability	-	-	-	-	-	645,234	645,234
Total noncurrent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>645,234</u>	<u>645,234</u>
Total liabilities	<u>46,665</u>	<u>36,078</u>	<u>-</u>	<u>9,100</u>	<u>91,843</u>	<u>645,234</u>	<u>737,077</u>
Deferred inflows of resources:							
Deferred amount of IMRF pension	-	-	-	-	-	302,892	302,892
Unearned property tax revenue:							
Property tax receivable	918,034	-	-	96,292	1,014,326	-	1,014,326
Advance collections	<u>734,661</u>	<u>-</u>	<u>-</u>	<u>77,059</u>	<u>811,720</u>	<u>-</u>	<u>811,720</u>
Total deferred inflows of resources	<u>1,652,695</u>	<u>-</u>	<u>-</u>	<u>173,351</u>	<u>1,826,046</u>	<u>302,892</u>	<u>2,128,938</u>
Fund balances/net position:							
Fund balances:							
Nonspendable	-	-	605,077	9,619	614,696	(614,696)	-
Restricted	-	-	-	35,817	35,817	(35,817)	-
Committed	-	964,852	-	263,949	1,228,801	(1,228,801)	-
Assigned	-	-	6,451	-	6,451	(6,451)	-
Unassigned	<u>553,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>553,607</u>	<u>(553,607)</u>	<u>-</u>
Total fund balances	<u>553,607</u>	<u>964,852</u>	<u>611,528</u>	<u>309,385</u>	<u>2,439,372</u>	<u>(2,439,372)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,252,967</u>	<u>\$ 1,000,930</u>	<u>\$ 611,528</u>	<u>\$ 491,836</u>	<u>\$ 4,357,261</u>		<u>\$ 2,866,015</u>
Net position:							
Net investment in capital assets						1,952,398	1,952,398
Restricted						640,894	640,894
Unrestricted						985,126	985,126
Total net position						<u>\$ 3,578,418</u>	<u>\$ 3,578,418</u>

See accompanying notes and auditor's report.

## CRETE PUBLIC LIBRARY DISTRICT

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### RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2021

Fund balances - governmental funds		\$ 2,439,372
Capital assets are not current financial resources and therefore are not reported on the Governmental Funds Balance Sheet.		1,952,398
Deferred outflows and inflows of resources related to IMRF pension are not current financial resources and therefore are not reported on the Governmental Funds Balance Sheet.		
Deferred outflows	\$ 134,774	
Deferred inflows	<u>(302,892)</u>	
		(168,118)
Liabilities are not due and payable in the current period and therefore are not reported on the Governmental Funds Balance Sheet.		
Net pension liability		<u>(645,234)</u>
Net position of governmental activities		<u>\$ 3,578,418</u>

## CRETE PUBLIC LIBRARY DISTRICT

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

Year Ended June 30, 2021

	General	Special Reserve	Working Cash	Other Funds	Total	Adjustments	Statement of Activities
Revenues:							
Property taxes	\$ 1,566,879	\$ -	\$ -	\$ 209,543	\$ 1,776,422	\$ -	\$ 1,776,422
Replacement taxes	5,072	-	-	-	5,072	-	5,072
Desk receipts	3,899	-	-	-	3,899	-	3,899
Copy machine receipts	6,660	-	-	-	6,660	-	6,660
Grants	22,608	-	-	-	22,608	-	22,608
Gifts and donations	6,695	-	-	-	6,695	-	6,695
Interest	1,465	-	-	-	1,465	-	1,465
Miscellaneous	15,910	-	-	-	15,910	-	15,910
Total revenues	1,629,188	-	-	209,543	1,838,731	-	1,838,731
Expenditures/expenses:							
Current:							
Cultural	1,387,798	-	-	227,181	1,614,979	145,218	1,760,197
Capital outlay	-	159,270	-	-	159,270	(132,730)	26,540
Total expenditures/expenses	1,387,798	159,270	-	227,181	1,774,249	12,488	1,786,737
Excess (deficiency) of revenues over (under) expenditures/expenses	241,390	(159,270)	-	(17,638)	64,482	(12,488)	51,994
Other financing sources (uses):							
Transfers	(150,000)	50,000	-	100,000	-	-	-
Net change in fund balances/net position	91,390	(109,270)	-	82,362	64,482	(12,488)	51,994
Fund balances/net position:							
Beginning of year	462,217	1,074,122	611,528	227,023	2,374,890	1,151,534	3,526,424
End of year	\$ 553,607	\$ 964,852	\$ 611,528	\$ 309,385	\$ 2,439,372	\$ 1,139,046	\$ 3,578,418

## CRETE PUBLIC LIBRARY DISTRICT

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### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

Net change in fund balances - governmental funds \$ 64,482

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	\$ 225,851	
Current year depreciation	<u>(316,374)</u>	
		(90,523)

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 deferred outflows and inflows of resources for IMRF pension plan from the prior year	(199,922)	
Change in net pension liability from the prior year	<u>277,957</u>	
Total adjustments		<u>78,035</u>

Change in net position of governmental activities \$ 51,994

## **CRETE PUBLIC LIBRARY DISTRICT**

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**CRETE PUBLIC LIBRARY DISTRICT** (the “District”) is located in Crete, Illinois. The District was organized under state law to provide cultural and library services to local residents.

In March 2020, the COVID-19 Coronavirus resulted in illness and government actions which disrupted economic activity across the United States. As a result of the spread of COVID-19 and the resulting stay-at-home orders issued by the State of Illinois, the District anticipates disruptions to revenue and its workforce. The extent and duration of these disruptions may be only temporary, however, the related financial impact and duration cannot be reasonably estimated at this time.

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.

##### **A. 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 of 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.

##### **B. 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 desk receipts, meeting room receipts, and grants.

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, special reserve fund and working cash 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.

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Special Reserve Fund – The special reserve fund is used for maintaining, renovating, or enlarging the District’s existing property, building repairs and equipment purchases.

Working Cash Fund – The working cash fund is used to account for financial resources held by the District to be used for temporary interfund loans to certain other funds.

#### C. 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.

#### D. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid expenses.

#### E. 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 estimated fair 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.

## CRETE PUBLIC LIBRARY DISTRICT

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### 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 improvements	10 – 37.5 years
Furniture and equipment	5 years
Library collection (books and audio-visual)	5 years

The minimum capitalization threshold is any item with a total cost greater than \$500, 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.

#### F. Compensated Absences

It is the District's policy that employees cannot carry forward unused vacation time into the next fiscal year. Any vacation time not taken during the year is forfeited and not paid. In addition, it is the District's policy that unused sick leave benefits are not paid to employees upon termination of employment. Based on the above, no accrual for compensated absences is recorded at June 30, 2021.

#### G. 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:

- Deferred inflows related to pensions, which represent pension items that will be recognized in future periods.
- Levied property taxes intended to finance the next fiscal year, which will be recognized as revenue in the next fiscal year.

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### H. 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 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 2019 levy was intended to finance the fiscal year ended June 30, 2021. The most recent levy (2020) is intended to finance the fiscal year ending June 30, 2022. Therefore, property taxes receivable and collection of this levy are recorded as deferred inflows of resources. Property taxes receivable are recognized on the levy date.

The District has not recorded an allowance for uncollectible property taxes for the 2020 levy, since it is estimated that uncollectible amounts, if any, will be insignificant. 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 18, 2020
First installment due	June 3, 2021
Second installment due	September 3, 2021

Property taxes are billed and collected by the County Treasurer of Will County, Illinois. 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 June 2021 and December 2021.

##### I. Elimination and Reclassifications

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

##### J. 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.

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- 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 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.

#### K. Net Position

Net position represents the difference between assets and liabilities. 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.

#### L. 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.

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### 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 issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

##### Benefits Provided

Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 $\frac{3}{4}$ % of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 $\frac{3}{4}$ % 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	13
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>18</u>
<b>Total</b>	<u><u>39</u></u>

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

##### Contributions

As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2020 was 16.19% of members' wages. For the fiscal year ended June 30, 2021, the District contributed \$128,668 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 **Price 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, Amounted-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, Amounted-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.

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 2. DEFINED BENEFIT PENSION PLAN - Continued

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:

<u>Asset class</u>	<u>Portfolio target percentage</u>	<u>Long-term expected real 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%
<b>Total</b>	<u>100%</u>	

The District updated their mortality tables assumptions for calendar year 2020.

#### 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 pension plan investments is 7.25%, the municipal bond rate is 2.00% and the resulting single discount rate is 7.25%.

## CRETE PUBLIC LIBRARY DISTRICT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

##### Changes in the Net Pension Liability

	Total pension liability (A)	Plan fiduciary net position (B)	Net pension liability (A) - (B)
<b>Balances at December 31, 2019</b>	\$ 3,674,267	\$ 2,751,076	\$ 923,191
<b>Changes for the year:</b>			
Service cost	83,929	-	83,929
Interest on the total pension liability	262,687	-	262,687
Changes in benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(6,054)	-	(6,054)
Changes of assumptions	(47,452)	-	(47,452)
Contributions - employer	-	129,497	(129,497)
Contributions - employee	-	35,994	(35,994)
Net investment income	-	399,356	(399,356)
Benefits payments, including refunds of employee contributions	(185,938)	(185,938)	-
Other (net transfers)	-	6,220	(6,220)
Net changes	<u>107,172</u>	<u>385,129</u>	<u>(277,957)</u>
<b>Balances at December 31, 2020</b>	<u>\$ 3,781,439</u>	<u>\$ 3,136,205</u>	<u>\$ 645,234</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% lower (6.25%)	Current discount rate (7.25%)	1% higher (8.25%)
Net pension liability	\$ 4,228,728	\$ 3,781,439	\$ 3,414,582
Plan fiduciary net position	3,136,205	3,136,205	3,136,205
<b>Net pension liability</b>	<u>\$ 1,092,523</u>	<u>\$ 645,234</u>	<u>\$ 278,377</u>

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### 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 \$50,632. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Condensed Statement of Activities</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b><i>Deferred amounts to be recognized in pension expense in future periods</i></b>		
Differences between expected and actual experience	\$ 36,243	\$ 4,759
Changes of assumptions	35,023	54,035
Net difference between projected and actual earnings on pension plan investments	-	244,098
Total deferred amounts to be recognized in pension expense in future periods	71,266	302,892
<b><i>Pension contributions made subsequent to the measurement date</i></b>	63,508	-
<b>Total deferred amounts related to pensions</b>	<b>\$ 134,774</b>	<b>\$ 302,892</b>

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:

<b><u>Year ending December 31,</u></b>	<b>Net deferred outflows of resources</b>
2021	\$ (61,097)
2022	(18,737)
2023	(103,975)
2024	(47,817)
2025	-
Thereafter	-
Total	<b>\$ (231,626)</b>

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 3. CASH AND INVESTMENTS

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

Old Plank Trail Community Bank - Petty cash	\$ 264
Old Plank Trail Community Bank - Checking account	59,930
Old Plank Trail Community Bank - Money market	<u>3,265,934</u>
Total cash and investments	<u>\$ 3,326,128</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 accounts, 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'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 that uninsured investments shall be collateralized by securities or mortgages in an amount equal to at least fair market value of the uninsured amount.
- 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 address this risk.

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 3. CASH AND INVESTMENTS – Continued

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

Insured by federal depository insurance	\$ 250,264
Collateralized by securities held by the pledging financial institution's trust department or agent in the District's name	3,086,924
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>\$ 3,337,188</u>

#### NOTE 4. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not depreciable:				
Land	\$ 133,932	\$ -	\$ -	\$ 133,932
Total capital assets, not depreciable	133,932	-	-	133,932
Capital assets, depreciable:				
Building and improvements	3,969,539	132,730	-	4,102,269
Furniture and equipment	474,097	-	(54,821)	419,276
Library collection	633,543	93,121	(151,756)	574,908
Total capital assets, depreciable	5,077,179	225,851	(206,577)	5,096,453
Less accumulated depreciation for:				
Building and improvements	(2,437,923)	(167,296)	-	(2,605,219)
Furniture and equipment	(401,687)	(28,233)	54,821	(375,099)
Library collection	(328,580)	(120,845)	151,756	(297,669)
Total accumulated depreciation	<u>(3,168,190)</u>	<u>(316,374)</u>	<u>206,577</u>	<u>(3,277,987)</u>
Capital assets, net	<u>\$ 2,042,921</u>	<u>\$ (90,523)</u>	<u>\$ -</u>	<u>\$ 1,952,398</u>

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 5. LONG-TERM LIABILITY

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Net pension liability	\$ 923,191	\$ -	\$ (277,957)	\$ 645,234	\$ -
Total	<u>\$ 923,191</u>	<u>\$ -</u>	<u>\$ (277,957)</u>	<u>\$ 645,234</u>	<u>\$ -</u>

The IMRF fund is used to liquidate the net pension liability.

#### NOTE 6. 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 has membership with Libraries of Illinois Risk Agency ("LIRA") to overcome these risks. LIRA is a cooperative agency voluntarily established by contracting public libraries, library districts, library systems and other units of government pursuant to Article VII, Section 10 of the 1970 Constitution of the State of Illinois and 5 ILCS 220/6 of the Illinois Compiled Statutes for the purpose of seeking prevention or reduction of casualty losses to governmental properties and injuries to persons or property which might result in claims being made against member units, their officers and employees.

The relationship, including rights and responsibilities of the District and LIRA, is governed by an intergovernmental contract, which may be obtained from the District. In accordance with this contract, the District is obligated to report claims on a timely basis, follow risk management procedures adopted by LIRA, provide necessary information to LIRA, cooperate with LIRA's attorneys and staff and timely pay all contributions. LIRA has a Board of Directors that is responsible for administering the intergovernmental contract and managing the operating and reserve funds. The Board of Directors is elected or appointed by LIRA members, including the District.

There were no significant reductions in insurance coverage during the fiscal year ended June 30, 2021, and claims have not exceeded coverage in the last three years.

## CRETE PUBLIC LIBRARY DISTRICT

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### 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>Special Reserve</u>	<u>Working Cash</u>	<u>Other Funds</u>
Fund balance:				
Nonspendable for short-term loans to other funds and prepaid expenses:				
Interfund loans	\$ -	\$ -	\$ 605,077	\$ -
Prepaid expenses	-	-	-	9,619
Restricted due to enabling legislation (tax levy):				
Public liability insurance	-	-	-	34,743
Unemploy. compens.	-	-	-	111
Workmen's comp.	-	-	-	963
Committed by Board of Trustees:				
Special reserve	-	964,852	-	-
IMRF	-	-	-	123,389
FICA	-	-	-	94,946
Audit	-	-	-	25,614
Unemploy. compens.	-	-	-	20,000
Assigned for:				
Future operating expenditures	-	-	6,451	-
Unassigned	<u>553,607</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 553,607</u>	<u>\$ 964,852</u>	<u>\$ 611,528</u>	<u>\$ 309,385</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 tax levies for:

Working cash	\$ 605,077
Public liability insurance	34,743
Unemploy. compens.	111
Workmen's comp.	963
Total restricted by tax levies	<u>\$ 640,894</u>

## **CRETE PUBLIC LIBRARY DISTRICT**

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

#### **NOTE 9. OTHER FUND DISCLOSURES**

Accounting principles generally accepted in the United State of America require disclosure of certain information concerning individual funds. Fund transfers of \$50,000 were made from the general fund to the special reserve fund, and \$100,000 from the general fund to the non-major funds in the year ended June 30, 2021. These transfers were approved by the Board of Trustees to cover current and future expenses of these funds.

#### **NOTE 10. 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.

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***REQUIRED  
SUPPLEMENTAL INFORMATION***

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## CRETE PUBLIC LIBRARY DISTRICT

### GENERAL FUND

#### SCHEDULE OF REVENUES AND EXPENDITURES -

#### ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL

Year Ended June 30, 2021

	Original / Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 1,553,071	\$ 1,566,879	\$ 13,808
Other revenues:			
Replacement taxes	-	5,072	5,072
Desk receipts	4,440	3,899	(541)
Meeting room receipts	670	-	(670)
Copy machine receipts	8,232	6,660	(1,572)
Grants	22,607	22,608	1
Gifts and donations	1,676	6,695	5,019
Interest	14,232	1,465	(12,767)
Miscellaneous	-	15,910	15,910
Total other revenues	<u>51,857</u>	<u>62,309</u>	<u>10,452</u>
Total revenues	1,604,928	1,629,188	24,260
Expenditures:			
Personnel:			
Salaries	980,000	941,266	(38,734)
Health insurance	80,000	58,283	(21,717)
Staff/board development	7,000	3,386	(3,614)
Total personnel	<u>1,067,000</u>	<u>1,002,935</u>	<u>(64,065)</u>
Library services:			
Collection development	180,000	93,121	(86,879)
Programming	18,000	5,785	(12,215)
Supplies	33,400	20,454	(12,946)
Printing/postage	12,000	5,360	(6,640)
Public info/outreach	8,000	1,411	(6,589)
Total library services	<u>251,400</u>	<u>126,131</u>	<u>(125,269)</u>
Automation services:			
Support services	60,000	61,598	1,598
Equipment and supplies	50,000	31,923	(18,077)
Utilities	12,000	4,111	(7,889)
Total automation services	<u>122,000</u>	<u>97,632</u>	<u>(24,368)</u>

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## CRETE PUBLIC LIBRARY DISTRICT

### GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL Year Ended June 30, 2021

Continued from previous page...

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Building and grounds:			
Maintenance services	65,000	47,908	(17,092)
Furniture and equipment	50,000	17,332	(32,668)
Equipment maintenance	14,400	11,848	(2,552)
Supplies	45,000	13,515	(31,485)
Total building and grounds	174,400	90,603	(83,797)
Utilities:			
Electric	60,000	38,783	(21,217)
Gas	20,000	9,136	(10,864)
Telephone	4,000	2,743	(1,257)
Other	2,000	1,377	(623)
Total utilities	86,000	52,039	(33,961)
Contractual services:			
Legal	30,000	880	(29,120)
Accounting	5,000	3,193	(1,807)
Consulting	30,000	12,610	(17,390)
Total contractual services	65,000	16,683	(48,317)
Contingency	6,000	1,775	(4,225)
Total expenditures	1,771,800	1,387,798	(384,002)
Excess (deficiency) of revenues over (under) expenditures	(166,872)	241,390	408,262
Other financing sources (uses):			
Transfers	-	(150,000)	(150,000)
Net change in fund balance	<u>\$ (166,872)</u>	91,390	<u>\$ 258,262</u>
Fund balance, beginning		<u>462,217</u>	
Fund balance, ending		<u>\$ 553,607</u>	

## CRETE PUBLIC LIBRARY DISTRICT

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

June 30, 2021

Calendar year ended December 31,	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability:</b>							
Service cost	\$ 83,929	\$ 82,306	\$ 76,387	\$ 71,074	\$ 81,030	\$ 67,532	\$ 70,005
Interest on the total pension liability	262,687	250,115	239,090	231,049	217,376	179,630	162,893
Change in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	(6,054)	24,882	24,711	86,306	52,947	397,478	(22,264)
Changes of assumptions	(47,452)	-	97,831	(111,492)	(25,903)	10,454	132,266
Benefit payments, including refunds of employee contributions	(185,938)	(183,492)	(174,466)	(170,302)	(160,636)	(127,565)	(95,374)
<b>Net change in total pension liability</b>	<b>107,172</b>	<b>173,811</b>	<b>263,553</b>	<b>106,635</b>	<b>164,814</b>	<b>527,529</b>	<b>247,526</b>
<b>Total pension liability - beginning</b>	<b>3,674,267</b>	<b>3,500,456</b>	<b>3,236,903</b>	<b>3,130,268</b>	<b>2,965,454</b>	<b>2,437,925</b>	<b>2,190,399</b>
<b>Total pension liability - ending (A)</b>	<b>\$ 3,781,439</b>	<b>\$ 3,674,267</b>	<b>\$ 3,500,456</b>	<b>\$ 3,236,903</b>	<b>\$ 3,130,268</b>	<b>\$ 2,965,454</b>	<b>\$ 2,437,925</b>
<b>Plan fiduciary net position:</b>							
Contributions - employer	\$ 129,497	\$ 118,842	\$ 125,554	\$ 112,210	\$ 100,285	\$ 96,986	\$ 87,891
Contributions - employee	35,994	36,037	34,985	33,618	32,467	31,857	28,231
Net investment income	399,356	447,317	(145,630)	392,235	134,505	9,388	106,745
Benefit payments, including refunds of employee contributions	(185,938)	(183,492)	(174,466)	(170,302)	(160,636)	(127,565)	(95,374)
Other (net transfer)	6,220	13,267	60,840	(62,457)	32,562	85,802	9,835
<b>Net change in plan fiduciary net position</b>	<b>385,129</b>	<b>431,971</b>	<b>(98,717)</b>	<b>305,304</b>	<b>139,183</b>	<b>96,468</b>	<b>137,328</b>
<b>Plan fiduciary net position - beginning</b>	<b>2,751,076</b>	<b>2,319,105</b>	<b>2,417,822</b>	<b>2,112,518</b>	<b>1,973,335</b>	<b>1,876,867</b>	<b>1,739,539</b>
<b>Plan fiduciary net position - ending (B)</b>	<b>\$ 3,136,205</b>	<b>\$ 2,751,076</b>	<b>\$ 2,319,105</b>	<b>\$ 2,417,822</b>	<b>\$ 2,112,518</b>	<b>\$ 1,973,335</b>	<b>\$ 1,876,867</b>
<b>Net pension liability - ending (A) - (B)</b>	<b>\$ 645,234</b>	<b>\$ 923,191</b>	<b>\$ 1,181,351</b>	<b>\$ 819,081</b>	<b>\$ 1,017,750</b>	<b>\$ 992,119</b>	<b>\$ 561,058</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>82.94%</b>	<b>74.87%</b>	<b>66.25%</b>	<b>74.70%</b>	<b>67.49%</b>	<b>66.54%</b>	<b>76.99%</b>
<b>Covered valuation payroll</b>	<b>\$ 799,855</b>	<b>\$ 800,820</b>	<b>\$ 777,432</b>	<b>\$ 747,069</b>	<b>\$ 721,477</b>	<b>\$ 707,928</b>	<b>\$ 588,527</b>
<b>Net pension liability as a percentage of covered valuation payroll</b>	<b>80.67%</b>	<b>115.28%</b>	<b>151.96%</b>	<b>109.64%</b>	<b>141.06%</b>	<b>140.14%</b>	<b>95.33%</b>

#### Notes to schedule:

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

## CRETE PUBLIC LIBRARY DISTRICT

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### SCHEDULE OF EMPLOYER CONTRIBUTIONS

June 30, 2021

Calendar year ended December 31,	Actuarially determined contribution (a)	Actual contribution (b)	Contribution deficiency (excess) (b-a)	Covered valuation payroll (c)	Actual contribution as a percentage of covered valuation payroll (b/c)
2020	\$ 129,497	\$ 129,497	\$ -	\$ 799,855	16.19%
2019	118,842	118,842	-	800,820	14.84%
2018	125,555	125,554	1	777,432	16.15%
2017	112,210	112,210	-	747,069	15.02%
2016	100,285	100,285	-	721,477	13.90%
2015	96,986	96,986	-	707,928	13.70%
2014	82,453	87,891	(5,438)	588,527	14.93%

## **CRETE PUBLIC LIBRARY DISTRICT**

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### **NOTES TO REQUIRED SUPPLEMENTAL 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.

## CRETE PUBLIC LIBRARY DISTRICT

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### NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2021

#### NOTE 3. SCHEDULE OF EMPLOYER CONTRIBUTION

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

###### **Valuation Date:**

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

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

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	23-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	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.
<i>Mortality:</i>	For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

###### **Other Information:**

Notes There were no benefit changes during the year.

\*Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.

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***OTHER  
SUPPLEMENTAL INFORMATION***

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**CRETE PUBLIC LIBRARY DISTRICT**

**OTHER FUNDS  
COMBINING BALANCE SHEET  
June 30, 2021**

	SPECIAL REVENUE FUNDS						Total
	IMRF	FICA	Public Liability Insurance	Audit	Unemploy. Compens.	Workmen's Comp.	
<b>Assets:</b>							
Cash and investments	\$ 162,379	\$ 121,041	\$ 41,344	\$ 38,245	\$ 21,032	\$ 1,884	\$ 385,925
Property tax receivables	48,721	32,609	8,248	4,412	1,151	1,151	96,292
Prepaid expenses	-	-	8,557	-	-	1,062	9,619
Total assets	<u>\$ 211,100</u>	<u>\$ 153,650</u>	<u>\$ 58,149</u>	<u>\$ 42,657</u>	<u>\$ 22,183</u>	<u>\$ 4,097</u>	<u>\$ 491,836</u>
<b>Liabilities:</b>							
Accrued expenses	\$ -	\$ -	\$ -	\$ 9,100	\$ -	\$ -	\$ 9,100
Total liabilities	-	-	-	9,100	-	-	9,100
<b>Deferred inflows of resources:</b>							
Unearned property tax revenue							
Property tax receivable	48,721	32,609	8,248	4,412	1,151	1,151	96,292
Advance collections	38,990	26,095	6,601	3,531	921	921	77,059
Total deferred inflows of resources	87,711	58,704	14,849	7,943	2,072	2,072	173,351
<b>Fund balances:</b>							
Nonspendable	-	-	8,557	-	-	1,062	9,619
Restricted	-	-	34,743	-	111	963	35,817
Committed	123,389	94,946	-	25,614	20,000	-	263,949
Total fund balances	<u>123,389</u>	<u>94,946</u>	<u>43,300</u>	<u>25,614</u>	<u>20,111</u>	<u>2,025</u>	<u>309,385</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 211,100</u>	<u>\$ 153,650</u>	<u>\$ 58,149</u>	<u>\$ 42,657</u>	<u>\$ 22,183</u>	<u>\$ 4,097</u>	<u>\$ 491,836</u>

## CRETE PUBLIC LIBRARY DISTRICT

### OTHER FUNDS

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

Year Ended June 30, 2021

	SPECIAL REVENUE FUNDS						Total
	IMRF	FICA	Public Liability Insurance	Audit	Unemploy. Compens.	Workmen's Comp.	
Revenues:							
Property taxes	\$ 109,776	\$ 64,897	\$ 25,184	\$ 9,040	\$ 323	\$ 323	\$ 209,543
Total revenues	109,776	64,897	25,184	9,040	323	323	209,543
Expenditures:							
IMRF	128,668	-	-	-	-	-	128,668
Social security	-	69,472	-	-	-	-	69,472
Insurance	-	-	15,470	-	2,339	2,132	19,941
Audit	-	-	-	9,100	-	-	9,100
Total expenditures	128,668	69,472	15,470	9,100	2,339	2,132	227,181
Excess (deficiency) of revenues over (under) expenditures	(18,892)	(4,575)	9,714	(60)	(2,016)	(1,809)	(17,638)
Other financing sources:							
Transfers	50,000	30,000	-	-	20,000	-	100,000
Total other financing sources	50,000	30,000	-	-	20,000	-	100,000
Net change in fund balances	31,108	25,425	9,714	(60)	17,984	(1,809)	82,362
Fund balances:							
Beginning of year	92,281	69,521	33,586	25,674	2,127	3,834	227,023
End of year	\$ 123,389	\$ 94,946	\$ 43,300	\$ 25,614	\$ 20,111	\$ 2,025	\$ 309,385