

**LINCOLNWOOD PUBLIC  
LIBRARY DISTRICT**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2023**



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## **Independent Auditor's Report**

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Board of Trustees  
Lincolnwood Public Library District  
Lincolnwood, Illinois

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincolnwood Public Library District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Lincolnwood Public Library District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincolnwood Public Library District as of June 30, 2023, 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lincolnwood Public Library District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincolnwood Public Library District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

## **Independent Auditor's Report**

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standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individual or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lincolnwood Public Library District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincolnwood Public Library District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 4 through 6 and 22 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The accompanying financial information listed as Supplementary Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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

## Independent Auditor's Report

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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 financial statements as a whole.

October 26, 2023

ATA Group, LLP



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

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Management of Lincolnwood Public Library District provides this narrative overview and analysis for the fiscal year ended June 30, 2023. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

### **Overview of the Financial Statements**

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

### **Financial Highlights**

The District's total net position as of June 30, 2023 and 2022 were \$8,183,222 and \$7,733,166, respectively. For the years ended June 30, 2023 and 2022, net position increased \$450,056 and \$282,024, respectively. The term "net position" represents the difference between total assets and total liabilities/deferred inflows of resources.

### **Financial Statements**

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

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

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

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

### **Financial Analysis**

Net position may serve, over time, as a useful indicator of a government's financial position. The District's assets exceed liabilities/deferred inflows of resources by \$8,183,222 as of the close of the year. Of the net position balance, \$288,379 is restricted, \$3,270,850 is unrestricted and \$4,623,993 is the net investment in capital assets.

# Management's Discussion and Analysis

## Condensed Statement of Net Position

	June 30,	
	2023	2022
Current Assets	\$ 4,806,385	\$ 4,670,697
Capital Assets, net of Accumulated Depreciation	5,998,798	6,287,364
Total Assets	<u>10,805,183</u>	<u>10,958,061</u>
Deferred Outflows of Resources	939,619	-
Current Liabilities	78,446	169,050
Non-Current Liabilities	1,957,507	1,549,178
Total Liabilities	<u>2,035,953</u>	<u>1,718,228</u>
Deferred Inflows of Resources	1,525,627	1,359,829
Net Position		
Net Investment in Capital Assets	4,623,993	4,738,186
Restricted	288,379	265,533
Unrestricted	3,270,850	2,729,447
Total Net Position	<u>\$ 8,183,222</u>	<u>\$ 7,733,166</u>

## Condensed Statement of Activities

	For Years Ended June 30,	
	2023	2022
Revenues		
Property Taxes	\$ 2,913,637	\$ 3,005,685
Grants	19,867	58,848
Fines, Fees and Other	8,035	5,907
Gifts and Memorials	190	650
Interest Income	25,912	2,069
Total Revenues	<u>2,967,641</u>	<u>3,073,159</u>
Expenses		
Library Materials	211,639	194,647
Supplies	24,038	27,863
Outside Services	71,448	54,604
Operating	128,983	147,223
Training and Development	27,273	37,962
Community Relations	29,417	31,680
Salaries and Benefits	1,016,072	1,387,027
Capital Equipment	47,894	41,193
Contingency and Other	13,603	1,370
Building Maintenance	113,440	112,272
Social Security	91,265	95,984
Liability Insurance	32,054	28,725
Audit	10,400	9,900
Special Reserve	109,939	51,312
Interest and Fees	38,527	42,639
Depreciation	551,593	526,734
Total Expenses	<u>2,517,585</u>	<u>2,791,135</u>
Increase (Decrease) in Net Position	450,056	282,024
Net Position, Beginning of Year	7,733,166	7,451,142
Net Position, End of Year	<u>\$ 8,183,222</u>	<u>\$ 7,733,166</u>

## Management's Discussion and Analysis

The following is a summary of changes in fund balances for the year ended June 30, 2023:

<u>Governmental Funds</u>	<u>Fund Balance June 30, 2022</u>	<u>Increase (Decrease)</u>	<u>Fund Balance June 30, 2023</u>
General	\$ 2,190,700	\$ 87,813	\$ 2,278,513
Building Maintenance	143,093	10,848	153,941
Social Security	105,398	14,270	119,668
Liability Insurance	11,732	(2,205)	9,527
Audit	5,309	(66)	5,243
Special Reserve	607,332	72,803	680,135
	<u>\$ 3,063,564</u>	<u>\$ 183,463</u>	<u>\$ 3,247,027</u>

During the fiscal year, the General Fund transferred \$300,000 to the Special Reserve Fund.

### Budgetary Highlight

The District's General Fund expended \$2,309,822, which was \$1,117,801 less than the final appropriation of \$3,427,623.

### Capital Assets and Debt Administration

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

	<u>2023</u>	<u>2022</u>
Land	\$ 829,514	\$ 829,514
Sculpture	18,000	18,000
Land Improvements	650,777	650,777
Building and Improvements	7,857,274	7,784,974
Furniture and Equipment	652,522	646,279
Computer Equipment	94,089	49,131
Books and Other Library Materials	869,738	871,288
Cost of Capital Assets	10,971,914	10,849,963
Less Accumulated Depreciation	<u>4,973,116</u>	<u>4,562,599</u>
Net Capital Assets	<u>\$ 5,998,798</u>	<u>\$ 6,287,364</u>

Significant capital asset purchases during the year include building improvements and furniture. Note 4 on page 14 contains more detail on capital assets. During the year, the District retired \$170,000 in debt certificates bringing the outstanding balance to \$1,360,000. Note 5 on pages 14 and 15 contains more details.

### Description of Current or Expected Conditions

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

### Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Library Director, Lincolnwood Public Library District, 4000 W. Pratt Avenue, Lincolnwood, Illinois 60712-3531.



# Basic Financial Statements

LINCOLNWOOD PUBLIC LIBRARY DISTRICT  
GOVERNMENTAL FUNDS BALANCE SHEET AND  
STATEMENT OF NET POSITION

JUNE 30, 2023

	GENERAL FUND	SPECIAL RESERVE FUND	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 11)	STATEMENT OF NET POSITION
<b>ASSETS</b>						
Cash	\$ 2,281,018	\$ 680,135	\$ 290,952	\$ 3,252,105	\$ -	\$ 3,252,105
Property Taxes Receivable, net of allowance of \$94,620	1,395,017	-	130,610	1,525,627	-	1,525,627
Other Receivables	19,867	-	-	19,867	-	19,867
Prepaid Expenses	8,786	-	-	8,786	-	8,786
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	5,998,798	5,998,798
Total Assets	<u>3,704,688</u>	<u>680,135</u>	<u>421,562</u>	<u>4,806,385</u>	<u>5,998,798</u>	<u>10,805,183</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Outflows Related to Pension (IMRF)	-	-	-	-	939,619	939,619
Total Assets and Deferred Outflows of Resources	<u>\$ 3,704,688</u>	<u>\$ 680,135</u>	<u>\$ 421,562</u>	<u>\$ 4,806,385</u>	<u>6,938,417</u>	<u>11,744,802</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 11,519	\$ -	\$ 2,573	\$ 14,092	-	14,092
Accrued Salaries	19,639	-	-	19,639	-	19,639
Accrued Compensated Absences	-	-	-	-	37,915	37,915
Accrued Interest Payable	-	-	-	-	6,800	6,800
<b>Long-Term Liabilities</b>						
Due within one year	-	-	-	-	178,846	178,846
Due after one year	-	-	-	-	1,195,959	1,195,959
Due after one year - IMRF	-	-	-	-	582,702	582,702
Total Liabilities	<u>31,158</u>	<u>-</u>	<u>2,573</u>	<u>33,731</u>	<u>2,002,222</u>	<u>2,035,953</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Property Taxes	1,395,017	-	130,610	1,525,627	-	1,525,627
Total Liabilities and Deferred Inflows of Resources	<u>1,426,175</u>	<u>-</u>	<u>133,183</u>	<u>1,559,358</u>	<u>2,002,222</u>	<u>3,561,580</u>
<b>FUND BALANCES / NET POSITION</b>						
<b>Fund Balances</b>						
Restricted for Statutory Purposes	-	-	288,379	288,379	(288,379)	-
Committed for Capital Projects	-	680,135	-	680,135	(680,135)	-
Unassigned	2,278,513	-	-	2,278,513	(2,278,513)	-
Total Fund Balances	<u>2,278,513</u>	<u>680,135</u>	<u>288,379</u>	<u>3,247,027</u>	<u>(3,247,027)</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 3,704,688</u>	<u>\$ 680,135</u>	<u>\$ 421,562</u>	<u>\$ 4,806,385</u>		
<b>Net Position</b>						
Net Investment in Capital Assets					4,623,993	4,623,993
Restricted					288,379	288,379
Unrestricted					3,270,850	3,270,850
Total Net Position					<u>\$ 8,183,222</u>	<u>\$ 8,183,222</u>

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

# Basic Financial Statements

## LINCOLNWOOD PUBLIC LIBRARY DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL RESERVE FUND	OTHER FUNDS	TOTAL	ADJUSTMENTS (Note 11)	STATEMENT OF ACTIVITIES
<b>REVENUES</b>						
Property Taxes	\$2,645,877	\$ -	\$ 267,760	\$ 2,913,637	\$ -	\$ 2,913,637
Grants	19,867	-	-	19,867	-	19,867
Fines, Fees and Other	8,035	-	-	8,035	-	8,035
Gifts and Memorials	190	-	-	190	-	190
Interest Income	23,666	-	2,246	25,912	-	25,912
<b>Total Revenues</b>	<b>2,697,635</b>	<b>-</b>	<b>270,006</b>	<b>2,967,641</b>	<b>-</b>	<b>2,967,641</b>
<b>EXPENDITURES / EXPENSES</b>						
Library Materials	351,165	-	-	351,165	(139,526)	211,639
Supplies	24,038	-	-	24,038	-	24,038
Outside Services	71,448	-	-	71,448	-	71,448
Operating	128,983	-	-	128,983	-	128,983
Training and Development	27,273	-	-	27,273	-	27,273
Community Relations	29,417	-	-	29,417	-	29,417
Salaries and Benefits	1,396,008	-	-	1,396,008	(379,936)	1,016,072
Capital Equipment	47,894	-	-	47,894	-	47,894
Contingency and Other	19,846	-	-	19,846	(6,243)	13,603
Building Maintenance	-	-	113,440	113,440	-	113,440
Social Security	-	-	91,265	91,265	-	91,265
Liability Insurance	-	-	32,054	32,054	-	32,054
Audit	-	-	10,400	10,400	-	10,400
Special Reserve	-	227,197	-	227,197	(117,258)	109,939
Debt Certificate Principal	170,000	-	-	170,000	(170,000)	-
Interest and Fees	43,750	-	-	43,750	(5,223)	38,527
Depreciation	-	-	-	-	551,593	551,593
<b>Total Expenditures / Expenses</b>	<b>2,309,822</b>	<b>227,197</b>	<b>247,159</b>	<b>2,784,178</b>	<b>(266,593)</b>	<b>2,517,585</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	387,813	(227,197)	22,847	183,463	266,593	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating Transfer	(300,000)	300,000	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>87,813</b>	<b>72,803</b>	<b>22,847</b>	<b>183,463</b>	<b>(183,463)</b>	<b>-</b>
Change in Net Position	-	-	-	-	450,056	450,056
<b>FUND BALANCES / NET POSITION</b>						
Beginning of Year	2,190,700	607,332	265,532	3,063,564	4,669,602	7,733,166
End of Year	<u>\$2,278,513</u>	<u>\$ 680,135</u>	<u>\$ 288,379</u>	<u>\$ 3,247,027</u>	<u>\$ 4,936,195</u>	<u>\$ 8,183,222</u>

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

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

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

#### A. Reporting Entity

The District's reporting entity includes all entities for which the District exercised oversight responsibility as defined by the Governmental Accounting Standards Board (GASB).

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

#### B. Basis of Presentation

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

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the general fund and special reserve fund. Following is a description of the major and non-major funds.

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

Special Revenue Fund Type - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds of the District are: Building Maintenance, Social Security, Liability Insurance and Audit.

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

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

#### C. Basis of Accounting

The government-wide statements (the Statement of Net Position and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the current financial measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Typically, Cook County has accelerated collections of taxes so that a substantial amount of property taxes receivable at year end are now collected within 60 days after year end. This year these collections are occurring later. The District has not treated these funds as being available for the year ended June 30, 2023, and the District has designated the second installment for the subsequent year budget. As such, the entire property tax receivable at year end has been treated as deferred inflows of resources.

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

#### D. Budgets

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

#### E. Cash and Cash Investments

Cash includes amounts in a demand deposit account and in a NOW account. Illinois Revised Statutes authorize the District to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ICLS 30, 235-2, e), and other permitted investments under paragraph

## Notes to Financial Statements

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

902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks which are insured by the Federal Deposit Insurance Corporation.

#### F. Capital Assets

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

##### *Government-wide Statements*

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

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

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

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

##### *Fund Financial Statements*

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

#### G. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid, accumulated sick leave. Vacation pay is expected to be liquidated with expendable available financial resources and is reported as an expenditure and a liability in the government-wide statements.

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

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

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

Deferred inflows relating to property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources.

#### I. Interfund Transactions

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

#### J. Fund Equity

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

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest-level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

When fund balance resources are available for a specific purpose in more than one classification, it is the District’s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

#### K. Estimates

The preparation of financial statements in conformity with generally accepted

## Notes to Financial Statements

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

accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### L. Long-Term Obligations

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

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

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

#### N. Interest Income Allocation

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

### Note 2: Deposits

At year-end, the carrying amount of the District's deposits, excluding petty cash of \$300, was \$3,251,805 and the bank balance was \$3,282,077. The entire bank balance was covered by federal depository insurance (\$500,000) and collateral with securities held by pledging institution's agent in the District's name (\$2,782,077).

### Note 3: Property Taxes

Property taxes for 2022 attached as an enforceable lien on property as of January 1, 2022. They were levied in November 2022 by passage of a Tax Levy Ordinance. Taxes are generally payable in two installments on or around March 1 and August 1 (likely after December 1 this year). As such, significant tax monies are received in February, March, July and August (December this year). The County of Cook collects such taxes and remits them periodically during the period of February 2023 through January 2024. The second installment of the 2022 property tax levy is recorded as a receivable and deferred inflows of resources at June 30, 2023 net of estimated uncollectibles. The District has provided an allowance for uncollectible real property taxes equivalent to 3% of the current year's levy. All uncollected taxes relating to prior years' levies have been written off. The second installment will be used for year ending June 30, 2024 operations and is reflected as deferred inflows of resources at June 30, 2023.



## Notes to Financial Statements

### Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated				
Land	\$ 829,514	\$ -	\$ -	\$ 829,514
Sculpture	18,000	-	-	18,000
Total capital assets not being depreciated	<u>847,514</u>	<u>-</u>	<u>-</u>	<u>847,514</u>
Capital assets, being depreciated				
Land Improvements	650,777	-	-	650,777
Building and Improvements	7,784,974	72,300	-	7,857,274
Furniture and Equipment	646,279	6,243	-	652,522
Computer Equipment	49,131	44,958	-	94,089
Books and Other Library Materials	871,288	139,526	(141,076)	869,738
Total capital assets being depreciated	<u>10,002,449</u>	<u>263,027</u>	<u>(141,076)</u>	<u>10,124,400</u>
Less accumulated depreciation for				
Land Improvements	422,958	32,248	-	455,206
Building and Improvements	3,442,760	304,698	-	3,747,458
Furniture and Equipment	272,016	55,822	-	327,838
Computer Equipment	24,861	10,947	-	35,808
Books and Other Library Materials	400,004	147,878	(141,076)	406,806
Total accumulated depreciation	<u>4,562,599</u>	<u>551,593</u>	<u>(141,076)</u>	<u>4,973,116</u>
Total capital assets being depreciated, net	<u>5,439,850</u>	<u>(288,566)</u>	<u>-</u>	<u>5,151,284</u>
Capital assets, net	<u>\$ 6,287,364</u>	<u>\$ (288,566)</u>	<u>\$ -</u>	<u>\$ 5,998,798</u>

### Note 5: Long-Term Liabilities

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

## Notes to Financial Statements

### Note 5: Long-Term Liabilities (Continued)

Changes in long-term liabilities consists of the following debt certificates:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due In One Year
\$2,490,000 thirteen-year debt certificates dated May 3, 2016 with interest rates of 3.0%.	\$ 1,530,000	\$ -	\$ (170,000)	\$ 1,360,000	\$ 175,000
Plus (Minus) Deferred Amounts For Issuance Premium	19,178	-	(4,373)	14,805	3,846
	1,549,178	-	(174,373)	1,374,805	\$ 178,846
Net Pension Liability	-	582,702	-	582,702	
	<u>\$ 1,549,178</u>	<u>\$ 582,702</u>	<u>\$ (174,373)</u>	<u>\$ 1,957,507</u>	

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

Year Ending June 30,	Principal	Interest	Total	Interest Rate
2024	\$ 175,000	\$ 38,175	\$ 213,175	3.00%
2025	185,000	32,775	217,775	3.00%
2026	190,000	27,150	217,150	3.00%
2027	195,000	21,375	216,375	3.00%
2028	200,000	15,450	215,450	3.00%
2029	205,000	9,375	214,375	3.00%
2030	210,000	3,150	213,150	3.00%
Total	<u>\$ 1,360,000</u>	<u>\$ 147,450</u>	<u>\$ 1,507,450</u>	

### Note 6: Defined Benefit Pension Plan

On July 1, 2022, the District began participating in IMRF.

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

**Benefits Provided.** IMRF has three benefit plans. The District participates in the Regular Plan (RP). All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits

**Note 6: Defined Benefit Pension Plan (Continued)**

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, 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, 2022, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	-
Inactive Plan Members entitled to but not yet receiving	5
Active Plan Members	17
Total	22

Contributions. As set by statute, the District’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual contribution rate for calendar year 2022 was 10.10%. For the fiscal year ended December 31, 2022 the District contributed \$105,999 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, 2022. The total 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 (asset) liability at December 31, 2022:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 2.25%.

**Note 6: Defined Benefit Pension Plan (Continued)**

- *Salary Increases* were expected to be 2.85% to 13.75%, including inflation.
- The *Investment Rate of Return* was assumed to be 7.25%.
- *Projected Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for *Mortality* (for non-disabled retirees) were developed from the Pub-2010, Amount Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables with future mortality improvements projected using scale MP-2020.
- For *Disabled Retirees*, the Pub-2010, Amount-Weighted, below-median income, General Disabled Retiree, Male and Female (both unadjusted) tables were used with future mortality improvements projected using scale MP-2020.
- For *Active Members*, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables were used with future mortality improvements projected using scale MP-2020.
- There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2022 Illinois Municipal Retirement Fund annual actuarial valuation report.

The *long-term expected rate of return* on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2022:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	35.5%	6.50%
International Equities	18.0	7.60%
Fixed Income	25.5	4.90%
Real Estate	10.5	6.20%
Alternative Investments	9.5	6.25-9.90%
Cash Equivalents	1.0	4.00%
Total	<u>100.0%</u>	

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt

**Notes to Financial Statements**

**Note 6: Defined Benefit Pension Plan (Continued)**

municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating 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 this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.05%; and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) – (B)
Balances at December 31, 2021	\$ -	\$ -	\$ -
Change for the year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	-	-	-
Change in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	981,759	-	981,759
Changes in Assumptions	-	-	-
Contributions – Employer	-	51,016	(51,016)
Contributions – Employees	-	352,894	(352,894)
Net Investment Income	-	-	-
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfers)	-	(4,853)	4,853
Net Changes	<u>981,759</u>	<u>399,057</u>	<u>582,702</u>
Balances at December 31, 2022	<u>\$ 981,759</u>	<u>\$ 399,057</u>	<u>\$ 582,702</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 (7.25%)	1% Higher (8.25%)
Net Pension Liability	<u>\$ 665,352</u>	<u>\$ 582,702</u>	<u>\$ 512,619</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2022, the District recognized pension expense (income) of (\$254,766). At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## Notes to Financial Statements

### Note 6: Defined Benefit Pension Plan (Continued)

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 876,911	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>11,573</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	888,484	-
Pension Contributions made subsequent to the Measurement Date, through June 30, 2023	<u>51,135</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 939,619</u>	<u>\$ -</u>

Deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date were \$51,135. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows/(Inflows) of Resources
2023	\$ 107,741
2024	107,741
2025	107,741
2026	107,742
2027	104,848
Thereafter	<u>352,671</u>
Total	<u>\$ 888,484</u>

### Note 7: Deferred Compensation Plan

The District offered its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan (Schwab Personal Choice Retirement Account), available to all full time employees, permitted them to defer a portion of their salary until future years. The plan was discontinued effective July 1, 2022.

Participation in the plan was optional. The deferred compensation was not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation were deferred under the plan or held in trust on behalf of the employees and are fully vested. Accordingly, the assets were not reported in these financial statements. Furthermore, the District made contributions of either 5% or 10% of the eligible employee's compensation, depending on their employee classification. This feature was available to all full time employees with one year of service (earlier for the Director and department heads). For the year ended June 30, 2023, the District contributed \$3,848 to the deferred compensation plan, whereas employees contributed \$750.

## Notes to Financial Statements

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### Note 8: Other Post-Employment Benefits

#### a. Plan Description

In addition to providing the pension benefits described, the District postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and any employer contributions are governed by the District and can be amended by the District through its personal manual. The plan does not issue a separate report. The activity of the plan is reported in the District's governmental activities. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statements No. 75.

#### b. Benefits Provided

The District provides OPEB to its retirees. To be eligible for benefits, an employee must qualify for retirement benefits under the District's retirement plan or meet COBRA requirements.

All health care benefits are provided through the District's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Eligibility in library sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits. Retirees pay the full premium to continued in the plan; however, the premium is a blended premium, not an age adjusted premium, which creates an implicit benefit as defined by GASB Statement No. 75.

#### c. Total OPEB Liability

The District has undertaken an actuarial valuation and the OPEB liability at June 30, 2023 is deemed immaterial with respect to the financial statements taken as a whole.

### Note 9: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements did not exceed coverage during the year.

### Note 10: Jointly Governed Organization

The District participates in Cooperative Computer Services (CCS). CCS is an intergovernmental instrumentality formed by library members of the former North Suburban Library System and exists to administer a jointly owned integrated library automation system. CCS's governing board is comprised of one member from each participating library. No participant has any obligation, entitlement, or residual interest in CCS. In order to terminate membership in CCS, member libraries must provide one-year notice of termination. The District's expenditures to CCS for the year ended June 30, 2023 were \$64,260. The District received \$7,753 in grant passthrough funds during the year as well.



## Notes to Financial Statements

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### Note 11: Adjustments

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

Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	\$ 5,998,798
Deferred outflows, net, related to IMRF pension	939,619
Accrued compensated absences are recognized in governmental activities as they accrue.	(37,915)
Interest payable is recognized in governmental activities as it accrues.	(6,800)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet:	
Debt Certificates	(1,360,000)
Issuance Premium	(14,805)
Net Pension Liabilities	<u>(582,702)</u>
	<u>\$ 4,936,195</u>

The governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation exceeded capital outlays is \$288,566 (\$551,593 less \$263,027). Also, there is a change in accrued compensated absences of \$23,019. Furthermore, there was a change in accrued interest payable of \$850, amortization of debt premium of \$4,373, and a debt certificate payment of \$170,000. Finally, with respect to participation in the IMRF pension a net increase in net assets of \$356,917.

## Notes to Financial Statements

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### LINCOLNWOOD PUBLIC LIBRARY DISTRICT

#### GENERAL FUND

#### SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>			
Property Taxes	\$ 2,656,831	\$ 2,656,831	\$ 2,645,877
Fines, Fees, Grants, Gifts and Other	30,153	30,153	28,092
Interest Income	23,100	23,100	23,666
Total Revenues	<u>2,710,084</u>	<u>2,710,084</u>	<u>2,697,635</u>
<b>EXPENDITURES</b>			
Library Materials	420,862	420,862	351,165
Supplies	38,805	38,805	24,038
Outside Services	142,051	142,051	71,448
Operating	207,630	207,630	128,983
Training and Development	42,055	42,055	27,273
Community Relations	49,140	49,140	29,417
Salaries and Benefits	1,970,155	1,970,155	1,396,008
Capital Equipment	82,810	82,810	47,894
Debt Service	277,875	277,875	213,750
Contingency and Other	196,240	196,240	19,846
Total Expenditures	<u>3,427,623</u>	<u>3,427,623</u>	<u>2,309,822</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (717,539)</u>	<u>\$ (717,539)</u>	<u>\$ 387,813</u>

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

## Required Supplementary Information

### LINCOLNWOOD PUBLIC LIBRARY DISTRICT

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

CALENDAR YEAR ENDED DECEMBER 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Pension Liability</b>										
Service Cost	\$ -									
Interest on the Total Pension Liability	-									
Benefit Changes	-									
Difference between Expected and Actual Experience	981,759									
Assumption Changes	-									
Benefit Payments and Refunds	-									
<b>Net Change in Total Pension Liability</b>	<b>981,759</b>									
<b>Total Pension Liability - Beginning</b>	<b>-</b>									
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 981,759</b>									
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 51,016									
Employee Contributions	352,894									
Pension Plan Net Investment Income	-									
Benefit Payments and Refunds	-									
Other	(4,853)									
<b>Net Change in Plan Fiduciary Net Position</b>	<b>399,057</b>									
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>									
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 399,057</b>									
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>582,702</b>									
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>40.65%</b>									
<b>Covered Valuation Payroll</b>	<b>\$ 505,106</b>									
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>115.36%</b>									

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

**Required Supplementary Information**

LINCOLNWOOD PUBLIC LIBRARY DISTRICT

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2022	\$ 51,016	\$ 51,016	\$ -	\$ 505,106	10.10%

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

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2022 CONTRIBUTION RATE\*

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

Methods and Assumptions Used to Determine 2022 Contribution Rates:

- Actuarial Cost Method:* Aggregate entry age normal
- Amortization Method:* Level percentage of payroll, closed
- Remaining Amortization Period:* 21-year closed period
- Asset Valuation Method:* 5-year smoothed market; 20% corridor
- Wage Growth:* 2.75%
- Price Inflation:* 2.25%, approximate; No explicit price inflation assumption is used in this valuation.
- Salary Increases:* 2.85% to 13.75%, including inflation
- Investment Rate of Return:* 7.25%
- Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
- Mortality:* For non-disabled retirees, the Pub-2010 Amount-Weighted, below-medial income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount- Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and figure 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.

## **Required Supplementary Information**

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*Other Information:*

*Notes:*

There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2020, actuarial valuation; note two year lag between valuation and rate setting.

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

JUNE 30, 2023

	<u>BUILDING MAINTENANCE</u>	<u>SOCIAL SECURITY</u>	<u>LIABILITY INSURANCE</u>	<u>AUDIT</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Cash	\$ 154,586	119,668	\$ 11,455	5,243	\$ 290,952
Property Taxes Receivable, net	62,909	48,380	14,529	4,792	130,610
Prepaid Expenses	-	-	-	-	-
Total Assets	<u>\$ 217,495</u>	<u>\$ 168,048</u>	<u>\$ 25,984</u>	<u>\$ 10,035</u>	<u>\$ 421,562</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 645	\$ -	\$ 1,928	\$ -	\$ 2,573
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Property Taxes	62,909	48,380	14,529	4,792	130,610
Total Liabilities and Deferred Inflows of Resources	<u>63,554</u>	<u>48,380</u>	<u>16,457</u>	<u>4,792</u>	<u>133,183</u>
<b>FUND BALANCES</b>					
Restricted	153,941	119,668	9,527	5,243	288,379
Total Fund Balances	<u>153,941</u>	<u>119,668</u>	<u>9,527</u>	<u>5,243</u>	<u>288,379</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 217,495</u>	<u>\$ 168,048</u>	<u>\$ 25,984</u>	<u>\$ 10,035</u>	<u>\$ 421,562</u>

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

FOR THE YEAR ENDED JUNE 30, 2023

	<u>BUILDING MAINTENANCE</u>	<u>SOCIAL SECURITY</u>	<u>LIABILITY INSURANCE</u>	<u>AUDIT</u>	<u>TOTALS</u>
<b>REVENUES</b>					
Property Taxes	\$ 123,078	\$ 104,643	\$ 29,750	\$ 10,289	\$ 267,760
Interest Income	1,210	892	99	45	2,246
Total Revenues	<u>124,288</u>	<u>105,535</u>	<u>29,849</u>	<u>10,334</u>	<u>270,006</u>
<b>EXPENDITURES</b>					
Building Maintenance	113,440	-	-	-	113,440
Social Security	-	91,265	-	-	91,265
Liability Insurance	-	-	32,054	-	32,054
Audit	-	-	-	10,400	10,400
Total Expenditures	<u>113,440</u>	<u>91,265</u>	<u>32,054</u>	<u>10,400</u>	<u>247,159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,848	14,270	(2,205)	(66)	22,847
<b>FUND BALANCES</b>					
Beginning of Year	<u>143,093</u>	<u>105,398</u>	<u>11,732</u>	<u>5,309</u>	<u>265,532</u>
End of Year	<u>\$ 153,941</u>	<u>\$ 119,668</u>	<u>\$ 9,527</u>	<u>\$ 5,243</u>	<u>\$ 288,379</u>