

**CHICAGO RIDGE
PUBLIC LIBRARY**
CHICAGO RIDGE, ILLINOIS

ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020

CHICAGO RIDGE PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
CHICAGO RIDGE PUBLIC LIBRARY
Chicago Ridge, Illinois

We were engaged to audit the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **CHICAGO RIDGE PUBLIC LIBRARY** (the "Library"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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. Because of the matter described in the "Basis for Disclaimer of Opinion on the Financial Statements of the Governmental Activities" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the governmental activities.

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 judgement, 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 Library'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 Library's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Except for the matter described in the "Basis for Disclaimer of Opinion on the Financial Statements of the Governmental Activities" paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions.

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Basis for Disclaimer of Opinion on the Financial Statements of the Governmental Activities

Eligible Library employees participate in the defined benefit pension plan of the Village of Chicago Ridge (the "Village"), which is the Illinois Municipal Retirement Fund. The Village and the Library estimated the deferred outflows and inflows of resources and net pension liability at December 31, 2020 and 2019 and the related 2020 pension expense for this plan that was due to Library employees. The deferred outflows of resources were estimated to be \$12,857 and \$47,156 at December 31, 2020 and 2019, respectively. The deferred inflows of resources were estimated to be \$391,387 and \$241,657 at December 31, 2020 and 2019, respectively. The net pension asset/(liability) was estimated to be \$140,080 and (\$252,938) at December 31, 2020 and 2019, respectively. The pension income was estimated to be \$138,308 for the year ended December 31, 2020. These amounts have not been audited by us, since we were not engaged to audit amounts related to the Village's defined benefit pension plan. Also, the accompanying financial statements do not include the note disclosures for this plan required by the Governmental Accounting Standards Board.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Financial Statements of the Governmental Activities" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the governmental activities. Accordingly, we do not express an opinion on the financial statements of the governmental activities.

Basis for Qualified Opinion on Major Funds and Aggregate Remaining Fund Information (Other Funds)

As mentioned above, the accompanying financial statements do not include disclosures for the defined benefit pension plan of the Library. Disclosure of this information is required by the Governmental Accounting Standards Board.

Qualified Opinions

In our opinion, except for the possible effects of the omission of the information described in the "Basis for Qualified Opinion on Major Funds and Aggregate Remaining Fund Information (Other Funds)" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Library as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 by 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.

Management has omitted the management's discussion and analysis and required supplemental information for the Village's pension plan in which the Library participates, as described above. Accounting principles generally accepted in the United States of America require this information to be presented to the supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library'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
July 8, 2021

CHICAGO RIDGE PUBLIC LIBRARY**GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION**

December 31, 2020

	<u>General</u>	<u>Special Reserve</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:						
Cash and investments	\$ 1,413,681	\$ 789,826	\$ 33,289	\$ 2,236,796	\$ -	\$ 2,236,796
Property tax receivables	1,265,260	-	126,526	1,391,786	-	1,391,786
Grant receivable	5,000	-	-	5,000	-	5,000
Land and construction in progress (not depreciated)	-	-	-	-	1,097,125	1,097,125
Other capital assets, net of depreciation	-	-	-	-	1,927,987	1,927,987
Net pension asset	-	-	-	-	140,080	140,080
Total assets	<u>2,683,941</u>	<u>789,826</u>	<u>159,815</u>	<u>3,633,582</u>	<u>3,165,192</u>	<u>6,798,774</u>
Deferred outflows of resources:						
Deferred amount of IMRF pension	-	-	-	-	12,857	12,857
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,857</u>	<u>12,857</u>
Total assets and deferred outflows of resources	<u>\$ 2,683,941</u>	<u>\$ 789,826</u>	<u>\$ 159,815</u>	<u>\$ 3,633,582</u>	<u>\$ 3,178,049</u>	<u>\$ 6,811,631</u>

CHICAGO RIDGE PUBLIC LIBRARY

GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION

December 31, 2020

Continued from previous page

	<u>General</u>	<u>Special Reserve</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Liabilities:						
Accounts payable	\$ 436,205	\$ -	\$ -	\$ 436,205	\$ -	\$ 436,205
Accrued payroll	22,357	-	2,689	25,046	-	25,046
Deferred revenue	8,333	-	-	8,333	-	8,333
Accrued compensated absences	-	-	-	-	34,285	34,285
Total liabilities	<u>466,895</u>	<u>-</u>	<u>2,689</u>	<u>469,584</u>	<u>34,285</u>	<u>503,869</u>
Deferred inflows of resources:						
Deferred amount of IMRF pension	-	-	-	-	391,387	391,387
Unearned property tax revenue	<u>1,265,260</u>	<u>-</u>	<u>126,526</u>	<u>1,391,786</u>	<u>-</u>	<u>1,391,786</u>
Total deferred inflows of resources	<u>1,265,260</u>	<u>-</u>	<u>126,526</u>	<u>1,391,786</u>	<u>391,387</u>	<u>1,783,173</u>
Fund balances/net position						
Fund balances:						
Restricted	-	-	30,600	30,600	(30,600)	-
Committed	-	789,826	-	789,826	(789,826)	-
Unassigned	<u>951,786</u>	<u>-</u>	<u>-</u>	<u>951,786</u>	<u>(951,786)</u>	<u>-</u>
Total fund balances	<u>951,786</u>	<u>789,826</u>	<u>30,600</u>	<u>1,772,212</u>	<u>(1,772,212)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,683,941</u>	<u>\$ 789,826</u>	<u>\$ 159,815</u>	<u>\$ 3,633,582</u>		<u>\$ 2,287,042</u>
Net position:						
Net investment in capital assets					3,025,112	3,025,112
Unrestricted					1,468,877	1,468,877
Restricted					<u>30,600</u>	<u>30,600</u>
Total net position					<u>\$ 4,524,589</u>	<u>\$ 4,524,589</u>

CHICAGO RIDGE PUBLIC LIBRARY

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

December 31, 2020

Fund balances - governmental funds		\$ 1,772,212
Capital assets are not current financial resources and therefore are not reported on the governmental funds balance sheet.		3,025,112
Deferred outflows and inflows of resources related to IMRF pension are not a current financial resource and therefore are not reported on the governmental funds balance sheet:		
Deferred outflows of resources related to IMRF pension		12,857
Deferred inflows of resources related to IMRF pension		(391,387)
Long-term liabilities are not due and payable in the current period and therefore are not reported on the governmental funds balance sheet:		
Accrued compensated absences	\$ (34,285)	
Net pension asset	140,080	
Total adjustments		<u>105,795</u>
Net position of governmental activities		<u>\$ 4,524,589</u>

CHICAGO RIDGE PUBLIC LIBRARY

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

Year Ended December 31, 2020

	General	Special Reserve	Other Funds	Total	Adjustments	Statement of Activities
Revenues:						
Property taxes	\$ 1,271,990	\$ -	\$ 103,137	\$ 1,375,127	\$ -	\$ 1,375,127
Replacement taxes	19,767	-	-	19,767	-	19,767
Operating grants	31,548	-	-	31,548	-	31,548
Investment income	19,810	-	-	19,810	-	19,810
Fines and fees (charges for services)	8,522	-	-	8,522	-	8,522
Donations	9,308	-	-	9,308	-	9,308
Total revenues	1,360,945	-	103,137	1,464,082	-	1,464,082
Expenditures/expenses:						
Current:						
Cultural	1,108,906	-	117,290	1,226,196	(70,778)	1,155,418
Capital outlay	18,356	678,675	-	697,031	(684,865)	12,166
Total expenditures/expenses	1,127,262	678,675	117,290	1,923,227	(755,643)	1,167,584
Excess (deficiency) of revenues over (under) expenditures/expenses	233,683	(678,675)	(14,153)	(459,145)	755,643	296,498
Other financing sources (uses):						
Transfers	(70,000)	70,000	-	-	-	-
Total other financing sources (uses)	(70,000)	70,000	-	-	-	-
Net change in fund balances/net position	163,683	(608,675)	(14,153)	(459,145)	755,643	296,498
Fund balances/net position:						
Beginning of year	788,103	1,398,501	44,753	2,231,357	1,996,734	4,228,091
End of year	\$ 951,786	\$ 789,826	\$ 30,600	\$ 1,772,212	\$ 2,752,377	\$ 4,524,589

CHICAGO RIDGE PUBLIC LIBRARY

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

Year Ended December 31, 2020

Net change in fund balances - governmental funds		\$ (459,145)
<p>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.</p>		
Expenditures for capital assets in the current year	\$ 748,293	
Current year depreciation	<u>(191,192)</u>	
		557,101
<p>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.</p>		
Change in accrued compensated absences from the prior year	(10,447)	
Change in net deferred outflows/inflows of resources for IMRF pension plan from the prior year	(184,029)	
Change in net pension liability from the prior year	<u>393,018</u>	
		<u>198,542</u>
Total adjustments		<u>755,643</u>
Change in net position of governmental activities		<u>\$ 296,498</u>

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CHICAGO RIDGE PUBLIC LIBRARY (the “Library”) is located in Chicago Ridge, Illinois. The Library was organized under state law to provide cultural and library services to local residents.

The accounting policies of the Library 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 Library’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 and 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 Library. Also, the Village of Chicago Ridge does not consider the Library to be a component unit.

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 Library’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 fines and fees (charges for service), operating grants and donations.

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 and Special Reserve Fund. Following is a brief description of the major funds used by the Library.

General Fund – The general fund is the general operating fund of the Library 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.

Special Reserve Fund – The special reserve fund is used for property, building, building renovations and equipment purchases.

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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 real estate tax, replacement tax and grant revenue. Expenditures are recognized when the related fund liability is incurred.

D. 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.

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

Building	15 - 45 years
Furniture and fixtures	5 – 15 years
Equipment	3 – 20 years
Local history room	15 years
Library collection (books and audio-visual)	5 years

The minimum capitalization threshold is any item with a total cost greater than \$1,000, except for purchases of books and audio visual, which are always capitalized.

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

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Compensated Absences

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

F. Deferred Outflows/Inflows of Resources

The Library 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 Library only has one amount that qualifies for reporting in this category, the outflows related to the pension, which represents pension amounts that will be recognized in future periods.

The Library 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 Library has two items that qualify for reporting in this category:

- Deferred inflows related to pensions, which represent pension amounts 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.

G. Property Taxes

Annually, the Library's Board adopts a budget and property tax levy ordinance, which is submitted to the Village of Chicago Ridge. The Village includes the Library's levy in their property tax levy ordinance. Upon adoption by the Village's Board, the Library establishes a legal right to revenue from property tax assessments. 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.

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The 2019 levy was intended to finance the fiscal year ended December 31, 2020. Therefore, the property taxes collected within 60 days of December 31, 2020 for this levy have been recorded as revenue, along with collections of prior levies. The 2020 levy is intended to finance the fiscal year ending December 31, 2021. Therefore, the property taxes receivable of this levy as of December 31, 2020 has been recorded as deferred inflows of resources.

The Library recorded an allowance for uncollectible property taxes of 1.72% of the 2020 levy (\$24,416). 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 9, 2020
First installment due	March 2, 2021
Second installment due	October 1, 2021

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

H. Elimination and Reclassifications

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

I. 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 inventory, prepaid expenses or amounts required to be maintained intact legally or contractually.
- Restricted includes amounts constrained for a specific purpose by external parties.
- Committed includes amounts constrained for a specific purpose by a government using its highest level of decision-making authority (the Board of Trustees for the Library). 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.

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- 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 December 31, 2020. 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.

J. 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 Library uses restricted resources when an expense is incurred before using unrestricted resources.

K. 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. The most sensitive estimates affecting the Library's financial statements were:

- **Allowance for uncollectible property taxes:** Management's estimate of the allowance for uncollectible property taxes was based on the percentage of uncollectible taxes from the last three years' tax levies.
- **Pension plan:** The Library participates in the defined benefit pension plan of the Village of Chicago Ridge (the "Village"), which is the Illinois Municipal Retirement Fund (IMRF), a multiple employer plan. The deferred outflows and inflows of resources, net pension liability and annual pension costs of this plan were calculated by IMRF, using various actuarial assumptions. The Village and Library then estimated the portion of these amounts that related to the employees of the Library. Therefore, these amounts are based on significant estimates.

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 2. DEFINED BENEFIT PENSION PLAN (UNAUDITED)

Eligible Library employees participate in the defined benefit pension plan of the Village of Chicago Ridge (the "Village"). The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. The Village and the Library estimated the deferred outflows and inflows of resources and net pension liability at December 31, 2020 and 2019 for the Library to be 20.28% and 21.29%, respectively, of the totals of these amounts for the Village's IMRF account. These percentages were determined by taking the Library's total employer contributions divided by the total employer contributions (Village and Library) for each respective year.

The Library's cash contributions to IMRF were \$70,682 for the year ended December 31, 2020, which is the expense reported on the accompanying Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances. Deferred outflows of resources of \$12,857, deferred inflows of resources of \$391,387 and net pension asset of \$140,080 are recognized at December 31, 2020 on the accompanying Statement of Net Position. Also, pension income of \$138,308 is recognized for the year ended December 31, 2020 on the accompanying Statement of Activities.

Additional information for the defined benefit pension plan, including note disclosures and supplemental information required by the Government Accounting Standards Board, may be obtained from the Village's 2020 financial statements.

NOTE 3. CASH AND INVESTMENTS

Reconciled cash and investments were as follows at December 31, 2020:

Canadian Imperial Bank of Commerce - checking account	\$ 190,823
Canadian Imperial Bank of Commerce - money market account	2,045,823
Petty cash	150
Total cash and investments	<u>\$ 2,236,796</u>

The Library's investment policy (the "policy") authorizes the Library to invest in securities authorized by the Illinois Public Funds Investment Act.

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

- Custodial credit risk is the risk that the Library will not be able to recover its deposits with financial institutions in the event of the failure of the financial institutions. The Library's policy limits this risk by only allowing deposits with financial institutions that do not exceed the Federal Deposit Insurance Corporation (FDIC) coverage.

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 3. CASH AND INVESTMENTS - Continued

- Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations, resulting in investment losses by the Library. The Library's policy limits this risk by only allowing investments in securities guaranteed by the United States government.
- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's policy limits the term of investments to no more than five years to reduce this risk.
- Concentration of credit risk is the risk of loss attributed to funds being concentrated in a limited number of investments. The Library's policy does not address this risk.

The Library's deposits with financial institutions were categorized as follows at December 31, 2020:

Insured by federal depository insurance	\$ 250,000
Collateralized by securities held by the pledging financial institution's trust department or agent in the Library's name	2,008,580
Collateralized by securities held by the pledging financial institution's trust department or agent, but not in the Library's name	-
Uncollateralized	-
Total deposits with financial institutions	<u>\$ 2,258,580</u>

NOTE 4. RISK OF LOSS

The Library is exposed to various risks of loss through property ownership, employee injury, liability of employees, actions of elected officials and other risks. The Library purchases commercial insurance policies to overcome these risks. There were no significant reductions in insurance coverage in the year ended December 31, 2020 compared to the previous fiscal year. Also, claims did not exceed insurance coverage in the year ended December 31, 2020 or the previous two fiscal years.

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 5. CAPITAL ASSETS

Following is a summary of changes in the capital assets for the year ended December 31, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not depreciable:				
Land	\$ 395,112	\$ -	\$ -	\$ 395,112
Construction in progress	23,338	678,675	-	702,013
Total capital assets, not depreciable	418,450	678,675	-	1,097,125
Capital assets, depreciable:				
Building	3,007,942	5,095	-	3,013,037
Furniture and fixtures	416,018	-	-	416,018
Equipment	250,944	6,190	-	257,134
Local history room	5,215	-	-	5,215
Library collection	485,168	58,333	(81,889)	461,612
Total capital assets, depreciable	4,165,287	69,618	(81,889)	4,153,016
Less accumulated depreciation for:				
Building	(1,332,869)	(66,985)	-	(1,399,854)
Furniture and fixtures	(394,615)	(4,076)	-	(398,691)
Equipment	(154,267)	(25,454)	-	(179,721)
Local history room	(5,215)	-	-	(5,215)
Library collection	(228,760)	(94,677)	81,889	(241,548)
Total accumulated depreciation	(2,115,726)	(191,192)	81,889	(2,225,029)
Capital assets, net	<u>\$ 2,468,011</u>	<u>\$ 557,101</u>	<u>\$ -</u>	<u>\$ 3,025,112</u>

NOTE 6. LIABILITIES

Liability activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Other liabilities:					
Accrued compensated absences	\$ 23,838	\$ 42,121	\$ (31,674)	\$ 34,285	\$ 34,285
Total long term liabilities	<u>\$ 23,838</u>	<u>\$ 42,121</u>	<u>\$ (31,674)</u>	<u>\$ 34,285</u>	<u>\$ 34,285</u>

The general fund is used to liquidate the above liability.

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 7. RESTRICTED NET POSITION

Restricted net position on the Statement of Net Position at December 31, 2020 was due to amounts restricted by tax levies for Social Security and Medicare tax (FICA) and IMRF contribution expenditures.

NOTE 8. FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the government funds at December 31, 2020:

	<u>General</u>	<u>Special Reserve</u>	<u>Other Funds</u>
Fund balance:			
Restricted due to enabling legislation (tax levy):			
Contributions to IMRF	\$ -	\$ -	\$ 14,692
Social Security and Medicare taxes (FICA taxes)	-	-	15,908
Total restricted	<u>-</u>	<u>-</u>	<u>30,600</u>
Committed:			
Capital projects	-	789,826	-
Total committed	<u>-</u>	<u>789,826</u>	<u>-</u>
Unassigned:			
General	951,786	-	-
Total unassigned	<u>951,786</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 951,786</u>	<u>\$ 789,826</u>	<u>\$ 30,600</u>

NOTE 9. OTHER FUND DISCLOSURES

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds. A funds transfer of \$70,000 was made from the general fund to the special reserve fund. This transfer was approved by the Board of Trustees for the planned or emergency repairs and alterations of the Library's building and equipment.

NOTE 10. CONTRACTUAL COMMITMENTS

The Library entered into a \$1,059,257 construction contract for renovations to the Library on April 24, 2020. \$571,665 of the total contract was spent as of December 31, 2020, with a remaining contractual commitment of \$487,592 at December 31, 2020.

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 11. SUBSEQUENT EVENTS

The Library has evaluated events subsequent to December 31, 2020 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.

Renovations to the Library's building were completed on March 31, 2021. Total renovation costs, including furniture and fixtures, the construction manager's fees, and the construction contract were \$1,502,825. Construction in progress at December 31, 2020 was \$702,013. Therefore, \$800,812 was spent after December 31, 2020.

***REQUIRED
SUPPLEMENTAL INFORMATION***

CHICAGO RIDGE PUBLIC LIBRARY

GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL Year Ended December 31, 2020

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:			
Property taxes	\$ 1,272,000	\$ 1,271,990	\$ (10)
Replacement taxes	15,000	19,767	4,767
Operating grants	10,000	31,548	21,548
Investment income	-	19,810	19,810
Fines and fees (charges for services)	-	8,522	8,522
Donations	-	9,308	9,308
Miscellaneous	26,000	-	(26,000)
	<u>1,323,000</u>	<u>1,360,945</u>	<u>37,945</u>
Total revenues			
Expenditures:			
Cultural:			
Wages	684,000	632,149	(51,851)
Materials and supplies	118,000	66,617	(51,383)
Offices supplies	4,000	14,274	10,274
Postage	1,200	2,112	912
Maintenance - equipment	124,800	39,199	(85,601)
Maintenance - grounds	3,000	1,505	(1,495)
Maintenance - buildings	78,000	38,037	(39,963)
Seminars	16,000	-	(16,000)
Public information	20,000	11,347	(8,653)
Professional fees	-	91,879	91,879
Programs	-	8,032	8,032
Subscriptions	48,000	57,611	9,611
Training and dues	-	10,951	10,951
Contingencies	79,000	218	(78,782)
Health insurance	95,000	89,484	(5,516)
State unemployment taxes	4,000	1,030	(2,970)
Liability insurance	14,000	14,740	740
Protective services	-	400	400
Grants	-	11,451	11,451
Utilities	22,000	17,870	(4,130)
	<u>1,311,000</u>	<u>1,108,906</u>	<u>(202,094)</u>
Total cultural expenditures			

Continued on next page

CHICAGO RIDGE PUBLIC LIBRARY

GENERAL FUND SCHEDULE OF REVENUES AND EXPENDITURES - ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL Year Ended December 31, 2020

Continued from previous page

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Capital outlay:			
Machinery and equipment	12,000	18,356	6,356
Construction Improvements	<u>1,400,000</u>	<u>-</u>	<u>(1,400,000)</u>
Total capital outlay	<u>1,412,000</u>	<u>18,356</u>	<u>(1,393,644)</u>
Total expenditures	<u>2,723,000</u>	<u>1,127,262</u>	<u>(1,595,738)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,400,000)	233,683	1,633,683
Other financing uses:			
Transfers	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Total other financing uses	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Net change in fund balance	<u>\$ (1,400,000)</u>	163,683	<u>\$ 1,563,683</u>
Fund balance, beginning		<u>788,103</u>	
Fund balance, ending		<u>\$ 951,786</u>	

CHICAGO RIDGE PUBLIC LIBRARY

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2020

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 Library'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 submits this resolution to the Board of Trustees of the Village of Chicago Ridge (the "Village").
- (c) The Library's budget is included in the Village's annual budget and appropriation ordinance.
- (d) Notice is published in a newspaper that the tentative Annual Budget and Appropriation Ordinance of the Village is available for inspection and then is subsequently presented at a public hearing.
- (e) The Village'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 Library's Board of Trustees. There were no amendments to the budget for the year ended December 31, 2020.

NOTE 2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Expenditures did not exceed the appropriations for the year ended December 31, 2020 for the general fund.

***OTHER
SUPPLEMENTAL INFORMATION***

CHICAGO RIDGE PUBLIC LIBRARY

OTHER FUNDS

COMBINING BALANCE SHEET

December 31, 2020

	<u>IMRF</u>	<u>FICA</u>	<u>Total</u>
Assets:			
Cash and investments	\$ 15,671	\$ 17,618	\$ 33,289
Property tax receivables	<u>72,879</u>	<u>53,647</u>	<u>126,526</u>
Total assets	<u>\$ 88,550</u>	<u>\$ 71,265</u>	<u>\$ 159,815</u>
Liabilities:			
Accrued payroll	\$ 979	\$ 1,710	\$ 2,689
Total liabilities	<u>979</u>	<u>1,710</u>	<u>2,689</u>
Deferred inflows of resources:			
Unearned property tax revenue	<u>72,879</u>	<u>53,647</u>	<u>126,526</u>
Total deferred inflows of resources	<u>72,879</u>	<u>53,647</u>	<u>126,526</u>
Fund balances:			
Restricted	<u>14,692</u>	<u>15,908</u>	<u>30,600</u>
Total fund balances	<u>14,692</u>	<u>15,908</u>	<u>30,600</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,550</u>	<u>\$ 71,265</u>	<u>\$ 159,815</u>

CHICAGO RIDGE PUBLIC LIBRARY

OTHER FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended December 31, 2020

	<u>IMRF</u>	<u>FICA</u>	<u>Total</u>
Revenues:			
Property taxes	\$ 74,982	\$ 28,155	\$ 103,137
Total revenues	74,982	28,155	103,137
Expenditures:			
Current:			
Contributions to IMRF	70,682	-	70,682
Social Security and Medicare taxes (FICA taxes)	-	46,608	46,608
Total expenditures	70,682	46,608	117,290
Net change in fund balances	4,300	(18,453)	(14,153)
Fund balances:			
Beginning of year	10,392	34,361	44,753
End of year	<u>\$ 14,692</u>	<u>\$ 15,908</u>	<u>\$ 30,600</u>